19-016

LONG-TERM CARE APPLICATION FOR PERMIT

[ORIGINAL]

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

RECEIVED
MAR 27 2019
HEALTH FACILITIES & SERVICES REVIEW BOARD

DESCRIPTION OF PROJECT

Project Type

[Check one]		[check one]	
X	General Long-term Care	x	Establishment of a new LTC facility
☐	Specialized Long-term Care	☐	Establishment of new LTC services
		☐	Expansion of an existing LTC facility or service
		☐	Modernization of an existing facility

Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.
Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the ESTIMATED total project cost and the funding source(s) for the project.

Franciscan Ministries proposes to establish a one story wood framed building (approximately 45,750 square feet) connected to the north and west sides of the existing Village at Mercy Creek Assisted Living community located at 1501 Mercy Creek Drive, Normal, Illinois. The new building will be home to forty private skilled nursing care (SNF) beds, split into two "neighborhoods" of 20 beds each. Contiguous to these 40 beds will be 16 private assisted living memory care (ALMC) apartments designed to skilled care regulations (1-2 occupancy) but operated as a household of assisted living memory care. The architecture of the new nursing care facility will complement the existing assisted living building.

This application was originally submitted in the fall of 2018 (#18-028) and subsequently approved and issued a permit by the CON Board on 12/04/18. That application was dependent on the Mennonite Meadows Retirement Community (MMRC) pledging 40 beds from their Chenoa, IL facility to this applicant. The legacy MMRC governance structure failed to sell the facility, rather gave over governance of the facility to another party (rather than sell it), who informed Franciscan Ministries in early February that they do not agree with the former governance of the facility regarding pledging of the beds. All this being said, LeRoy Manor, a 102-bed SNF at Liberty Village of LeRoy, is scheduled to close on March 31, 2019 and with its closure, creates a bed need in the defined planning area of this project. Rather than go through litigation with MMRC regarding the previous arrangement, Franciscan Ministries is proposing to resubmit an application based on the new bed deficit created with the closing of the LeRoy facility.

The estimated cost of this project will be $19,210,000.00. Funding for this project will come from Bond Funds.

This application is for the establishment of a new facility; thus, this project is classified as "Substantive" according to *the 77 Illinois Administrative Code, Chapter II, Section 1110.140b of subchapter a.*

Facility/Project Identification

Facility Name: The Village at Mercy Creek
Street Address:1501 Mercy Creek Drive
City and Zip Code: Normal, Il 61761
County: McLean Health Service Area: 4 Health Planning Area: McLean

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: The Village at Mercy Creek
Address: 1501 Mercy Creek Dr. Normal, Illinois 61761
Name of Registered Agent: CT Corporation
Chief Executive Officer: Judy Amiano
CEO Address: 11500 Theresa Dr. Lemont, Il 60439
Telephone Number: 866-286-8430

Type of Ownership (Applicant/Co-Applicants)

x	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner:

Appended as **ATTACHMENT 1** shows the Certificate of Good Standing. Franciscan Ministries, as sponsored by The Franciscan Sisters of Chicago, will be the Owner of the proposed site and building.

APPEND DOCUMENTATION AS ATTACHoMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries)

Name: Deborah Brown
Title: Health Care Consultant
Company Name: Franciscan Advisory Services, Inc.
Address: 11500 Theresa Lane
Telephone Number: 331-318-5191
E-mail Address: dlbrown@franciscanministries.org
Fax Number: 331-318-5120

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: John D Glover
Title: Chief Operating Officer
Company Franciscan Ministries
Address:11500 Theresa Dr.
Telephone Number: 331 318 5115
E-mail Address: jglover@franciscanministries.org
Fax Number: 331 318 5120

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance. **This person must be an employee of the applicant.**]

Name: Deborah Brown
Title Director of Operations
Company Name: Franciscan Ministries
Address: 11500 Theresa Dr
Telephone Number: 331318 5191
E-mail Address: dlbrown@franciscanministries.org
Fax Number: 331 318 5120

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site: Owner Franciscan Ministries as sponsored by The Franciscan Sisters of Chicago
Address of Site Owner: 11500 Theresa Dr Lemont, Il 60439
Legal Description of Site: SEC 06-26-4E PT SE-BEG INT E LN SE & N LN RR, W1861.19', N550 14', NE21', SE187.8',SE168'. NE100'.NE168.36',N620',E TO A PT 1209.52'W & 283' S NE COR SE,S1205.7', E942.76',NE65.45', NE43.08',NE109.08',S175'TO POB
Proof of ownership or control of the site is to be provided as . Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease. Appended as **ATTACHMENT 2** is a notarized statement of the Corporation attesting to Ownership.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: The Village at Mercy Creek
Address: 1501 Mercy Creek Dr, Normal, Il 61761

X	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

Franciscan Ministries, as sponsored by the Franciscan Sisters of Chicago, will be the owner of the proposed site and building. The entity's Illinois Certificate of Good Standing is appended as **ATTACHMENT 3**.

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

Appended as **ATTACHMENT 4** is the Organizational Chart of Franciscan Ministries, the owner for the proposed project known as The Village at Mercy Creek.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.hfsrb.illinois.gov)**.

Appended as **ATTACHMENT 5A** are FIRM MAPS printed from www.FEMA.gov illustrating that the proposed site is not within a special flood hazard area.

Appended as **ATTACHMENT 5B** is a letter from BLDD Architects attesting that the site designated for the proposed SNF will not be located within a flood plain.

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

Appended as **ATTACHMENT 6** is a letter from Rachel Leibowitz, Deputy State Historic Preservation Officer of the Illinois Historic Preservation Agency, stating that "no significant historic, architectural or archaeological resources are located within the proposed project area."

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

The following submittals are up- to- date, as applicable:

X All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted

X All reports regarding outstanding permits

If the applicant fails to submit updated information for the requirements listed above, the application for permit will be deemed incomplete.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of The Village at Mercy Creek in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Judy Amiano
SIGNATURE

Judy Amiano
Chief Executive Officer

Notarization:
Subscribed and sworn to before me
this 15th day of August 2018

Denise L Boudreau
Signature of Notary

OFFICIAL SEAL
DENISE L BOUDREAU
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Feb 7, 2020

Seal

SIGNATURE

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES – INFORMATION REQUIREMENTS

This Section is applicable to ALL projects.

Criterion 1125.320 – Purpose of the Project

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

The proposed project will re-position 40 beds of nursing into the Normal, McLean County, Illinois marketplace. The proposed location of this project is located on/adjacent to an existing senior services community that has been operational in excess of 10 years.

The proposed project will not only improve overall access, but it will also improve access to quality services. Within the existing 30-mile PMA, there are 13 operational facilities totaling 1,227 beds. Of the 1,227 operational beds, 16% of the beds are located in facilities with a 1-Star Rating, and 47% of the beds are located within facilities with a 2-Star Rating. Overall, 63% of the operational skilled nursing beds within the 30 mile PMA operate with a 2- Star Rating, limiting access to quality care. Within the scope of heath inspections, 53% of the 1,227 beds are located in facilities with a 1-Star Rating, and 28% of the operational beds are located in facilities with a 2-Star rating (totaling 81% of the 1,227 beds). Overall, residents within the 30-mile PMA have access to only 188 beds with a 3-Star Rating or greater, compromising their access to quality care. In addition, within the 30-mile PMA, 95% of the operational beds are located in facilities in excess of 35 years old. Medicare utilization per community in the 30-mile PMA averages 10%. Three facilities representing 29% of the operational bed capacity within the 30-mile PMA capture 56% of this market share, of which two have an overall 2-Star Rating. In addition, there is a projected 10% increase in the population that will have a need for Medicare services by 2019.

Based on reported hospital re-admission rates (20.28 % -2017 Annual PMA average) , the two primary referring hospitals experienced rates in excess of their targeted range in three of the seven diagnoses monitored by CMS: COPD, pneumonia, and coronary artery bypass graft (CABG), which impacts the quality of life and care of the targeted demographic within the 30-mile PMA. Based on this information, there is an evident need of a provider who has benchmarked success in the reduction of re-admission rates.
The request to re-allocate 40 beds within the 30-Mile PMA is consistent with the market potential showing the ability to increase the beds within the 30-Mile PMA by 5. The re-positioning of these beds is actually of benefit to the greater market. 64% of the beds within the PMA are located within a 10 mile radius of the two primary referring hospitals. Furthermore, within the 10-mile radius, three (3) facilities receive 51% of the market share, of which 20% receive services in a facility with a Star Rating of 2 or less.

Based on this information there is a need for greater access to quality care specific to Medicare driven facilities.

2. Define the planning area or market area, or other, per the applicant's definition.

The applicant defines the PMA as follows:
All cities, towns, and municipalities within a 30 mile radius of the proposed re-position location

(1150 Mercy Creek Drive, Normal, IL) including 39 census tracks in McLean County and census tract 307 in Woodford County.
The proposed location for the 40-bed re-position has physical accessibility to necessary utilities, proper zoning and compatibility with surrounding land issues, accessibility to full service and emergency healthcare, fire and safety services (Fire and Police – 5 miles, Full Service Hospital – 6 miles).
The proposed re-position location is accessible by the following major highways and thoroughfares: Interstate highways 39, 55 and 74 converge on the south side of Bloomington and divide again on the north side of Normal, I-55 follows Route 66-Illinois, and Veterans Parkway.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.

Multiple demographic and healthcare issues impact the market contained within the 30-mile PMA.

Within the target demographic, there is an expectation of growth within the 30-mile PMA, as the target
Population is projected to increase 1.2% by 2020 and 4.7% by 2030.

Population by Age

Age	2015	2020	2025	2030	2035
65-69	6,863	8,664	9,479	9,462	8,482
70-74	4,753	6,357	7,813	8,525	8,484
75-79	3,369	4,144	5,700	6,995	7,629
80-84	2,476	2,617	3,248	4,460	5,489
85+	2,911	2,931	3,113	3,635	4,489

Projected Population Average Annual Rate of Change

Age/Year	2015-2020	2020-2025	2025-2030	2030-2035
65-69	5.2%	1.9%	0.0%	-2.1%
70-74	6.7%	4.6%	1.8%	-0.1%
75-79	4.6%	7.5%	4.5%	1.8%
80-84	1.1%	4.8%	7.5%	4.6%
85+	0.1%	1.2%	3.4%	4.7%

The Median net worth of the targeted demographic within the 30-mile PMA is $200,598 and is projected to increase within this demographic by 2020 to $211,611. It is also projected that over 26% of all households with residents 75 years of age or greater within the 30-mile PMA will have a net worth of $500,000 or greater. These statistics show that there is not only a demographic need, but also the capacity to financially sustain.

Additionally, within the 30-mile PMA and McLean County, an increase was noted in Medicare Advantage Plans (21 total). Each of these plans will provide value-based payment models that will impact the proposed 40-bed repositioning project.

The competitive landscape within the 30-mile PMA consists of the following 13 facilities:

Facility Name	Distance	Facility Age	Star Rating	# of Beds	% of Market Share
Aperion Care	2.1	40	1	117	10%
Bloomington Rehab	3.5	48	1	78	6%
Heartland of Normal	0.7	48	2	116	9%
Heritage of Bloomington	2.4	54	5	111	9%
Heritage of El Paso	19	45	5	65	5%
Heritage of Normal	0.7	38	2	141	11%
Leroy Manor	20.5	38	2	102	8%
Luther Oaks	6.1	11	NR	18	1%
McClean County	0.8	48	3	150	12%
Meadows Mennonite	23.4	95	2	116	9%
St. Joseph Medical Center	3.6	5	5	12	0%
Westminster Village	4.5	40	4	78	6%
El Paso Health Care Center	19.6	40	2	123	10%

As demonstrated by the chart above, 63% of the skilled nursing facilities within the 30-mile PMA have CMS star ratings at or below two (2) stars. 95% of all skilled nursing facilities within the 30-mile PMA are in facilities in excess of 35 years of age. These factors have not created a healthcare crisis or epidemic yet; however, as the trend of patients admitting to healthcare centers with more complex diagnoses and acute co-morbidities increases, along with the projected growth in senior populations, the potential for a crisis becomes more likely

4. Cite the sources of the information provided as documentation.

Appended as **ATTACHMENT 10A** is a map identifying the location of the proposed facility, the 20 minute market contour, location of other area nursing facilities and corresponding zip code area.

Appended as **ATTACHMENT 10B** is the listing of Zip codes within the 30-minute market contour for the proposed project.

Appended as **ATTACHMENT 10C** is a summary list of nursing facilities identified within the 30-minute market area contour, their number of nursing beds, and travel times to the proposed site.

Appended as **ATTACHMENT 10D** is the State's 2017 IDPH Inventory of Health Care Facilities and Services and Need Determination by Planning Area, page A-50, Health Service Area 4.

Appended as **ATTACHMENT 10E** is the Long Term Care Facility Update (January 10, 2018) to the 2017 IDPH Inventory of Health Care facilities and Services and Need Determinations.

Appended as **ATTACHMENT 10F** are the 2016 IDPH, Long-Term Care Facility Questionnaires for the facilities within the total proposed market area contour, the 30 minute drive time contour adjusted per the 77 Illinois Administrative Code, Chapter II, Subchapter a, Section 1100, 510(d).

Appended as **ATTACHMENT 10G**, are the Illinois Department of Public Health Nursing Homes in Illinois Facilities information pages providing documentation of the Medicare/Medicaid certified beds for facilities within the 30-minute market area contour.

Appended as **ATTACHMENT 10H** is a summary list of the facilities within the 30-minute market area contour. This list documents beds by type and payor source.

Appended as **ATTACHMENT 10I** is a Market Study, commissioned by the Applicant and performed by PMD Advisory Services, exploring demand for the proposed project.

Appended as **ATTACHMENT 10J** are the 2017 profiles of the four related facilities in Illinois.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

Within Franciscan Ministries, 73% of all skilled nursing beds are housed in facilities with a Four-Star rating or greater. Organizationally, benchmarked success is evident in outcomes and customer experience which is of great need within the 30-mile PMA.

Within the market place between the two primary hospitals, re-admission rates for heart failure did not exceed the national average of 21.9% but were very close. COPD diagnoses at St. Joseph Hospital exceeded the national average of 20.0% for Medicare re-admissions, and St. Joseph Hospital also exceeded the national average rate of re-admissions for CABG at a rate of 15.4%. This snapshot of re-admission deficiencies is in correlation to the number of admissions discharged to the beds in the market place that represent beds found within Two-Star facilities. Keeping in mind that the national benchmark for re-admission rates is 17.3%, the following chart illustrates Franciscan Ministries' performance in each of their Illinois facilities with respect to the cardiac, neurological, orthopedic and pulmonary arenas:

	Cardiac	Orthopedic	Pulmonary	Neurologic
Addolorata Villa	3%	16%	10%	6%
Franciscan Village	13%	17%	5%	9%
St. Joseph Village	11%	15%	2%	14%
Village at Victory Lakes	12%	18%	14%	7%

As this chart demonstrates, Franciscan Ministries has a proven track record in successfully managing hospital re-admissions and as such, it will manage patient care with the goal of addressing and/or improving the previously referenced issues as well as the population's health and well-being.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

Based on industry trends and currently existing partnerships with Accountable Care/Post-Acute Care Networks, a paramount goal is to improve the quality and continuity of care within the market place. As evidenced by the number of skilled nursing beds housed in facilities with a Two-Star rating or less, there is a strong need for a new partner in the market place that can provide consistent outcomes and services at or above the Four-Star benchmark.

The proposed re-positioned 40 bed allotment will impact the market as follows:

Timeline	Opportunity	Action	Outcome
January	Healthcare & Community Introduction	Letter/Meeting/On-site	Positioning of the healthcare center
February	Healthcare & Community Relations		
March	Healthcare & Community Relations		
April	Healthcare & Community Relations		
May	Healthcare & Community Relations		
June	Healthcare & Community Relations	Admissions Accepted	7.5% (3) Occupancy
July	Healthcare & Community Relations	Admissions Accepted	12% (5) Occupancy
August	Healthcare & Community Relations	Admissions Accepted	17% (7) Occupancy
September	Healthcare & Community Relations	Admissions Accepted	22% (9) Occupancy
October	Healthcare & Community Relations	Admissions Accepted	30% (12) Occupancy
November	Healthcare & Community Relations	Admissions Accepted	37.5% (15) Occupancy
December	Healthcare & Community Relations	Admissions Accepted	42% (17.7) Occupancy

2020-Market Stabilization

2021 at a census of 35 (or 88% occupancy) - exceeding current market place averages

Timeline	Opportunity	Action	Outcome
January	Healthcare & Community Introduction	Admissions Accepted	42.5% (17) Occupancy
February	Healthcare & Community Relations	Admissions Accepted	42.5% (17) Occupancy
March	Healthcare & Community Relations	Admissions Accepted	45% (18) Occupancy
April	Healthcare & Community Relations	Admission Accepted	47.5% (19) Occupancy
May	Healthcare & Community Relations	Admission Accepted	52.5% (21) Occupancy
June	Healthcare & Community Relations	Admissions Accepted	57.5% (23) Occupancy
July	Healthcare & Community Relations	Admissions Accepted	62.5% (25) Occupancy
August	Healthcare & Community Relations	Admissions Accepted	67.5% (27) Occupancy
September	Healthcare & Community Relations	Admissions Accepted	72.5% (29) Occupancy
October	Healthcare & Community Relations	Admissions Accepted	77.5% (31) Occupancy
November	Healthcare & Community Relations	Admissions Accepted	82.5% (33) Occupancy
December	Healthcare & Community Relations	Admissions Accepted	88% (35) Occupancy

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

Criterion 1125.330 – Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

1. Identify **ALL** of the alternatives to the proposed project:

   Alternative options **must** include:

   a. Proposing a project of greater or lesser scope and cost;

   b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

   c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

   d. Provide the reasons why the chosen alternative was selected.

Given the market demand for skilled beds, it would make no sense to propose a project of greater scope. On the other hand, a project of lesser scope would not be financially feasible. Other market considerations include a relatively low number of private beds in the identified skilled nursing competitors in the area as well as a low number of skilled providers with religious affiliations. It should also be noted that few competitors, if any, have a CMS star rating of four stars or above. Every skilled nursing facility within Franciscan Ministries is currently rated as five stars.

The proposed project would offer a state-of-the-art skilled nursing facility with all private beds, which would enhance resident dignity and provide an overall quality-driven patient experience. This health care center would be designed as a transitional unit for the consumer looking for a short-term stay, whether it be rehab to home or remediation of medically complex issues, such as CHF (chronic heart failure), pneumonia or COPD (chronic obstructive pulmonary disorder). The facility would appeal to both residents already living on campus as well as the senior population from the surrounding community.

In addition to the quality care it would provide, this proposed project would be a faith-based ministry and as such, would provide a Christian environment with a strong spiritual base.

Based on these considerations, it is felt that the proposed project would be the best alternative in meeting the consumers' treatment/care needs in a caring, mission-driven setting.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of LTC categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each LTC category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved , read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

Criterion 1125.510 – Introduction

Bed Capacity

Applicants proposing to establish, expand and/or modernize General Long Term Care must submit the following information:

Indicate bed capacity changes by Service:

Category of Service	Total # Existing Beds*	Total # Beds After Project Completion
x General Long-Term Care	0	40
☐ Specialized Long-Term Care		
☐		

***Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hrfsb.illinois.gov). PLEASE NOTE:** ANY bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

Utilization

Utilization for the most current CALENDAR YEAR:

Category of Service	Year	Admissions	Patient Days
X General Long Term Care	2018	0	0
☐ Specialized Long-Term Care			

Applicable Review Criteria - Guide
The review criteria listed below must be addressed, per the LTC rules contained in 77 Ill. Adm. Code 1125. See HFSRB's website to view the subject criteria for each project type - (http://hfsrb.illinois.gov). To view LTC rules, click on "Board Administrative Rules" and then click on "77 Ill. Adm. Code 1125".

READ THE APPLICABLE REVIEW CRITERIA OUTLINED BELOW and **submit the required documentation for the criteria, as described in SECTIONS IV and V:**

GENERAL LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	**Subject**
Establishment of Services or Facility	.520	Background of the Applicant
	.530(a)	Bed Need Determination
	.530(b)	Service to Planning Area Residents
	.540(a) or (b) + (c) + (d) or (e)	Service Demand – Establishment of General Long Term Care
	.570(a) & (b)	Service Accessibility
	.580(a) & (b)	Unnecessary Duplication & Maldistribution
	.580(c)	Impact of Project on Other Area Providers
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Expansion of Existing Services	.520	Background of the Applicant
	.530(b)	Service to Planning Area Residents
	.550(a) + (b) or (c)	Service Demand – Expansion of General Long-Term Care
	.590	Staffing Availability
	.600	Bed Capacity
	.620	Project Size
	.640	Assurances
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability

	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Continuum of Care – Establishment or Expansion	.520	Background of the Applicant
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Defined Population – Establishment or Expansion	.520	Background of the Applicant
	.560(b)(1) & (2)	Defined Population to be Served
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Modernization	.650(a)	Deteriorated Facilities
	.650(b) & (c)	Documentation
	.650(d)	Utilization
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule

	Appendix D	Project Status and Completion Schedule

SPECIALIZED LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	**Subject**
Establishment of LTC Developmentally Disabled – (Adult)	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(g)	Establishment of Beds – Developmentally Disable -Adult
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of LTC Developmentally Disabled - Children	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Chronic Mental Illness	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(f)	Zoning
	.720(g)	Establishment of Chronic Mental Illness

	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Long Term Medical Care for Children	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(e)	Long-Term Medical Care for Children-Category of Service
	.720(f)	Zoning
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA

GENERAL LONG-TERM CARE

Criterion 1125.520 – Background of the Applicant

BACKGROUND OF APPLICANT

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.

3. Authorization permitting HFSRB and DPH 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. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously

including licensing information.

Appended as **ATTACHMENT 12B** is the documentation of adverse action taken against two owned facilities during the prior three years to the filing of the application. Included are the detailed findings of the violations, corresponding plans of corrections, and evidence of State clearance. Also included is a notarized letter from the owner's CEO, attesting to these actions.

Appended as **ATTACHMENT 12C** is a letter authorizing HFSRB and DPH 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.

Only one application for permit has been submitted, so **ATTACHMENT 12D** is not applicable.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (http://hfsrb.illinois.gov) and click on "Health Facilities Inventories & Data".

2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.

According to the January 10, 2018 update to the 2015 Inventory of Health Care Facilities and Services and Need Determinations, the Board's website (hard copy appended as **ATTACHMENT – 13A**), identifies an excess of 69 beds in McLean County; however, with the 3-31-19 closure of LeRoy Manor (a 102-bed SNF), this will add 33 beds to the county's existing inventory. As mentioned in the project's general description, the intent is to transfer these 33 beds for the proposed project. Therefore, the project would be adding only seven new beds to the marketplace.

The proposed project for establishment of a nursing home addition on The Village at Mercy Creek campus will take approximately six (6) months to receive its permit, if approved. Once approved, the development time will range from eighteen months to two (2) years to include architectural approval, bidding, permitting, construction, Certificate of Occupancy, and the licensing survey/approval process. For this project, the Applicant has estimated that the building will be opened and licensed in 2020; therefore, the first full year at target utilization is projected to be 2022.

Although the project will be adding a minimal number of beds to the marketplace, in 2016, the Applicant commissioned PMD Advisory Services to perform a market analysis to determine if there was a need for additional nursing services in McLean County through 2019. The hard copies appended as **ATTACHMENT – 13B** reflect the demand calculation for Medicare,

Although the project will not be adding beds to the marketplace, in 2016, the Applicant commissioned PMD Advisory Services to perform a market analysis to determine if there was a need for additional nursing services in McLean County through 2019. The hard copies appended as **ATTACHMENT – 13B** reflect the demand calculation for Medicare, Medicaid and Private Pay/Other. Despite the fact that the net demand was not significant, of the total 966 nursing beds in the designated market area, 708 (or 73%) are in facilities with a Quality Star rating of less than three (3). The Applicant believes, as does PMD, that this project should be able to capture market share from these poorly performing communities. The hard copy appended as **ATTACHMENT – 13C** lists the other nursing facilities in the defined market area, their 2015 patient days and the projected population sizes/planned patient days of the general health service area for 2020.

The hard copy appended as **ATTACHMENT – 13D** outlines the population projections for McLean County by age and sex from 2010 through 2025. For the age groups 70 through 85+, the trend reflects a significant increase in the senior sector over the next five (5) to ten (10) years, demonstrating a potential continued or even increased need for post-acute care in the future.

Through the signing of this application, the Applicant attests that the primary purpose of this project is to serve primarily the residents of McLean County. As documented in the market analysis (appended as **ATTACHMENT – 10I**), 80-90% of the need comes from the primary service area. As such, the majority of the proposed facility patients will be derived from the Planning Area.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

- **If the applicant is an existing facility wishing to establish this category of service or a new facility, #1 – 4 must be addressed. Requirements under #5 must also be addressed if applicable.**
- **If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the number of annual projected referrals.**

1. Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility.

Appended as **ATTACHMENT 14A** is the number of referrals to other facilities for Skilled Nursing admits from local referring hospitals.

2. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to 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.

Appended as **ATTACHMENT 14B** are letters from referral sources that attest to the information requested above.

3. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note:
   - 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
   - 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
4. Provide 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.

Appended as **ATTACHMENT 14C** is a current list of all approved Certificate of Need applications that are deemed complete.

If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as follows:

a. The applicant shall define the facility's market area based upon historical resident/patient origin data by zip code or census tract;

Appended as **ATTACHMENT 14D** is the list of facilities within 30 miles with zip corresponding zip codes.

b. Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area,by the U.S. Bureau of the Census or IDPH;

Appended as **ATTACHMENT 14E** is the current population for McLean County.

c. Projections shall be for a maximum period of 10 years from the date the application is submitted;

d. Historical data used to calculate projections shall be for a number of years no less than the number of years projected;

e. Projections shall contain documentation of population changes in terms of births, deaths and net migration for a period of time equal to or in excess of the projection horizon;

Appended as **ATTACHMENT 14F** are projections through 2020 for births and deaths in McLean County.

f. Projections shall be for total population and specified age groups for the applicant's market area, as defined by HFSRB, for each category of service in the application (see the HFSRB Inventory); and

Appended as **ATTACHMENT 14G** are the population projections for Illinois Counties by Age and Sex from 2010-2025.

APPEND DOCUMENTATION AS ATTACHMENT- 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The applicant shall document #1 **and** either #2 or #3:

1. Historical Service Demand

   a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.

   b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.

2. Projected Referrals
   The applicant shall provide documentation as described in Section 1125.540(d).

3. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

Due to this project being an establishment of a new facility, this section is not applicable.

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.560 - Variances to Computed Bed Need

Continuum of Care:

The applicant proposing a continuum of care project shall demonstrate the following:

1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.

2. The proposal shall be for the purposes of and serve only the residents of the housing complex and shall be developed either after the housing complex has been established or as a part of a total housing construction program, provided that the entire complex is one inseparable project, that there is a documented demand for the housing, and that the licensed beds will not be built first, but will be built concurrently with or after the residential units.

3. The applicant shall demonstrate that:

   a. The proposed number of beds is needed. Documentation shall consist of a list of available patients/residents needing the proposed project. The proposed number of beds shall not exceed one licensed LTC bed for every five apartments or independent living units;

   b. There is a provision in the facility's written operational policies assuring that a resident of the retirement community who is transferred to the LTC facility will not lose his/her apartment unit or be transferred to another LTC facility solely because of the resident's altered financial status or medical indigency; and

   c. Admissions to the LTC unit will be limited to current residents of the independent living units and/or congregate housing.

As the applicant is not proposing a continuum of care project, this section is not applicable.

Defined Population:

The applicant proposing a project for a defined population shall provide the following:

1. The applicant shall document that the proposed project will serve a defined population group of a religious, fraternal or ethnic nature from throughout the entire health service area or from a larger geographic service area (GSA) proposed to be served and that includes, at a minimum, the entire health service area in which the facility is or will be physically located.

2. The applicant shall document each of the following:

   a. A description of the proposed religious, fraternal or ethnic group proposed to be served;

   b. The boundaries of the GSA;

   c. The number of individuals in the defined population who live within the proposed GSA, including the source of the figures;

   d. That the proposed services do not exist in the GSA where the facility is or will be located;

   e. That the services cannot be instituted at existing facilities within the GSA in sufficient numbers to accommodate the group's needs. The applicant shall specify each proposed service that is not available in the GSA's existing facilities and the basis for determining why that service could not be provided.

   f. That at least 85% of the residents of the facility will be members of the defined population group. Documentation shall consist of a written admission policy insuring that the requirements of this subsection (b)(2)(F) will be met.

   g. That the proposed project is either directly owned or sponsored by, or affiliated with, the religious, fraternal or ethnic group that has been defined as the population to be served by the project. The applicant shall provide legally binding documents that prove ownership, sponsorship or affiliation.

The proposed project is not restricting its admissions to a defined population of a religious, fraternal or ethnic nature. Therefore, this section is not applicable.

APPEND DOCUMENTATION AS ATTACHMENT- 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.570 - Service Accessibility

1. Service Restrictions

   The applicant shall document that **at least one** of the following factors exists in the planning area, as applicable:

   - The absence of the proposed service within the planning area;
   - 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;

Appended as **ATTACHMENT – 17A** is a chart illustrating the market area facilities (roughly 30-minute travel time or shorter), their respective certified Medicare and Medicaid beds and % payor mix. The data clearly shows that only 93 (or 8%) of the total beds available are Medicare-certified. Additionally, two of the communities in the market area – both of which are 15-minutes travel time or shorter – have no Medicaid capability. Although not related to payor source, it

should also be emphasized that only three (3) communities (or 25%) in the market area have Star Ratings of four (4) stars, which suggests that quality of care, in addition to payor source, can be market differentiators here and are evidence of access limitations in the PMA for The Village at Mercy Creek.

- Restrictive admission policies of existing providers; or
- 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.

2. Additional documentation required:

The applicant shall provide the following documentation, as applicable, concerning existing restrictions to service access:

a. The location and utilization of other planning area service providers;

Appended as **ATTACHMENT 17-B** is a listing of the names, locations and bed counts for other service providers in the planning area. Appended as **ATTACHMENT 17-C** is a listing of the facilities and their respective utilization rates.

b. Patient/resident location information by zip code;

As the proposed project is for the establishment of a new service, there are no existing patients, so this requirement is not applicable.

c. Independent time-travel studies;

Appended as **ATTACHMENT 17-D** is a compilation of individual MapQuest time-travel studies for each of the service providers in the planning area.

d. Certification of a waiting list;

Since the project is for the establishment of a new service, there are no existing patients; therefore, a waiting list is not applicable at this time.

e. Admission restrictions that exist in area providers;

The Applicant has attested to access limitations due to payor source and quality of care of the other service providers in the planning area (please see **ATTACHMENT 17-A**), not to admission restrictions; therefore, this requirement is not applicable.

f. An assessment of area population characteristics that document that access problems exist.

Appended as **ATTACHMENT 17-E** is a Senior Market Profile, delineating population characteristics for 2015 and the projection year of 2020 for the Mercy Creek PMA. This profile, as compiled by PMD Advisory Services, focuses on the age groups beginning at 55 years.

g. Most recently published IDPH Long Term Care Facilities Inventory and Data (see www.hfsrb.illinois.gov).

Appended as **ATTACHMENT 17-F** is a copy of the 2015 IDPH Inventory of Health care Facilities and Services and Need Determinations for McLean County as well as the Illinois Long-Term Care Data Summary for the McLean County Health Service Area for Calendar year 2015.

APPEND DOCUMENTATION AS ATTACHMENT- 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.580 - Unnecessary Duplication/Maldistribution

1. The applicant shall provide the following information:

   a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;

   b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and

   c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.

Appended as **ATTACHMENT 18** is a list of all zip codes, total population, and names and locations of LTC facilities located within 30 minutes of the project site.

2. The applicant shall document that the project will not result in maldistribution of services.

This project will not result in maldistribution of services.

3. The applicant shall document that, within 24 months after project completion, the proposed project:

   a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and

   b. Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

The proposed project will not lower the utilization of other area providers below the occupancy standards that are specified in Section 1125.210(c) and will not lower, to a further extent, the utilization of other facilities that are currently operating below the occupancy standards.

APPEND DOCUMENTATION AS ATTACHMENT- 18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.

Appended as **ATTACHMENT 19** is the Staffing Availability proposal for the project.

2. Provide the following documentation:

   a. The name and qualification of the person currently filling the position, if applicable; and

   b. Letters of interest from potential employees; and

   c. Applications filed for each position; and

   d. Signed contracts with the required staff; or

   e. A narrative explanation of how the proposed staffing will be achieved.

As this project has not been completed, this above documentation is not applicable.

APPEND DOCUMENTATION AS ATTACHMENT- 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 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 (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

Appended as **ATTACHMENT 20** is the following statement of attestation: The proposed project known as The Village at Mercy Creek is for the establishment of a 40 bed nursing care facility. Upon completion, the licensed bed capacity will be 40 nursing care beds; therefore, the proposed project is compliant with criterion 1125.600.

APPEND DOCUMENTATION AS ATTACHMENT- 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.610 - Community Related Functions

The applicant shall 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, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

Appended as **ATTACHMENT 21** are letters of endorsements for the proposed project.

APPEND DOCUMENTATION AS ATTACHMENT- 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

Appended as **ATTACHMENT 22** is a description of the bed size for the proposed project.

APPEND DOCUMENTATION AS ATTACHMENT- 22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.630 - Zoning

The applicant shall document **one** of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

Appended as **ATTACHMENT** 23 is a report from BLDD Architects showing that the property to be utilized has been zoned for the type of facility to be developed.

APPEND DOCUMENTATION AS ATTACHMENT- 23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.640 - Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.

2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

The beds that are approved will be based upon the representations for continuum of care (Section 1125.560) and will provide assurance that the admissions that are specified in this application will remain for the life of the facility. It is the understanding that to eliminate or modify the admissions , prior approval of HFSRB will be required.

Appended as **ATTACHMENT 24** is a notarized letter attesting to the standards specified in Section 1125.210(c).

APPEND DOCUMENTATION AS ATTACHMENT- 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

#1 signed statement on letterhead with Judy's name make statement will be epcepting admission externally so #2 does not apply

Criterion 1125.650 - Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:

   a. High cost of maintenance;

   b. non-compliance with licensing or life safety codes;

   c. Changes in standards of care (e.g., private versus multiple bed rooms); or

   d. Additional space for diagnostic or therapeutic purposes.

2. Documentation shall include the most recent:

   a. IDPH and CMMS inspection reports; and

   b. Accrediting agency reports.

3. Other documentation shall include the following, as applicable to the factors cited in the

application:

a. Copies of maintenance reports;

b. Copies of citations for life safety code violations; and

c. Other pertinent reports and data.

4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

As the project does not involve modernization of a category of LTC services, this section is not applicable.

APPEND DOCUMENTATION AS ATTACHMENT- 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SPECIALIZED LONG-TERM CARE

Criterion 1125.720 - Specialized Long-Term Care – Review Criteria

This section is applicable to all projects proposing specialized long-term care services or beds.

1. **Community Related Functions**

Read the criterion and submit the following information:

a. a description of the process used to inform and receive input from the public including those residents living in close proximity to the proposed facility's location;

b. letters of support from social, social service and economic groups in the community;

c. letters of support from municipal/elected officials who represent the area where the project is located.

2. **Availability of Ancillary and Support Services**

Read the criterion, which applies only to ICF/DD 16 beds and fewer facilities, and submit the following:

a. a copy of the letter, sent by certified mail return receipt requested, to each of the day programs in the area requesting their comments regarding the impact of the project upon their programs and any response letters;

b. a description of the public transportation services available to the proposed residents;

c. a description of the specialized services (other than day programming) available to the residents;

d. a description of the availability of community activities available to the facility's

residents.

e. documentation of the availability of community workshops.

3. **Recommendation from State Departments**

Read the criterion and submit a copy of the letters sent, including the date when the letters were sent, to the Departments of Human Services and Healthcare and Family Services requesting these departments to indicate if the proposed project meets the department's planning objectives regarding the size, type, and number of beds proposed, whether the project conforms or does not conform to the department's plan, and how the project assists or hinders the department in achieving its planning objectives.

4. **Long-term Medical Care for Children Category of Service**

Read the criterion and submit the following information:

a. a map outlining the target area proposed to be served;

b. the number of individuals age 0-18 in the target area and the number of individuals in the target area that require the type of care proposed, include the source documents for this estimate;

c. any reports/studies that show the points of origin of past patients/residents admissions to the facility;

d. describe the special programs or services proposed and explain the relationship of these programs to the needs of the specialized population proposed to be served.

e. indicate why the services in the area are insufficient to meet the needs of the area population;

f. documentation that the 90% occupancy target will be achieved within the first full year o

5. **Zoning**

Read the criterion and provide a letter from an authorized zoning official that verifies appropriate zoning.

6. **Establishment of Chronic Mental Illness**

Read the criterion and provide the following:

a. documentation of how the resident population has changed making the proposed project necessary.

b. indicate which beds will be closed to accommodate these additional beds.

c. the number of admissions for this type of care for each of the last two years.

7. **Variance to Computed Bed Need for Establishment of Beds for Developmentally Disabled Placement of Residents from DHS State Operated Beds**

Read this criterion and submit the following information:

a. documentation that all of the residents proposed to be served are now residents of a DHS facility;

b. documentation that each of the proposed residents has at least one interested family member who resides in the planning area or at least one interested family member that lives out of state but within 15 miles of the planning area boundary where the facility is or will be located;

c. if the above is not the case then you must document that the proposed resident has

lived in a DHS operated facility within the planning area in which the proposed facility is to be located for more than 2 years and that the consent of the legal guardian has been obtained;

d. a letter from DHS indicating which facilities in the planning area have refused to accept referrals from the department and the dates of any refusals and the reasons cited for each refusal;

e. a copy of the letter (sent certified--return receipt requested) to each of the underutilized facilities in the planning area asking if they accept referrals from DHS-operated facilities, listing the dates of each past refusal of a referral, and requesting an explanation of the basis for each refusal;

f. documentation that each of the proposed relocations will save the State money;

g. a statement that the facility will only accept future referrals from an area DHS facility if a bed is available;

h. an explanation of how the proposed facility conforms with or deviates from the DHS comprehensive long range development plan for developmental disabilities services.

As this project does not involve specialized long term care, this section is not applicable.

APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW

Criterion 1125.800 Estimated Total Project Cost

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- **Availability of Funds – Review Criteria**
- **Financial Viability – Review Criteria**
- **Economic Feasibility – Review Criteria, subsection (a)**

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

7,330,000	a.	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b.	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c.	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
11,880,000	d.	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5. For any option to lease, a copy of the option, including all terms and conditions.

_____	e.	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f.	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g.	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
19,210,000		TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent**
4. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

Appended as **ATTACHMENT 28** is the Financial Viability Schedule.

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.write N/A

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	**Category A or Category B (last three years)**			**Category B (Projected)**
Enter Historical and/or Projected Years:	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2022**
Current Ratio	**5.83**	**7.29**	**8.14**	**8.06**
Net Margin Percentage	**11.8%**	**11.6%**	**11.0%**	**11.1%**
Percent Debt to Total Capitalization	**95%**	**90%**	**88%**	**88%**

Projected Debt Service Coverage	2.27	2.91	2.33	2.46
Days Cash on Hand	322	343	364	314
Cushion Ratio	9.04	9.86	10.64	10.53

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

Appended as **ATTACHMENT 29** are the project ratios and variances.

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. 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

2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

   A. 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

   B. 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.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;

2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. **Reasonableness of Project and Related Costs**

Identify each area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY SERVICE

Department or Area	A Cost/Square Foot New	B	C Gross Sq. Ft. New	D Circ.*	G Construction Costs	Total Construction Costs	Total FF&E Costs	Total Cost (G + H)
Nursing	$250.00		27,270	21.4%	$6,817,494	$6,817,494	$500,000	$7,317,494
PT/OT/Wellness	$250.00		950	21.4%	$237,500	$237,500	$ 50,000	$ 287,500
Contingency					$750,000	$750,000		$750,000
Site Costs					$450,000	$450,000	$0	$450,000
TOTALS			28,220		$8,254,994	$8,254,994	$550,000	$8,804,994
Less: Circulation @21.4%			(6,039)					
Essential Functional Skilled Nursing Square Footage			22,181					
Skilled Nursing Units:			40					40
Sq. ft/SNF unit:			555		Total Cost per SNF Unit			$220,125

D. **Projected Operating Costs**

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

APPENDIX A

E.

Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

Appended as **ATTACHMENT 30A** is a notarized letter attesting to the reasonableness of financing arrangements.

Appended as **ATTACHMENT 30B** is a notarized letter attesting to the conditions of debt financing.

Appended as **ATTACHMENT 30C** is a schedule of Projected Operating Costs and Projected Capital Costs.

APPEND DOCUMENTATION AS ATTACHMENT - 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Project Costs and Sources of Funds

Complete the following table listing all costs associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	9,232	5,768	15,000
Site Survey and Soil Investigation	11,078	6,922	18,000
Site Preparation	265,876	166,124	432,000
Off Site Work	135,400	84,600	220,000
New Construction Contracts	7,040,789	4,399,211	11,440,000
Modernization Contracts			
Contingencies	356,963	223,037	580,000
Architectural/Engineering Fees	387,736	346,092	630,000
Consulting and Other Fees	553,908	346,092	900,000
Movable or Other Equipment (not in construction contracts)	1,077,807	642,193	1,720,000
Bond Issuance Expense (project related)	295,418	184,582	480,000
Net Interest Expense During Construction (project related)	547,754	342,246	890,000
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	1,163,130	724,870	1,885,000
Acquisition of Building or Other Property (excluding land)			

APPENDIX A

TOTAL USES OF FUNDS	11,842,090	7,367,910	19,210,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	4,530,502	2,799,498	7,330,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)	7,311,588	4,568,412	11,880,000
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	11,842,090	7,367,910	19,210,000

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☒ Yes ☐ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is **$ 1,700,000.**

APPENDIX C

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☒ Schematics ☐ Final Working

Appended as **ATTACHMENT 31** are drawings showing the project area and the Skilled Nursing areas provided by BLDD Architects.

Anticipated project completion date (refer to Part 1130.140): End of 2020

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies

x Project obligation will occur after permit issuance.

APPENDIX D

Cost/Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
CLINICAL							
Total Review							
NON CLINICAL	**11,842,090**		**28,157**	**28,157**			
Total Non-clinical	7,367,910		17,593	17,593			
TOTAL	**19,210,000**		**45,750**	**45,750**			

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS

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10	Purpose of the Project	86-358
11	Alternatives to the Project	in application
	Service Specific - General Long-Term Care	
12	Background of the Applicant	359-456
13	Planning Area Need	457-462
14	Establishment of General LTC Service or Facility	463-487
15	Expansion of General LTC Service or Facility	N/A
16	Variances	N/A
17	Accessibility	488-547
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19	Staffing Availability	549
20	Bed Capacity	550
21	Community Relations	551-552
22	Project Size	553
23	Zoning	554-621
24	Assurances	622
25	Modernization	N/A
	Service Specific - Specialized Long-Term Care	
26	Specialized Long-Term Care – Review Criteria	N/A
	Financial and Economic Feasibility:	
27	Availability of Funds	N/A
28	Financial Waiver	623-624
29	Financial Viability	625
30	Economic Feasibility	626-628
	APPENDICES	
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D	Cost/Space Requirements	40

File Number 5505-571-8

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 22, 1988, ADOPTED THE ASSUMED NAME FRANCISCAN MINISTRIES SPONSORED BY THE FRANCISCAN SISTERS OF CHICAGO ON FEBRUARY 17, 2015, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 13TH *day of* JUNE *A.D.* 2018 .

Authentication #: 1816402302 verifiable until 06/13/2019
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

File Number 5505-571-8

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 22, 1988, ADOPTED THE ASSUMED NAME FRANCISCAN MINISTRIES SPONSORED BY THE FRANCISCAN SISTERS OF CHICAGO ON FEBRUARY 17, 2015, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 13TH *day of* JUNE *A.D.* 2018 .

Jesse White

SECRETARY OF STATE

Authentication #: 1816402302 verifiable until 06/13/2019
Authenticate at: http://www.cyberdriveillinois.com

CHANGE OF MEMBERSHIP, TRANSFER OF ASSETS AND SERVICES, AND ASSUMPTION OF LIABILITIES AGREEMENT

by and among

MEADOWS MENNONITE RETIREMENT COMMUNITY ASSOCIATION, INC.,
an Illinois not-for-profit corporation

THE VILLAS AT MERCY CREEK, NFP,
an Illinois not-for-profit corporation

and

FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION,
an Illinois not-for-profit corporation

Dated as of August 8, 2018

CHANGE OF MEMBERSHIP, TRANSFER OF ASSETS AND SERVICES, AND ASSUMPTION OF LIABILITIES AGREEMENT

THIS CHANGE OF MEMBERSHIP, TRANSFER OF ASSETS AND SERVICES, AND ASSUMPTION OF LIABILITIES AGREEMENT, including all Schedules hereto (this "**Agreement**"), is made and entered into as of August 8, 2018 (the "**Execution Date**"), by and among MEADOWS MENNONITE RETIREMENT COMMUNITY ASSOCIATION, INC., an Illinois not-for-profit corporation ("**MMRC**"), THE VILLAS AT MERCY CREEK, NFP, an Illinois not-for-profit corporation (the "**Villas**"), and FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION, an Illinois not-for-profit corporation ("**Franciscan**") (each, a "**Party**" and collectively, the "**Parties**").

RECITALS

WHEREAS, MMRC operates a sixty (60) bed assisted living facility, commonly known as "Meadows at Mercy Creek" located at 1501 Mercy Creek Drive, Normal, Illinois 61761 (the "**Normal Facility**");

WHEREAS, MMRC also manages, pursuant to a Maintenance and Management Services Agreement, four (4) independent living units and eight undeveloped subdivided lots in The Villas at Mercy Creek subdivision owned by the Villas located on Victory Lane, Normal, Illinois 61761 (together with the Normal Facility, the "**Property**");

WHEREAS, Franciscan, or an affiliate directly or indirectly controlled by Franciscan (a "**Franciscan Affiliate**"), desires to become the sole member of the Villas as of the Closing Date (as defined in **Section 3.1**), subject to the terms and conditions of this Agreement; and

WHEREAS, MMRC desires to transfer the Transferred Assets (as defined herein) associated with the Normal Facility to the Villas, and Franciscan desires for the Villas to become the sole operator and licensee of the Normal Facility, and as consideration for such transfer, Franciscan will cause the Villas to assume the Assumed Liabilities (as defined herein) as of the Closing Date (as defined in **Section 3.1**), subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and provisions herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby covenant and agree as follows:

ARTICLE I
TERMS OF CHANGE OF CONTROL FOR THE VILLAS

1.1 **Amendment of Bylaws Post Execution Date**. On or before the Closing Date, the Villas shall amend its Bylaws, in substantially the form attached hereto as Schedule 1.1, to add MMRC as the sole corporate member of the Villas and to remove all references to "delegates" of MMRC appearing therein.

1.2 **Membership Change through Amendment of Bylaws**. On or before the Closing Date, the Villas shall amend and restate its Bylaws, in substantially the form attached hereto as

Schedule 1.2, to provide that Franciscan or a Franciscan Affiliate shall be the sole member of the Villas effective as of the Closing Date.

1.3 Resignation of Board Members and Board Composition.

(a) On or before the Closing Date, the Villas shall cause each person elected or appointed to serve as a director or member of the governing board of the Villas to submit his or her written resignation, effective on or before the Closing Date. If any director or other such person elected or appointed by the Villas fails or refuses to submit such resignation, such director shall be removed by the Villas, as applicable. Evidence of such resignations or removals shall be provided by the Villas to Franciscan on or before the Closing Date.

(b) On and after the Closing Date, the composition of the governing board of the Villas shall be determined by Franciscan.

1.4 Purchase of Independent Living Unit. MMRC and the Villas shall use commercially reasonable efforts to cooperate with and assist Franciscan in obtaining a purchase contract (the "**Holmes Purchase Contract**") for the Villas to purchase, on or before the Closing Date, the independent living unit owned by Steven Holmes located at 4307 Victory Lane, Normal, Illinois 61761. Notwithstanding anything to the contrary contained in this Agreement, the execution and delivery of the Holmes Purchase Contract as contemplated in this **Section 1.4** on or before the Closing Date shall not be a condition precedent to, or a reason to delay or terminate, the closing of the transactions contemplated in this Agreement; provided that MMRC's covenant to use commercially reasonable efforts to cooperate and assist Franciscan in obtaining the Holmes Purchase Contract shall survive the closing of the transactions contemplated by this Agreement.

1.5 Protective Covenants Relating to The Villas at Mercy Creek Subdivision, Normal, Illinois. MMRC and/or the Villas shall use commercially reasonable efforts to terminate, on or before the Closing Date, the Protective Covenants Relating to The Villas at Mercy Creek Subdivision, Normal, Illinois, attached hereto as Schedule 1.5 (the "**Protective Covenants**"). Notwithstanding anything to the contrary contained in this Agreement, the termination of the Protective Covenants as contemplated in this **Section 1.5** on or before the Closing Date shall not be a condition precedent to, or a reason to delay or terminate, the closing of the transactions contemplated in this Agreement; provided that MMRC's covenant to use commercially reasonable efforts to terminate the Protective Covenants shall survive the closing of the transactions contemplated by this Agreement.

1.6 The Villas at Mercy Creek Homeowners Association. MMRC and/or the Villas shall use commercially reasonable efforts to dissolve, on or before the Closing Date, The Villas at Mercy Creek Homeowners Association (the "**Homeowners Association**"). Notwithstanding anything to the contrary contained in this Agreement, the dissolution of the Homeowners Association as contemplated in this **Section 1.6** on or before the Closing Date shall not be a condition precedent to, or a reason to delay or terminate, the closing of the transactions contemplated in this Agreement; provided that MMRC's covenant to use commercially reasonable efforts to dissolve the Homeowners Association shall survive the closing of the transactions contemplated by this Agreement.

1.7 **Line of Credit and Promissory Note**. On or before the Closing Date, MMRC and the Villas shall provide evidence reasonably satisfactory to Franciscan that (i) the line of credit dated January 1, 2012, provided to the Villas by the Apostolic Christian Church of Bloomington-Normal (the "**Apostolic Church**") has no outstanding balance and has been terminated and (ii) the Promissory Note dated December 21, 2012, of the Villas payable to the Apostolic Church have each been extended to mature no earlier than December 31, 2022, or otherwise amended with terms reasonably satisfactory to Franciscan.

ARTICLE II
TERMS OF ASSET TRANSFER AND ASSUMPTION OF LIABILITIES FOR THE NORMAL FACILITY

2.1 **Asset Transfer**. MMRC agrees to take any and all actions necessary to transfer, effective as of the Closing Date, the assets included on Schedule 2.1 (the "**Transferred Assets**") to the Villas free and clear of all liens, pledges, encumbrances, and security interests, except for such liens, pledges, encumbrances and security interests securing or arising out of the Assumed Liabilities or as otherwise approved by Franciscan. A list of excluded assets that shall not be transferred are included on Schedule 2.1(a) (the "**Excluded Assets**"). Notwithstanding anything to the contrary contained in this Agreement, MMRC shall transfer cash or cash equivalents included in the Transferred Assets in an amount not less than the August 2018 rent roll for the Normal Facility received by MMRC as of the Closing Date.

2.2 **Liability Assumption**. Franciscan, acting as the new corporate member of the Villas, agrees to cause the Villas to assume, effective as of the Closing Date, the liabilities included on Schedule 2.2 (the "**Assumed Liabilities**") as consideration for the Transferred Assets. Notwithstanding anything to the contrary contained in this Agreement, (i) MMRC will retain and be responsible for liabilities that are not Assumed Liabilities, including without limitation all liabilities with respect to the operation of the skilled nursing facility located in Chenoa, Illinois, and known as "Meadows Mennonite Retirement Community" (the "**Chenoa Facility**"), (ii) the Villas will not assume or be responsible for any intercompany payables or loans, (iii) the Villas will not assume or be responsible for the cost to repair the resident call system at the Normal Facility and (iv) the Villas will not assume or be responsible for any interest on the Loyalty Loans (as referenced on Schedule 2.2) accrued and unpaid through July 31, 2018.

2.3 [INTENTIONALLY LEFT BLANK]

2.4 **Trusts**. Upon transfer of the Transferred Assets to the Villas in accordance with this Agreement, MMRC shall use commercially reasonable efforts to transfer the benefits associated with (i) the Last Will and Testament of Ann Schneckenburger and (ii) the Juanita R. Streid and Susie M. Streid Trusts (collectively, the "**Trusts**"). MMRC agrees to cooperate with Franciscan and the Villas in connection with any legal proceedings arising from the transfer or attempted transfer of the benefits associated with the Trusts, and Franciscan agrees to pay any and all reasonable legal fees arising from any such legal proceedings arising from the transfer or attempted transfer of the benefits associated with the Trusts. Notwithstanding anything to the contrary contained in this Agreement, MMRC's covenant to use commercially reasonable efforts to transfer the benefits of the Trusts to the Villas and to cooperate with Franciscan and the Villas in connection with any legal proceedings arising from the transfer or attempted transfer of the

Trusts to the Villas shall survive the closing of the transactions contemplated by this Agreement and shall be enforceable by the Villas and/or Franciscan notwithstanding any subsequent change in control of MMRC.

2.5 Heartland Line of Credit. As of the Closing Date, MMRC agrees to cause the Line of Credit Agreement, a copy of which is attached hereto as Schedule 2.5 (the "**Heartland Line of Credit**"), to be cancelled and any and all UCC financing statements relating to the security interest granted by MMRC pursuant to the Heartland Line of Credit to be terminated.

2.6 Insurance. For any insurance coverage other than cyber security coverage maintained on a claims-made basis with respect to the Normal Facility, MMRC shall obtain as of the Closing Date three-year extended or "tail" coverage with at least the same coverage and amounts with respect to claims arising out of or relating to events which occurred before or on the Closing Date. Franciscan agrees to reimburse, or to cause the Villas to reimburse, MMRC for the amount of one-half of the premium paid by MMRC for such coverage upon MMRC providing evidence reasonably satisfactory to Franciscan of such payment.

2.7 Employee Matters. The Villas will offer employment to all employees of MMRC employed with respect to the Normal Facility at the respective initial salaries corresponding to their current salaries; provided, however, that such employment will be subject to Franciscan's standard personnel practices and policies. Each employee of MMRC who becomes an employee of Villas (an "**Acquired Employee**") shall receive credit for vesting purposes under the 401(k) plan sponsored by Franciscan for his or her accumulated vesting service credit under the MMRC Section 403(b) plan earned while an employee of MMRC. In addition:

(a) With respect to paid time off ("**PTO**"), each Acquired Employee who is eligible to accrue PTO under the Villas' or Franciscan's PTO plan after the Closing shall be credited with the accrued but unused PTO such Acquired Employee earned as an employee of MMRC (including any accrual remaining for the current year) as of the Closing Date. For each other Acquired Employee who is not eligible to accrue PTO under the Villas' or Franciscan's PTO plan after the Closing, the accrued but unused PTO that such other Acquired Employee earned as an employee of MMRC (including any accrual remaining for the current year) shall be paid to such Acquired Employee in cash by Franciscan on the Closing Date or as soon as administratively practicable thereafter, but in no event later than the first regularly scheduled pay date following the Closing.

(b) Each Acquired Employee's participation in the Villas' or Franciscan's employee benefit plans, as applicable, shall be subject to the provisions thereof, provided that commencement of participation may be delayed for such reasonable period of time (but not to exceed forty-five (45) days after Closing) as the Villas determines to be necessary to arrange for the transition of Acquired Employees from MMRC's benefit programs to the Villas' or Franciscan's benefit programs, as applicable (the "**Transition Period**"), during which Transition Period MMRC covenants that it shall do the following:

(i) If requested by the Villas in the event that the Acquired Employees do not transition to Villas' payroll at Closing, MMRC shall process the payroll, collect and remit all withholding and payroll taxes, make and remit all other payroll deductions, issue all payments,

initiate all direct deposits, and make all required reporting to governmental authorities with respect to all Acquired Employees. MMRC will fulfill its commitments under this subparagraph (i) as Villas' agent, and the Villas shall reimburse MMRC for the amount of the gross pay and payroll taxes and associated payroll processing costs arising with respect to the Acquired Employees after the Closing Date on a monthly basis upon receipt of satisfactory documentation of such amounts (including the associated payroll processing costs) and of remittance of taxes, withholdings and other payments to the proper recipients. If the Acquired Employees transition to Villas' payroll prior to Closing, MMRC shall reimburse the Villas and/or Franciscan for the related payroll and benefit costs for the day(s) prior to Closing in which the Acquired Employees were on the Villas' payroll.

(ii) MMRC shall permit the Acquired Employees and their qualifying dependents to retain coverage under MMRC's group health plan(s), disability plan, life insurance plan, unemployment, workers' compensation, and all other non-retirement benefit programs of MMRC (other than PTO and flexible spending and health savings accounts under MMRC's cafeteria plan) on the same terms and conditions and at the same cost as immediately prior to the Closing Date, it being agreed that (A) the Villas will deduct the relevant premium payments from employees' paychecks and send such amounts to MMRC for the period of time in which the Acquired Employees participate in such benefit programs after Closing, and (B) the Villas will reimburse MMRC for the actual employer cost of insurance premiums and any non-insured benefits and routine per-individual administrative fees attributable to covered Acquired Employees and their dependents upon receipt of satisfactory documentation of such costs. Notwithstanding the preceding provisions of this subparagraph (ii), the parties acknowledge that the Acquired Employees are individually responsible for maintaining the coverages for Cancer, Short-Term Disability, Accident & Disability, and Voluntary Life Programs (each a **"Portable Insurance Program"**) during the Transition Period and that MMRC shall not be responsible for any costs incurred by an Acquired Employee due to a lapse in insurance coverage under a Portable Insurance Program during the Transition Period. With respect to COBRA or other applicable continuation coverage, it is agreed that (A) all individuals previously employed by MMRC who had a COBRA qualifying event under MMRC's group health plan(s) prior to the Closing Date (and their covered spouses or dependents) and who timely elected COBRA or other applicable continuation coverage under one or more of MMRC's plans, shall receive continuation coverage under one or more group health plans of MMRC, and neither the Villas nor Franciscan nor any of their group health plans shall have any obligation to provide COBRA or other applicable continuation coverage to any such persons, and (B) Acquired Employees and their spouses or dependents who have a COBRA qualifying event with respect to MMRC's group health plans on or after the Closing Date, shall be covered under MMRC's applicable plan(s) during the transition period described herein, and afterwards shall be entitled to COBRA or other similar continuation coverage under the Villas' or Franciscan's group health plan(s) for the remainder of any continuation coverage period to which they are entitled by law or under the terms of the Villas' or Franciscan's plans.

(c) The parties agree to cooperate with each other in all Transition Period matters and shall promptly and timely provide such information and records relating to the Acquired Employees as any such party may reasonably request or require in order to comply with the provisions of this Section, including, without limitation, the PTO payment under Subsection (a).

(d) For the avoidance of doubt, MMRC agrees that it will be solely responsible for 2018 W-2 reporting of all appropriate amounts with respect to the Acquired Employees (including, without limitation, imputed income under MMRC's group term life insurance plan) for all periods in which the Acquired Employees are covered under MMRC's benefit plans, including any portion of such periods for which the Villas or Franciscan pays or reimburses MMRC for the cost of such coverage.

(e) The Villas and Franciscan shall be responsible for any unemployment insurance claims with respect to the Acquired Employees that arise during the Transition Period and shall reimburse MMRC for all costs incurred by MMRC on a monthly basis upon receipt of satisfactory documentation of such amounts paid by MMRC.

(f) The Villas and Franciscan shall indemnify, defend and hold MMRC harmless from and against any and all claims, actions, suits, demands, proceedings, losses, expenses, damages, obligations and liabilities (including costs of collection, attorney's fees and other costs of defense) arising out of or otherwise in respect of the Acquired Employees during the Transition Period, including but not limited to all liabilities associated with MMRC being the payroll agent for the Transition Period and otherwise due to the Villas or Franciscan failure to comply with their obligations to the Acquired Employees.

2.8 Additional Consideration.

(a) As additional consideration (the "**Additional Consideration**") for the Property and the Transferred Assets in addition to the assumption of the Assumed Liabilities, Franciscan shall deposit on the Closing Date, upon satisfaction or waiver by Franciscan of all of the conditions precedent set forth herein, with Alliance Land Title, Inc., as agent for First American Title Insurance Company (the "Title Company"), as escrowee (the "**Escrow Agent**"): (i) Two Hundred Thousand Dollars ($200,000) for transfer by the Escrow Agent to MMRC and (ii) Fifty Thousand Dollars ($50,0000) to be held in escrow by the Escrow Agent in an interest bearing account (the "**Escrow Account**").

(b) MMRC shall deposit on the Closing Date the amount of the August 2018 rent roll for the Normal Facility received by MMRC as of the Closing Date for transfer by the Escrow Agent to Franciscan upon satisfaction or waiver by MMRC of all of the conditions precedent set forth herein.

(c) The portion of the Additional Consideration to be transferred by the Escrow Agent to MMRC on the Closing Date and the amount to be transferred to Franciscan pursuant to subparagraph (b) of this Section 2.9 shall be released by the Escrow Agent on the Closing Date upon the joint order of MMRC and Franciscan. The portion of the Additional Consideration to be held by the Escrow Agent in the Escrow Account shall be released by the Escrow Agent upon the joint order of MMRC and Franciscan in accordance with **Section 2.9.**

2.9 Working Capital Adjustment.

(a) For purposes of this Section, "**Closing Net Working Capital**" means the accounts receivable of MMRC arising from the operation of the Normal Facility minus the following liabilities of MMRC arising from the operation of the Normal Facility: (i) accounts

payable, (ii) accrued expenses, (iii) accrued paid time off (PTO) liabilities, and (iv) any other current liabilities of MMRC, in each case determined as of the Closing Date and calculated consistent with past accounting methods and procedures used by MMRC in the preparation of its financial statements. All liabilities being assumed by the Villas and considered in the calculation of Closing Net Working Capital are those liabilities incurred by MMRC after July 31, 2018, with the exception being the PTO liability, which the Villas is fully assuming. Within thirty (30) days after the Closing Date, Franciscan will deliver to MMRC a reasonably detailed proposed statement of the final calculation of Closing Net Working Capital (the "**Closing Statement**"), including any adjustments as described in subparagraph (b) of this **Section 2.9**. After delivery of the Closing Statement, the Villas and Franciscan shall promptly make available to MMRC such working papers, books and records of the Villas that MMRC may reasonably require in order to review and understand the Closing Statement and the basis therefor. If MMRC has any objections to the Closing Statement, MMRC shall deliver to the Villas and Franciscan an Objections Statement within thirty (30) days after delivery of the Closing Statement. If an Objections Statement is not delivered within thirty (30) days after delivery of the Closing Statement, the Closing Statement shall be final, binding and non-appealable by the parties hereto. If MMRC timely delivers an Objection Statement, MMRC and Franciscan shall negotiate in good faith to resolve any identified objections. If they do not reach a final resolution within fifteen (15) days after the delivery of the Objections Statement, MMRC or Franciscan may, with written notice to the other party, submit such dispute to an independent accounting firm mutually acceptable to MMRC and Franciscan (the "**Independent Auditor**"). MMRC and Franciscan shall use commercially reasonable efforts to cause the Independent Auditor to resolve all disagreements as soon as practicable. The Closing Statement reflecting the resolution of the dispute by the Independent Auditor shall be final, binding and non-appealable on the parties hereto. "**Final Closing Net Working Capital**" means the final, binding and non-appealable determination of the Closing Net Working Capital pursuant to this **Section 2.9**.

(b) Upon determination of the Final Closing Net Working Capital, the Escrow Agent shall pay to the Villas or MMRC, as applicable, the amount determined under the following circumstances from funds held in the Escrow Account pursuant to joint order of MMRC and Franciscan:

(i) If the cash and cash equivalents transferred by MMRC to the Villas on the Closing Date is less than the amount of the August 2018 rent roll that has been collected in cash and cash equivalents by MMRC through the Closing Date, the amount of the difference will be paid to the Villas from funds held in the Escrow Account.

(ii) If any accounts receivable that are transferred from the MMRC to the Villas on the Closing Date are written off, the amount of the write-off will be paid to the Villas from funds held in the Escrow Account.

(iii) If the actual PTO liability is greater than the balance included in the July 2018 financial statements, the amount of the difference will be paid to the Villas from funds held in the Escrow Account.

(iv) The amount of accrued interest on the Bank Loan from August 1, 2018 to the Closing Date paid by MMRC on the Closing Date will be reimbursed to MMRC from funds held in the Escrow Account.

(v) The amount of funds, if any, remaining in the Escrow Account after the payment of any amounts to the Villas pursuant to clauses (i), (ii) and (iii) and to MMRC pursuant to clause (iv) of this subparagraph (b) shall be paid to MMRC.

(c) Any payment required under subparagraph (b) of this Section shall be (i) due within five (5) business days of determination of the Final Closing Date Net Working Capital and (ii) paid by wire transfer of immediately available funds in the Escrow Account to such account as is directed by Franciscan or MMRC, as the case may be.

(d) If the aggregate amount paid to the Villas from funds held in the Escrow Account pursuant to subparagraph (b) of this Section 2.9 is less than the aggregate amount determined to be payable pursuant to subparagraph (b) of this Section 2.9, MMRC shall pay the Villas the amount of the difference within thirty (30) days of such determination.

2.10 Illinois Health Facilities and Services Review Board. Upon the written request of Franciscan, and in any event prior to any sale or other transfer of assets to a third party, MMRC shall use commercially reasonable efforts to discontinue forty (40) of the Chenoa Facility skilled nursing facility beds, including but not limited to submitting documentation to the Illinois Department of Public Health ("**IDPH**") and the Illinois Health Facilities and Services Review Board. Notwithstanding anything to the contrary contained in this Agreement, MMRC's covenant to discontinue forty (40) of the Chenoa Facility skilled nursing facility beds shall survive the closing of the transactions contemplated by this Agreement and shall be enforceable by the Villas and/or Franciscan notwithstanding any subsequent change in control of MMRC. MMRC agrees to provide Franciscan not less than thirty (30) days' prior written notice of any sale or other transfer of assets or closure of the Chenoa Facility or change in control of MMRC.

2.11 Normal Facility. Franciscan intends for the Villas to become the sole operator and licensee of the Normal Facility as of the Closing Date and for the Villas to continue to operate the Normal Facility as a Christian home for the elderly.

ARTICLE III
CLOSING DATE DELIVERIES AND OTHER REQUIREMENTS

3.1 Closing Date.

(a) The closing of the transactions contemplated by this Agreement (the "**Closing**") shall occur on or about August 9, 2018, or such other date as is agreed to by the Parties (the "**Closing Date**").

(b) Subject to **Article I**, unless the Parties otherwise agree in writing, the transactions contemplated herein to become effective as of the Closing Date, shall become so effective, provided that as of the Closing Date all of the conditions precedent set forth herein have occurred.

3.2 **Title and Survey.**

(a) Title Commitment.

(i) On or before the Closing Date, MMRC shall order, at MMRC's expense, from the Title Company and deliver to Franciscan a commitment (the "**Title Commitment**") for an ALTA owner's title insurance policy (the "**Title Policy**"), to be dated or updated to the Closing Date, insuring or committing to insure, at its ordinary premium rates, the Villa's title in fee simple to the Property, subject only to the Permitted Exceptions (as hereinafter defined), and shall include extended coverage over General Exceptions 1 through 5 inclusive. Franciscan shall have the right, at Franciscan's expense, to request from the Title Company additional endorsements to the Title Policy, as Franciscan may reasonably require ("**Title Endorsements**"). Issuance of the Title Endorsements shall be subject to the Title Company's willingness to issue such Title Endorsements.

(ii) MMRC shall order a new survey of the Property (the "**Survey**"). The Survey shall be a currently dated as-built ALTA survey of the Property, which shall be certified by a licensed surveyor and in a form and substance satisfactory to the Title Company in order for the Title Company to issue extended coverage over matters that would be disclosed by a current accurate survey in the Title Policy.

(iii) MMRC agrees to convey the Property to the Villas free and clear of all liens and encumbrances other than the Permitted Exceptions (hereinafter defined). As used in this Agreement, the term "**Permitted Exceptions**" means (1) real estate taxes and assessments not due and payable as of the Closing Date, (2) building and other set back lines and zoning requirements and restrictions, (3) utility easements and utility lines serving the Improvements on the Property, (4) rights of way of public streets, roadways and alleys, (5) the Bank Mortgage (as defined in Schedule 2.2), (6) the Loyalty Loans (as referenced in Schedule 2.2), (7) any other Assumed Liabilities and (8) any other liens and encumbrances accepted by Franciscan hereunder.

(b) Franciscan's Title and Survey Charges. On the Closing Date, Franciscan shall be responsible for the cost of: (i) a lender's title insurance policy, (ii) all Title Endorsements, (iii) the cost of recording fees for a Special Warranty Deed for the Normal Facility (the "**Special Warranty Deed**") and (iv) the costs associated with the Survey.

(c) MMRC's Title and Survey Charges. On the Closing Date, MMRC shall be responsible for the cost of: (i) the Title Commitment (including, without limitation, the cost of any search or exam fees) and the title premium for the Title Policy with extended coverage over the General Exceptions 1 through 5 and (ii) any recording fees with respect to clearing public records of items that are Title Defects (as hereinafter defined).

3.3 **Closing Procedure**. Prior to the Closing Date, the Parties shall provide to the Title Company escrow instructions to open an escrow (the "**Escrow**") pursuant to the terms of this Agreement and in accordance with the general provisions of the escrow instructions provided to the Title Company by the Parties at or prior to the Closing Date. Provided that all conditions set forth in this Agreement have been satisfied or waived by the Party intended to be benefited thereby,

on the Closing Date, the Title Company shall record or distribute the following documents and funds in the following manner:

(a) Record the Special Warranty Deed in the official records of the county in which the Normal Facility is located;

(b) Deliver to Franciscan and/or the Villas all documents that are required to be delivered pursuant to this Agreement;

(c) Deliver to MMRC all documents that are required to be delivered pursuant to this Agreement; and

(d) Deliver to MMRC the Additional Consideration (inclusive of the Deposit).

3.4 Pre-Closing Actions. Prior to the Closing Date, the Parties shall take and cause to be taken all actions necessary or appropriate on their respective parts to implement the transactions contemplated herein on the Closing Date, including the following:

(a) Actions by the Villas. Prior to the Closing Date, the Villas shall obtain all internal approvals of and execution of any and all agreements and other documents and the taking of any and all other actions contemplated or required by this Agreement to be executed or taken by the Villas on or before the Closing Date, including the following:

(i) Approving the Amended Bylaws, in substantially the form attached hereto as Schedule 1.1;

(ii) Approving the Amended Bylaws, in substantially the form attached hereto as Schedule 1.2; and

(iii) Approving any and all other actions necessary to effect or evidence the change of control and conveyance thereof of the Villas and its asserts, as contemplated herein.

(b) Actions by MMRC. Prior to the Closing Date, MMRC shall obtain all internal approvals of and execution of any and all agreements and other documents and the taking of any and all other actions contemplated or required by this Agreement to be executed or taken by MMRC on or before the Closing Date.

(c) Actions by Franciscan. Prior to the Closing Date, Franciscan shall obtain all internal approvals of and execution of any and all agreements and other documents and the taking of any and all other actions contemplated or required by this Agreement to be executed or taken by Franciscan on or before the Closing Date, including but not limited to the filing of an appropriate change of ownership licensure application approved by IDPH for a probationary license to operate the Normal Facility as a duly licensed assisted living facility to be effective as of the Closing Date (the "**Normal Facility License**"). MMRC and the Villas agree to use commercially reasonable efforts to cooperate with and assist Franciscan in connection with the filing of such licensure application.

3.5 **Closing Document Deliveries**. At the closing, the Parties shall deliver the following documents (the "**Closing Documents**"):

(a) Villas Closing Documents:

(i) Officers' certificates from the Villas and MMRC, dated as of the Closing Date, certifying as to the continued accuracy and completeness of the representations and warranties made on behalf of the Villas, and performance of the covenants and conditions precedent, as set forth in this Agreement, to his or her Knowledge[1];

(ii) Secretaries' certificates from the Villas and MMRC, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of, and attaching a copy of the resolutions of the Villas' Board of Directors with respect to the actions and transactions required or contemplated by this Agreement, including the Amended Bylaws referenced in **Section 1.1** and **Section 1.2**;

(iii) Evidence of the resignations of each person elected or appointed to serve as a director or member of the governing board of the Villas, effective on or before the Closing Date;

(iv) Documents confirming the termination of the Apostolic Church line of credit and modification of the Promissory Note payable to the Apostolic Church as set forth at **Section 1.7**; and

(v) Such other instruments and documents as may be reasonably necessary to carry out the transactions contemplated or required by this Agreement and to comply with the terms hereof, including any instruments and documents required to be delivered by or with respect to the Villas.

(b) MMRC Closing Documents:

(i) An officer's certificate, dated as of the Closing Date, certifying as to the continued accuracy and completeness of MMRC's representations and warranties, and its performance of the covenants and conditions precedent, set forth in this Agreement, to his or her Knowledge;

(ii) A Secretary's certificate, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of and attaching a copy of the resolutions of the MMRC's Board of Directors approving, with respect to MMRC, the actions and transactions and actions required or contemplated by this Agreement;

[1] "**Knowledge**" means the actual knowledge held by the applicable Party, through the actual knowledge its chief executive officer and any other management officer with primary responsibility for the subject matter, after reasonable inquiry of responsible subordinates (and if such inquiry is not made, the knowledge that would have been held by the officer if such inquiry had been made).

(iii) Documentation related to the cancellation of the Heartland Line of Credit and termination of the related UCC financing statement as set forth in **Section 2.5**;

(iv) The Title Policy in accordance with **Section 3.2;**

(v) The unaudited financial statements of the interim period through the most recent month-end date for which financial statements are available prior to the Closing Date; and

(vi) Such other instruments and documents as may be reasonably necessary to carry out the transactions contemplated by this Agreement and to comply with the terms hereof including the Special Warranty Deed, a General Bill of Sale and Assignment relating to the Normal Facility, an affidavit of title and such other affidavits as may be required by the Title Company in connection with the Property being conveyed, and an Acceptance and Assumption Agreement (the "**Assumption Agreement**") regarding any of the Transferred Assets, the nature of which requires an assignment to be effectively transferred to the Villas.

(c) Franciscan Closing Documents:

(i) An officer's certificate, dated as of the Closing Date, certifying as to the continued accuracy and completeness of Franciscan's representations and warranties, and its performance of the covenants and conditions precedent, set forth in this Agreement, to his Knowledge;

(ii) A Secretary's certificate, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of and attaching a copy of the resolutions of the Franciscan Board of Directors approving, with respect to Franciscan, the actions and transactions and actions required or contemplated by this Agreement; and

(iii) Such other instruments and documents as may be reasonably necessary to carry out the transactions contemplated by this Agreement and to comply with the terms hereof, including the Assumption Agreement.

ARTICLE IV
TERMINATION

4.1 Termination.

(a) This Agreement shall terminate in its entirety in the event that there is a failure of any condition precedent as set forth herein, unless such failure is waived in writing by the other Parties.

(b) Franciscan may terminate this Agreement at any time prior to the Closing Date by written notice to the other Parties, if Franciscan determines, in good faith, that it is not satisfied with the results of its due diligence, including as to Schedules provided by the Villas and MMRC or the Survey delivered pursuant to **Section 3.2(a)(ii)** or a material adverse change has occurred with respect to the Villas or MMRC's business or financial operations or that specific information contained in any updated or completed Schedule or officer's certificate which is

provided to Franciscan prior to the Execution Date, is unacceptable to Franciscan, and the Parties are unable to resolve the issue after good faith efforts.

(c) Franciscan may terminate this Agreement by written notice to the other Parties in accordance with **Section 3.2(d)**.

(d) Any Party may terminate this Agreement by written notice to the other Parties if the Closing Date has not occurred on or before September 15, 2018.

(e) Any agreement entered into pursuant to this Agreement shall terminate in accordance with the terms thereof.

ARTICLE V
SURVIVAL

5.1 Survival of Representations, Warranties, Covenants and Agreements.

(a) Survival Periods. Except as otherwise expressly provided in this Agreement, all representations, warranties, covenants and agreements contained in this Agreement or in any document delivered at the closing pursuant hereto shall be deemed to be material and to have been relied upon by the Parties, and shall survive the Closing Date and shall be fully effective and enforceable for a period of twelve (12) months after the Execution Date, but shall thereafter be of no further force or effect, except that (i) the covenants of MMRC set forth **Sections 1.4, 1.5, 1.6** and **2.4** of this Agreement shall survive for a period of eighteen (18) months following the Closing Date, (ii) the covenants of MMRC set forth **Sections 2.6** and **2.10** of this Agreement shall survive for a period of twenty-four (24) months following the Closing Date and (iii) any representation or warranty of a Party contained in this Agreement giving rise to or forming the basis for any claim directly resulting from fraud on the part of such Party as determined by a court of competent jurisdiction shall survive for a period of five (5) years following the Closing Date. Collectively, each of the periods referenced above shall be deemed a "**Survival Period.**"

ARTICLE VI
DISPUTE RESOLUTION AND LEGAL REMEDIES

6.1 Judicial and Non-Judicial Dispute Resolution Alternatives. The Parties acknowledge that, notwithstanding their best efforts, disputes may arise after the Closing Date regarding the Parties' respective rights and responsibilities, and obligations and liabilities, under this Agreement and in any document delivered at the closing. In each instance, the Parties shall attempt to resolve the dispute in good faith and consistent with their goals and objectives in entering into this Agreement. If after such efforts the Parties hereto are unable within ten (10) days of the arising of the dispute to resolve the dispute in good faith, the Parties may mutually agree to submit to final and binding arbitration before the American Arbitration Association ("**AAA**"), with an office located in Chicago, Illinois, or its successor, pursuant to the Federal Arbitration Act, as amended (9 U.S.C. Sections 1 *et seq.*). The Parties hereto agree that the rules of the AAA applicable to commercial arbitrations shall apply to any such arbitration and that the Expedited Procedures under the Commercial Arbitration Rules shall apply. Any Party may commence the arbitration process called for in this Agreement by filing a written demand for arbitration with the AAA, with a copy to the other Parties. The arbitration will be conducted in

Chicago, Illinois, in accordance with the provisions of the AAA Streamlined Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration. The Parties will cooperate with the AAA and with one another in selecting an arbitrator from the AAA panel of neutrals, and in scheduling the arbitration proceedings. The provisions of this **Section 6.1** with respect to the arbitration before the AAA may be enforced by any court of competent jurisdiction, and the Parties seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the Parties against whom enforcement is ordered. The fees and expenses of such arbitration (including, but not limited to, attorneys' fees) shall be borne by the non-prevailing Party, as determined by such arbitration. Upon the mutual agreement of the Parties involved in the Dispute, the Parties may submit to final and binding arbitration before any other recognized alternative dispute resolution company or organization. If the Parties are unable to resolve the issue in dispute, and, any Party, acting reasonably and in good faith, believes the issue in dispute is of a material and substantive nature, it shall have the right to pursue any and all legal and equitable rights and remedies, including through proceedings in a court of law.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF MMRC AND THE VILLAS

MMRC, on behalf of itself and the Villas, hereby gives and shall give the following representations and warranties to Franciscan; provided, however, that the Parties agree that as of the Execution Date, certain of the Schedules referenced below in this **Article VII** may be incomplete or subject to updating, and further provided that all Schedules shall be complete no later than ten (10) days prior to the Closing Date:

7.1 Due Incorporation; Good Standing; Power. MMRC and the Villas are each duly organized, validly existing and in good standing under the laws of the State of Illinois, and have the corporate power and authority to own, operate or hold under lease their respective properties and assets and to carry on the business and operations as presently conducted or as contemplated to be conducted consistent with the terms of their respective Articles of Incorporation and Bylaws and the provisions of this Agreement.

7.2 Corporate Authorization.

(a) MMRC and the Villas each have the full corporate or other power and authority to enter into and to perform the obligations under this Agreement, including MMRC conveying the Normal Facility and other Transferred Assets, as applicable, to the Villas.

(b) The execution, delivery and performance of this Agreement has been duly and properly authorized by proper corporate or other action in accordance with applicable laws and the applicable Articles of Incorporation and Bylaws.

(c) This Agreement constitutes the lawful, valid and legally binding obligation of MMRC and of the Villas, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights and by general equitable principles.

7.3 No Violation; Approvals.

(a) Except to the extent specified in Schedule 7.3(a) hereto, the execution, delivery and performance of this Agreement shall not result in the creation of any lien, charge, or encumbrance of any kind or the termination or acceleration of any indebtedness or other obligation of MMRC or the Villas, and is not prohibited by, does not violate or conflict with any provision of, and does not constitute a default under or breach of any contract, lease, agreement, indenture, mortgage, pledge, sublease, option, assignment, permit, license, approval or other commitment to which MMRC or the Villas is a party or is subject or by which any such corporation is bound, any judgment, decree, order, writ or injunction of any court or regulatory authority, or any law, statute, rule or regulation, applicable to MMRC or the Villas.

(b) Except to the extent specified in Schedule 7.3(b) hereto, no approval, authorization, registration, consent, order or other action of or filing that has not occurred or been obtained with or from any person, including any court, administrative agency or other governmental authority, is required for the execution and delivery of this Agreement.

(c) The discontinuation of forty (40) of the MMRC skilled nursing facility beds as set forth in **Section 2.10** hereof is not prohibited by, and will not violate or conflict with any provision of, and will not constitute a default under or breach of any contract, lease, agreement, indenture, mortgage, pledge, sublease, option, assignment, permit, license, approval or other commitment to which MMRC is a party or is subject or by which it is bound.

7.4 Financial Statements.

(a) MMRC has delivered to Franciscan true and correct copies of the consolidated audited financial statements of MMRC and related entities (including the Villas) for the three (3) fiscal years ended 2015, 2016 and 2017, and the unaudited financial statements of the interim period through the most recent month-end date for which financial statements were available prior to the Execution Date (collectively, the "**Consolidated Financial Statements**").

(b) The Consolidated Financial Statements are complete, true and correct in all material respects and present fairly in all material respects the financial position of MMRC and related entities (including the Villas) as well as the results of operations, changes in net assets and cash flows at the dates and for the periods indicated, in conformity with GAAP (except as otherwise disclosed on Schedule 7.4(b)), applied consistently for the periods specified, including the consistent use of assumptions, practices, procedures and terminology.

(c) From and after December 31, 2017 (except as set forth in Schedule 7.4(c)), MMRC has not made any material changes to its accounting methods or practices.

(d) Except as disclosed on Schedule 7.4(d), neither MMRC nor the Villas has any liabilities or obligations, whether contingent or absolute, direct or indirect, or matured or unmatured, which are not shown or provided for in the most recent Consolidated Financial Statements provided to Franciscan, other than obligations or liabilities incurred in the Ordinary Course of Business.

7.5 Interim Changes. Except for matters expressly permitted or authorized by this Agreement and except as set forth on Schedule 7.5, there has not been, after the date of the most recent Consolidated Financial Statements:

(a) Any change in the financial condition, assets, liabilities, properties or results of operation of the Normal Facility or the Villas which has had or could have, in the aggregate, a materially adverse effect on the Property;

(b) Any damage, destruction or loss, whether or not covered by insurance, which has had or could have, in the aggregate, a materially adverse effect on the Property;

(c) Any disposition by MMRC or the Villas of any property, rights or other assets owned by or employed in the Normal Facility or the Villas, except for dispositions in the Ordinary Course of Business of MMRC or the Villas, and other dispositions contemplated by this Agreement;

(d) Any amendment or termination of any material contract which has had or could have, in the aggregate, a materially adverse effect on the Property;

(e) Any new leases including capital, operating or real property leases, or any material amendment to such an existing lease between MMRC or the Villas and a third party with respect to the Property;

(f) Any new debt instrument or other financing arrangement between MMRC or the Villas and a third party regarding the Property;

(g) Any adoption or material amendment of any bonus, profit-sharing, incentive or severance agreement or arrangement, or any benefit plan, involving any officer, director or employee;

(h) Any event or condition of any character which, to MMRC's Knowledge or the Villas' Knowledge, has had or could have, in the aggregate, a materially adverse effect on the Property;

(i) Any material changes in licenses, permits and accreditation affecting the Property;

(j) Any material legal proceeding or investigations or required corrective actions brought by, against or affecting the Property; and

(k) Any change in or material value of the Property;

7.6 Condition of the Property and Major Mechanical Components. Neither MMRC nor the Villas has received any written notice during the past twelve (12) months from any insurance company which has issued a policy with respect to the Property or from any board of fire underwriters (or other body exercising similar functions) claiming any defects or deficiencies in the Property or suggesting or requesting the performance of any repairs, alterations or other work to the Property. To MMRC's Knowledge and to the Villas' Knowledge, the sewage or any waste water systems, life safety systems, the incinerators and the heating or air conditioning equipment located at the Property are in normal operating condition and in compliance with applicable federal, state, or municipal laws, ordinances, orders, regulations or requirements. Neither MMRC or the Villas has received written notice that either of the sewage or any waste

water systems, life safety systems, incinerators or the heating or air conditioning equipment located at the Property violate any applicable federal, state, or municipal laws, ordinances, orders, regulations or requirements.

7.7 **Contracts**. MMRC has provided copies of all of the contracts to which MMRC or the Villas is a party or by which MMRC or the Villas is bound as of the Execution Date, and Schedule 7.7 lists all of such contracts (collectively, the "**Property Contracts**") which are necessary to operate the Property and which the obligations and liabilities of MMRC thereunder with respect to the Normal Facility will be assumed by the Villas. All Property Contracts are in full force and effect and bind MMRC or the Villas and bind the other parties thereto. To the Knowledge of MMRC and the Knowledge of the Villas, neither MMRC nor the Villas is in default in any material respect under any Property Contract and no other party thereto is in default under any Property Contract. To the Knowledge of MMRC and the Knowledge of the Villas, no event has occurred or fact, circumstance or condition exists that, with or without notice or the lapse of time, or the happening of any further event or existence of any future fact, circumstance or condition, would become a default by MMRC or the Villas under any Property Contract. There are no renegotiations, attempts to renegotiate or outstanding rights to negotiate any amount to be paid or payable to or by MMRC or the Villas under any Property Contract, and neither MMRC nor the Villas has received a demand from any person for such renegotiation that remains outstanding. Neither MMRC nor the Villas has released or waived any of its rights under any Property Contract.

7.8 **Taxes and Related Matters**. MMRC and the Villas are each qualified as a tax-exempt organization under the Code, and have received Federal Tax Exempt Status. Such Federal Tax Exempt Status has not been revoked or challenged and neither MMRC nor the Villas is under examination or audit by, nor, to MMRC's Knowledge or to the Villas' Knowledge, has either received or become aware of any pending notice from, any federal, state or local taxing authorities or other authorities with jurisdiction over not-for-profit entities and their operations with respect to its Federal Tax Exempt Status or any other material matter, and has not granted any waiver of any statute of limitations with respect to any such examination or audit.

7.9 **Hazardous Waste**. To MMRC's Knowledge and to the Villas' Knowledge, without any investigation and except as disclosed in any environmental report delivered or obtained by Franciscan or its agents or representatives, neither MMRC nor the Villas has generated, stored or disposed of any hazardous waste at the Property except in such quantities that are customary and legal in the Ordinary Course of Business. Neither MMRC nor the Villas has any Knowledge, without any investigation and except as disclosed in any environmental report delivered or obtained by Franciscan or its agents or representatives, of any previous or present generation, storage, disposal or existence of any hazardous waste. The term "hazardous waste" shall mean "hazardous waste," "toxic substances" or other similar or related terms as defined or used from time to time in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6921 *et seq.*) and regulations adopted thereunder.

7.10 **Access to Property**. Neither MMRC nor the Villas has received written notice from any federal, state, county, municipal or other governmental plans to (a) change the highway

or road system directly adjacent to the Property or (b) restrict or change access from any such highway or road to the Property.

7.11 Permits. To MMRC's Knowledge and to the Villas' Knowledge, MMRC and the Villas each currently maintains in good standing and full force all of the material certificates, licenses and permits from all applicable governmental authorities in connection with the ownership, use, occupancy, operation and maintenance of the Property as necessary in connection with the current ownership, use, occupancy, operation and maintenance thereof.

7.12 Regulatory Notice. Except as set forth in Schedule 7.12, neither MMRC nor the Villas has received written notice of any outstanding health or Life Safety Code deficiencies cited by IDPH or any other outstanding violations of law from any state or local building, fire safety, health or environmental authorities that have not been corrected as of the Execution Date.

7.13 Litigation and Other Proceedings. Except as set forth on Schedule 7.13, there are no pending or threatened litigation, investigations, claims, lawsuits, governmental actions or other proceedings, including, without limitation, any desk audit or full audit, involving the Property or the operation thereof before any court, agency or other judicial, administrative or other governmental or quasi-governmental body or arbitrator.

7.14 Taxes. MMRC and the Villas have each timely filed all tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges due and payable with respect to such returns.

7.15 Brokers. Neither MMRC nor the Villas has dealt with any broker or finder which is entitled to a real estate commission as a result of this transaction, other than Patrick Byrne.

7.16 No Material Omissions. MMRC and the Villas have each responded in all material respects to Franciscan's requests for information and documentation as part of Franciscan's due diligence review of the business, operations, assets and liabilities, including information requested pertaining to entities for which MMRC and/or the Villas holds any membership or ownership interest, or is otherwise affiliated. Neither MMRC nor the Villas has knowingly omitted any material information in its respective responses to Franciscan's requests. Neither MMRC nor the Villas has received any material information which would render untrue or misleading any information previously disclosed to Franciscan during its due diligence review.

7.17 Disclosure. The representations and warranties contained herein, and each certificate or other document delivered by MMRC and/or the Villas pursuant to this Agreement, or in connection with the transactions contemplated hereby, are accurate, correct and complete, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES OF FRANCISCAN

Franciscan gives and shall give the representations and warranties set forth below.

8.1 Due Incorporation; Good Standing; Power. Franciscan is an Illinois not-for-profit corporation, exempt from federal income taxation under Section 501(c)(3) of the Code. Franciscan is duly organized, validly existing and in good standing under the laws of the State of Illinois, and has the corporate power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted.

8.2 Corporate Authorization. Franciscan has the full corporate power and authority to enter into, and to perform its obligations under, this Agreement. The execution, delivery and performance of this Agreement by Franciscan has been duly and properly authorized by proper corporate action in accordance with applicable laws and its Articles of Incorporation and its corporate Bylaws. This Agreement constitutes the lawful, valid and legally binding obligation of Franciscan, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights and by general equitable principles.

8.3 No Violation. The execution, delivery and performance of this Agreement shall not result in the creation of any lien, charge, or encumbrance of any kind or the acceleration of any indebtedness or other obligation of Franciscan, and is not prohibited by, does not violate or conflict with any provision of, and does not constitute a default under or breach of any contract, lease, agreement, indenture, mortgage, pledge, sublease, option, assignment, permit, license, approval or other commitment to which Franciscan is a party or is subject or by which Franciscan is bound, any judgment, decree, order, writ or injunction of any court or regulatory authority, or any law, statute, rule or regulation applicable to it. No approval, authorization, registration, consent, order or other action of or filing with any person, including any court, administrative agency or other governmental authority, is required (that has not been obtained) for the execution and delivery by Franciscan of this Agreement or the consummation by Franciscan of the transactions contemplated hereby. Notwithstanding anything herein to the contrary, Franciscan makes no representation as to the compliance of the transactions contemplated hereby with applicable antitrust laws.

8.4 "AS IS-WHERE IS" Condition of the Property. FRANCISCAN ACKNOWLEDGES THAT IT HAS HAD AN ADEQUATE OPPORTUNITY TO INSPECT THE PROPERTY AND THE TRANSFERRED ASSETS AND HAS TO ITS SATISFACTION ADEQUATELY INSPECTED THE PROPERTY AND THE TRANSFERRED ASSETS AND, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES PROVIDED IN THIS AGREEMENT, AND FURTHER SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, FRANCISCAN SHALL RELY EXCLUSIVELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND THE TRANSFERRED ASSETS, ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY AND THE TRANSFERRED ASSETS, AND AGREES TO ACCEPT SAME IN ITS PRESENT "AS IS-WHERE IS" CONDITION.

8.5 RELEASE. FRANCISCAN REPRESENTS TO MMRC AND THE VILLAS THAT FRANCISCAN HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY AND THE TRANSFERRED ASSETS AS FRANCISCAN DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO ANY MATTER RELATING TO THE PROPERTY AND THE TRANSFERRED ASSETS. UPON CLOSING, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT (AND IN THE DOCUMENTS TO BE DELIVERED BY MMRC AND THE VILLAS TO FRANCISCAN AT CLOSING), FRANCISCAN SHALL ASSUME THE RISK THAT ADVERSE MATTERS REGARDING THE PROPERTY AND THE TRANSFERRED ASSETS MAY NOT HAVE BEEN REVEALED BY FRANCISCAN'S INVESTIGATIONS, AND FRANCISCAN, UPON CLOSING, SHALL BE DEEMED, ON BEHALF OF ITSELF AND ON BEHALF OF ITS TRANSFEREES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS (INCLUDING, WITHOUT LIMITATION, ANY AFFILIATE OR NOMINEE OF FRANCISCAN AS PROVIDED HEREIN), TO WAIVE, RELINQUISH, RELEASE AND FOREVER DISCHARGE MMRC AND THE VILLAS, AND THEIR AFFILIATES AND THEIR RESPECTIVE MEMBERS, MANAGERS, PARTNERS, SHAREHOLDERS, OFFICERS, AGENTS, ATTORNEYS, DIRECTORS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, BY REASON OF OR ARISING OUT OF THE PROPERTY AND THE TRANSFERRED ASSETS, INCLUDING, WITHOUT LIMITATION, A LATENT OR PATENT CONSTRUCTION DEFECT OR OTHER PHYSICAL CONDITION (INCLUDING, WITHOUT LIMITATION, FUNGI, MOLD OR MILDEW) WHETHER PURSUANT TO STATUTES IN EFFECT IN THE STATE OF ILLINOIS OR ANY OTHER FEDERAL, STATE OR LOCAL ENVIRONMENTAL OR HEALTH AND SAFETY LAW OR REGULATION; THE EXISTENCE OF ANY HAZARDOUS MATERIAL WHATSOEVER, ON, AT, TO, IN, ABOVE, ABOUT, UNDER, FROM OR IN THE VICINITY OF THE PROPERTY AND THE TRANSFERRED ASSETS; AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS WHATSOEVER REGARDING THE TRANSFERRED ASSETS.

8.6 Brokers. Franciscan represents and warrants that it has not dealt with any broker or finder which is entitled to a real estate commission as a result of this transaction.

8.7 Disclosure. The representations and warranties of Franciscan contained in this Agreement, and each certificate or other document delivered by Franciscan pursuant to this Agreement, or in connection with the transactions contemplated hereby, are accurate, correct and complete, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading.

ARTICLE IX
COVENANTS OF THE VILLAS

The Villas hereby agrees to keep, perform and fully discharge the following covenants and agreements, as applicable:

9.1 **Pre-Closing Actions and Closing Document Deliveries**. The Villas shall comply with the Pre-Closing Actions specified in **Section 3.4(a)** and deliver the Closing Documents referenced in **Section 3.5(a)**.

9.2 **Interim Conduct of Business**. From the Execution Date to the Closing Date:

(a) The Villas shall:

(i) Preserve, protect and maintain the business, properties and assets of the Villas in all material respects;

(ii) Operate the Villas as a going concern consistent with prior practices and the Ordinary Course of Business in all material respects, including with respect to the incurring of any liabilities;

(iii) Obtain all documents called for by this Agreement and required to facilitate the consummation of the transactions contemplated by this Agreement;

(iv) Conduct the business only in the Ordinary Course of Business;

(v) Maintain the Villas' assets in a condition that complies with all applicable laws and is consistent with the requirements and Ordinary Course of Business;

(vi) Pay when due or otherwise satisfy in the Ordinary Course of Business all of the bona fide liabilities incurred in the Ordinary Course of Business, subject to good faith disputes;

(vii) Comply with all applicable laws and contractual obligations relating to the Villas; and

(viii) Continue in full force and effect the insurance coverage under the existing policies.

(b) Without obtaining Franciscan's prior written consent, the Villas shall not:

(i) Make any changes, or permit any changes to be made, in the Articles of Incorporation or corporate Bylaws of the Villas, except for changes expressly contemplated and authorized by this Agreement, as referenced in **Section 1.1** and **Section 1.2**;

(ii) Enter into or renew any capital, operating or real property lease or any debt instrument or financing arrangement with a third party; or

(iii) Enter into any transaction which is outside the Ordinary Course of Business or which could have a material effect on the business of the Villas, except for transactions expressly authorized by this Agreement.

9.3 **Update and Complete Schedules**. From the Execution Date, the Villas shall amend, supplement and otherwise complete all Schedules which are incorrect or incomplete as of

the Execution Date, and submit any Schedules needing updating to Franciscan no later than ten (10) days prior to the Closing Date.

9.4 Preserve Accuracy of Representations and Warranties. From the Execution Date to the Closing Date:

(a) The Villas shall not knowingly take any action which would render any representation or warranty contained herein materially inaccurate or untrue as of the Closing Date.

(b) The Villas shall promptly notify Franciscan of any lawsuits, claims, administrative actions or other proceedings asserted in writing or commenced against the Villas or the Villas' officers or directors involving in any material way the businesses, properties or assets of the Villas.

(c) The Villas shall promptly notify Franciscan in writing of any facts or circumstances which come to its attention and which cause any of the representations and warranties made by the Villas herein to be untrue or misleading at any time from the Execution Date to the Closing Date.

9.5 Access to Information.

(a) From the Execution Date to the Closing Date, the Villas shall give to Franciscan and to its representatives full and free access, during normal business hours, to all properties, books, records and contracts pertaining to the businesses, properties and assets of the Villas, as may be reasonably requested, subject to reasonable advance notice and provided that Franciscan shall not exercise such rights of access in such manner as would unduly interfere with operations.

(b) The Villas shall cooperate in keeping Franciscan fully informed and shall promptly notify Franciscan of any adverse event or other adverse change in the Ordinary Course of Business.

9.6 Compliance with Laws and Obligations: Consents. From the Execution Date to the Closing Date, the Villas shall:

(a) Comply in all material respects with all applicable statutes, laws, ordinances and regulations;

(b) Keep, hold and maintain all certificates, accreditation, licenses and other permits necessary for the conduct and operation of the Villas; and

(c) Use commercially reasonable efforts to obtain and, as applicable, cooperate fully with Franciscan in its efforts to obtain, all consents, approvals, exemptions and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or appropriate under all applicable laws and under all contracts, agreements and commitments the Villas is a party to or is bound under in order to consummate the transactions contemplated or required by this Agreement.

9.7 Third Party Authorizations. From the Execution Date to the Closing Date, the Villas shall use its best efforts to obtain expeditiously all consents, approvals and authorizations of third parties necessary for the valid execution, delivery and performance of this Agreement.

9.8 Confidentiality of Franciscan Information.

(a) Except as otherwise set forth in this **Section 9.9**:

(i) The Villas shall hold in confidence all information regarding Franciscan obtained in connection with the negotiation and performance of this Agreement or any due diligence investigation. Such obligations shall remain in effect through a ten (10) year period following the Execution Date.

(b) The confidentiality obligation set forth in **Section 9.9(a)** shall not apply to information that:

(i) Was known by the Villas when received;

(ii) Is or hereafter becomes lawfully obtainable by the Villas from other sources; or

(iii) The Villas is required by law to disclose, including in any filings required to be made with any governmental agency and pleadings required to be filed with any court or tribunal (provided that prior to any disclosure of Franciscan information, the Villas shall give Franciscan reasonable advance notice to permit Franciscan to apply for protective order relating to the disclosure of such information).

(c) If the transactions contemplated by this Agreement are not consummated, the Villas shall use its best efforts to continue to hold all confidential Franciscan information in confidence and promptly return to Franciscan upon its written request all documents (and all copies thereof) containing such information.

(d) The Villas acknowledges that there is not an adequate remedy at law for the breach of this **Section 9.9** and that, in addition to any other remedies available, injunctive relief may be granted for any such breach. The provisions of this **Section 9.9** shall survive any termination of this Agreement.

9.9 Insurance. From the Execution Date to the Closing Date, the Villas shall cause each policy of insurance to remain in force through the Closing Date and the Villas shall promptly provide Franciscan with notification of any change in carriers or coverage and copies of all notices received from the carrier within five (5) days after its receipt of same. The Villas shall cooperate fully with Franciscan to facilitate any transition in insurance coverage.

9.10 Performance of Undertakings. The Villas shall use commercially reasonable efforts to perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder.

9.11 Commercially Reasonable Efforts. The Villas shall use commercially reasonable efforts to consummate the transactions contemplated by this Agreement and shall not take any other action inconsistent with its obligations hereunder or which could hinder or materially delay the consummation of the transactions contemplated or required hereby.

ARTICLE X
COVENANTS OF MMRC

MMRC hereby agrees to keep, perform and fully discharge the following covenants and agreements, as applicable:

10.1 Pre-Closing Actions and Closing Document Deliveries. MMRC shall comply with the Pre-Closing Actions specified in **Section 3.4(b)** and deliver the Closing Documents referenced in **Section 3.5(b)**.

10.2 Interim Conduct of Business. From the Execution Date to the Closing Date:

(a) MMRC shall:

(i) Preserve, protect and maintain the business, properties and assets of the Normal Facility;

(ii) Operate the Normal Facility as a going concern consistent with prior practices and the Ordinary Course of Business, including with respect to the incurring of any liabilities;

(iii) Preserve the goodwill of all individuals having business or other relations with the Normal Facility;

(iv) Obtain all documents called for by this Agreement and required to facilitate the consummation of the transactions contemplated by this Agreement;

(v) Conduct the business only in the Ordinary Course of Business;

(vi) Maintain the Normal Facility's assets in a state of good repair and in a condition that complies with all applicable laws and is consistent with the requirements and Ordinary Course of Business;

(vii) Pay when due or otherwise satisfy in the Ordinary Course of Business all of the bona fide liabilities incurred in the Ordinary Course of Business, subject to good faith disputes;

(viii) Keep in full force and effect, without amendment, all material rights relating to the Normal Facility;

(ix) Comply with all laws and contractual obligations relating to the Normal Facility; and

(x) Continue in full force and effect the insurance coverage under the existing policies.

(b) MMRC shall provide Franciscan promptly with interim financial statements, as referenced in **Section 7.4(a)**, as soon as such are available.

(c) Without obtaining Franciscan's prior written consent, MMRC shall not:

(i) Enter into or renew any capital, operating or real property lease or any debt instrument or financing arrangement with a third party; or

(ii) Enter into any transaction which is outside the Ordinary Course of Business or which could have a material effect on the business of the Normal Facility, except for transactions expressly authorized by this Agreement.

10.3 Complete Schedules. From the Execution Date to the Closing Date, MMRC shall not amend or supplement the Schedules except with the prior written consent of Franciscan.

10.4 Preserve Accuracy of Representations and Warranties. From the Execution Date to the Closing Date:

(a) MMRC shall not take any action which would render any representation or warranty contained herein materially inaccurate or untrue as of the Closing Date.

(b) MMRC shall promptly notify Franciscan of any lawsuits, claims, administrative actions or other proceedings asserted or commenced against the MMRC, the Normal Facility, or MMRC's officers or directors involving in any material way the businesses, properties or assets of the Normal Facility.

(c) MMRC shall promptly notify Franciscan in writing of any facts or circumstances which come to its attention and which cause, or through the passage of time may cause, any of the representations and warranties made by MMRC herein to be untrue or misleading at any time from the Execution Date to the Closing Date.

10.5 Access to Information.

(a) From the Execution Date to the Closing Date, MMRC shall give to Franciscan and to its representatives reasonable access, during normal business hours, to all properties, books, records and contracts pertaining to the businesses, properties and assets related to the Normal Facility, as may be reasonably requested, subject to reasonable advance notice and provided that Franciscan shall not exercise such rights of access in such manner as would unduly interfere with operations.

(b) MMRC shall cooperate in keeping Franciscan fully informed and shall promptly notify Franciscan of any adverse event or other adverse change in the Ordinary Course of Business.

10.6 Maintain Books and Accounting Practices. From the Execution Date to the Closing Date, MMRC shall maintain the books of account in the usual, regular and ordinary manner in accordance with GAAP and on a basis consistent with prior years, including the consistent use of assumptions, practices, procedures and terminology, and MMRC shall not make or cause to be made any material changes in the accounting methods or practices of MMRC or relating to the Normal Facility.

10.7 Compliance with Laws and Obligations: Consents. From the Execution Date to the Closing Date, MMRC shall:

(a) Comply in all material respects with all applicable statutes, laws, ordinances and regulations;

(b) Keep, hold and maintain all certificates, accreditation, licenses and other permits necessary for the conduct and operation of the Normal Facility; and

(c) Use best efforts to obtain and, as applicable, cooperate fully with Franciscan in its efforts to obtain, all consents, approvals, exemptions and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or appropriate under all applicable laws and under all contracts, agreements and commitments MMRC is a party to or is bound under in order to consummate the transactions contemplated or required by this Agreement.

10.8 Third Party Authorizations. From the Execution Date to the Closing Date, MMRC shall use its best efforts to obtain expeditiously all consents, approvals and authorizations of third parties necessary for the valid execution, delivery and performance of this Agreement.

10.9 Confidentiality of Franciscan Information.

(a) Except as otherwise set forth in this **Section 10.9**:

(i) MMRC shall hold in confidence all information regarding Franciscan obtained in connection with the negotiation and performance of this Agreement or any due diligence investigation. Such obligations shall remain in effect through a ten (10) year period following the Execution Date.

(b) The confidentiality obligation set forth in **Section 10.9(a)** shall not apply to information that:

(i) Was known by MMRC when received;

(ii) Is or hereafter becomes lawfully obtainable by MMRC from other sources; or

(iii) MMRC is required by law to disclose, including in any filings required to be made with any governmental agency and pleadings required to be filed with any court or tribunal (provided that prior to any disclosure of Franciscan information, MMRC shall

give Franciscan reasonable advance notice to permit Franciscan to apply for protective order relating to the disclosure of such information).

(c) If the transactions contemplated by this Agreement are not consummated, MMRC shall use its best efforts to continue to hold all confidential Franciscan information in confidence and promptly return to Franciscan upon its written request all documents (and all copies thereof) containing such information.

(d) MMRC acknowledges that there is not an adequate remedy at law for the breach of this **Section 10.9** and that, in addition to any other remedies available, injunctive relief may be granted for any such breach. The provisions of this **Section 10.9** shall survive any termination of this Agreement.

10.10 Insurance. From the Execution Date to the Closing Date, MMRC shall cause each policy of insurance to remain in force with no gaps in such coverage through the Closing Date and MMRC shall promptly provide Franciscan with notification of any change in carriers or coverage and copies of all notices received from the carrier within five (5) days after its receipt of same. MMRC shall cooperate fully with Franciscan to facilitate any transition in insurance coverage.

10.11 Performance of Undertakings. MMRC shall use its best efforts to perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder.

10.12 Commercially Reasonable Efforts. MMRC shall use commercially reasonable efforts to consummate the transactions contemplated by this Agreement and shall not take any other action inconsistent with its obligations hereunder or which could hinder or materially delay the consummation of the transactions contemplated or required hereby.

ARTICLE XI
COVENANTS OF FRANCISCAN

Franciscan hereby agrees to keep, perform and fully discharge the following covenants and agreements:

11.1 Pre-Closing Actions and Closing Document Deliveries. Franciscan shall comply with the Pre-Closing Actions specified in **Section 3.4(c)** and deliver the Closing Documents referenced in **Section 3.5(c)**.

11.2 Preserve Accuracy of Representations and Warranties. From the Execution Date until the Closing Date:

(a) Franciscan shall not take any action which would render any representation or warranty contained herein inaccurate or untrue as of the Closing Date.

(b) Franciscan shall promptly notify the Villas and MMRC of any lawsuits, claims, administrative actions or other proceedings asserted or commenced against Franciscan, or its officers or directors involving in any material way the ability of Franciscan to consummate the

transactions contemplated or required by this Agreement, or materially affecting Franciscan's business or its assets.

(c) Franciscan shall promptly notify the Villas and MMRC in writing of any facts or circumstances which come to Franciscan's attention and which cause, or through the passage of time may cause, any of the representations and warranties contained herein to be untrue or misleading.

11.3 Third Party Authorizations. From the Execution Date to the Closing Date:

(a) Franciscan shall use best efforts to obtain expeditiously all consents, approvals and authorizations of third parties and to give all notices under all applicable laws and under all contracts, agreements and commitments to which Franciscan is a party or is bound, to the extent necessary for the valid execution, delivery and performance of this Agreement by Franciscan.

(b) Franciscan shall cooperate fully with the Villas and MMRC in efforts to obtain all consents, approvals, exemptions and authorizations of third parties, whether governmental or private, and to make all filings, necessary in order to consummate the transactions contemplated by this Agreement.

11.4 Confidentiality.

(a) Except as otherwise set forth in this **Section 11.4**, from the Execution Date, with respect to information of the Villas and the Normal Facility, through the Closing Date, Franciscan shall hold in confidence all information regarding the Villas and the Normal Facility obtained in connection with the negotiation and performance of this Agreement, or its due diligence investigation with respect the Villas and the Normal Facility, and shall not divulge to third parties or use such information in a manner detrimental to the Villas or MMRC. Franciscan may share information necessary to obtain necessary regulatory approvals related to this Agreement.

(b) The confidentiality obligation set forth in **Section 11.4(a)** shall not apply to information that:

(i) Was known by Franciscan when received;

(ii) Is or hereafter becomes lawfully obtainable by Franciscan from other sources; or

(iii) Franciscan is required by law to disclose, including in any filings required to be made with any governmental agency and pleadings required to be filed with any court or tribunal (provided that prior to any disclosure of such information, Franciscan shall give the Villas and MMRC, as applicable, reasonable advance notice to permit such organization to apply for a protective order relating to the disclosure of such information).

(c) If the transactions contemplated by this Agreement are not consummated, Franciscan shall continue to hold all information of the Villas and MMRC in confidence and shall

promptly return to the Villas and/or MMRC upon written request all documents (and all copies thereof) containing such information.

(d) Franciscan acknowledges that there is not an adequate remedy at law for the breach of this **Section 11.4** and that, in addition to any other remedies available, injunctive relief may be granted for any such breach. The provisions of this **Section 11.4** shall survive any termination of this Agreement.

11.5 Performance of Undertakings. Franciscan shall use its best efforts to perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder.

11.6 Commercially Reasonable Efforts. Franciscan shall use commercially reasonable efforts to consummate the transactions contemplated by this Agreement and shall not take any other action inconsistent with its obligations hereunder or which could hinder or materially delay the consummation of the transactions contemplated hereby.

ARTICLE XII
CONDITIONS PRECEDENT TO OBLIGATIONS OF MMRC AND THE VILLAS

The obligations of MMRC and the Villas to consummate the transactions contemplated with respect to MMRC and the Villas under this Agreement are, at the option of MMRC and the Villas, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

12.1 Accuracy of Warranties; Performance of Covenants. The representations and warranties of Franciscan contained in **Article VIII** shall be accurate in all material respects as if made on and as of the Closing Date. Franciscan shall have performed all of the obligations and complied with each and all of the covenants, agreements and conditions required to be performed or complied with by it on or prior to the Closing Date.

12.2 No Pending Action. No action or proceeding before any court or governmental body shall be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

12.3 Regulatory Approvals. All regulatory consents and approvals required for the consummation of the transactions contemplated or required by this Agreement shall have been obtained on or before the Closing Date.

12.4 Consents. All consents, approvals and authorizations of third parties required for the consummation of the transactions, contemplated or required by this Agreement shall have been obtained on or before the Closing Date.

12.5 Completion of Schedules. All Schedules to this Agreement required to be completed by Franciscan shall be complete and otherwise in final form.

12.6 **Delivery of Franciscan Closing Documents**. Franciscan shall have delivered the Franciscan Closing Documents.

12.7 **Delivery of Other Agreements**. Franciscan shall have delivered executed copies of all other agreements determined by the Parties to be necessary or appropriate to be entered into as of the Closing Date, relating to the transactions contemplated by this Agreement.

ARTICLE XIII
CONDITIONS PRECEDENT TO OBLIGATIONS OF FRANCISCAN

The obligations of Franciscan to consummate the transactions contemplated by this Agreement are, at the option of Franciscan, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

13.1 **Accuracy of Warranties; Performance of Covenants**. Except for changes or developments expressly permitted or contemplated by the express terms of this Agreement or anticipated changes or developments disclosed on a Schedule hereto, the representations and warranties of MMRC and the Villas contained herein shall be accurate in all material respects as if made on and as of the Closing Date. MMRC and the Villas each shall have performed all of the obligations and complied with each and all of the covenants, agreements and conditions applicable to it required to be performed or complied with by them on or prior to the Closing Date. All updates to representations, warranties, performance of covenants and exception schedules between Execution Date of this Agreement and the Closing Date must be submitted by MMRC and the Villas prior to the Closing Date. Any such material change adverse to Franciscan shall be grounds for Franciscan to not consummate the transactions to implement this Agreement.

13.2 **No Pending Action**. No action or proceeding before any court or governmental body shall be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

13.3 **Regulatory Approvals**. All regulatory consents and approvals required for the consummation of the transactions contemplated or required by this Agreement shall have been obtained on or before the Closing Date.

13.4 **Consents**. All consents, approvals and authorizations of third parties required for the consummation of the transactions contemplated by this Agreement shall have been obtained on or before the Closing Date, including but not limited to the Villas obtaining the Normal Facility License.

13.5 **Completion of All Schedules**. All Schedules to this Agreement required to be completed by MMRC and the Villas shall be complete and otherwise in final form acceptable to Franciscan.

13.6 **Delivery of MMRC and the Villas Closing Documents**. MMRC and the Villas shall have delivered their respective Closing Documents.

with a copy to: Duane Morris LLP
190 South LaSalle Street
Suite 3700
Chicago, IL 60603
Attention: Nicholas J. Lynn
Facsimile: (312) 277-6789
Email: njlynn@duanemorris.com

14.2 Expenses. Except as otherwise provided herein, the Parties shall each pay its own fees and expenses and those of their respective agents, advisors, consultants, attorneys and accountants with respect to the transactions described in this Agreement, the negotiation of this Agreement and the closing. MMRC shall bear the cost to record any instrument to clear MMRC's title to the extent MMRC is required to do so pursuant to this Agreement. Prorated State, county and municipal transfer taxes, if any, shall be paid as set forth in the applicable ordinance, or, if not so set forth, by local custom. MMRC shall pay the charges set forth in **Section 3.2(c)** and all costs and fees customarily paid by sellers in a real estate sale transaction in the city where the Normal Facility is located. Franciscan shall pay the charges set forth in **Section 3.2(b)** and all other costs and fees customarily paid by purchasers in a real estate sale transaction in the city where the Normal Facility is located. Unless otherwise agreed, no insurance policies are to be transferred to Franciscan, and no apportionment of the premiums therefor shall be made, in which event, Franciscan shall be responsible for securing its own insurance for the Property.

14.3 Entire Agreement. This Agreement contains the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings of the Parties on the subject matter hereof.

14.4 Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to conflict of laws' provisions. Each Party to this Agreement hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement or any agreements or transactions contemplated hereby shall be brought exclusively in the state courts located in Cook County, Illinois, or the federal courts located in the Northern District of Illinois, and hereby expressly submits to the personal jurisdiction and venue of such courts for the purposes thereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. Each Party hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to the address set forth in the notice section hereof, such service to become effective ten (10) days after such mailing.

14.5 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and permitted assigns of the Parties; provided, however, that no Party shall assign this Agreement without the prior written consent of the other Parties. Any assignment not permitted hereunder and undertaken without such prior written consent shall be deemed null and void.

14.6 Modification/Amendment. This Agreement may not be modified or amended except in writing signed by the Parties.

14.7 Risk of Loss. Franciscan shall not accept any risk of loss including eminent domain, fire or other casualty prior to the Closing Date.

14.8 Waiver. No waiver of any term, provision or condition of this Agreement, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

14.9 Non-Assignment. No Party may assign its rights in this Agreement or delegate its duties under this Agreement to a third party without first obtaining the prior written consent of the other Parties.

14.10 Severability. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but, each term and provision shall be valid and be enforced to the fullest extent permitted by law.

14.11 Usage. All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, or "any" shall mean "any and all"; "or" shall mean "and/or" and "including" shall mean "including without limitation.

14.12 Headings. The headings of the various sections of this Agreement have been inserted only for the purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, qualify or restrict any of the provisions of this Agreement.

14.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by telecopy or electronic mail transmissions shall constitute originals.

14.14 Access to Records and Information. If and to the extent applicable to this Agreement and to any agreement contemplated hereunder or entered into pursuant hereto between or among the Parties, the Parties agree to comply with the requirements of Public Law 96-499, Section 952 (Section 1861(v)(1)(I) of the Social Security Act) and regulations promulgated thereunder.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed as of the day and year first above written.

MEADOWS MENNONITE RETIREMENT COMMUNITY ASSOCIATION, INC.

By:_____
Name: _____
Its: _____

THE VILLAS AT MERCY CREEK, NFP

By: Judy Amiano
Name: Judy Amiano
Its: President - CEO

FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION

By: Judy Amiano
Name: Judy Amiano
Its: President - CEO

[Signature Page to Change of Membership, Transfer of Assets and Services, and Assumption of Liabilities Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed as of the day and year first above written.

MEADOWS MENNONITE RETIREMENT COMMUNITY ASSOCIATION, INC.

By: Thomas A Smith
Name: Thomas A Smith
Its: CEO

THE VILLAS AT MERCY CREEK, NFP

By: Thomas A. Smith
Name: Thomas A Smith
Its: CEO

FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION

By: (Please see back)
Name: _____
Its: _____

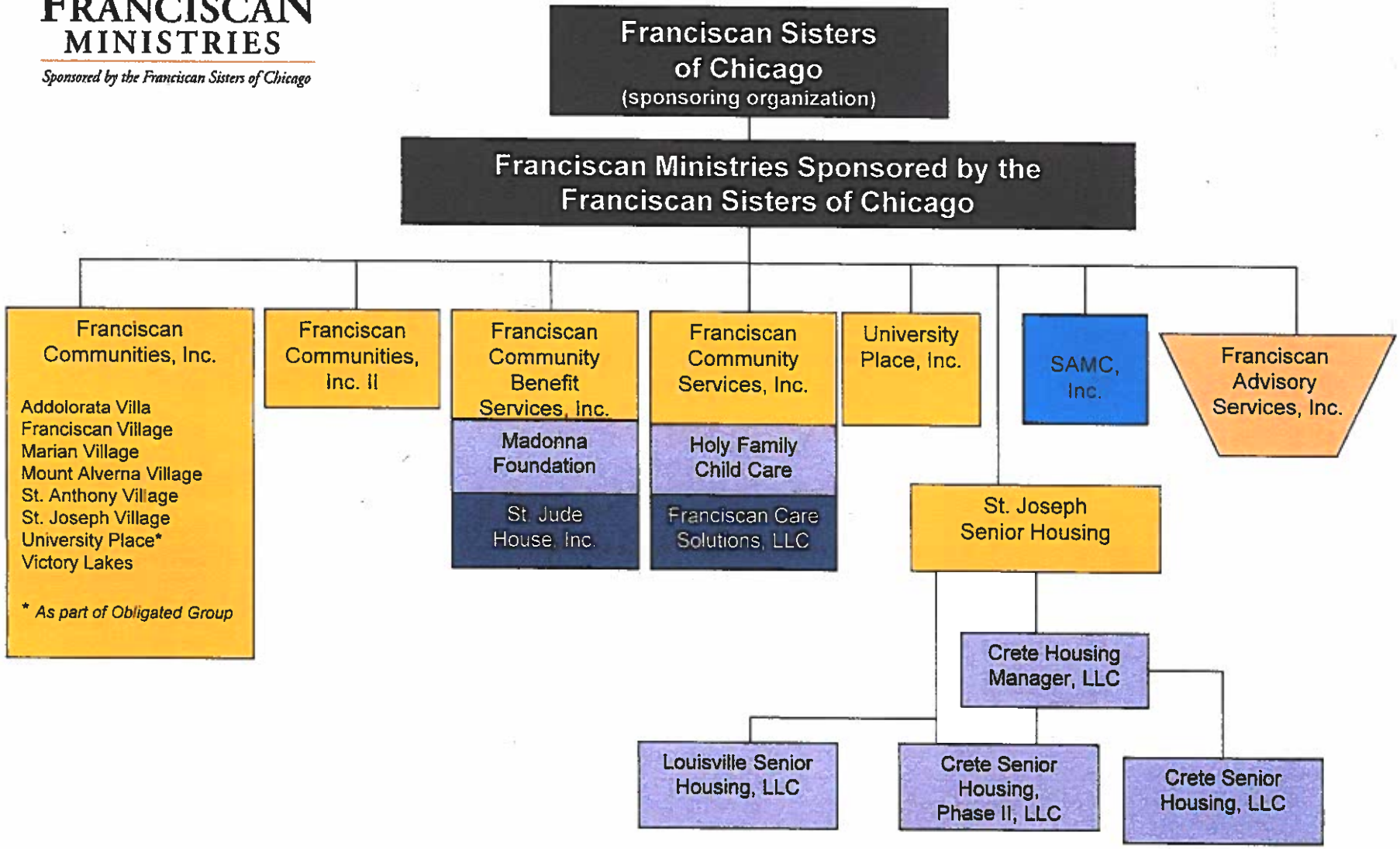
[Signature Page to Change of Membership, Transfer of Assets and Services, and Assumption of Liabilities Agreement]

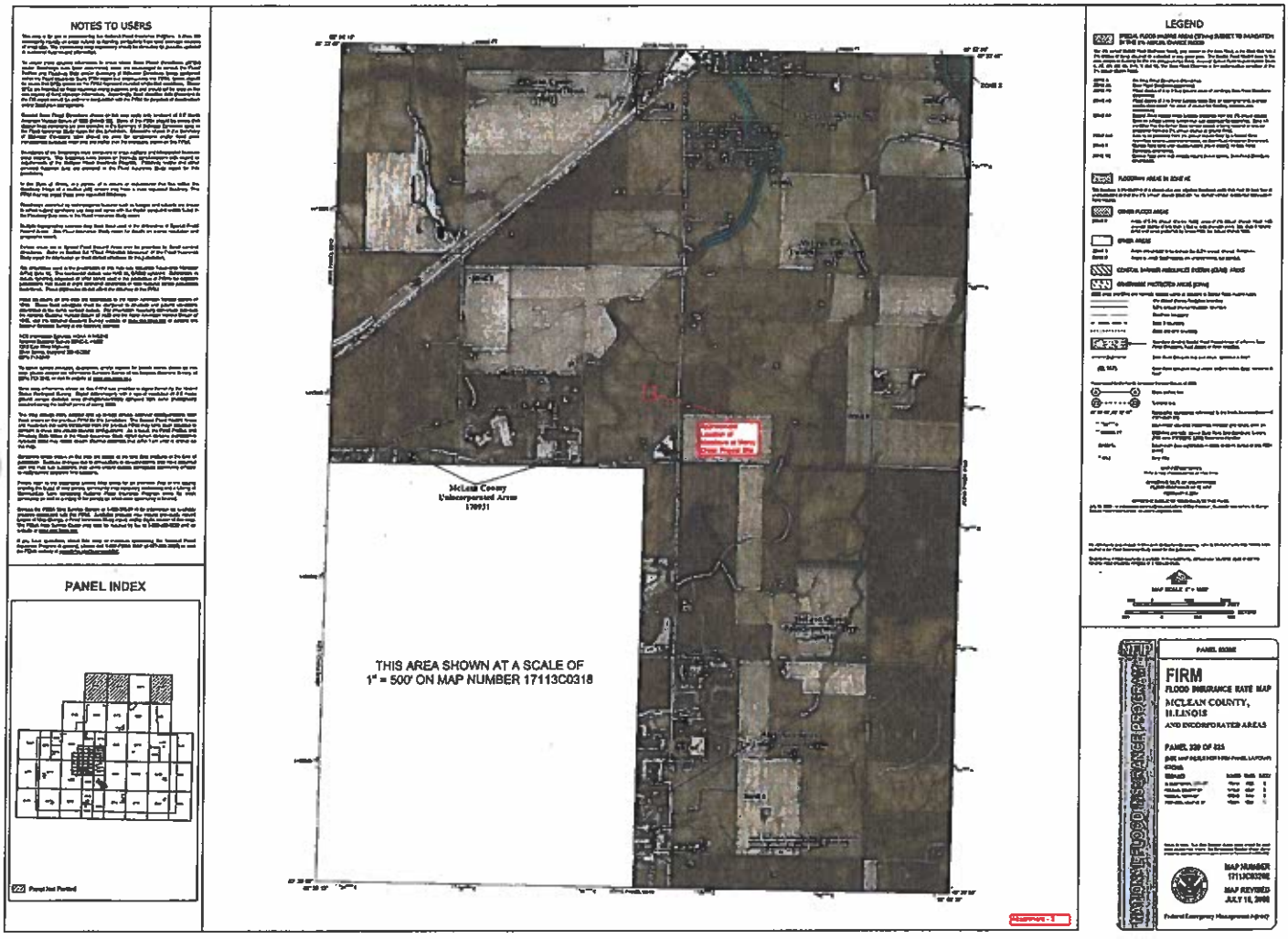
FRANCISCAN MINISTRIES

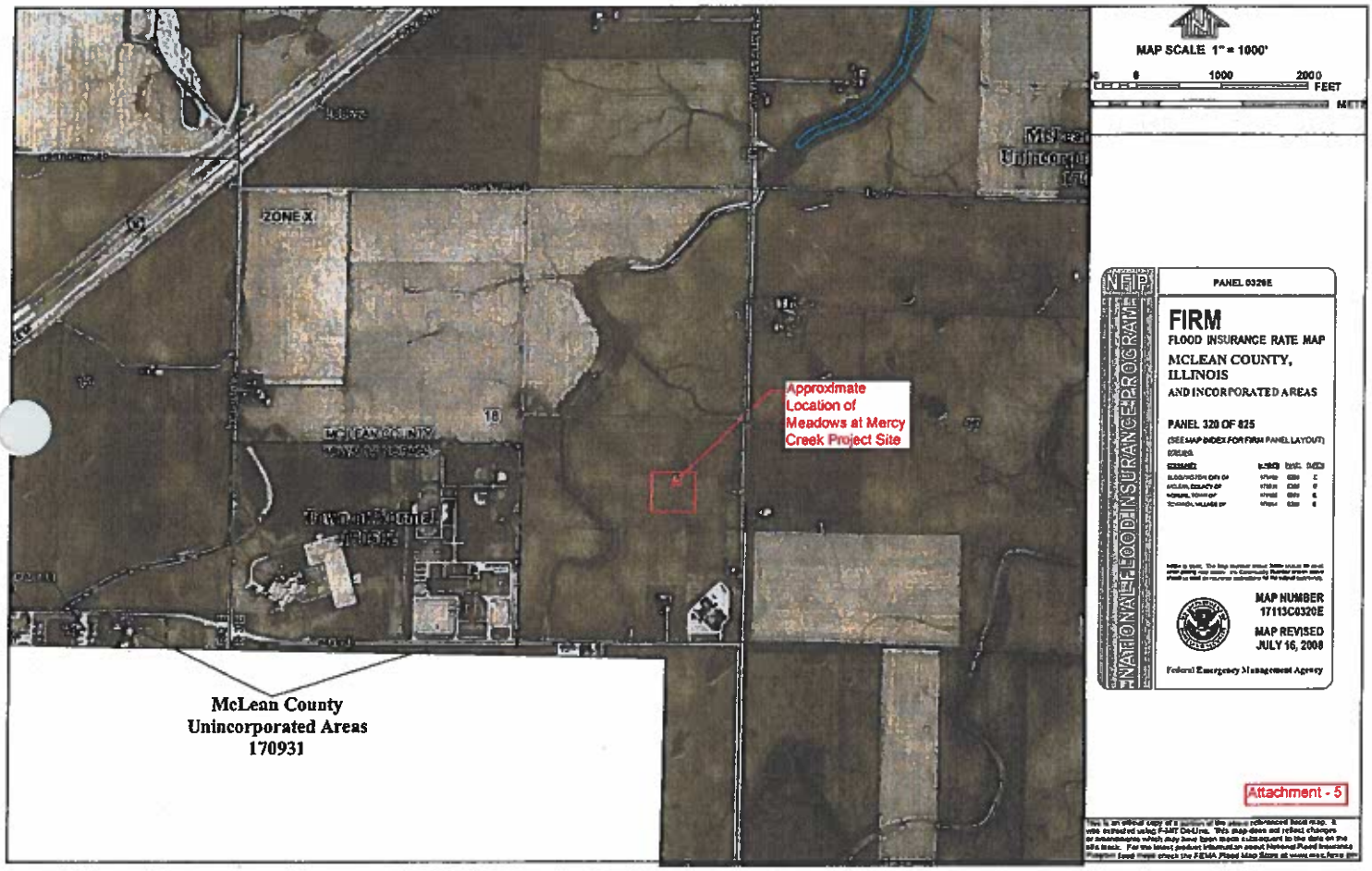
Sponsored by the Franciscan Sisters of Chicago

Franciscan Ministries

Legal Organizational Chart




NOTES TO USERS
PANEL INDEX
McLean County
Unincorporated Areas
170931
THIS AREA SHOWN AT A SCALE OF
1" = 500' ON MAP NUMBER 17113C0318
LEGEND
FIRM
FLOOD INSURANCE RATE MAP
MCLEAN COUNTY,
ILLINOIS
AND INCORPORATED AREAS
PANEL 320 OF 525
MAP NUMBER
17113C0320E
MAP REVISED
JULY 16, 2008
NATIONAL FLOOD INSURANCE PROGRAM


MAP SCALE 1" = 1000'
0 1000 2000
FEET
ZONE X
Approximate Location of Meadows at Mercy Creek Project Site
McLean County Unincorporated Areas 170931
PANEL 0320E
FIRM
FLOOD INSURANCE RATE MAP
MCLEAN COUNTY, ILLINOIS
AND INCORPORATED AREAS
PANEL 320 OF 825
(SEE MAP INDEX FOR FIRM PANEL LAYOUT)
MAP NUMBER
17113C0320E
MAP REVISED
JULY 16, 2008
Federal Emergency Management Agency
NATIONAL FLOOD INSURANCE PROGRAM
Attachment - 5

BLDD
ARCHITECTS

October 24, 2017

Ms. Jessica Basile
Director of Plant Resources at Franciscan Ministries
Franciscan Sisters of Chicago
11500 Theresa Drive
Lemont, IL 60439

Re: Flood Plain - Meadows at Mercy Creek Skilled Nursing Facility (SNF) and Memory Care Development
Normal, IL

Jessica:

To the best of our knowledge, and based upon the information we are aware of to date, it appears that the site designated for the proposed SNF referenced above will not be located within a flood plain. Please reference the attached Flood Insurance Rate Map (FIRM) provided online by the National Flood Insurance Program (NFIP).

Location: Currently known as 1501 Mercy Creek Drive on the northeast side of Normal, Illinois.

Existing Facility: The current site was developed in 2012 with a 62,000 SF two-story, 60 unit assisted living building. The site was zoned and master planned for future senior living development.

Proposed Addition: The newly proposed project will consist of a one story wood framed building (approximately 44,800 SF) connected to the north and west sides of the existing Meadows at Mercy Creek Assisted Living Community. The new building will be home to forty private skilled nursing care (SNF) beds, split into two small house neighborhoods of twenty beds. Contiguous to these forty beds will be sixteen private assisted living memory care (ALMC) apartments designed to skilled care regulations (I-2 occupancy) but operated as a household of assisted living memory care. The architecture of the new nursing care building will complement the existing assisted living building.

Sincerely,
BLDD Architects, Inc.

Scott M. Likins

Scott M. Likins, AIA, NCARB
Principal

Attachments: Flood Insurance Rate Map - Overall
Flood Insurance Rate Map - Enlarged

BECAUSE LIFE DESERVES DESIGN

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

FAX (217) 524-7525

McLean County
Normal
CON - New Addition for Skilled Nursing Facility and Memory Care Development, Meadows at Mercy Creek
1501 Mercy Creek Dr.
SHPO Log #010102617

November 7, 2017

Scott Likins, AIA
BLDD Architects, Inc.
833 W. Jackson Blvd., Suite 100
Chicago, IL 60607

Dear Mr. Likins:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

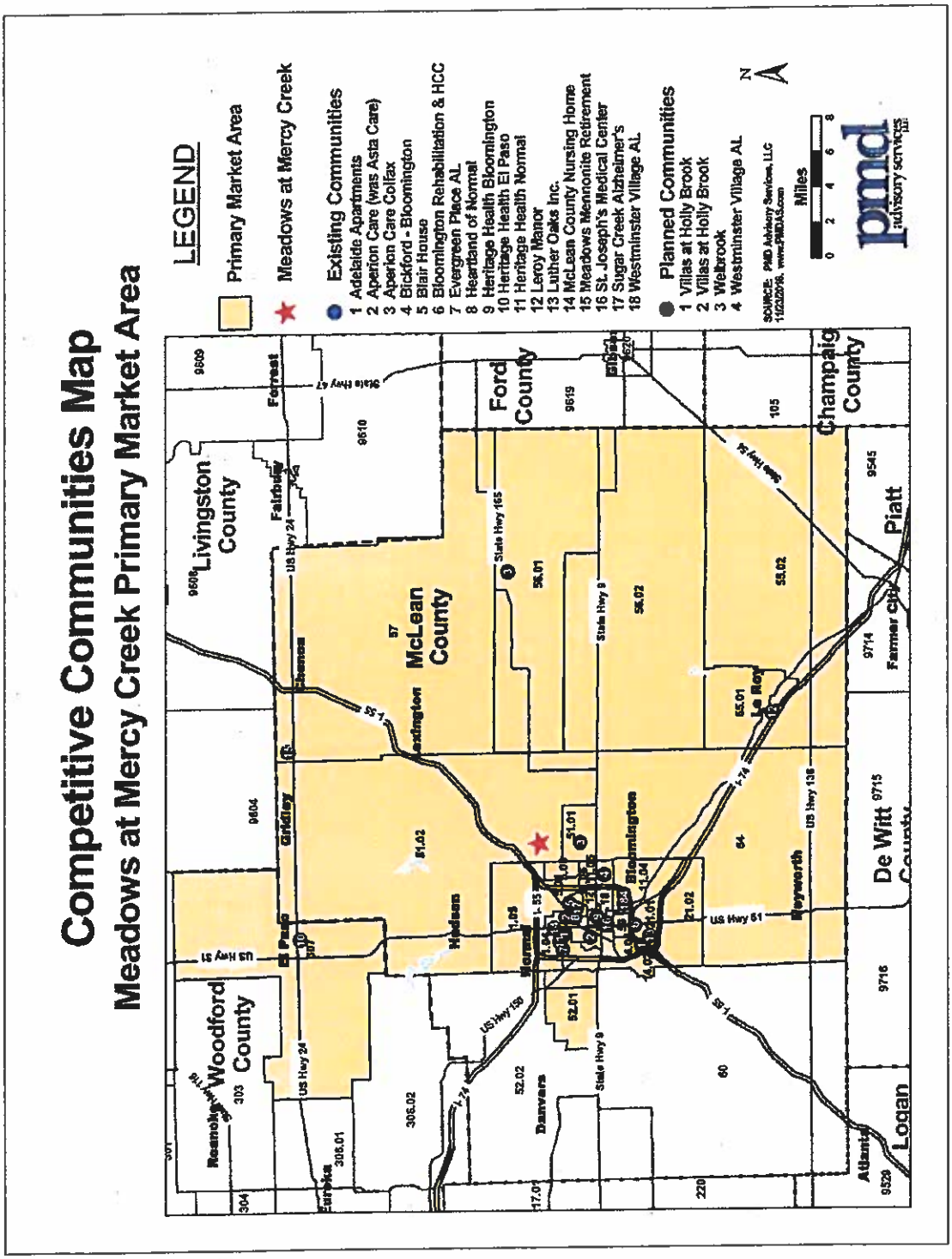
Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact David Halpin, Cultural Resources Manager, at 217/785-4998.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Map 6-1: Competitive Communities Mercy Creek PMA



Meadows Mercy SNF Comps in 30 Mile Zips

Community	Street Address	City	State	Zip	# of Beds
APERION CARE BLOOMINGTON	1509 NORTH CALHOUN STREET	BLOOMINGTON	IL	61701	117
BLOOMINGTON REHABILITATION&HCC	1925 SOUTH MAIN STREET	BLOOMINGTON	IL	61701	78
EL PASO HEALTH CARE CENTER	850 EAST SECOND STREET	EL PASO	IL	61738	123
EVENGLOW LODGE	215 EAST WASHINGTON	PONTIAC	IL	61764	73
FAIRVIEW HAVEN	605 NORTH 4TH ST	FAIRBURY	IL	61739	63
FLANAGAN REHABILITATION & HCC	201 EAST FALCON HIGHWAY	FLANAGAN	IL	61740	43
GOOD SAMARITAN - FLANAGAN	205 NORTH ADAMS STREET	FLANAGAN	IL	61740	60
GOOD SAMARITAN-PONTIAC	1225 S EWING DRIVE	PONTIAC	IL	61764	90
HEARTLAND OF NORMAL	510 BROADWAY	NORMAL	IL	61761	116
HERITAGE HEALTH-BLOOMINGTON	700 E. WALNUT STREET	BLOOMINGTON	IL	61701	88
HERITAGE HEALTH-EL PASO	555 E. CLAY	EL PASO	IL	61738	65
HERITAGE HEALTH-NORMAL	509 N. ADELAIDE	NORMAL	IL	61761	141
LEROY MANOR	509 SOUTH BUCK ROAD,P.O.BOX	LEROY	IL	61752	102
LUTHER OAKS	601 LUTZ ROAD	BLOOMINGTON	IL	61704	18
MCLEAN COUNTY NURSING HOME	901 NORTH MAIN	NORMAL	IL	61761	150
MEADOWS MENNONITE HOME	24588 CHURCH STREET	CHENOA	IL	61726	116
PONTIAC HEALTHCARE AND REHAB	300 WEST LOWELL	PONTIAC	IL	61764	97
ST JOSEPH'S MEDICAL CENTER	2200 EAST WASHINGTON STREET	BLOOMINGTON	IL	61701	12
WESTMINSTER VILLAGE	2025 EAST LINCOLN STREET	BLOOMINGTON	IL	61701	78

Planning Area: McLean

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
APERION CARE COLFAX	COLFAX	McLean County	0	14,038
2/2/2017 Closure	**Facility closed; 60 Nursing Care beds removed from Inventory.**			
ARBA CARE CENTER OF BLOOMINGTON	BLOOMINGTON	McLean County	117	34,725
BLOOMINGTON REHAB HLTHCARE CTR	BLOOMINGTON	McLean County	78	18,450
HEARTLAND OF NORMAL	NORMAL	McLean County	116	31,814
HERITAGE HEALTH - BLOOMINGTON	BLOOMINGTON	McLean County	88	25,456
3/25/2016 Bed Change	**Discontinued 23 Nursing Care beds; facility now has 88 Nursing Care beds.**			
HERITAGE HEALTH - NORMAL	NORMAL	McLean County	141	42,223
3/25/2016 Bed Change	**Discontinued 23 Nursing Care beds; facility now has 141 Nursing Care beds.**			
LEROY MANOR	LEROY	McLean County	102	25,121
LUTHER OAKS	BLOOMINGTON	McLean County	18	
11/7/2016 13-067	**Facility licensed for operation with 18 Nursing Care beds.**			
MCLEAN COUNTY NURSING HOME	NORMAL	McLean County	150	44,165
MEADOWS MENNONITE HOME	CHENOA	McLean County	130	36,690
ST. JOSEPH'S MEDICAL CENTER	BLOOMINGTON	McLean County	12	2,407
WESTMINSTER VILLAGE	BLOOMINGTON	McLean County	78	24,310
WESTMINSTER VILLAGE (PERMIT)	BLOOMINGTON	McLean County	18	
5/14/2017 16-052	**permit issued to add 18 nursing care beds to existing long-term care facility; facility will have 96 nursing care beds upon project completion.**			
		Planning Area Totals	**1,048**	**299,399**

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	24,628	151,400	162.7	206.7	551.3	206.7	164,800	34,070			
65-74 Years Old	35,876	11,100	3,232.1	2,453.6	6,542.9	3,232.1	14,500	46,865			
75+ Years Old	238,895	8,900	26,842.1	16,274.4	43,398.3	26,842.1	9,000	241,579			
						Planning Area Totals		**322,514**	**881.2**	**979**	69

Table 6-1: Competitive and Comparable Communities Mercy Creek PMA

			IL		AL			DC			SNF			
Community Name	Zip Code	Year Open	# of Res	% Occ	# of Beds	# Lic	% Occ	# of Beds	# Lic	% Occ	# of Beds	# Lic	% Occ	Type
Existing Communities														
Communities at Mercy Creek	**61761**	**2012**	**4**	**100%**	**60**	**60**	**100%**							**IL/AL**
Adelaide Apartments	61761	1960's	24	92%										IL
Aperion Care (was Asta Care)	61701	1978									117	117	94%	SNF
Aperion Care Colfax	61728	WNP									60	60	50%	SNF
Bickford - Bloomington	61704	1999	16	100%	49	55	100%	16	*	WNP				IL/AL/DC
Blair House	61761	1989	110	90%										IL
Bloomington Rehabilitation & HCC	61701	1970's									65	78	85%	SNF
Evergreen Place AL	61761	2001			60	60	98%							AL
Heartland of Normal	61761	1970									97	116	77%	SNF
Heritage Health Bloomington	61701	1964									85	111	97%	SNF
Heritage Health El Paso	61738	1973									65	65	85%	SNF
Heritage Health Normal	61761	1980's									141	141	98%	SNF
Leroy Manor	61752	WNP									101	102	62%	SNF
Luther Oaks Inc.	61704	2007	90	92%	38	40	100%	18	18	100%	18	**	83%	IL/AL/DC
McLean County Nursing Home	61761	1970's									150	150	71%	SNF
Meadows Mennonite Retirement	61726	1923	44	91%							114	116	93%	IL/SNF
St. Joseph's Medical Center	61701	WNP									11	12	36%	SNF
~~Sugar Creek~~ Alzheimer's SCC	61761	2008						66	76	92%				DC
Westminster Village	61701	1979	198	100%	54	60	100%				78	78	100%	CCRC EF
Total Existing	18		486	95%	261	275	100%	100	94	96%	1102	1146	79%	

Table 6-1: Competitive and Comparable Communities Mercy Creek PMA Continued

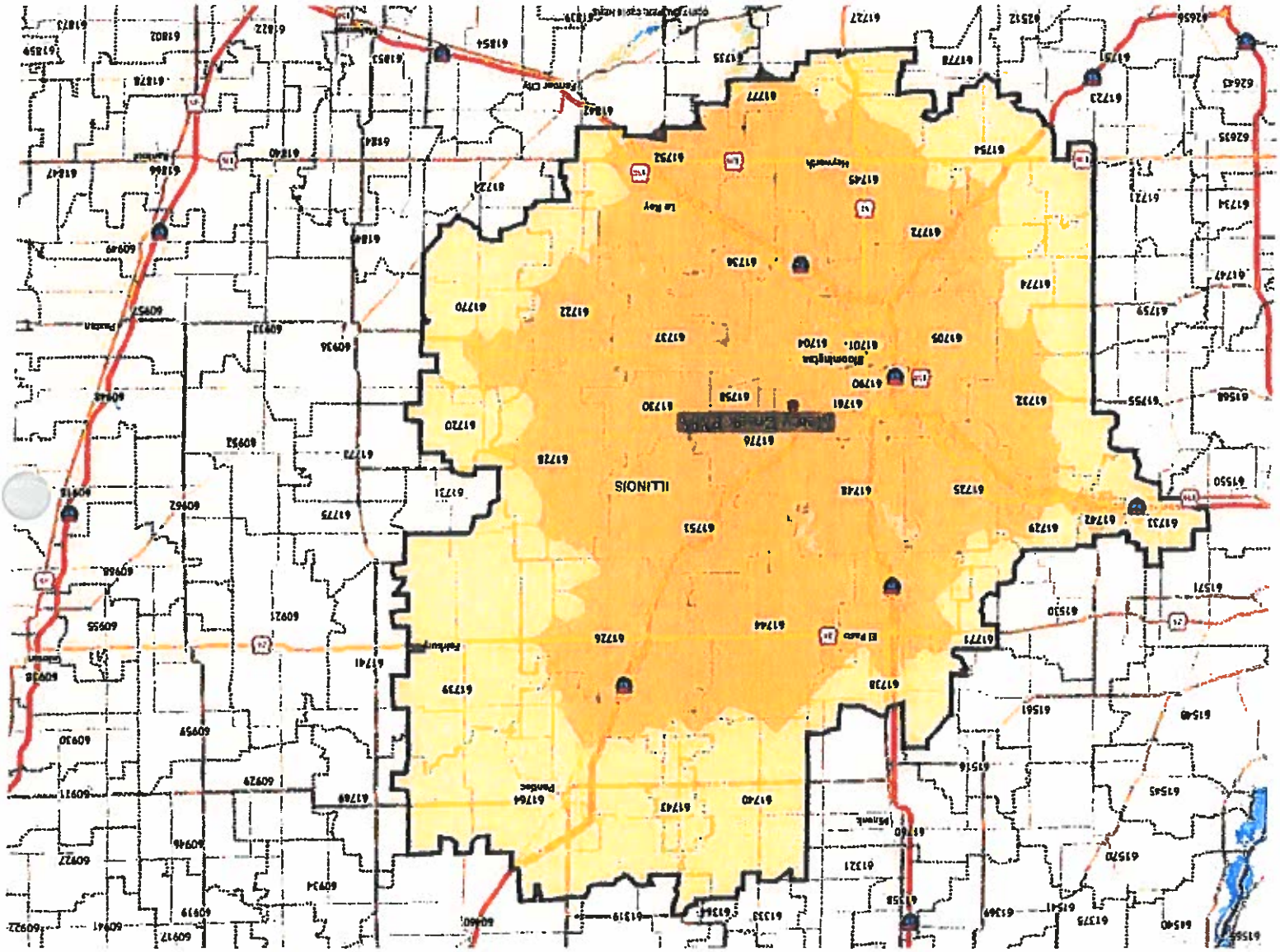
			IL		AL			DC			SNF			
Community Name	Zip Code	Year Open	# of Res	% Occ.	# of Beds	# Lic	% Occ	# of Beds	# Lic	% Occ.	# of Beds	# Lic	% Occ	TYPE
Planned Communities														
Villas at Mercy Creek	61761	TBD	12											IL
Villas of Holly Brook	61702	2018			79			32						AL/DC
Villas of Holly Brook	61701	2017			50			20						AL/DC
Welbrook Senior	61704	2017			54			26						AL/DC
Westminster Village	61701	2018	60		6			30			12			CCRC EF
Total Planned	5		72		189	0		108	0		12	0		
Total Existing and Planned	23		558	95%	450	275	100%	208	94	96%	1114	1146	79%	

WNP - Would not Provide

**** Licensure Pending***

*****Closed CON - Residents Only***

SOURCE: PMD Advisory Services, LLC along with field, telephone, and internet research, as well as, client input.

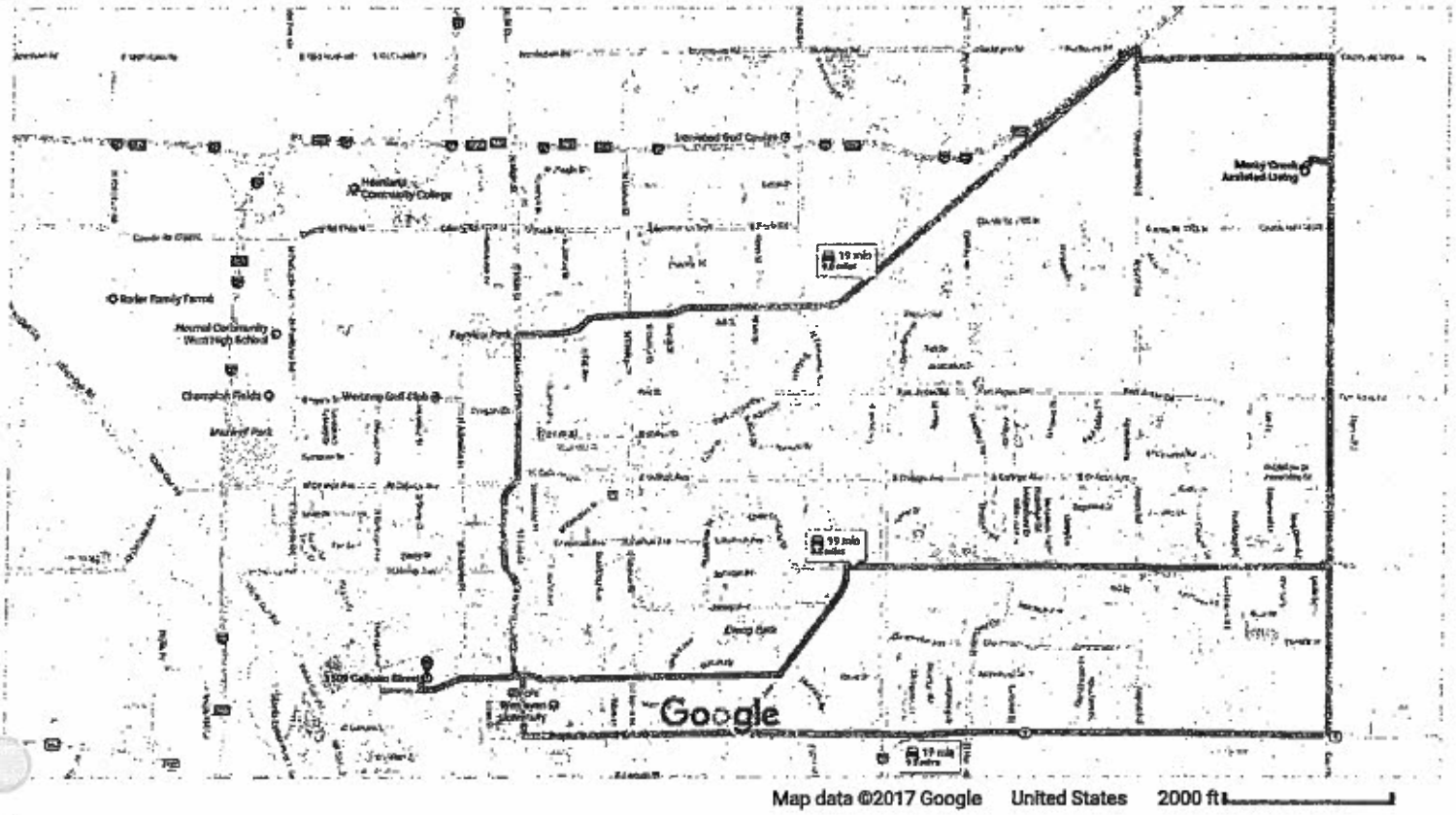

ILLINOIS

Google Maps

Mercy Creek Assisted Living to 1509 Calhoun Street, Bloomington, IL

Drive 8.5 miles, 19 min

Aperion Care Bloomington



via County Rd 1900 E/Towanda-Barnes Rd and General Electric Rd — 19 min
Best route — 8.5 miles

via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 19 min
9.5 miles

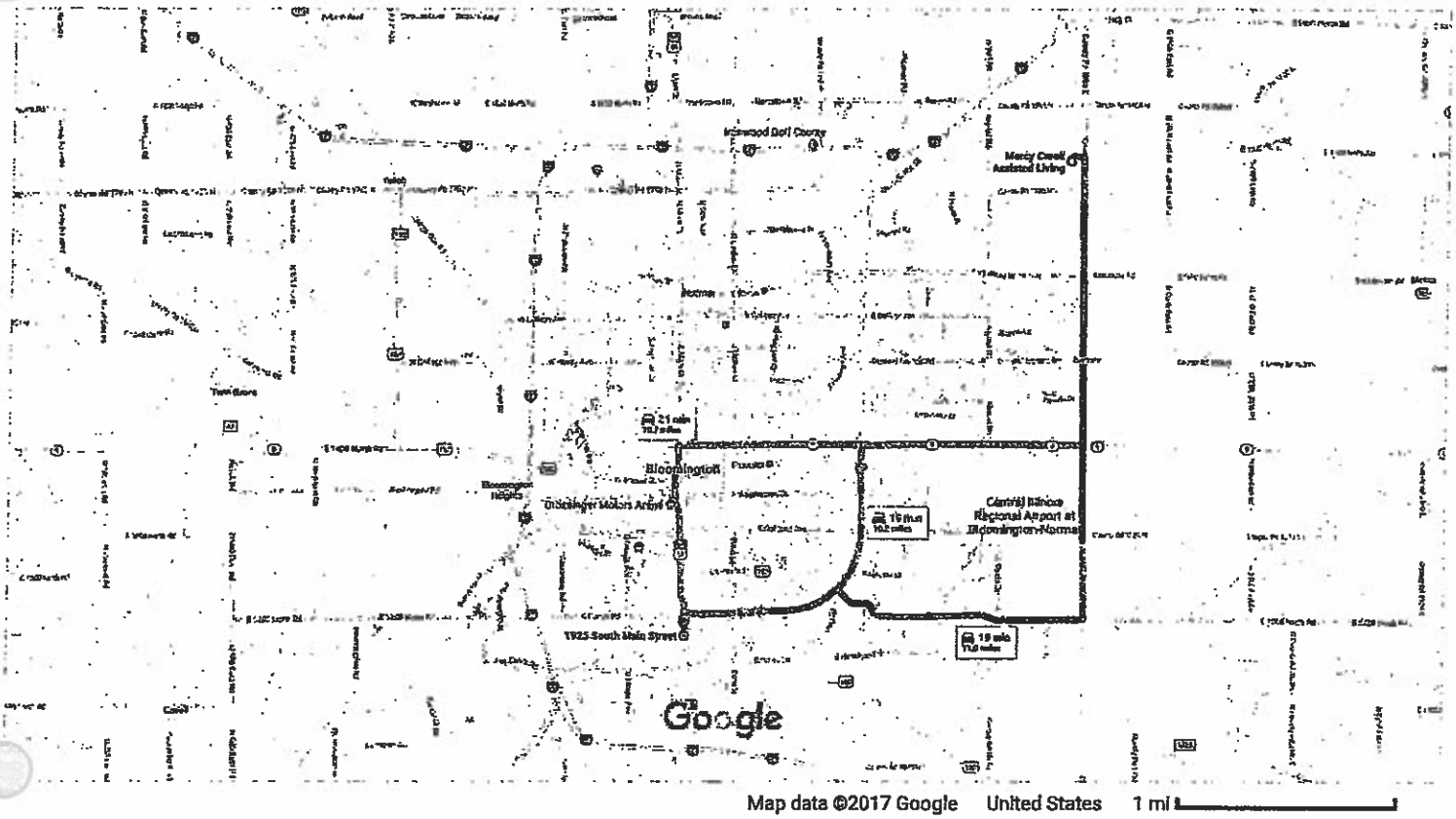
via Old U.S. Rte 66 — 19 min
9.0 miles

Google Maps

Mercy Creek Assisted Living to 1925 S Main St, Bloomington, IL 61704

Drive 11.0 miles, 19 min

Bloomington Rehabilitation & HCC



via County Rd 1900 E/Towanda-Barnes Rd and Ireland Grove Rd — 19 min
Best route — 11.0 miles

via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 19 min
10.2 miles

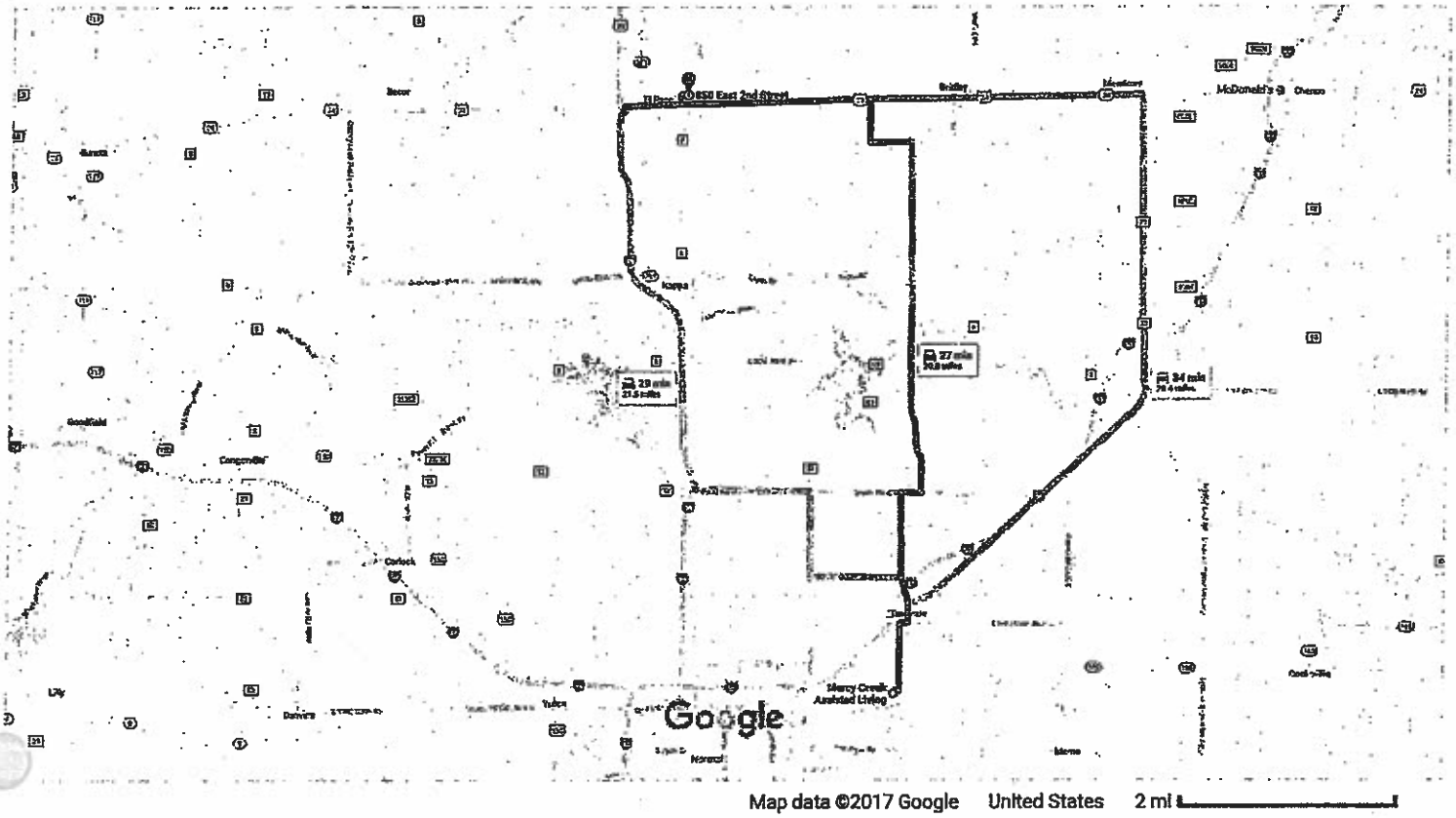
via County Rd 1900 E/Towanda-Barnes Rd, E Empire St and S Center St — 21 min
10.7 miles

Google Maps

Mercy Creek Assisted Living to 850 E 2nd St, El Paso, IL 61738

Drive 20.8 miles, 27 min

El Paso Health Care Center



via N 1925 East Rd — 27 min
Fastest route, the usual traffic — 20.8 miles

via I-39 N — 29 min
21.5 miles

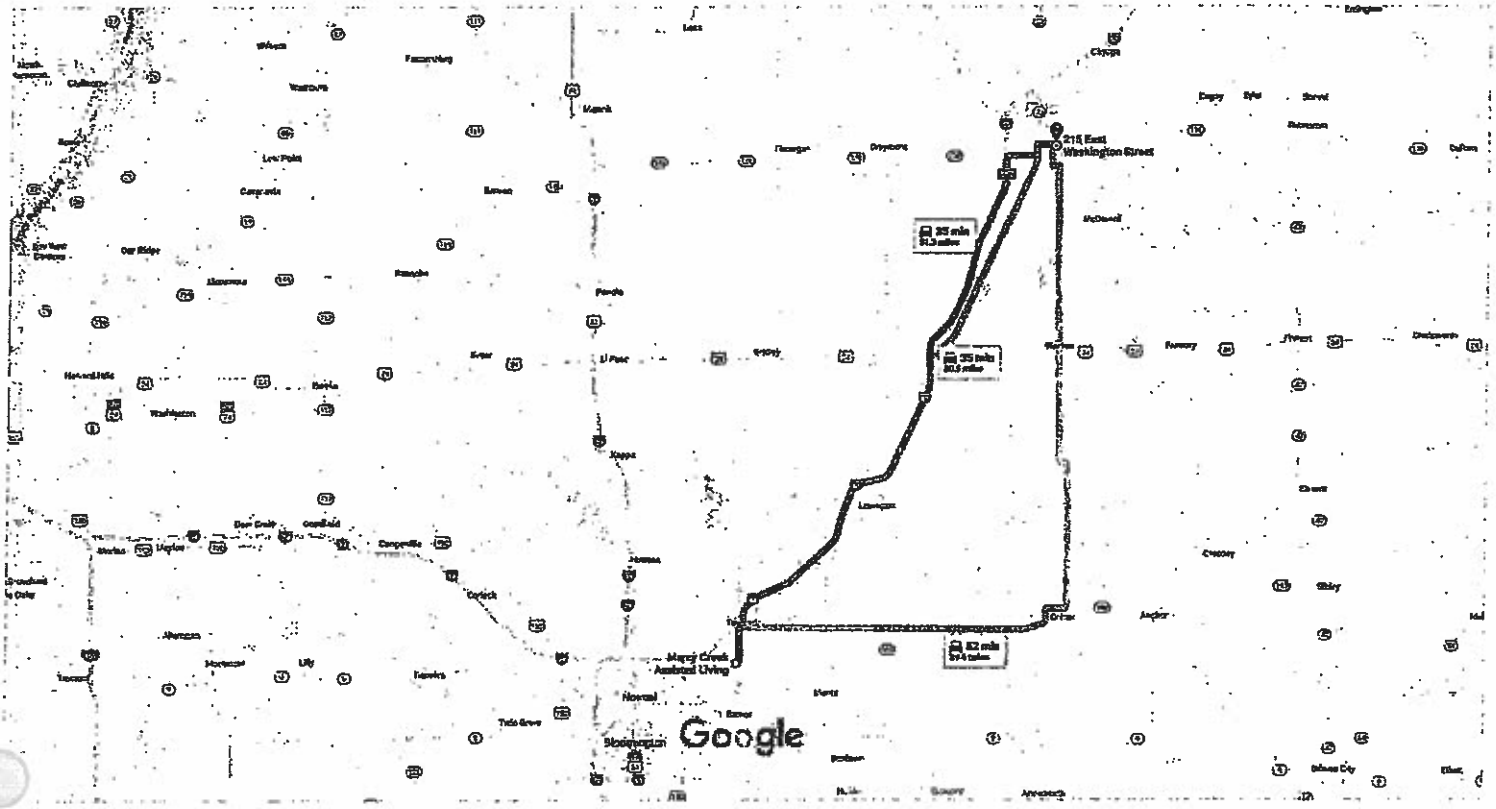
via Historic U.S. 66 E and US-24 W — 34 min
28.4 miles

Google Maps

Mercy Creek Assisted Living to 215 E Washington St, Pontiac, IL

Drive 31.3 miles, 35 min

Evenglow Lodge



via I-55 N — 35 min
35 min without traffic — 31.3 miles

via I-55 N and Historic U.S. 66 E — 35 min
35 min without traffic — 30.5 miles

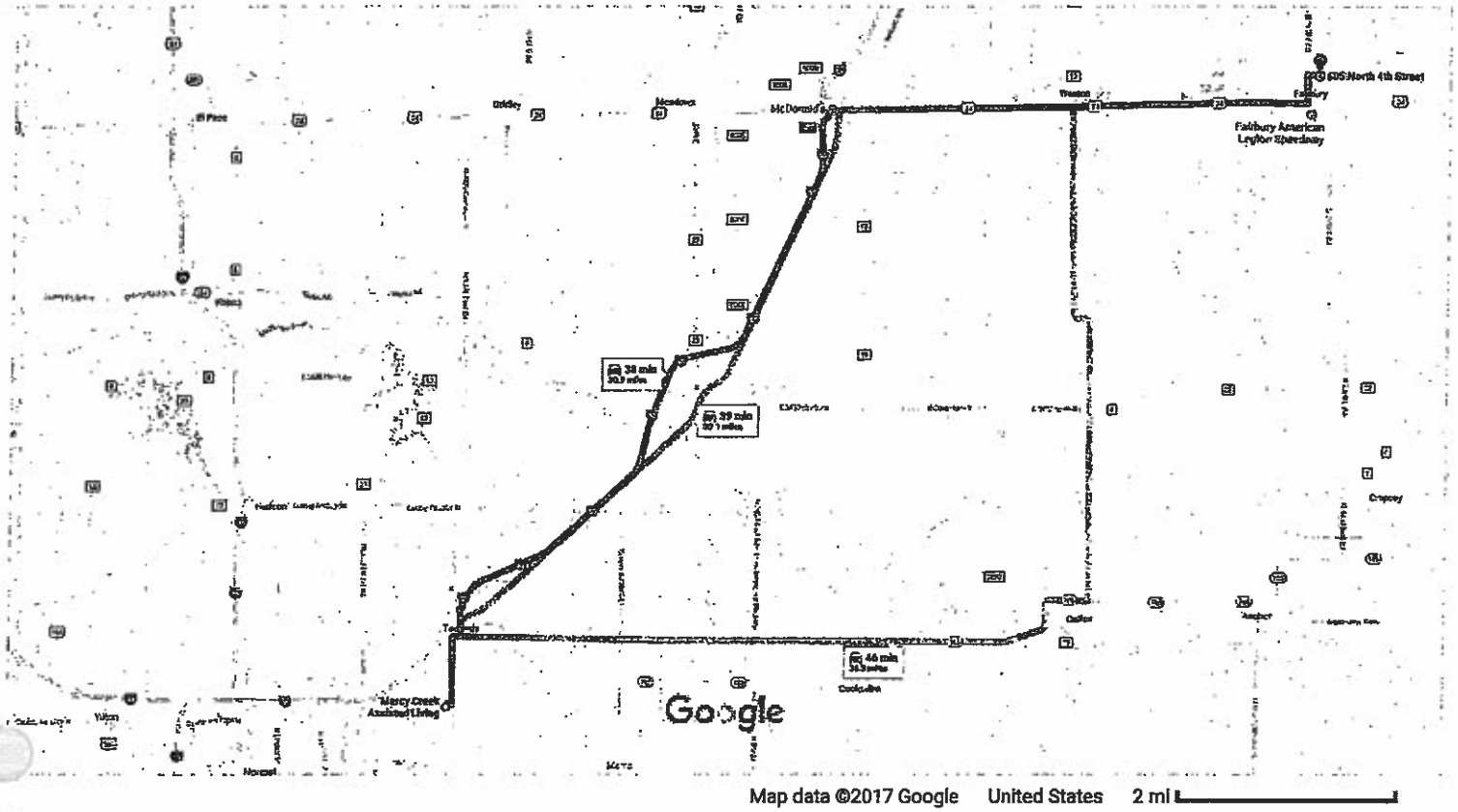
via E 1900 North Rd — 52 min
52 min without traffic — 39.6 miles

Google Maps

Mercy Creek Assisted Living to 605 N 4th St, Fairbury, IL

Drive 30.9 miles, 38 min

Fairview Haven



via I-55 N and US-24 E — 38 min
38 min without traffic — 30.9 miles

via Historic U.S. 66 E and US-24 E — 39 min
39 min without traffic — 30.1 miles

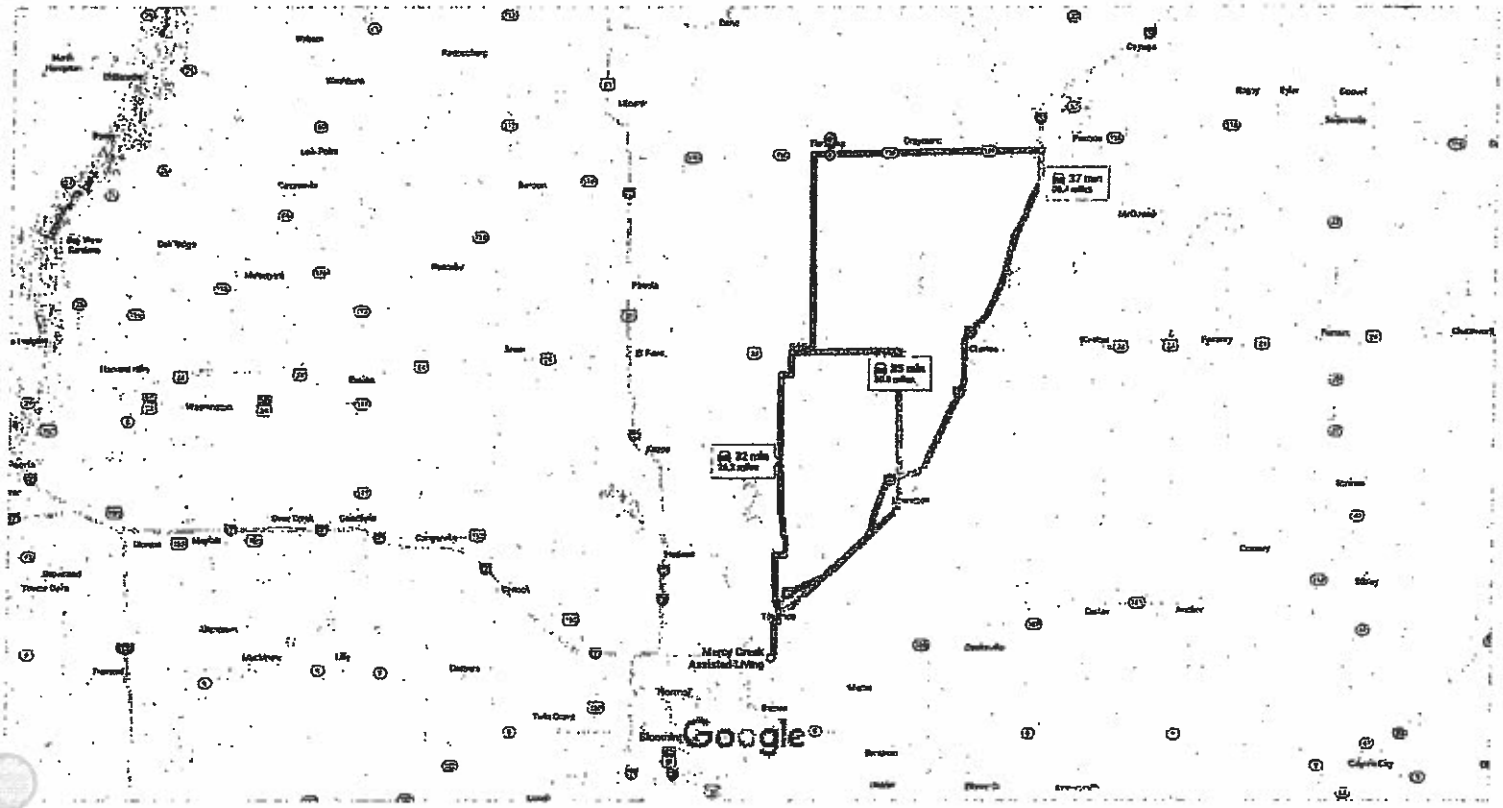
via E 1900 North Rd — 46 min
46 min without traffic — 36.3 miles

Google Maps

Mercy Creek Assisted Living to 201 East Falcon Highway, Flanagan, IL

Drive 26.2 miles, 32 min

Flanagan Rehabilitation & HCC



Map data ©2017 Google United States 2 mi

via N 1925 East Rd and N 300 E Rd — 32 min
Fastest route, the usual traffic — 26.2 miles

via Historic U.S. 66 E and N 300 E Rd — 35 min
30.8 miles

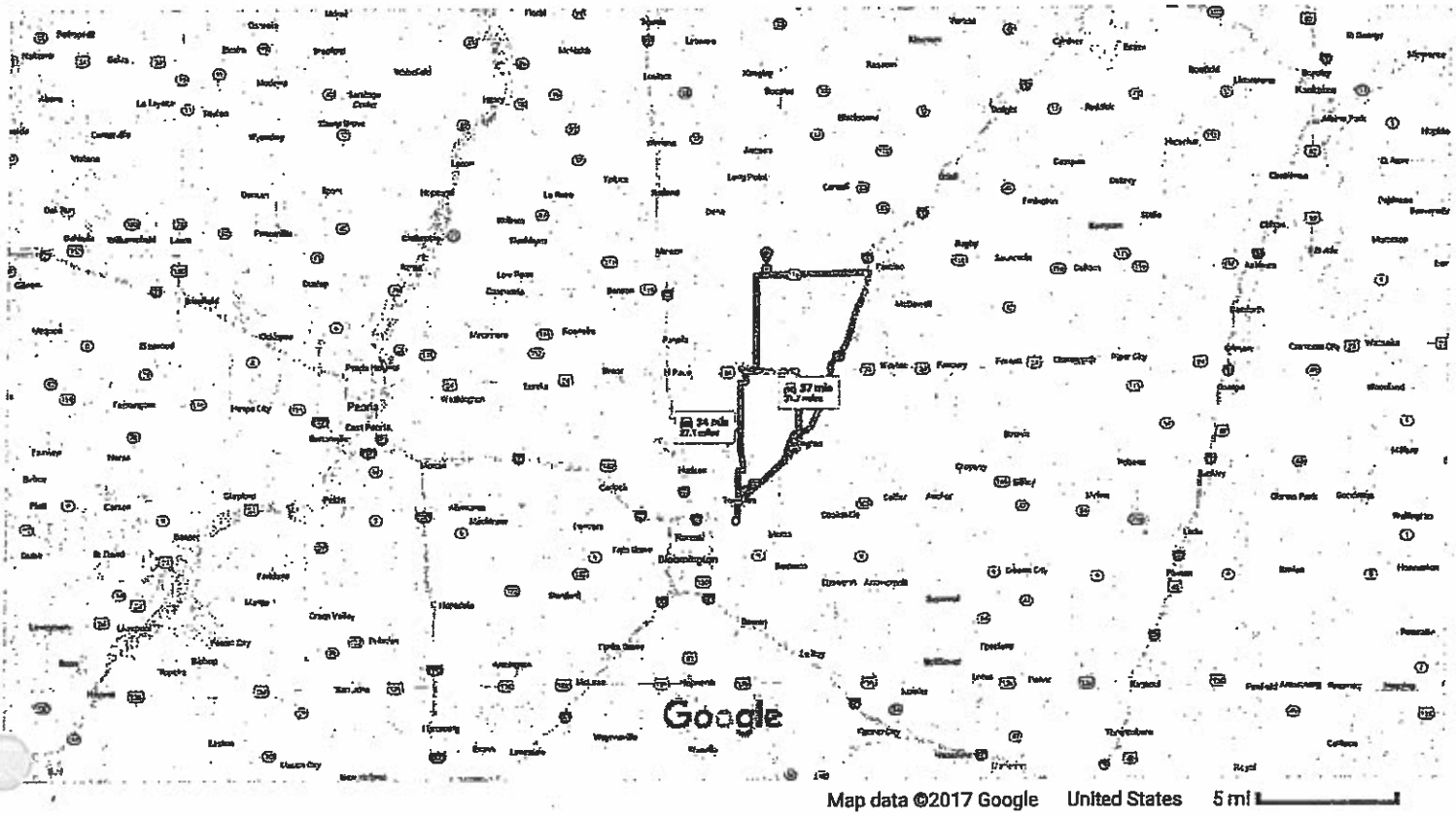
via I-55 N and IL-116 W/1700 N Rd — 37 min
38.4 miles

Google Maps

Mercy Creek Assisted Living to 205 North Adams Street, Flanagan, IL 61740

Drive 27.1 miles, 34 min

Good Samaritan-Flanigan



via N 1925 East Rd and N 300 E Rd — 34 min
Fastest route, the usual traffic — 27.1 miles

via N 300 E Rd — 37 min
31.7 miles

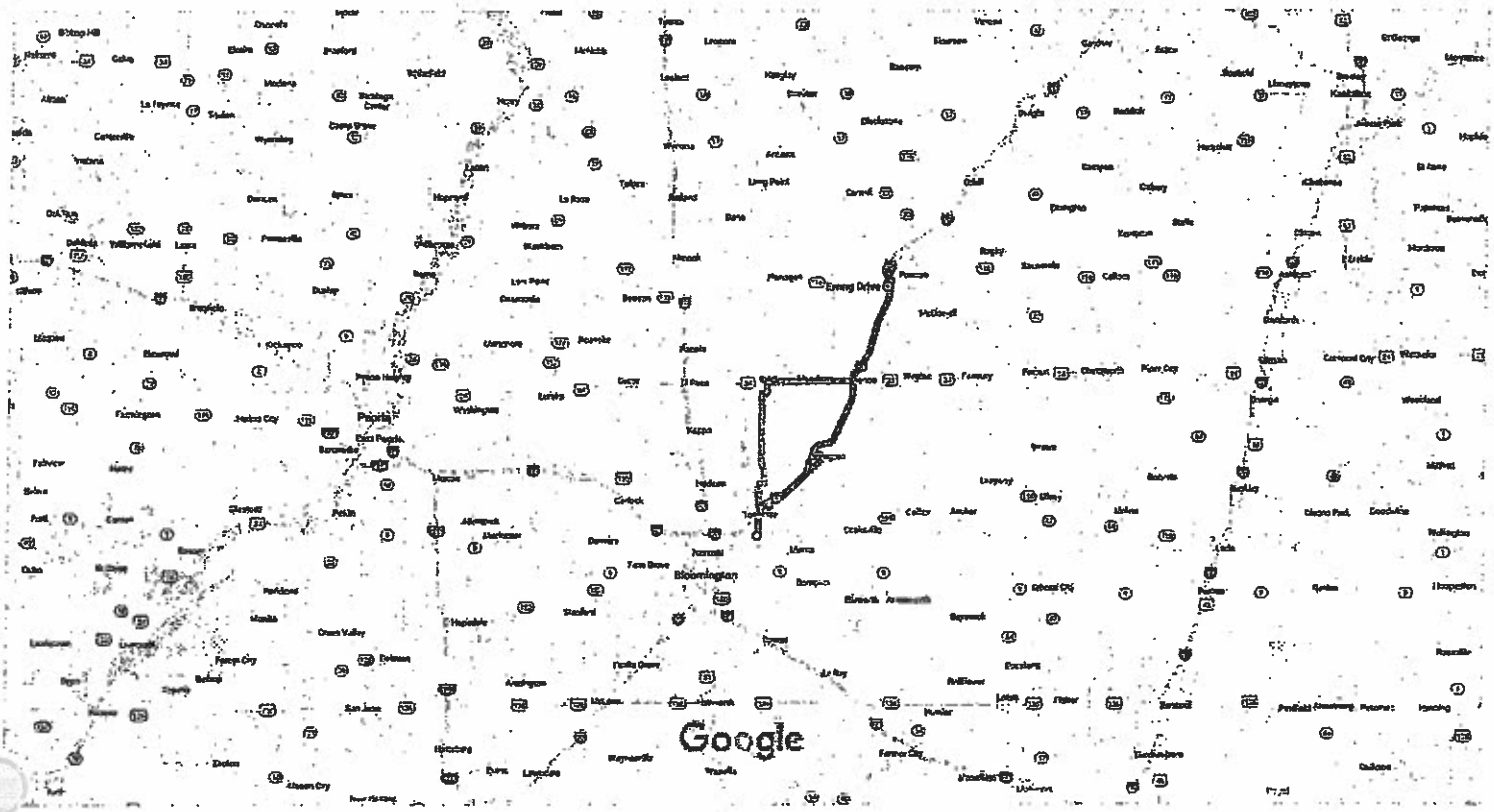
via I-55 N — 39 min
38.7 miles

Google Maps

Mercy Creek Assisted Living to Ewing Dr, Pontiac, IL 61764

Drive 29.3 miles, 29 min

Good Samaritan-Pontiac



via I-55 N — 29 min
Fastest route, the usual traffic — 29.3 miles

via Historic U.S. 66 E and I-55 N — 32 min
30.3 miles

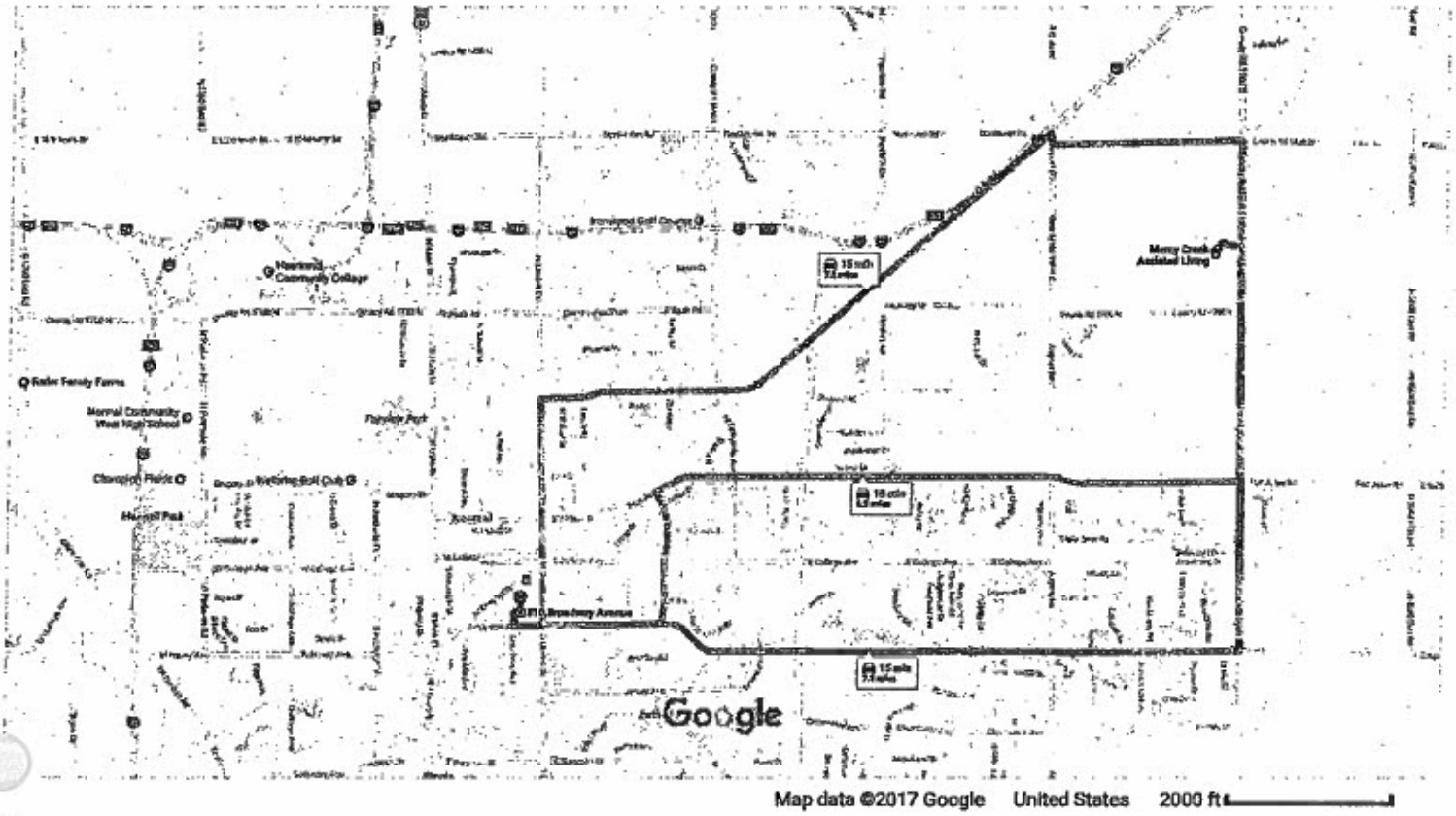
via US-24 E/E 3100 North Rd/County Rd 3100 N and I-55 N — 40 min
34.9 miles

Google Maps

Mercy Creek Assisted Living to 510 Broadway Ave, Normal, IL 61761

Drive 7.1 miles, 15 min

Heartland of Normal



Map data ©2017 Google United States 2000 ft

via County Rd 1900 E/Towanda-Barnes Rd and General Electric Rd — 15 min
Best route — 7.1 miles

via Fort Jesse Rd — 15 min
6.9 miles

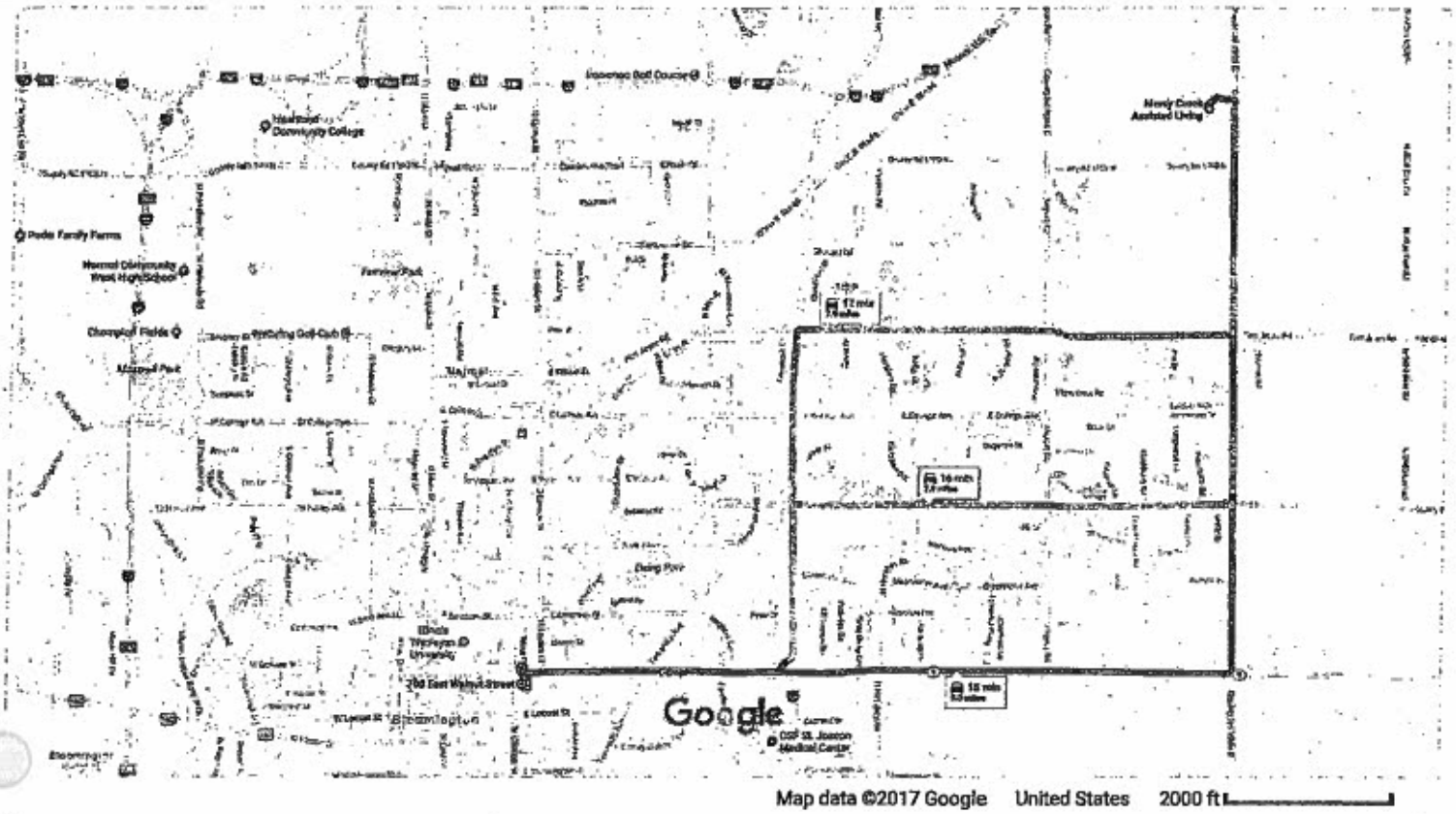
via Old U.S. Rte 66 — 15 min
7.2 miles

Google Maps

Mercy Creek Assisted Living to 700 E Walnut St, Bloomington, IL 61701

Drive 8.0 miles, 15 min

Heritage Health Bloomington



via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 15 min

Fastest route, the usual traffic — 8.0 miles

via County Rd 1900 E/Towanda-Barnes Rd and General Electric Rd — 16 min

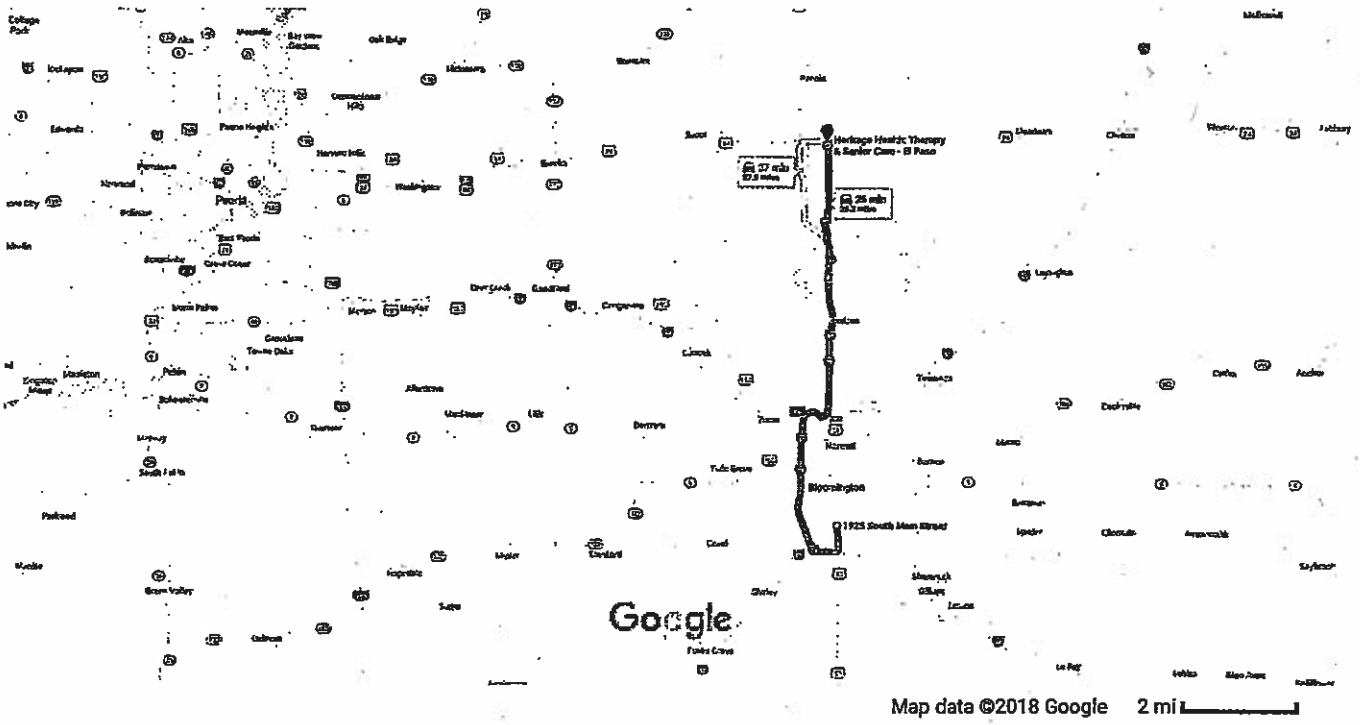
7.9 miles

via Fort Jesse Rd — 17 min

7.9 miles

Google Maps 1925 South Main Street, Bloomington, IL to Heritage Health: Therapy & Senior Care - El Paso

Drive 25.2 miles, 26 min



1925 S Main St
Bloomington, IL 61704

Get on I-74/US-51 N in Bloomington Township

2 min (1.5 mi)

1. Head south on US-51 BUS S/S Main St

1.2 mi

2. Use the right lane to take the Interstate 74/U.S. 51 ramp to Peoria/Rockford

0.3 mi

Continue on I-74/US-51 N. Take I-39 N to IL-251 N in Hudson Township. Take exit 8 from I-39 N/US-51 N

15 min (17.3 mi)

3. Merge onto I-74/US-51 N

7.6 mi

4. Continue onto I-55 N/US-51 N

1.0 mi

5. Take exit 164 for I-39/US-51 N toward Rockford

1.3 mi

6. Continue onto I-39 N/US-51 N

7.2 mi

7. Take exit 8 for IL-251 toward Kappa/Lake Bloomington Rd

0.3 mi

Follow IL-251 N and County Rd 2800 E to E Clay St in El Paso

9 min (6.4 mi)

8. Turn right onto IL-251 N

0.2 mi

9. Turn left to stay on IL-251 N

2.2 mi

10. Turn right onto County Rd 600 N/State St

0.2 mi

11. Turn left onto County Rd 2800 E

3.8 mi

12. Turn left onto E Clay St

374 ft

Heritage Health: Therapy & Senior Care - El Paso

555 E Clay St, El Paso, IL 61738

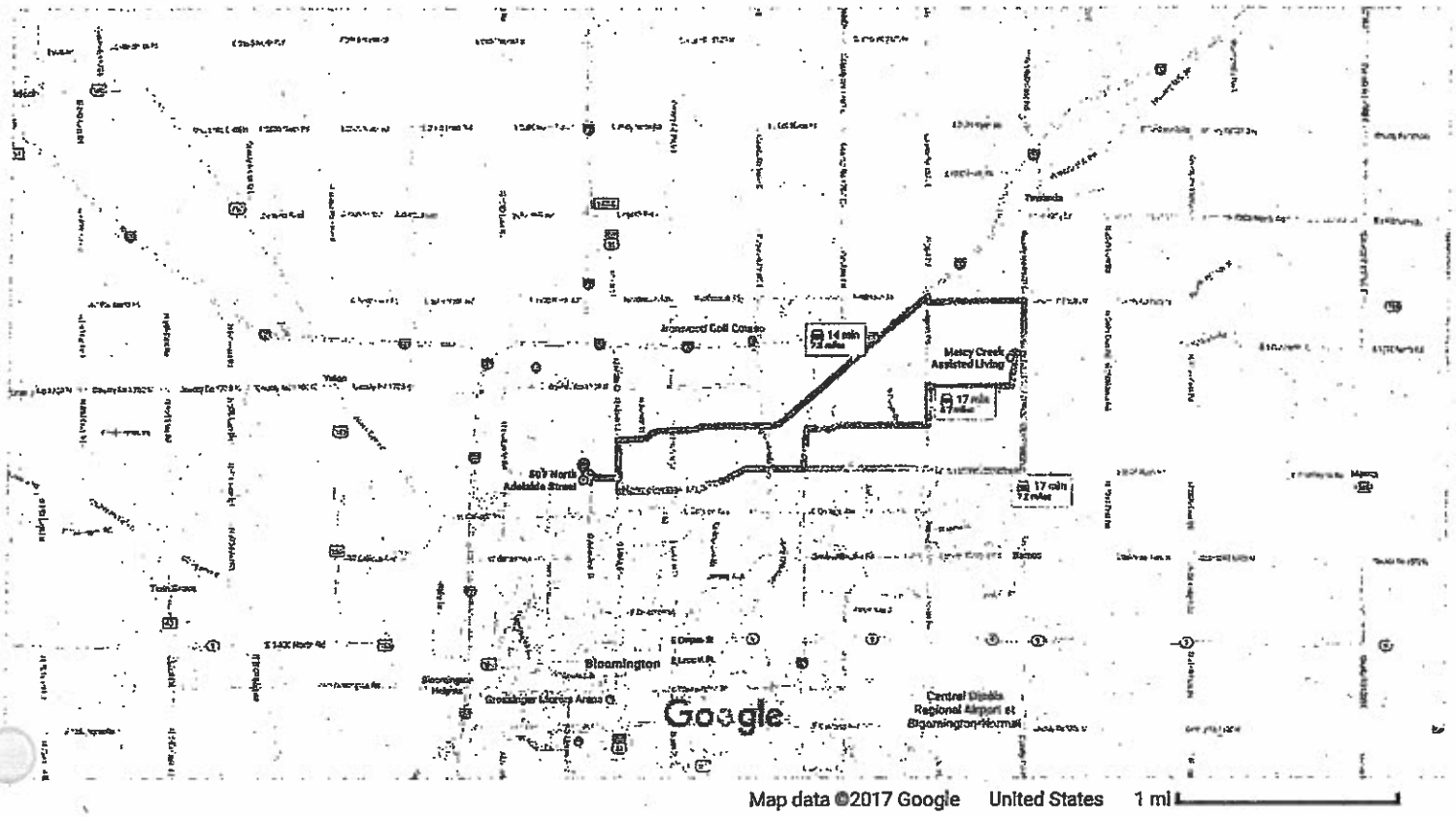
These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Google Maps

Mercy Creek Assisted Living to 509 N Adelaide St, Normal, IL 61761

Drive 7.3 miles, 14 min

Heritage Health- Normal



via Old U.S. Rte 66 — 14 min

Fastest route, the usual traffic — 7.3 miles

via Fort Jesse Rd — 17 min

7.2 miles

via Shepard Rd — 17 min

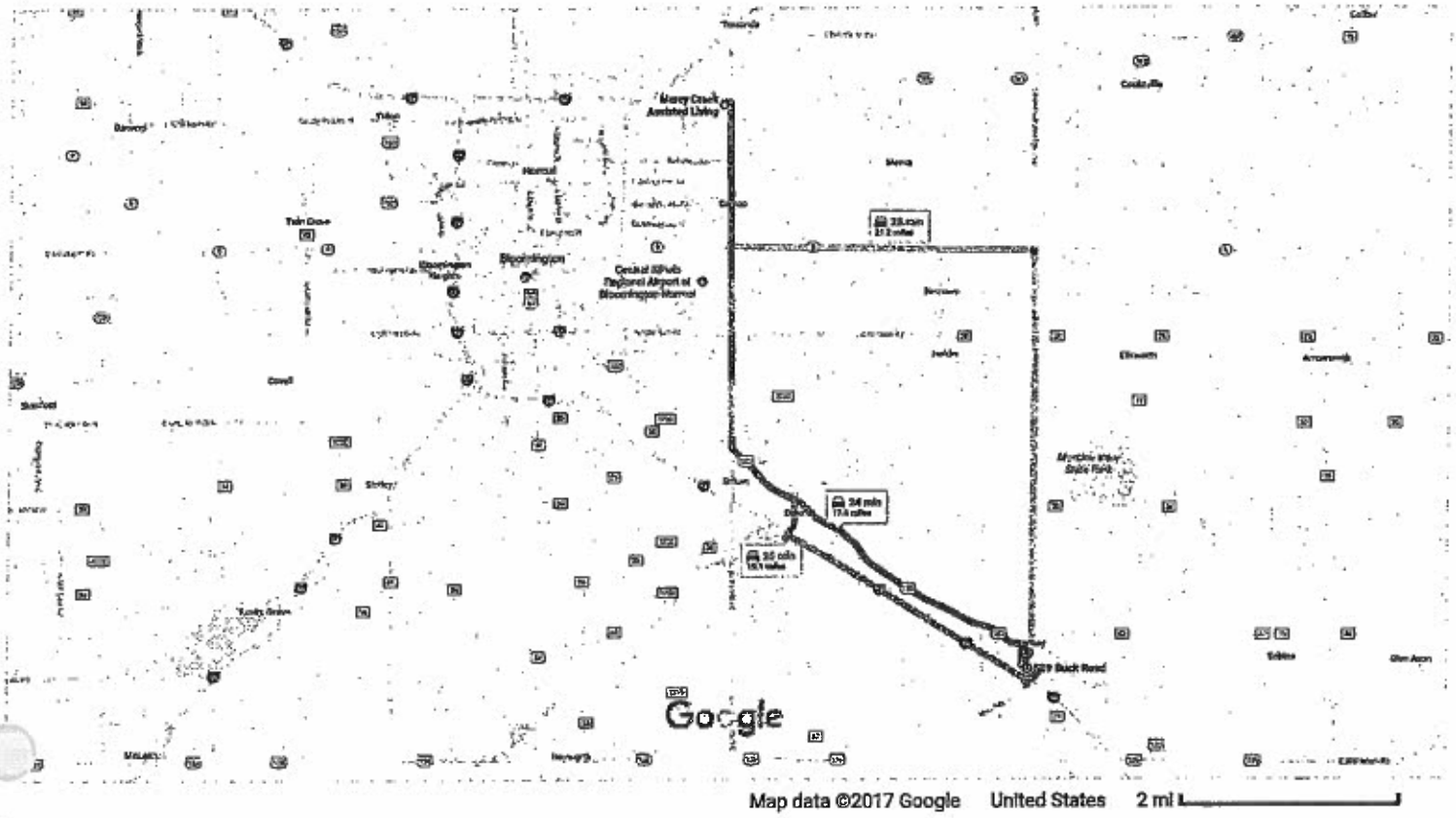
6.7 miles

Google Maps

Mercy Creek Assisted Living to 509 Buck Rd, Le Roy, IL

Drive 17.6 miles, 24 min

Leroy Manor



via County Rd 1900 E/Towanda-Barnes Rd and US-150 E — 24 min

Fastest route, the usual traffic — 17.6 miles

via County Rd 1900 E/Towanda-Barnes Rd and I-74 — 26 min, 19.1 miles

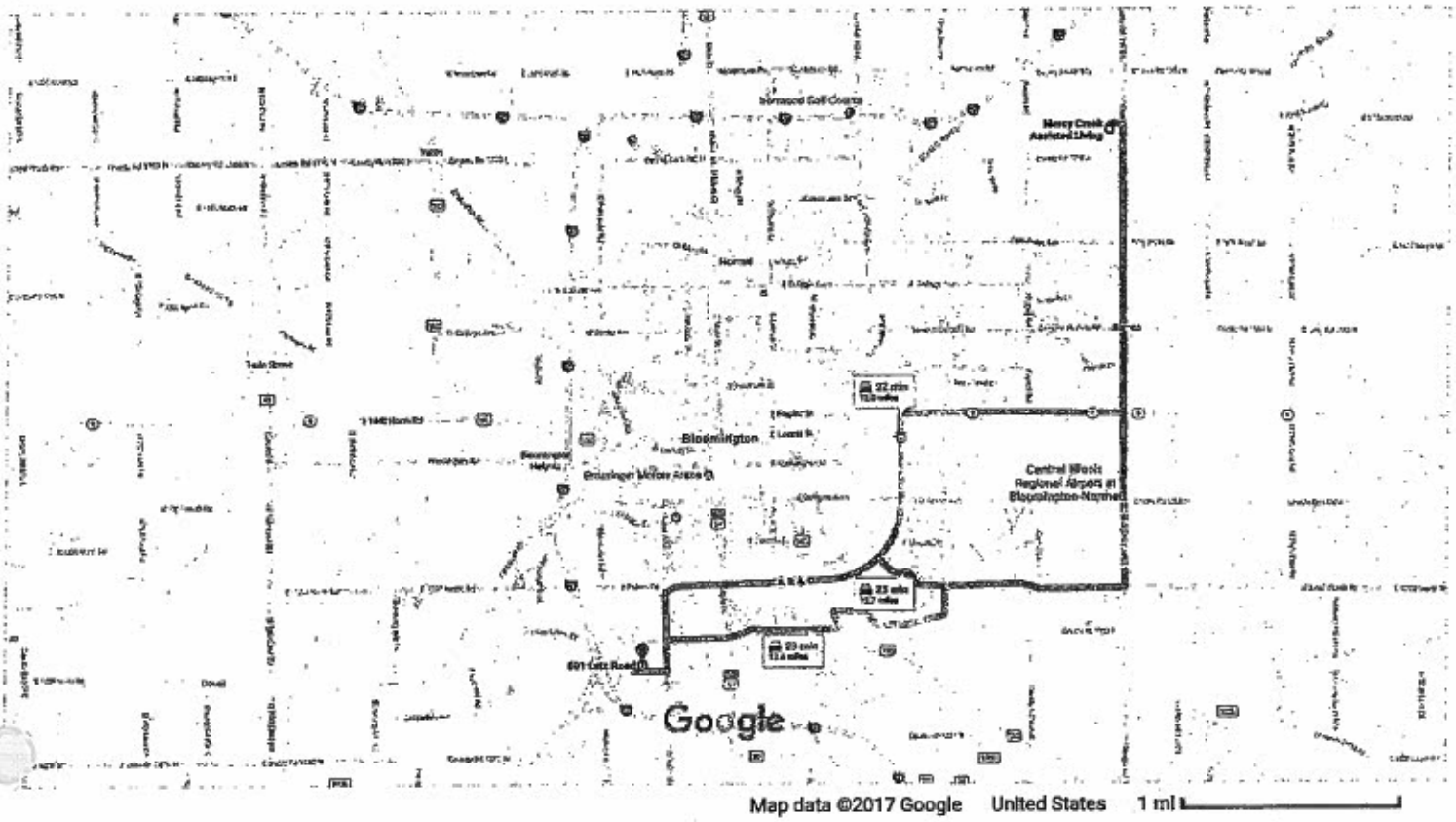
via IL-9 E/E 1400 North Rd/County Rd 1400 N and Leroy-Lexington Blacktop — 28 min, 21.2 miles

Google Maps

Mercy Creek Assisted Living to 601 Lutz Rd, Bloomington, IL

Drive 12.7 miles, 23 min

Luther Oaks



via County Rd 1900 E/Towanda-Barnes Rd — 23 min
Best route — 12.7 miles

via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 22 min
12.0 miles

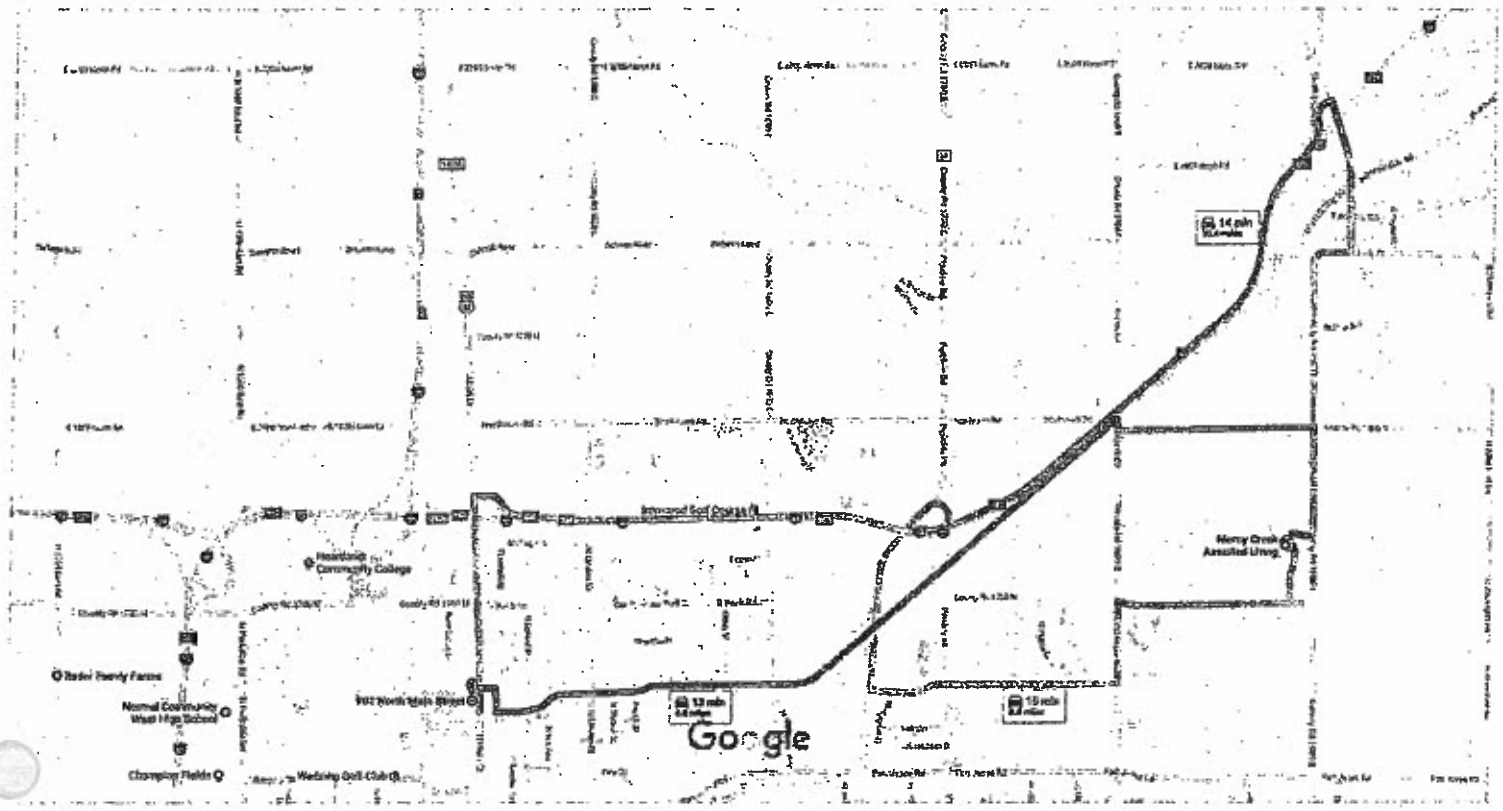
via County Rd 1900 E/Towanda-Barnes Rd and Ireland Grove Rd — 23 min
12.6 miles

Google Maps

Mercy Creek Assisted Living to 901 North Main Street, Normal, IL

Drive 6.6 miles, 13 min

McLean County Nursing Home



Map data ©2017 Google United States 2000 ft

via Old U.S. Rte 66 and Shelbourne Dr — 13 min
Fastest route — 6.6 miles

via I-55 S — 14 min
10.4 miles

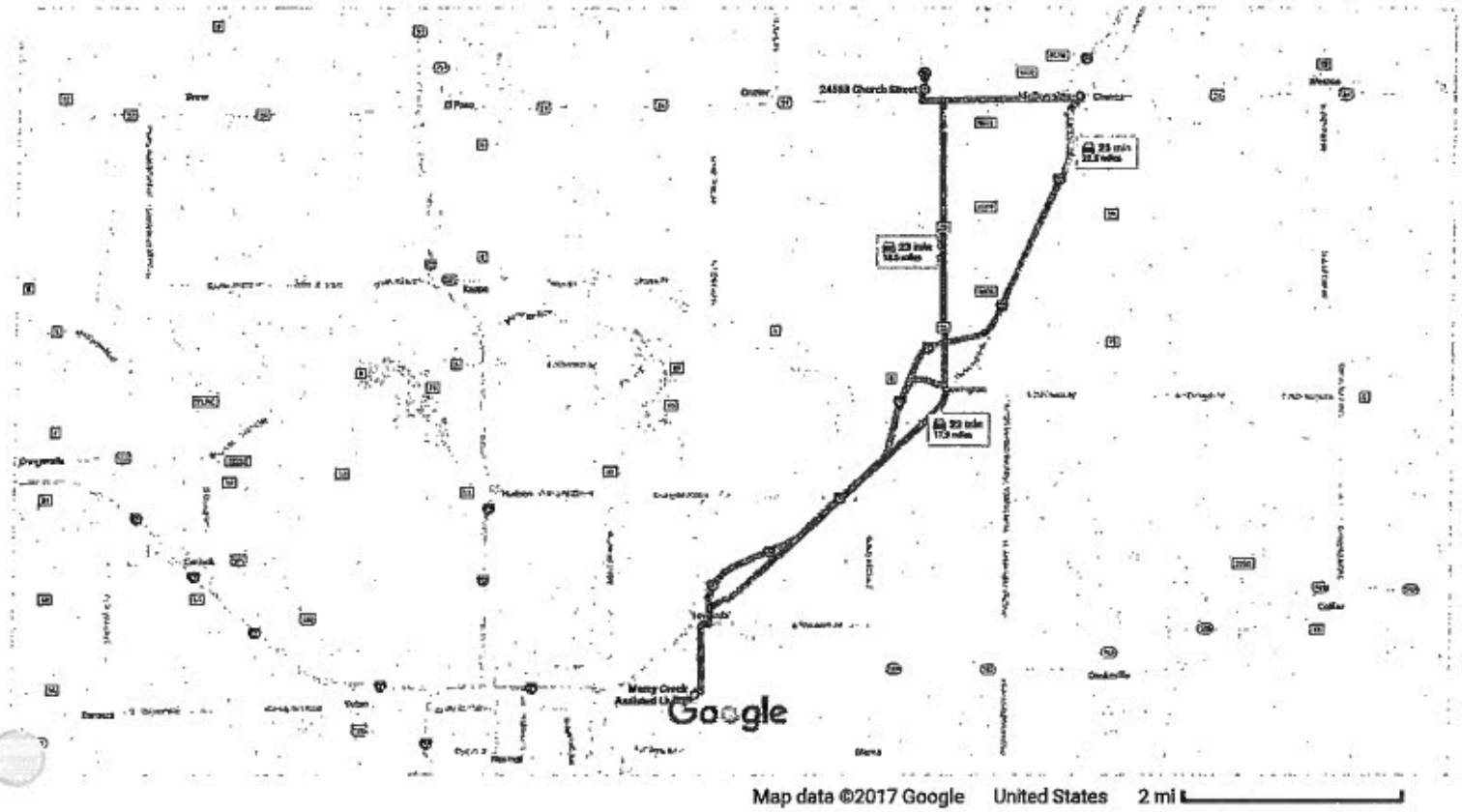
via Shepard Rd and I-55 S — 15 min
8.8 miles

Google Maps

Mercy Creek Assisted Living to 24588 Church Street, Chenoa, IL

Drive 17.9 miles, 22 min

Meadows Mennonite Home

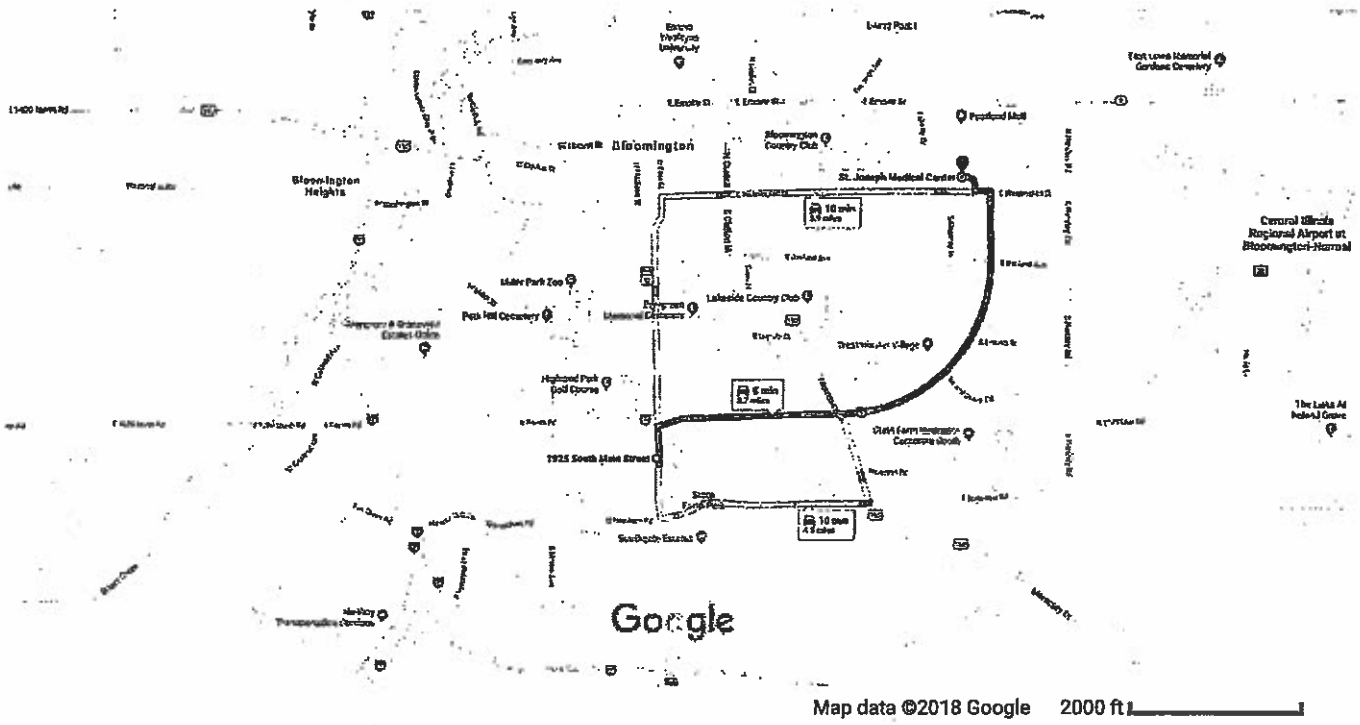


via Historic U.S. 66 E and County Hwy 23 — 22 min
Fastest route — 17.9 miles

via I-55 N and County Hwy 23 — 23 min
18.5 miles

via I-55 N — 25 min
22.5 miles

Google Maps 1925 South Main Street, Bloomington, IL to St. Joseph Medical Center, Bloomington, IL Drive 3.7 miles, 8 min



1925 S Main St
Bloomington, IL 61704

1. Head south on S Main St
   210 ft
2. Make a U-turn
   0.3 mi
3. Turn right to merge onto I-55BL/Historic U.S. 66 E/S Veterans Pkwy
   Pass by Steak 'n Shake (on the right in 0.9 mi)
   3.1 mi
4. Turn left onto E Washington St
   0.1 mi
5. Turn right at the 1st cross street onto St Joseph Dr
   0.1 mi
6. Continue straight to stay on St Joseph Dr
   Destination will be on the left
   177 ft

St. Joseph Medical Center
Bloomington, IL 61701

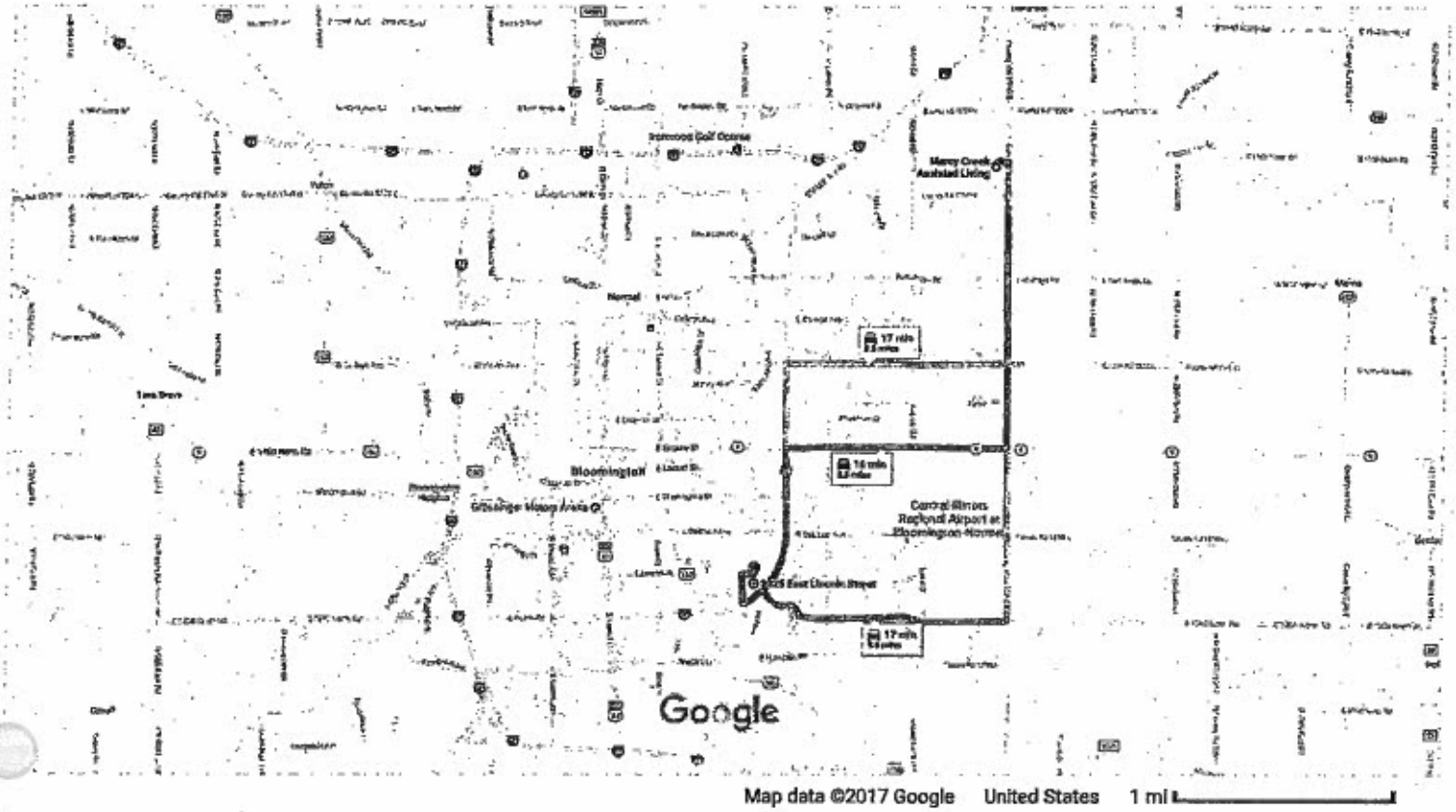
These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Google Maps

Mercy Creek Assisted Living to 2025 East Lincoln Street, Bloomington, IL

Drive 8.8 miles, 16 min

Westminister Village



via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 16 min
Fastest route now due to traffic conditions — 8.8 miles

via County Rd 1900 E/Towanda-Barnes Rd and Ireland Grove Rd — 17 min
9.6 miles

via County Rd 1900 E/Towanda-Barnes Rd, General Electric Rd and Historic U.S. 66 W/N Veterans Pkwy — 17 min
8.8 miles

Summary of General Long-Term Nursing Care Beds and Need by Planning Area				
Health Service Area 4				
PLANNING AREA	EXISTING BEDS	PROJECTED BEDS NEEDED - 2020	ADDITIONAL BEDS NEEDED	EXCESS BEDS
Champaign County	908	855	0	53
Clark County	245	215	0	30
Coles/Cumberland Counties	939	643	0	296
DeWitt County	190	210	20	0
Douglas County	233	188	0	45
Edgar County	299	270	0	29
Ford Counties	434	205	0	229
Iroquois County	486	401	0	85
Livingston County	518	423	0	95
McLean County	1048	982	0	66
Macon County	1096	902	0	194
Moultrie County	361	238	0	123
Piatt County	160	145	0	15
Shelby County	259	162	0	97
Vermilion County	766	605	0	161
HSA 4 TOTALS	7942	6444	20	1518

LONG-TERM CARE FACILITY UPDATES

1/10/2018

CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
			Health Service Area 1		
Ogle	17-035	1/9/2018	Manor Court of Rochelle, Rochelle	Received permit to establish a facility with 92 Nursing Care beds at Flagg Road and 20th Street in Rochelle.	**New**
			Health Service Area 2		
Bureau/Putnam	CHOW	11/1/2017	Colonial Healthcare and Rehabilitation Center, Princeton	Change of ownership occurred.	
	Name Change	11/2/2017	Aperion Care Princeton, Princeton	Formerly Colonial Healthcare and Rehabilitation Center	
Fulton	Closure	9/15/2017	Prairie View Care Center - Lewistown, Lewistown	Facility closed; 99 Nursing Care beds removed from inventory.	
LaSalle	CHOW	11/1/2017	Rivershores Health & Rehabilitation Center, Marseilles	Change of ownership occurred.	
	Name Change	11/2/2017	Aperion Care Marseilles, Marseilles	Formerly Rivershores Health & Rehabilitation Center.	
Peoria	CHOW	11/1/2017	Heights Healthcare & Rehabilitation Center, Peoria Heights	Change of ownership occurred.	
	Name Change	11/2/2017	Aperion Care Peoria Heights, Peoria Heights	Formerly Heights Healthcare & Rehabilitation Center.	
Tazewell	CHOW	11/1/2017	Morton Villa Health & Rehabilitation Center, Morton	Change of ownership occurred.	
	Name Change	11/2/2017	Aperion Care Morton Villa, Morton	Formerly Morton Villa Health & Rehabilitation Center.	
			Health Service Area 3		
Adams	Bed Change	10/12/2017	Illinois Veterans Home at Quincy, Quincy	Facility discontinued 165 Nursing Care beds; facility now has 386 Nursing Care beds.	
Sangamon	Closure	9/7/2017	Oak Terrace Care Center, Springfield	Facility closed; 78 Nursing Care beds and 20 Sheltered Care beds removed from inventory.	
	Bed Change	10/31/2017	St. Joseph's Home of Springfield, Springfield	Facility converted 1 Sheltered Care bed to Nursing Care. Facility now has 74 Nursing Care beds and 10 Sheltered Care beds.	
			Health Service Area 4		
Clark	Bed Change	10/1/2017	Burnsides Community Health Center, Marshall	Facility discontinued 20 Nursing Care beds; facility now has 75 Nursing Care beds.	
Ford	Name Change	9/27/2017	Accolade Healthcare of Paxton, Paxton	Formerly Paxton Healthcare and Rehabilitation.	
	CHOW	11/1/2017	Illinois Knights Templar Home, Paxton	Change of ownership occurred.	
	Name Change	11/1/2017	Accolade Paxton Senior Living, Paxton	Formerly Illinois Knights Templar Home.	
Iroquois	Bed Change	10/13/2017	The Iroquois Resident Home, Watseka	Facility discontinued 9 Nursing Care beds; facility now has 35 Nursing Care beds.	
Livingston	Name Change	9/27/2017	Accolade Healthcare of Pontiac, Pontiac	Formerly Pontiac Healthcare and Rehabilitation.	
Macon	Closure	9/21/2017	Lincoln Manor, Decatur	Facility closed; 140 Nursing Care beds removed from inventory.	
			Health Service Area 5		
			Health Service Area 6		
6-A	Bed Change	12/7/2017	Peterson Park Nursing Home, Chicago	Facility added 8 Nursing Care beds; facility now has 196 Nursing Care beds.	**New**
6-B	Bed Change	9/25/2016	Schwab Rehabilitation Hospital, Chicago	Facility added 10 Nursing Care beds; facility now has 31 Nursing Care beds.	
	Bed Change	11/22/2017	Schwab Rehabilitation Hospital, Chicago	Facility revoked addition of 10 Nursing Care beds; facility now operates 21 Nursing Care beds.	**New**
			Health Service Area 7		
7-C	Bed Change	10/1/2017	Tabor Hills Health Care, Naperville	Facility discontinued 12 Nursing Care beds; facility now has 199 Nursing Care beds.	

Page 000110

LONG-TERM CARE FACILITY UPDATES

1/10/2018

CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
	CHOW	11/1/2017	Wood Glen Nursing & Rehabilitation Center, West Chicago	Change of ownership occurred	
	Name Change	11/2/2017	Aperion Care West Chicago, West Chicago	Formerly Wood Glen Nursing & Rehabilitation Center.	
7-E	E-046-17	11/7/2017	Advocate South Suburban Hospital, Hazel Crest	Received exemption to discontinue 41 bed Skilled Nursing (Long-Term Care) category of service.	New
	Bed Change	12/20/2017	Lemont Nursing & Rehab Center, Lemont	Facility added 15 Nursing Care beds. Facility now has 173 Nursing Care beds.	New
			Health Service Area 8		
			Health Service Area 9		
			Health Service Area 10		
			Health Service Area 11		
Monroe	Bed Change	11/3/2017	Oak Hill, Waterloo	Facility added 13 Nursing Care beds; facility now has 144 Nursing Care beds.	

CHANGES TO SPECIALIZED LONG-TERM CARE

			Health Service Area 1		
			Health Service Area 2		
			Health Service Area 3		
			Health Service Area 4		
			Health Service Area 5		
			Health Service Area 6, 7, 8, 9		
HSA 7	Closure	11/28/2017	Phoenix Court, South Holland	Facility closed; converted to CILA. 16 ICF/DD beds removed from inventory.	New
			Health Service Area 10		
			Health Service Area 11		

CHANGES TO CHRONIC MENTAL ILLNESS

CHANGES TO SPECIALIZED MENTAL HEALTH REHABILITATION FACILITIES

LONG-TERM CARE FACILITY UPDATES

1/10/2018

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
LONG-TERM CARE NURSING CARE BED NEED			
HEALTH SERVICE AREA 1			
Boone	394	279	115
Carroll	156	155	1
DeKalb	756	742	14
Jo Daviess	173	147	26
Lee	281	353	(72)
Ogle	548	657	(109)
Stephenson	574	646	(72)
Whiteside	584	819	(235)
Winnebago	2,063	2,220	(157)
HEALTH SERVICE AREA 2			
Bureau/Putnam	378	377	1
Fulton	439	504	(65)
Henderson/Warren	169	216	(47)
Knox	743	916	(173)
LaSalle	1,189	1,266	(77)
McDonough	325	360	(35)
Marshall/Stark	283	427	(144)
Peoria	1,429	1,608	(179)
Tazewell	1,075	1,256	(181)
Woodford	586	593	(7)
HEALTH SERVICE AREA 3			
Adams	1,029	1,129	(100)
Brown/Schuyler	146	179	(33)
Calhoun/Pike	267	337	(70)
Cass	135	150	(15)
Christian	338	427	(89)
Greene	131	119	12
Hancock	152	184	(32)
Jersey	345	369	(24)
Logan	402	446	(44)
Macoupin	646	704	(58)
Mason	105	164	(59)
Menard	119	106	13
Montgomery	405	480	(75)
Morgan/Scott	453	551	(98)
Sangamon	1,215	1,171	44

LONG-TERM CARE FACILITY UPDATES

1/10/2018

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 4			
Champaign	853	920	(67)
Clark	215	225	(10)
Coles/Cumberland	642	939	(297)
DeWitt	209	190	19
Douglas	187	233	(46)
Edgar	269	299	(30)
Ford	204	434	(230)
Iroquois	400	477	(77)
Livingston	422	518	(96)
McLean	979	1,048	(69)
Macon	899	956	(57)
Moultrie	238	361	(123)
Piatt	144	160	(16)
Shelby	161	259	(98)
Vermilion	604	766	(162)
HEALTH SERVICE AREA 5			
Alexander/Pulaski	88	83	5
Bond	96	90	6
Clay	121	209	(88)
Crawford	165	160	5
Edwards/Wabash	139	129	10
Effingham	348	434	(86)
Fayette	168	261	(93)
Franklin	306	383	(77)
Gallatin/Hamilton/Saline	537	582	(45)
Hardin/Pope	70	62	8
Jackson	264	251	13
Jasper	57	57	0
Jefferson	339	336	3
Johnson/Massac	280	299	(19)
Lawrence	216	340	(124)
Marion	472	509	(37)
Perry	150	210	(60)
Randolph	408	490	(82)
Richland	254	309	(55)
Union	273	293	(20)
Washington	161	148	13
Wayne	132	169	(37)
White	251	351	(100)
Williamson	513	555	(42)
HEALTH SERVICE AREA 6			
Planning Area 6-A	4,523	6,513	(1,990)
Planning Area 6-B	3,020	3,009	11
Planning Area 6-C	4,201	4,586	(385)

LONG-TERM CARE FACILITY UPDATES

1/10/2018

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 7			
Planning Area 7-A	3,590	3,309	281
Planning Area 7-B	5,500	6,168	(668)
Planning Area 7-C	5,848	5,999	(151)
Planning Area 7-D	2,407	2,892	(485)
Planning Area 7-E	7,361	8,487	(1,126)
HEALTH SERVICE AREA 8			
Kane	2,826	2,934	(108)
Lake	3,804	3,909	(105)
McHenry	1,062	1,095	(33)
HEALTH SERVICE AREA 9			
Grundy	269	265	4
Kankakee	980	989	(9)
Kendall	305	184	121
Will	3,109	2,835	274
HEALTH SERVICE AREA 10			
Henry	407	495	(88)
Mercer	147	172	(25)
Rock Island	1,130	1,219	(89)
HEALTH SERVICE AREA 11			
Clinton	320	357	(37)
Madison	1,904	2,212	(308)
Monroe	293	263	30
St. Clair	1,867	2,101	(234)

LONG-TERM CARE ICF/DD 16 AND UNDER BED NEED

HSA 1	253	333	(80)
HSA 2	241	224	17
HSA 3	207	336	(129)
HSA 4	307	112	195
HSA 5	222	208	14
HSA 6, 7, 8, 9	3,167	1,065	2,102
HSA 10	74	32	42
HSA 11	217	288	(71)

BLOOMINGTON REHAB HLTHCARE CTR
1925 SOUTH MAIN STREET
BLOOMINGTON, IL. 61704

Reference Numbers

Facility ID	6000996	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Janice Kindred

Contact Person and Telephone
Marikay Snyder
3096918113

Registered Agent Information
Marikay Snyder
830 West Trailcreek Drive

Date Questionnaire Completed 3/15/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
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	1
No Restrictions	0

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	45
Total Admissions 2016	72
Total Discharges 2016	65
Residents on 12/31/2016	52

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	3
Blood Disorders	1
*Nervous System Non Alzheimer	8
Alzheimer Disease	1
Mental Illness	0
Developmental Disability	0
Circulatory System	13
Respiratory System	2
Digestive System	2
Genitourinary System Disorders	0
Skin Disorders	4
Musculo-skeletal Disorders	16
Injuries and Poisonings	0
Other Medical Conditions	1
Non-Medical Conditions	0
TOTALS	52

Total Residents Diagnosed as Mentally Ill 13

Total Residents Reported as Identified Offenders 4

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	78	78	58	78	52	26	26	78
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	78	78	58	78	52	26	26	78

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
LEVEL OF CARE	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	1083	11.4%	15710	55.0%	0	0	2055	0	18848	66.0%	66.0%
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	1083	11.4%	15710	55.0%	0	0	2055	0	18848	66.0%	66.0%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND
AGE GROUPS	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
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	5	4	0	0	0	0	0	0	5	4	9
60 to 64	3	3	0	0	0	0	0	0	3	3	6
65 to 74	7	6	0	0	0	0	0	0	7	6	13
75 to 84	4	9	0	0	0	0	0	0	4	9	13
85+	2	9	0	0	0	0	0	0	2	9	11
TOTALS	21	31	0	0	0	0	0	0	21	31	52

BLOOMINGTON REHAB HLTHCARE CTR
1925 SOUTH MAIN STREET
BLOOMINGTON, IL. 61704

Classification Numbers

Facility ID	6000996	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	2	46	0	0	4	0	52
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	2	46	0	0	4	0	52

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	165	150
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	9	0	0	0	9
Hawaiian/Pacific Isl.	0	0	0	0	0
White	42	0	0	0	42
Race Unknown	1	0	0	0	1
Total	52	0	0	0	52

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	1	0	0	0	1
Non-Hispanic	51	0	0	0	51
Ethnicity Unknown	0	0	0	0	0
Total	52	0	0	0	52

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	7.00
LPN's	5.00
Certified Aides	19.00
Other Health Staff	1.00
Non-Health Staff	18.00
Totals	52.00

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
4.7%	83.4%	0.0%	1.0%	10.9%	100.0%		
128,909	2,286,863	0	26,502	300,278	2,742,552	0	0.0%

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

HEARTLAND OF NORMAL
510 BROADWAY
NORMAL, IL. 61761

Reference Numbers

Facility ID	6000244	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Douglas Rutter

Contact Person and Telephone
Adam Swartz
419-254-5189

Registered Agent Information
CT Corporation System
208 South LaSalle St, Ste 814

Date Questionnaire Completed 3/22/2017

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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	88
Total Admissions 2016	502
Total Discharges 2016	502
Residents on 12/31/2016	88

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	1
Blood Disorders	1
*Nervous System Non Alzheimer	12
Alzheimer Disease	0
Mental Illness	4
Developmental Disability	0
Circulatory System	11
Respiratory System	9
Digestive System	2
Genitourinary System Disorders	4
Skin Disorders	6
Musculo-skeletal Disorders	11
Injuries and Poisonings	14
Other Medical Conditions	12
Non-Medical Conditions	0
TOTALS	88

Total Residents Diagnosed as Mentally Ill 67

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	116	109	94	97	88	28	116	50
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	116	109	94	97	88	28	116	50

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	5123	12.1%	15481	84.6%	0	3360	5397	0	29361	69.2%	73.6%
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	5123	12.1%	15481	84.6%	0	3360	5397	0	29361	69.2%	73.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	5	0	0	0	0	0	0	0	5	5
60 to 64	4	3	0	0	0	0	0	0	4	3	7
65 to 74	6	16	0	0	0	0	0	0	6	16	22
75 to 84	13	19	0	0	0	0	0	0	13	19	32
85+	6	16	0	0	0	0	0	0	6	16	22
TOTALS	29	59	0	0	0	0	0	0	29	59	88

HEARTLAND OF NORMAL
510 BROADWAY
NORMAL, IL. 61761

Classification Numbers

Facility ID	6000244	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	20	43	0	10	15	0	88
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	20	43	0	10	15	0	88

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	345	259
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	0	0	0	0	0
Black	9	0	0	0	9
Hawaiian/Pacific Isl.	0	0	0	0	0
White	77	0	0	0	77
Race Unknown	0	0	0	0	0
Total	88	0	0	0	88

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	88	0	0	0	88
Ethnicity Unknown	0	0	0	0	0
Total	88	0	0	0	88

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	10.00
LPN's	9.00
Certified Aides	28.00
Other Health Staff	8.00
Non-Health Staff	24.00
Totals	81.00

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
33.0%	24.1%	0.0%	16.5%	26.3%	100.0%		
2,801,004	2,045,259	0	1,396,895	2,233,152	8,476,310	0	0.0%

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

HERITAGE HEALTH - BLOOMINGTON
700 EAST WALNUT
BLOOMINGTON, IL. 61701

Reference Numbers

Facility ID	6004261	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Susan Holifield

Contact Person and Telephone
Rabecca Howard
308-828-4361

Registered Agent Information
Ben Hart
115 W Jefferson St., Suite 401

Date Questionnaire Completed 3/21/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	66
Total Admissions 2016	389
Total Discharges 2016	388
Residents on 12/31/2016	67

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	5
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	11
Alzheimer Disease	0
Mental Illness	10
Developmental Disability	0
Circulatory System	9
Respiratory System	2
Digestive System	0
Genitourinary System Disorders	1
Skin Disorders	1
Musculo-skeletal Disorders	7
Injuries and Poisonings	4
Other Medical Conditions	17
Non-Medical Conditions	0
TOTALS	67

Total Residents Diagnosed as Mentally Ill 10

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	88	85	85	85	67	21	88	30
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	88	85	85	85	67	21	88	30

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	3759	11.7%	7893	71.9%	0	0	12381	0	24033	74.6%	77.3%
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	3759	11.7%	7893	71.9%	0	0	12381	0	24033	74.6%	77.3%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	1	0	0	0	0	0	0	1	1	2
60 to 64	1	0	0	0	0	0	0	0	1	0	1
65 to 74	6	4	0	0	0	0	0	0	6	4	10
75 to 84	11	13	0	0	0	0	0	0	11	13	24
85+	7	23	0	0	0	0	0	0	7	23	30
TOTALS	26	41	0	0	0	0	0	0	26	41	67

HERITAGE HEALTH - BLOOMINGTON
700 EAST WALNUT
BLOOMINGTON, IL. 61701

Classification Numbers

Facility ID	6004261	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	10	23	0	0	34	0	67
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	10	23	0	0	34	0	67

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	250	205
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	0	0	0	0	0
American Indian	1	0	0	0	1
Black	2	0	0	0	2
Hawaiian/Pacific Isl.	0	0	0	0	0
White	64	0	0	0	64
Race Unknown	0	0	0	0	0
Total	67	0	0	0	67

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	67	0	0	0	67
Ethnicity Unknown	0	0	0	0	0
Total	67	0	0	0	67

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	9.00
Certified Aides	27.00
Other Health Staff	0.00
Non-Health Staff	17.00
Totals	64.00

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
30.3%	16.2%	0.0%	0.0%	53.5%	100.0%		
2,217,144	1,182,115	0	0	3,915,565	7,314,824	0	0.0%

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

FACILITY NOTES

3/25/2016 Discontinued 23 Nursing Care beds; facility now has 88 Nursing Care beds.

HERITAGE HEALTH - NORMAL
509 NORTH ADELAIDE
NORMAL, IL. 61761

Reference Numbers

Facility ID	6008510	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Dianne Cochran

Contact Person and Telephone
Rabecca Howard
309-823-7139

Registered Agent Information
Ben Hart
115 W Jefferson Street Suite 401

Date Questionnaire Completed 3/23/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	0
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	110
Total Admissions 2016	343
Total Discharges 2016	339
Residents on 12/31/2016	114

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	4
Alzheimer Disease	4
Mental Illness	61
Developmental Disability	0
Circulatory System	21
Respiratory System	2
Digestive System	3
Genitourinary System Disorders	1
Skin Disorders	3
Musculo-skeletal Disorders	5
Injuries and Poisonings	8
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	114

Total Residents Diagnosed as Mentally Ill 89

Total Residents Reported as Identified Offenders 1

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	141	124	124	114	114	27	118	91
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	141	124	124	114	114	27	118	91

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
LEVEL OF CARE	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	3324	7.7%	15674	47.1%	0	0	22443	0	41441	80.3%	91.3%
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	3324	7.7%	15674	47.1%	0	0	22443	0	41441	80.3%	91.3%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND
AGE GROUPS	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
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	1	1	0	0	0	0	0	0	1	1	2
65 to 74	6	4	0	0	0	0	0	0	6	4	10
75 to 84	5	13	0	0	0	0	0	0	5	13	18
85+	19	64	0	0	0	0	0	0	19	64	83
TOTALS	32	82	0	0	0	0	0	0	32	82	114

HERITAGE HEALTH - NORMAL
509 NORTH ADELAIDE
NORMAL, IL. 61761

Classification Numbers

Facility ID	6008510	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	10	39	0	0	65	0	114
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	10	39	0	0	65	0	114

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	0	0
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	2	0	0	0	2
Hawaiian/Pacific Isl.	0	0	0	0	0
White	112	0	0	0	112
Race Unknown	0	0	0	0	0
Total	114	0	0	0	114

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	114	0	0	0	114
Ethnicity Unknown	0	0	0	0	0
Total	114	0	0	0	114

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	20.00
LPN's	100.00
Certified Aides	142.00
Other Health Staff	0.00
Non-Health Staff	2772.00
Totals	3036.00

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
19.5%	21.5%	0.0%	0.0%	59.0%	100.0%		
2,043,439	2,257,176	0	0	6,182,308	10,482,923	0	0.0%

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

FACILITY NOTES

3/25/2016 Discontinued 23 Nursing Care beds; facility now has 141 Nursing Care beds.

LEROY MANOR
509 S BUCK ROAD P.O. BOX 149
LEROY, IL. 61752

Reference Numbers

Facility ID	6012157	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Karrie Polen

Contact Person and Telephone
Karrie Polen
309-962-5000

Registered Agent Information
J. Michael Bibo
285 S Farnham St.

Date Questionnaire Completed 3/12/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
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	0
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	1

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	72
Total Admissions 2016	53
Total Discharges 2016	60
Residents on 12/31/2016	65

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	2
Blood Disorders	0
*Nervous System Non Alzheimer	16
Alzheimer Disease	4
Mental Illness	0
Developmental Disability	0
Circulatory System	10
Respiratory System	2
Digestive System	4
Genitourinary System Disorders	2
Skin Disorders	2
Musculo-skeletal Disorders	14
Injuries and Poisonings	0
Other Medical Conditions	10
Non-Medical Conditions	0
TOTALS	66

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	102	102	73	102	65	37	102	102
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	102	102	73	102	65	37	102	102

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	1696	4.5%	16576	44.4%	130	0	5582	0	23984	64.2%	64.2%
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	1696	4.5%	16576	44.4%	130	0	5582	0	23984	64.2%	64.2%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	1	0	0	0	0	0	0	1	1	2
60 to 64	1	0	0	0	0	0	0	0	1	0	1
65 to 74	2	6	0	0	0	0	0	0	2	6	8
75 to 84	3	18	0	0	0	0	0	0	3	18	21
85+	6	27	0	0	0	0	0	0	6	27	33
TOTALS	13	52	0	0	0	0	0	0	13	52	65

LEROY MANOR
509 S BUCK ROAD P.O. BOX 149
LEROY, IL. 61752

Classification Numbers

Facility ID	6012157	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	2	42	0	21	0	0	65
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	2	42	0	21	0	0	65

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	205	175
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	1	0	0	0	1
Hawaiian/Pacific Isl.	0	0	0	0	0
White	64	0	0	0	64
Race Unknown	0	0	0	0	0
Total	65	0	0	0	65

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	1	0	0	0	1
Non-Hispanic	64	0	0	0	64
Ethnicity Unknown	0	0	0	0	0
Total	65	0	0	0	65

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	5.00
LPN's	8.00
Certified Aides	30.00
Other Health Staff	7.00
Non-Health Staff	39.00
Totals	91.00

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
18.1%	50.7%	1.0%	1.8%	28.5%	100.0%		
775,590	2,171,685	43,483	75,177	1,219,474	4,285,409	0	0.0%

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

LUTHER OAKS, BLOOMINGTON
601 LUTZ ROAD
BLOOMINGTON, IL. 61704

Reference Numbers

Facility ID	6016943	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Tim Kmetz

Contact Person and Telephone
Tim Kmetz
309-557-8003

Registered Agent Information
Andrew P. Tecson
30 South Wacker Drive Suite 2600

Date Questionnaire Completed 5/30/2017

Continuing Care Retirement Community

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	1
Drug Addiction	0
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	0
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	0

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	0
Total Admissions 2016	19
Total Discharges 2016	1
Residents on 12/31/2016	18

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	1
Blood Disorders	0
*Nervous System Non Alzheimer	0
Alzheimer Disease	9
Mental Illness	0
Developmental Disability	0
Circulatory System	4
Respiratory System	2
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	1
Injuries and Poisonings	0
Other Medical Conditions	1
Non-Medical Conditions	0
TOTALS	18

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	18	18	18	18	18	0	0	0
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	18	18	18	18	18	0	0	0

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
LEVEL OF CARE	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	0	0.0%	0	0.0%	0	0	558	0	558	8.5%	8.5%
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	0	0.0%	0	0.0%	0	0	558	0	558	8.5%	8.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND
AGE GROUPS	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	0	0	0	0	0	0	0	0	0	0
75 to 84	2	3	0	0	0	0	0	0	2	3	5
85+	2	11	0	0	0	0	0	0	2	11	13
TOTALS	4	14	0	0	0	0	0	0	4	14	18

LUTHER OAKS, BLOOMINGTON
601 LUTZ ROAD
BLOOMINGTON, IL. 61704

Classification Numbers

Facility ID	6016943	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	0	0	0	18	0	18
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	0	0	0	0	18	0	18

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	310	0
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	18	0	0	0	18
Race Unknown	0	0	0	0	0
Total	18	0	0	0	18

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	18	0	0	0	18
Ethnicity Unknown	0	0	0	0	0
Total	18	0	0	0	18

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	2.00
LPN's	2.00
Certified Aides	8.00
Other Health Staff	1.00
Non-Health Staff	6.00
Totals	21.00

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
0.0%	0.0%	0.0%	0.0%	100.0%	100.0%		
0	0	0	0	185,737	185,737	0	0.0%

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

MCLEAN COUNTY NURSING HOME
901 NORTH MAIN
NORMAL, IL. 61761

Reference Numbers

Facility ID	6005946	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Cindy Wegner

Contact Person and Telephone
Sharon Bounds
309-888-5380

Registered Agent Information

Date Questionnaire Completed 3/29/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	118
Total Admissions 2016	89
Total Discharges 2016	106
Residents on 12/31/2016	101

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	4
Blood Disorders	2
*Nervous System Non Alzheimer	1
Alzheimer Disease	11
Mental Illness	35
Developmental Disability	0
Circulatory System	14
Respiratory System	11
Digestive System	1
Genitourinary System Disorders	3
Skin Disorders	0
Musculo-skeletal Disorders	4
Injuries and Poisonings	2
Other Medical Conditions	13
Non-Medical Conditions	0
TOTALS	101

Total Residents Diagnosed as Mentally Ill 35

Total Residents Reported as Identified Offenders 1

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	150	150	120	150	101	49	18	150
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	150	150	120	150	101	49	18	150

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	860	13.1%	25630	46.7%	454	0	10096	0	37040	67.5%	67.5%
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	860	13.1%	25630	46.7%	454	0	10096	0	37040	67.5%	67.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	1	0	0	0	0	0	0	0	1	1
65 to 74	5	4	0	0	0	0	0	0	5	4	9
75 to 84	10	22	0	0	0	0	0	0	10	22	32
85+	5	54	0	0	0	0	0	0	5	54	59
TOTALS	20	81	0	0	0	0	0	0	20	81	101

MCLEAN COUNTY NURSING HOME
901 NORTH MAIN
NORMAL, IL. 61761

Classification Numbers

Facility ID	6005946	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	2	65	1	0	33	0	101
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	2	65	1	0	33	0	101

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	185	200
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	1	0	0	0	1
American Indian	0	0	0	0	0
Black	5	0	0	0	5
Hawaiian/Pacific Isl.	0	0	0	0	0
White	95	0	0	0	95
Race Unknown	0	0	0	0	0
Total	101	0	0	0	101

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	101	0	0	0	101
Ethnicity Unknown	0	0	0	0	0
Total	101	0	0	0	101

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	11.00
Certified Aides	40.00
Other Health Staff	0.00
Non-Health Staff	55.00
Totals	117.00

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
8.1%	58.4%	1.0%	0.0%	32.6%	100.0%		
537,733	3,878,645	64,695	0	2,165,215	6,646,288	0	0.0%

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

MEADOWS MENNONITE RETIREMENT COMMUNI
24588 CHURCH STREET
CHENOA, IL. 61726

Reference Numbers

Facility ID	6006001	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Linda Schubert

Contact Person and Telephone
Linda Schubert
309-747-3643

Registered Agent Information

Date Questionnaire Completed 3/30/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	101
Total Admissions 2016	136
Total Discharges 2016	142
Residents on 12/31/2016	95

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	4
Endocrine/Metabolic	4
Blood Disorders	2
*Nervous System Non Alzheimer	1
Alzheimer Disease	11
Mental Illness	39
Developmental Disability	0
Circulatory System	17
Respiratory System	4
Digestive System	2
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	11
Injuries and Poisonings	0
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	95

Total Residents Diagnosed as Mentally Ill 69

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	130	114	110	114	95	35	116	130
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	3	1	3	0	0		
TOTAL BEDS	130	117	111	117	95	35	116	130

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	1871	4.4%	15898	33.4%	0	0	20418	0	38187	80.3%	91.5%
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	1	0	1	0.0%	0.1%
TOTALS	1871	4.4%	15898	33.4%	0	0	20419	0	38188	80.3%	89.2%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	1	0	0	0	0	0	0	0	1	1
65 to 74	1	7	0	0	0	0	0	0	1	7	8
75 to 84	9	17	0	0	0	0	0	0	9	17	26
85+	17	43	0	0	0	0	0	0	17	43	60
TOTALS	27	68	0	0	0	0	0	0	27	68	95

MEADOWS MENNONITE RETIREMENT COMMUNI
24588 CHURCH STREET
CHENOA, IL. 61726

Classification Numbers

Facility ID	6006001	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	4	36	0	0	55	0	95
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	4	36	0	0	55	0	95

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	255	225
Skilled Under 22	0	0
Intermediate DD	0	0
Sheltered Care	85	85

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Asian	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	95	0	0	0	95
Race Unknown	0	0	0	0	0
Total	95	0	0	0	95

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	95	0	0	0	95
Ethnicity Unknown	0	0	0	0	0
Total	95	0	0	0	95

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	2.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	12.00
LPN's	15.00
Certified Aides	81.00
Other Health Staff	6.00
Non-Health Staff	93.00
Totals	210.00

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
18.1%	29.1%	0.0%	2.3%	50.5%	100.0%		
1,545,521	2,487,156	0	198,674	4,315,405	8,546,756	1,500,996	17.6%

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

ST. JOSEPH'S MEDICAL CENTER
2200 EAST WASHINGTON STREET
BLOOMINGTON, IL. 61701

Reference Numbers

Facility ID	6011407	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Chad Boore

Contact Person and Telephone
Kyle Scheuer
309-662-3311 x3070

Registered Agent Information
St. Joseph Medical Center
2200 East Washington Street

Date Questionnaire Completed 3/23/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	6
Total Admissions 2016	218
Total Discharges 2016	217
Residents on 12/31/2016	7

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	1
Blood Disorders	0
*Nervous System Non Alzheimer	1
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	1
Injuries and Poisonings	1
Other Medical Conditions	3
Non-Medical Conditions	0
TOTALS	7

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	12	12	8	12	7	5	12	12
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	12	12	8	12	7	5	12	12

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	1624	37.0%	145	3.3%	0	152	0	11	1932	44.0%	44.0%
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	1624	37.0%	145	3.3%	0	152	0	11	1932	44.0%	44.0%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	2	0	0	0	0	0	0	0	2	0	2
60 to 64	1	1	0	0	0	0	0	0	1	1	2
65 to 74	0	0	0	0	0	0	0	0	0	0	0
75 to 84	1	2	0	0	0	0	0	0	1	2	3
85+	0	0	0	0	0	0	0	0	0	0	0
TOTALS	4	3	0	0	0	0	0	0	4	3	7

ST. JOSEPH'S MEDICAL CENTER
2200 EAST WASHINGTON STREET
BLOOMINGTON, IL. 61701

Classification Numbers

Facility ID	6011407	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	3	3	0	1	0	0	7
Skilled Under 22	0	0	0		0	0	
Intermediate D		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	3	3	0		0	0	

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	0	668
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	7	0	0	0	7
Race Unknown	0	0	0	0	0
Total	7	0	0	0	7

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	7	0	0	0	7
Non-Hispanic	0	0	0	0	0
Ethnicity Unknown	0	0	0	0	0
Total	7	0	0	0	7

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	0.10
Physicians	0.05
Director of Nursing	0.50
Registered Nurses	4.80
LPN's	0.90
Certified Aides	3.90
Other Health Staff	0.00
Non-Health Staff	1.00
Totals	11.25

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
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
0	0	0	0	0	0	0	0.0%

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

WESTMINSTER VILLAGE
2025 EAST LINCOLN STREET
BLOOMINGTON, IL. 61701

Reference Numbers

Facility ID	6009922	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Susan Post

Contact Person and Telephone
Susan Post
309-663-6474

Registered Agent Information
Barb Nathan
2025 E Lincoln

Date Questionnaire Completed 3/13/2017

Continuing Care Retirement Community
Life Care Facility

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	1
Medicare Recipient	0
Mental Illness	1
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	67
Total Admissions 2016	78
Total Discharges 2016	75
Residents on 12/31/2016	70

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	5
Blood Disorders	1
*Nervous System Non Alzheimer	17
Alzheimer Disease	1
Mental Illness	0
Developmental Disability	0
Circulatory System	24
Respiratory System	3
Digestive System	1
Genitourinary System Disorders	2
Skin Disorders	0
Musculo-skeletal Disorders	10
Injuries and Poisonings	0
Other Medical Conditions	5
Non-Medical Conditions	0
TOTALS	70

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	78	78	70	78	70	8	39	0
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	78	78	70	78	70	8	39	0

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	2059	14.4%	0	0.0%	0	0	21502	0	23561	82.5%	82.5%
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	2059	14.4%	0	0.0%	0	0	21502	0	23561	82.5%	82.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	2	0	0	0	0	0	0	0	2	2
75 to 84	4	4	0	0	0	0	0	0	4	4	8
85+	17	43	0	0	0	0	0	0	17	43	60
TOTALS	21	49	0	0	0	0	0	0	21	49	70

WESTMINSTER VILLAGE
2025 EAST LINCOLN STREET
BLOOMINGTON, IL. 61701

Classification Numbers

Facility ID	6009922	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	11	0	0	0	59	0	70
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	11	0	0	0	59	0	70

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	314	223
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	70	0	0	0	70
Race Unknown	0	0	0	0	0
Total	70	0	0	0	70

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	70	0	0	0	70
Ethnicity Unknown	0	0	0	0	0
Total	70	0	0	0	70

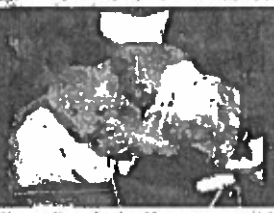
FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	2.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	8.00
Certified Aides	32.00
Other Health Staff	2.00
Non-Health Staff	7.00
Totals	61.00

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
15.5%	0.0%	0.0%	0.0%	84.5%	100.0%		
896,644	0	0	0	4,886,206	5,782,850	0	0.0%

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



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Facility Information

APERION CARE BLOOMINGTON

1509 NORTH CALHOUN STREET
BLOOMINGTON IL 61701

ADMINISTRATOR: MICHELLE ARNOLD
TELEPHONE: 309-827-6046

Licensee ID	: 0053983
Facility ID	: 6001010
Skilled beds	:117
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 0
Medicare/Medicaid beds	: 73
Medicaid beds	: 36
Fax	: 309-829-1992
County	: Mclean
Medicare Certification Number	: 14-5371
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	: 14E104
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

General
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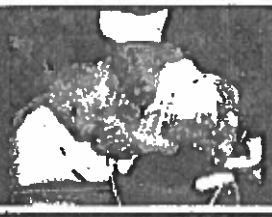
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Facility Information

BLOOMINGTON REHABILITATION&HCC

1925 SOUTH MAIN STREET
BLOOMINGTON IL 61701

ADMINISTRATOR: JANICE KINDRED
TELEPHONE: 309-829-4348

Licensee ID	: 0047415
Facility ID	: 6000996
Skilled beds	:26
Intermediate beds	: 52
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 0
Medicare/Medicaid beds	: 26
Medicaid beds	: 52
Fax	: 309-827-4570
County	: Mclean
Medicare Certification Number	: 14-5610
Medicare Skilled Certification Number	: 14A365
Medicaid ICF/DD Certification Number	: 14E103
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

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Facility Information

HEARTLAND OF NORMAL
610 BROADWAY
NORMAL IL 61761
ADMINISTRATOR: HEATHER M BROWN
TELEPHONE: 309-452-4406

Licensee ID	: 0049536
Facility ID	: 6000244
Skilled beds	:116
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 43
Medicare/Medicaid beds	: 59
Medicaid beds	: 0
Fax	: 309-454-7908
County	: Mclean
Medicare Certification Number	: 14-5031
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

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Facility Information

HERITAGE HEALTH-BLOOMINGTON

700 E. WALNUT STREET
BLOOMINGTON IL 61701

ADMINISTRATOR: SUSAN HOLIFIELD
TELEPHONE: 309-827-8004

Licensee ID	: 0048157
Facility ID	: 6004261
Skilled beds	:88
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 58
Medicare/Medicaid beds	: 30
Medicaid beds	: 0
Fax	: 309-827-0256
County	: Mclean
Medicare Certification Number	: 14-5016
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	: 14E646
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

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Facility Information

HERITAGE HEALTH-NORMAL

509 N. ADELAIDE
NORMAL IL 61761
ADMINISTRATOR: DIANNE COCHRAN
TELEPHONE: 309-452-7468

Licensee ID	: 0048082
Facility ID	: 6008510
Skilled beds	:141
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 50
Medicare/Medicaid beds	: 66
Medicaid beds	: 23
Fax	: 309-862-3148
County	: Mclean
Medicare Certification Number	: 14-5732
Medicare Skilled Certification Number	: 14A391
Medicaid ICF/DD Certification Number	: 14E303
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

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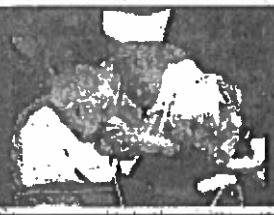
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Facility Information

LEROY MANOR

509 SOUTH BUCK ROAD,P.O.BOX149
LEROY IL 61752

ADMINISTRATOR: DARLA COIT
TELEPHONE: 309-962-5000

Licensee ID	: 0047704
Facility ID	: 6012157
Skilled beds	:102
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 0
Medicare/Medicaid beds	: 102
Medicaid beds	: 0
Fax	: 309-962-6227
County	: Mclean
Medicare Certification Number	: 14-5674
Medicare Skilled Certification Number	: 14A431
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

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Facility Information

LUTHER OAKS

601 LUTZ ROAD
BLOOMINGTON IL 61704

ADMINISTRATOR: DOUGLAS RUTTER
TELEPHONE: 309-664-5940

Licensee ID	: 0054437
Facility ID	**: 6016943**
Skilled beds	:18
Intermediate beds	**: 0**
Icf-dd beds	: 0
Shelter Care beds	**: 0**
Community Living beds	: 0
Under 22 beds	**: 0**
Medicare beds	: 0
Medicare/Medicaid beds	**: 18**
Medicaid beds	: 0
Fax	**: 309-664-5999**
County	: Mclean
Medicare Certification Number	**: 14-6184**
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

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Facility Information

MCLEAN COUNTY NURSING HOME

901 NORTH MAIN
NORMAL IL 61761
ADMINISTRATOR: CYNTHIA WEGNER
TELEPHONE: 309-888-5380

Licensee ID	: 0018150
Facility ID	: 6005946
Skilled beds	:150
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 0
Medicare/Medicaid beds	: 100
Medicaid beds	: 50
Fax	: 309-454-4594
County	: Mclean
Medicare Certification Number	: 14-5494
Medicare Skilled Certification Number	: 14A138
Medicaid ICF/DD Certification Number	: 14E466
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

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Illinois Health Care Worker Registry

Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Facility Information

MEADOWS MENNONITE HOME
24588 CHURCH STREET
CHENOA IL 61726
ADMINISTRATOR: NICOLE M HIBBARD
TELEPHONE: 309-747-2702

Licensee ID	: 0011544
Facility ID	**: 6006001**
Skilled beds	:116
Intermediate beds	**: 14**
Icf-dd beds	: 0
Shelter Care beds	**: 29**
Community Living beds	: 0
Under 22 beds	**: 0**
Medicare beds	: 0
Medicare/Medicaid beds	**: 116**
Medicaid beds	: 14
Fax	**: 309-747-2944**
County	: Mclean
Medicare Certification Number	**: 14-6109**
Medicare Skilled Certification Number	: 14A510
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

General
Facility Information
Ownership Information

Surveys

Administration
Staffing
Admission Restrictions
Admissions & Discharges
Licensed Beds / Beds in use

Residents
Primary Diagnosis
Age Gender & Level of Care
Racial / Ethnic Groups

Patient Days
Level of Care
Payment Source
Private Payment Rates

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Nursing Homes in Illinois

Who Regulates Nursing Homes?

A Listing of Illinois Nursing Homes

How to Select a Nursing Home

Centers for Medicare and Medicaid Services Nursing Home Compare Website

Quarterly Reports of Nursing Home Violation

Illinois Law on Advance Directives

Nursing Homes with No Certification Deficiencies

Nursing Home Care Act

Illinois Health Care Worker Registry

Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Facility Information

ST JOSEPH'S MEDICAL CENTER

2200 EAST WASHINGTON STREET
BLOOMINGTON IL 61701

ADMINISTRATOR: DEBORAH S SMITH
TELEPHONE: 309-662-3311

Licensee ID	: 8025355
Facility ID	: 6011407
Skilled beds	:12
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 0
Medicare/Medicaid beds	: 12
Medicaid beds	: 0
Fax	: 309-662-5512
County	: Mclean
Medicare Certification Number	: 14-5590
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

General
Facility Information
Ownership information

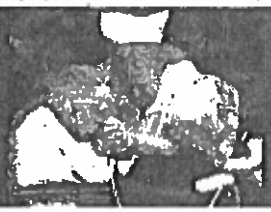
Surveys

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Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Facility Information

WESTMINSTER VILLAGE
2025 EAST LINCOLN STREET
BLOOMINGTON IL 61701
ADMINISTRATOR: SUSAN POST
TELEPHONE: 309-663-6474

Licensee ID	: 0028191
Facility ID	: 6009922
Skilled beds	:78
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 39
Medicare/Medicaid beds	: 0
Medicaid beds	: 0
Fax	: 309-661-2749
County	: Mclean
Medicare Certification Number	: 14-5400
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

General
Facility Information
Ownership information

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Level of Care
Payment Source
Private Payment Rates

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Table 6-26: Payor Mix and CMS 5 Star Quality Rating

Community Name	Medicare %	Medicare Beds	Medicaid %	Medicaid Beds	Private Pay/ Other %	Private Pay/ Other Beds	Five Star Overall Rating	# of Beds
Aperion Care (was Asta Care)*	0%	0	0%	0	0%	0	1	117
Aperion Care Colfax/Arba Care Center	14%	9	86%	51	0%	0	1	60
Bloomington Rehabilitation & HCC	6%	4	79%	51	15%	10	1	65
Heartland of Normal	20%	20	39%	38	41%	40	4	97
Heritage Health Bloomington	13%	11	35%	30	52%	44	4	85
Heritage Health El Paso	4%	3	59%	38	37%	24	3	65
Heritage Health Normal	12%	17	38%	54	50%	71	2	141
Leroy Manor	6%	6	44%	45	50%	50	1	101
McLean County Nursing Home	3%	4	70%	105	27%	41	1	150
Meadows Mennonite Retirement	7%	8	40%	45	53%	61	2	114
St. Joseph's Medical Center	51%	6	0%	0	49%	5	4	11
Westminster Village	9%	7	0%	0	91%	71	2	78
Average/Total	8%	93	53%	457	39%	416	2	1084

Source: snfdata.com/medicare.gov

*No data reported. Calls to admissions were not returned
Luther Oaks omitted from list as it is not certified.

Meadows at Mercy Creek

Market Feasibility Analysis

Normal, IL

Prepared for:
Communities of Mercy Creek

Turning mature market data into management decisions.®

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Page 000147

pmd advisory services LLC *Turning mature market data into management decisions®*

November 29, 2016

Mr. Jay Biere
President and CEO
Meadows at Mercy Creek
1501 Mercy Creek Drive
Normal, Illinois 61761

Via Email: JayB@meadowscommunities.org

Re: Results of the Meadows at Mercy Creek Market Feasibility Analysis to Determine Market Depth and Demand for Independent Living, Assisted Living, Dementia Care, and Skilled Nursing

Dear Mr. Biere:

This report presents the results of the market feasibility analysis conducted by PMD Advisory Services LLC (PMD). This report presents our analysis of the market for Independent Living, Assisted Living, Dementia Care, and Skilled Nursing in the Normal, IL market area. It is our understanding that this analysis will be used to inform the strategic planning process for this campus.

PMD Advisory Services, LLC understands that the analysis will be used as support for your internal planning process. PMD has no responsibility to update the information presented in the study unless engaged by you to do so. PMD dedicates its efforts to provide objective, professional advice, and helpful recommendations based on the information reviewed during the research period and founded on research, marketing and development principles that have worked successfully in other, similar retirement community markets.

Thank you for allowing us the opportunity to work with you on this project. After you have a chance to review, please contact us so we can schedule a time to review our findings and answer your questions.

Sincerely,
PMD Advisory Services, LLC

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CHAPTER 1
SUMMARY OF FINDINGS

Introduction

The purpose of this engagement was to complete a supply and demand market analysis to determine market depth to support independent living (entrance fee), assisted living and assisted living dementia care in the PMA for the strategic planning purposes for Communities at Mercy Creek community located 1501 Mercy Creek Drive, Normal, IL.

The market analysis will determine support for a possible expansion of the Mercy Creek campus to include independent living (entrance fee) residences, assisted living, assisted living dementia care, skilled nursing residences/beds.

The analysis includes:

- A calculation of project and market penetration rates
- Specific recommendations regarding the number of independent living (entrance fee), assisted living, assisted living dementia care, skilled nursing by payor type, and strategies for post-acute care for the Communities at Mercy Creek primary market area (PMA)

To assess the market potential within the Communities at Mercy Creek market area to support the existing complement of products as well as any additional products, PMD:

- defined a market area based on resident zip code of origin data
- reviewed local real estate market conditions
- analyzed demographic data for the market area
- identified potential competitors (existing and planned)
- generated an inventory of facility characteristics
- made site visits to collect a sample of the competitive communities
- secret shopped and researched other competitive communities
- calculated potential market demand using PMD's proprietary Senior Market Profile (SMP) demographic segmentation database and proprietary models for calculating independent living, assisted living, assisted living dementia care and skilled nursing
- identified strategies for the Communities at Mercy Creek to employ to create a competitive advantage in the provision of post-acute care.

Community Description

Communities at Mercy Creek are located at 1501 Mercy Creek Drive in the northeast area of Normal and opened in 2012. The Mercy Creek campus has four independent living villas with 100% occupancy and 60 licensed assisted living beds with 100% occupancy. At buildout, the villas will total 16 residences. Mercy Creek is adjacent to the Apostolic Church which has had a business and financial interest in the villa development and has provided land to Mercy Creek's existing buildings and for expansion. The campus has additional contiguous acreage to support additional development.

Campus Location Evaluation

An evaluation of the campus's location, using 16 different criteria rated the location 72 out of 100. This classifies the location as "Good" for the development, continued operation and investment in senior housing and long term care.

Market Area Definition

The market area definition typically includes the area in which the project site is located and towns, cities, and/or counties that are located within close geographic proximity. The market area for Meadows at Mercy Creek in Normal is based on resident origin data, PMD's field analysis and expected patterns of movement and migration. The Meadows at Mercy Creek campus is expected to generate 65% of the community's resident population. For the purposes of this analysis, the Meadows at Mercy Creek PMA has been defined to include 39 census tracts in McLean County and census tract 307 in Woodford County.

Market Area Demographics

Communities at Mercy Creek Primary Market Area's total population and household growth outpaced the nation and state's total population and household growth rates from 2010 to 2015. The PMA's total population and household growth rates will continue to increase at a faster pace than Illinois and U.S.'s growth rates between 2015 and 2020.

- Long-range population projections show the influence of aging Baby Boomers in the Mercy Creek PMA, following the population as they age into older age cohorts with at times sizable average annual rates of change anticipated between 2020 and 2025 and 2025 to 2030. The long-term population projections for the Mercy Creek PMA indicate continued growth and depth in the age 75 and older population in the PMA. This is generally a good indicator for the continued development of senior living and care services in the PMA.
- Estimates show there were a total of 5,942 age 75 and older households in the Mercy Creek PMA in 2015. The PMA age 75+ segment increased at an average annual rate of 1.3% between 2010 and 2015, which mirrored the nation's growth and well outpaced Illinois's 0.5% average annual growth rate for age 75+ households. The PMA's age 75 and older households will total 6,499 in 2020 representing a projected average annual growth rate of 1.9% which is in line with U.S. growth and well outpaces the 1.2% state average annual increase for the cohort between 2015 and 2020.
- In 2015 median income for age 75 and older households in the Mercy Creek PMA of $33,548 was well above both Illinois's $27,622 and the nation's $26,955 median income for target market households. PMA median income for age 75 and older households is

projected to rise reaching $34,909 in 2020 remaining above the state and the national median incomes for the cohort.

- Median home value for age 75 and older PMA homeowners of $167,769 was moderate compared to U.S. and Illinois median home values for age 75+ owners in 2015. The median home value for PMA age 75 and older households is projected to increase reaching $178,279 effectively narrowing the gap between it and the state and national median home values in 2020.
- Median net worth for the Mercy Creek PMA age 75 and older households of $200,598 was markedly higher than Illinois ($126,459) and U.S. ($120,203) target market households in 2015. Projections show median net worth for PMA age 75+ households increasing to $211,611 in 2020 remaining well above the state and nation. In fact, over 26% of age 75 and older households in the PMA are projected to have net worth of $500,000 or more in 2020.
- The geographic distribution of targeted age 75 and older households (with minimum income of $50,000) and adult children (households age 45 to 64 with minimum income of $100,000) in the PMA and surrounding vicinity show many Mercy Creek PMA census tracts will have the highest densities of targeted households in 2019.

Competitive Products

At the time of the study, there were 18 communities (including Communities at Mercy Creek) within the PMA considered to be competitive or comparable.

In the Mercy Creek PMA there are 486 independent living residences with an average occupancy of 95%, 261 assisted living beds with an average occupancy of 100%, 100 dementia care beds with an average occupancy of 96% and 1,102 skilled nursing beds with an average occupancy of 79%.

The planned supply reflects an expansion at Westminster Village, which plans to add 60 independent living residences, 6 assisted living beds, 30 assisted living dementia care beds and 12 beds of skilled nursing. In addition, there are three new communities being developed which will add 183 potentially competitive assisted living beds and 78 potentially competitive assisted living dementia care beds to the Mercy Creek PMA.

Market Demand Analysis

In order to conduct the market feasibility tests for the proposed products, the SMP data for the Mercy Creek PMA was used with PMD's proprietary demand models for independent living (entrance fee and rental), assisted living, assisted living dementia care, and skilled nursing.

Independent Living Demand – Entrance Fee

This demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older owner households who have homes worth $125,664 or more, and can afford a monthly fee of $2,267 or higher can support about **48 - 80** additional residences with a project penetration rate of 3% and 5% respectively. The existing market penetration rate in the Mercy Creek PMA is 10.4% which falls within the PMD "excellent" benchmark range and indicates that there is likely excellent potential in the market for new product, depending on other factors in the PMA. The addition of 80 entrance fee residences in 2019 (potential at a 5% penetration rate), increases the market penetration rate to 13.5% indicating excellent market potential.

Independent Living Demand – Rental

This demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older owner households who can afford a monthly fee of $3,169 or higher can support about **45 - 75** additional residences with a project penetration rate of 3% and 5% respectively. The existing market penetration rate in the Mercy Creek PMA is 32.2% which falls within the PMD "good" benchmark range and indicates a market that may be reaching or at market saturation, depending on other factors in the PMA. The addition of 75 entrance fee residences in 2019 (potential at a 5% penetration rate), increases the market penetration rate to 36.5% indicating a potentially saturated market.

Assisted Living Frail Demand

This demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a minimum monthly fee of $4,869 in 2019 dollars and a minimum household income of $35,000 in 2019, will **not** support any additional assisted living residences

Assisted Living Dementia Care Demand

This demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a minimum monthly fee of **$7,313** in 2019 and a minimum household income of **$50,000** in 2019 the market, will support **18 - 27** additional assisted living dementia care residences.

Nursing – Private Pay/Other

It is estimated that the proposed Mercy Creek project should be able to capture **7** Private Pay/Other beds in 2019 due to population growth in the PMA.

Nursing – Medicare

It is estimated that the proposed Mercy Creek project should be able to capture **1** Medicare bed in 2019 due to population growth in the PMA.

Nursing – Medicaid

It is estimated that the proposed Mercy Creek project should be able to capture **5** Medicaid beds in 2019 due to population growth in the PMA.

SNF Niche Market Analysis

The purpose of this portion of the engagement was to provide the Communities at Mercy Creek with the basis for the development of strategies for hospital and other partnerships and analyze each competitor's market share to assist in the strategic planning process for Mercy Creek

Strategies were developed after examination of external market forces to include the status of hospital readmissions and discharges to SNFs by area hospitals, market share analysis of the SNF competition, Accountable Care Organization opportunities, post-acute care preferred provider relationships, bundled payment opportunities, and Medicare Advantage insurance plan opportunities.

The analysis included:

- hospital readmissions for the seven disease states that CMS (Centers for Medicare and Medicaid Services) monitors (heart failure, hip/knee surgery, stroke, COPD, pneumonia, heart attack, and coronary artery bypass graft (CABG))
- the two market area referring hospitals patterns of discharge to skilled nursing facilities for the same seven disease states
- evaluation of the SNF market share in the PMA from the same two hospitals for discharges across seven broad diagnostic categories (cardiology, medicine, neurology, orthopedics, pulmonology, surgery, and urology)
- analysis of area Accountable Care Organizations and Post-Acute Care Networks operating in the PMA
- analysis of Medicare Advantage opportunities
- based on the above, PMD provides an opportunity assessment and recommendations, organized in order of suggested priority.

Hospital Analysis

To conduct the hospital analysis for potential partnership opportunities, PMD used the hospitals reported data to CMS to identify readmissions, current as of December 31, 2015. The number of discharges made to SNFs was extracted from hospital cost report data. Data identifying admissions to area SNFs across seven broad disease categories was extracted from hospital cost report and public use files.

Based on staff input, PMD analyzed the following hospitals for inclusion in the hospital analysis: Advocate BroMenn Medical Center and OSF St. Joseph Medical Center.

Hospital Readmissions

The two referring hospitals experienced readmissions in excess of the targeted percentages in 2015 in only three of the seven diagnoses CMS monitors: COPD, pneumonia, and coronary artery bypass graft (CABG).

Hospital Discharges to Skilled Nursing Facilities

PMD analyzed discharge to SNF patterns to identify the origin of concentrations of discharges to SNFs. From that knowledge, specific disease states for which Mercy Creek may potentially develop disease management programs can be targeted.

Both referring hospitals discharged varying numbers of patients directly to skilled nursing facilities for each of the seven diagnoses of interest. St. Joseph's had the largest number of total SNF discharges in the seven disease states with 242 discharges, and Advocate BroMenn had 209 discharges to SNFs in 2015.

PMD analyzed the number of discharges to SNFs for the seven diagnoses CMS monitors. Advocate BroMenn discharged the greatest number of heart failure (35) and COPD (26) patients to SNFs. St. Joseph's discharged the largest number of pneumonia (107), hip/knee replacement surgery (59) patients to SNFs. Neither hospital discharged heart attack or CABG patients to SNFs.

Skilled Nursing Facility Market Share Analysis

PMD analyzed each of the competitor's admissions across seven broad diagnostic categories (cardiology, medicine, neurology, orthopedics, pulmonology, surgery, and urology), looking for concentrations and/or gaps in the patterns of admissions to identify potential opportunities. The market share analysis provides the basis to develop strategies to increase market share of certain desirable patient groups, with higher reimbursement and generally better margins. The results of the analysis point to "target" SNFs from which Mercy Creek may potentially acquire market share, and dispels common misinterpretations of the actual state of the market.

In terms of the 2014 top three SNF facilities overall SNF market share from Advocate BroMenn, Heartland Normal had 28% share, Heritage Health Bloomington had 25% share, and Heritage Health Normal had 20% share. St. Joseph inpatient SNF was the leader in overall discharges from St. Josephs with a 39% share, followed by Heritage Health Normal with 14% share, and Heritage Health Bloomington with 13% share.

Specifically, the market leaders in Cardiology, Medicine, Neurology, Orthopedics, Pulmonology, Surgery, and Urology discharges for the two hospitals are described below.

Advocate BroMenn Medical Center

The market leaders for Advocate BroMenn discharges to SNF were Heritage Health Normal who had the largest market share of Cardiology (26%) and Urology (26%); and was tied with Heartland Normal for Surgery (37%) discharges. Heartland Normal was market leader for Medicine (31%) and Pulmonology (35%) discharges, and was tied with Heritage Health Normal for Surgery (37%). Heritage Bloomington was market leader for Orthopedics (33%) and was tied with Heritage Normal for Neurology (29%) patients.

OSF St. Joseph Medical Center

St. Joseph inpatient SNF was market leader for Cardiology (42%), Medicine (38%), Neurology (38%), Orthopedics (40%), Pulmonology (33%), and Surgery (69%). Heartland Normal was market leader for Urology with 37% discharges.

Accountable Care Organization and Preferred Provider Opportunities

Advocate Health System ACO

Growth in accountable care organizations in the Normal/Bloomington area has been minimal to date. In fact, the only Accountable Care Organization licensed in the PMA was Advocate Physician Partners Accountable Care, Inc. The ACO was formed in 2012 under the auspice of the Advocate Health Care System and consists of all the Advocate hospitals and more than 5,000 physicians. It was formed as a "care management collaboration" and is a recognized leader in care management and clinical integration across the country.

Acute Network

One of the Advocate Physician Partners ACOs notable programs is the Post-Acute Network, in which Meadows Mennonite Chenoa participates. The Advocate ACO developed a preferred network of community-based skilled nursing, long-term acute care, and rehabilitation providers who meet Advocate's standards for quality. This Post-Acute Network (PAN) includes 41 skilled

nursing facilities that have partnered with Advocate to provide optimal care through its "SNF Care Program." The 41 SNFs are located system wide and extend beyond the PMA.

OSF St. Joseph Medical Center Post-Acute Care Preferred Provider Network OSF St. Joseph Medical Center formed a post-acute care preferred provider network currently comprised of approximately nine SNFs. Meadows Mennonite Chenoa is a participant. Four SNFs located in the PMA participate in the network and include Heritage Health Bloomington, OSF St. Joseph Transitional Care Unit, Heartland of Normal, and Heritage Health Normal. The preferred SNFs have an OSF Health Care physician continue to manage patient care in each SNF.

CHAPTER 2
CONCLUSIONS AND RECOMMENDATIONS

Based on PMD's market analysis, we offer the following conclusions and recommendations for the Meadows at Mercy Creek team. These recommendations offer ideas and strategies that we believe would likely position the proposed Meadows at Mercy Creek community in a leadership role in serving older adults within the Meadows at Mercy Creek market.

Conclusions

- The Meadows at Mercy Creek site location scored as a "good" location for the development and continued investment in senior living and care.
- Growth in age 75 and older population in the Meadows at Mercy Creek PMA is projected to accelerate resulting in the addition of 933 persons between 2015 and 2020, it will continue to outpace the state and parallel the U.S. growth rate for the segment during the period.
- The long-term population projections for the Meadows at Mercy Creek PMA between 2020 and 2035 indicate continued growth and depth in the age 75 and older population within

the PMA with average annual growth rates of more than 7% during varying five-year intervals, in a large part reflecting the impact of aging Baby Boomers.

- Nearly three-quarters of age 75 and older households in the Meadows at Mercy Creek PMA are estimated to have been owner households in 2015. Since owner households typically comprise a majority of community prospects, this is considered a positive indicator for the proposed Meadows at Mercy Creek project.
- Two of the three key financial indicators for age 75 and older households in the Meadows at Mercy Creek PMA - income and net worth – were in 2015 and will in 2020 be markedly higher than Illinois and the U.S. Home value is the third indicator and while the PMA's median home has been and will continue to be lower than both the state and nation, projections show the gap narrowing markedly between 2015 and 2020 which is also a favorable factor for the Meadows at Mercy Creek project.
- The Meadows at Mercy Creek campus is projected to be located in very good proximity to concentrations of age 75 and older households with minimum income of $50,000 and adult children age 45 to 64 households with $100,000 minimum income in 2019.
- The Meadows at Mercy Creek market area currently contains the following existing number of senior living residences:
    - Independent Living – 486 residences in service – 95% occupied
    - Assisted Living – 261 beds in service – 100% occupied
    - Assisted Living Dementia Care – 100 beds in service – 96% occupied
    - Skilled Nursing – 1,102 beds in service – 79% occupied
    - Five planned communities were identified at the time of the study
- Based on the results of the demand analysis, it appears that the market, based on the price points tested, is deep enough to support:
    - Up to 80 additional market rate independent living entrance fee apartment residences with a market penetration rate of 13.5% using demand at 5% project penetration rate
    - Up to 75 additional market rate living rental residences based on the project penetration calculation, however, the resulting market penetration rate would be 36.5% and PMD feels that this is an indication that the market for rental senior living residences is probably saturated

- No additional market rate assisted living residences - PMD's analysis indicates that while the market will support the amount of existing and planned product currently in place or in planning, there is no room for additional residences at this point in time
- Up to 27 additional market rate assisted living dementia care residences
- In addition, PMD conducted a fee sensitivity analysis using a $175,000 minimum entrance fee and $1,158 monthly fee which indicated sufficient demand to add 16 villa style residences on the Mercy Creek campus with a different design than the existing product – PMD believes that the current product is more "house" (e.g. A basement) and overpriced in the market
- Skilled Nursing – demand for additional beds
    - 7 Private Pay/Other beds
    - 1 Medicare beds
    - 5 Medicaid beds
- SNF Niche Market Conclusions
    - The two referring hospitals had excess readmissions for three of the seven diagnoses CMS monitors (pneumonia, COPD, and Coronary Artery Bypass Graft surgery) in 2015
        - The two referring hospitals discharged a total of 451 patients to SNFs in 2015
        - Of the 13 competitive SNFs located in the PMA, concentration of discharges from the two referring hospitals for seven large diagnostic groups was spread across four facilities: Heartland of Normal, Heritage Health Normal, Heritage Health Bloomington, and St. Joseph Medical Center SNF
        - Relatively strong competition for pulmonology patients exists from Heritage Health Normal and Heritage Health Bloomington because they have 24/7 respiratory therapy available, but are older, with outdated physical plants

- The most compelling and mutually beneficial hospital partnership opportunities employ disease state management for pneumonia and COPD, based on readmissions and discharge patterns to SNF
- Developing a relationship with the ACO, Advocate Physician Partners Accountable Care, Inc., presents a real opportunity to participate in alternative payment models
- Becoming a preferred provider for St. Joseph Medical Center presents a real opportunity to provide post-acute care to its discharged patients
- Developing a relationship with Medicare Advantage insurers, beyond fee-for-service contracts, represents a burgeoning opportunity
- Constructing a new state-of-the-art skilled nursing facility will position the Communities at Mercy Creek to take advantage of increases in short term admissions and be more competitive in the market.

Recommendations:

- The demand analysis supports the possible expansion of the Mercy Creek campus to include new entrance fee independent living residences, assisted living dementia care and skilled nursing beds. PMD does not recommend adding new rental independent living residences because of the high market penetration rates, an indication that the rental market may currently be saturated.

- PMD recommends that Mercy Creek expand the existing campus by adding:

  - 36 entrance fee apartments style residences
  - 12 villa style residences (no basements at a lower price point)
  - 12 assisted living dementia care residences
  - 24 skilled nursing beds/residences in a household-based model that operates with a culture of person-centered care – these skilled beds would be relocated from the

Chenoa campus and used to implement the proposed skilled nursing strategy which follows

PMD recommends developing independent living entrance fee (apartments and villas) assisted living dementia care, skilled nursing as shown in Table 2-1 below

Table 2-1: Proposed New Meadows at Mercy Creek Product Description and Mix for Independent Living, Assisted Living Dementia Care, and Skilled Nursing

			Proposed 2019 Fees	
Residences	**Product Mix**	**Square Feet**	**Entrance Fee***	**Monthly Fee**
Apartments				
1 Bedroom/1 Bath	10	750	$125,664	$2,267
1 Bedroom/1.5 Bath w/ Den	14	950	$132,500	$2,367
2 Bedroom/2 Bath	12	1,200	$145,000	$2,950
Total Residences	**36**			
Villas				
Two-Bedroom 2 Bath	6	1,200	$175,000	$1,158
Two-Bedroom 2 Bath w/Den	6	1,800	$225,000	$1,300
Total Residences	**12**			
Assisted Living Dementia Care All Inclusive				
Studio	10	325		$7,313
One-Bedroom	2	415		$7,500
Total Residences	**12**			
Skilled Nursing				
Suites	24	250		
Total New Residences	84			

*90% refund plan

It is important to remember that while the demand analysis indicates that there are enough age and income qualified households in the PMA to support the expansion as shown in the table above, this analysis does not tell us if the residents in the market area that have the need for independent living, assisted living dementia care and skilled nursing have the resources to afford it will actually move to a community as proposed.

Independent Living

- In order for the Mercy Creek campus to be competitive in the market and to be consistent with the current offering on campus, monthly fees for the new independent living villa residences should include a service and amenity package which is the same as that offered to existing independent living villa residents on the campus.
- Also, to be in line with the existing products in the market, monthly fees for the new independent living apartments residences should include:
    - Two meals a day
    - Bi-monthly housekeeping
    - Bi-monthly linen laundry
    - Scheduled Transportation
    - Scheduled Activities
    - All utilities
    - Emergency response system
    - Priority admission to assisted living, assisted living dementia care, and skilled nursing
    - Interior and exterior maintenance

- Residence features:
    - High quality lighting and improved outlet placement
    - Ample closet space with walk-in closets
    - Linen closets in the bath
    - Pantry in the kitchen
    - Showers with easy entry in one-bath residences and a shower and tub in two-bath residences
    - Washers and dryers in all residences (preferably side by side)
    - Screened in patios or balconies
    - Wireless internet service in common areas and in residences
    - Individually controlled thermostats
    - Top of the line cabinets and appliances
    - Hard surface countertops

- Covered parking
- One and two car garages (villas)

- Independent living residence upgrade options for a fee should include:
  - Carpeting and flooring
  - Countertops and cabinets
  - Kitchen appliances

Assisted Living Dementia Care

- Assisted living dementia care monthly fees should be all-inclusive and include:
  - Three meals daily
  - All Utilities
  - Weekly light housekeeping service
  - Weekly personal laundry service
  - Weekly linen service
  - Assistance with ADL's
  - Daily bed making
  - Cable television
  - Local telephone service
  - Daily reminders
  - Escort service
  - Scheduled activities
  - Scheduled transportation
  - 24-hour staffing
  - Interior and exterior maintenance
  - Emergency response system
  - Health monitoring
  - Household model with person centered care
  - Dementia specific programming
- Neighborhood Features in assisted living dementia care should include:
  - Secured area

- Country kitchen
- Dining area with plenty of windows for natural light
- Lounge area with fireplace
- T.V. room

- Residence Features in assisted living dementia care should include:
  - High quality lighting and improved outlet placement
  - Ample closet space with walk-in closets
  - Kitchenettes with refrigerator and microwave
  - Linen closets in the bath
  - Private bath with showers with easy entry
  - Internet connections or access to wireless internet service
  - Individually controlled thermostats

Skilled Nursing

Based on PMD's analyses of demand, hospital partnership opportunities and SNF market share, we offer the following opportunity assessment and recommendations to Mercy Creek. The assessment is a synthesis of:

- the data-driven analysis of hospital readmission excesses
- hospital patterns of discharge to SNFs SNF market share analysis across broad diagnostic groupings
- a market situational analysis in terms of Accountable Care and post-acute care preferred provider networks
- anticipated near-term future expansion of bundled payments
- Medicare Advantage Plans in the PMA.

PMD believes there are potential opportunities to participate with the Advocate ACO and become a preferred provider with St. Joseph's if the new facility is willing to:

- bear risk;
- accept capitated payments;
- provide positive outcomes within the ACOs parameters;

- meet the network standards; and
- develop the capability to provide a variety of data to them.

Strategies to get the ACO and preferred provider network's attention include demonstrating superior performance on quality, length of stay, volume, readmission rates, return to community rates, patient outcomes and satisfaction, and cost per episode. Once at the table, Mercy Creek may have the opportunity to highlight its points of difference and attempt to strike a formal preferred provider agreement, typically in the form of a Memorandum of Understanding, outlining each party's roles and responsibilities.

Medicare Advantage Opportunities

As of 2016, of over two million Illinois Medicare enrollees, just 18% of Medicare beneficiaries were enrolled in Medicare Advantage plans, compared to the nationwide average of 31% enrollment. Rapid growth of the enrollment in these plans is expected throughout the U.S. and in Illinois. There were 21 different Medicare Advantage plans in McLean County licensed to operate in 2017. Each plan has developed or will develop a version of value-based payment models for both acute and post-acute care. PMD believes potential opportunities lie in approaching select plans and present a willingness and flexibility to enter new arrangements with alternative payment models to garner a larger share of the Medicare Advantage market.

Construct New Short Term Rehab Beds

PMD conducted field work and visited the PMAs top competitors, and although the demand analysis did not support strong demand for additional skilled nursing beds, PMD believes there is room in the market area for a new state-of-the-art skilled nursing facility. While the competition operates in older facilities that are unappealing in today's market, there is a strong concentration of market share among three providers that the Communities at Mercy Creek will most likely need to take market share from. In the first quarter of 2016 BroMenn referred 87% to three facilities (Heartland of Normal, and Heritage Health of Bloomington) and St. Joseph's referred 61% to four facilities (St. Joseph's Transitional Care Unit, Heartland of Normal, Heritage Health of Normal, Heritage Health of Bloomington).

That being said, PMD believes for Mercy Creek to take advantage of the ACO, preferred provider arrangements, and Medicare Advantage opportunities, a newly constructed skilled nursing facility is recommended. The new facility will need to be aggressive in both the number and type of medically complex skilled patients it accepts and is prepared to care for, and the concomitant marketing efforts to support the development of the beds. PMD believes the Meadows Mennonite organization has an opportunity to offer newly constructed skilled nursing beds on the Mercy Creek campus by transferring 24 beds from the Meadows Mennonite Chenoa campus to the Mercy Creek campus.

- It is recommended that the Communities at Mercy Creek construct a new, state-of-the-art skilled nursing facility comprised of approximately 24 skilled nursing beds (12 short term rehab beds and 12 long term beds) using beds that are transferred from the Meadows Mennonite Chenoa campus
- The 24 bed skilled nursing facility should contain two 12 bed neighborhoods, using a person centered care philosophy, with the following features and amenities:
    - en suite baths with walk in/roll in showers with a homelike decor,
    - upgraded furniture and furnishings,
    - flat screen TVs with premium cable and movie channels,
    - telephone and telephone service,
    - wi fi throughout,
    - separate dining room, open from 7A to 7P,
    - increase dining choices and options to include ordering on demand, in room dining and ordering off-menu,
    - daily newspaper delivery,
    - concierge services.

Consumer Research

PMD recommends that Mercy Creek consider conducting consumer research in the form of focus groups to get direct input from the target market on the following issues:

- Market awareness of the Meadows at Mercy Creek brand and the consumers view of the brand

- The likely hood of the consumer to remain in the area for their retirement and if not explore their reasons for leaving the area
- Perceived strengths and weaknesses of the proposed Mercy Creek site from the viewpoint of the consumer
- Needs and desires of target market consumers as they are experiencing aging
- Market interest in a senior housing community located in a multi-use urban environment
- Market interest and understanding in senior housing, especially the concept of an entrance fee community
- Target consumer reaction to proposed product offering: floor plans, pricing, amenities and services

CHAPTER 3
COMMUNITY DESCRIPTION

Communities at Mercy Creek



The Meadows tradition began in 1923 when the original Meadows Mennonite Retirement Community in Chenoa opened with a ministry to serve individuals in the aging process. Communities at Mercy Creek is located on Mercy Creek Drive in the northeast area of Normal and opened in 2012. The communities were founded to provide Christian comprehensive senior living options designed to continue, in faith, the work of the church and to meet community needs by caring for seniors. The Chenoa campus provides a continuum of care providing independent living, dementia care within a skilled nursing setting and skilled nursing care. Meadows at Mercy Creek is licensed assisted living and the Villas at Mercy Creek provide an independent living option.

At the time of the study, the Mercy Creek campus had four independent living villas with 100% occupancy and 60 licensed assisted living beds with 100% occupancy. At buildout, the villas will total 16 residences. Mercy Creek is also adjacent to the Apostolic Church which has had a business and financial interest in the villa development and has provided land for Mercy Creek's existing buildings and for expansion. The campus has additional contiguous acreage to support possible future development. Although it is the newest community in the PMA, competitors are going through expansions and updates and several new communities are on the horizon or under construction.

The wood and stone porte-cochere at Mercy Creek's entrance sets the tone for the building and provides very good curb appeal. Inside the building, all common areas are modern, upscale and residential in nature. The use of wood and stone on the interior provides a warm and inviting atmosphere. The building interior and the residential apartments have a very good feel.

The following amenities are available at Meadows at Mercy Creek:

- Activity Room
- Beauty Salon/Barber Shop
- Bistro
- Center Courtyard and Patios
- Computer Lounge
- Conference Room
- Dining Room
- Gift Shop
- Health Spa
- Library
- Private Dining Room
- Theatre Room

Villas at Mercy Creek Independent Living

The villas are built as they are sold. Residents receive the same use of amenities as the Meadows residents. The villas come with two-car garages, optional sunrooms and full basements.

Table 3-1: The Villas at Mercy Creek Residences and Fees

Independent Living - Villas at Mercy Creek							
Type	# of Units	% Occ.	Sq. Ft.	Founder's Purchase	Monthly HOA	Est. Monthly Additional Expenses	Total Monthly
Villas	**4**	**100%**					
Two-Bedroom/Two-Bath	2		1,125	$218,295	$260	$800	$1,060
Two-Bedroom/Two-Bath/Den/Sunroom	2		1,725	$264,655	$345	$1,000	$1,345

The following services are included in the monthly HOA fee:

- Home Maintenance Exterior
- Home Maintenance Interior
- Lawn Care
- Snow Removal

The villa residents are also responsible for paying the following expenses represented by the estimated monthly additional expenses column in the table:

- Cable TV
- Electric
- Gas
- Internet
- Real Estate Tax
- Renter Liability Ins.
- Sewer
- Telephone
- Trash
- Water

Assisted Living

The apartments have nine-foot ceilings, crown molding, and other modern features. They are well maintained and show well. All apartments provide a kitchenette with microwave and small refrigerator, as well as a stainless sink. The bathroom is spacious and closet space is generous. The community offers three different floor plans.

Table 3-2: Meadows at Mercy Creek Residences and Fees

Assisted Living - Meadows at Mercy Creek							
Type	# of Units	% Occ.	Sq. Ft.	Founder's Purchase	Deposit	All-Inclusive Monthly Fee	Second Person
Apartments	60	100%					
One-Bedroom			536	$145,000	$1,000 ($700 Refundable)	$4,138	$800
One-Bedroom Deluxe			604	$165,000	$1,000 ($700 Refundable)	$4,456	$800
Two-Bedroom			726	$195,000	$1,000 ($700 Refundable)	$4,880	$800

The following services are included in the Meadows monthly fees:

- 24-Hour Emergency Response
- 24-Hour Staff
- Activities
- Assistance w/ADL's
- Cable TV
- Housekeeping Weekly
- Internet
- Linen Service Weekly
- Maintenance
- Medication Management
- Scheduled Transportation
- Three Meals Daily
- Utilities (Except Phone)

Both Mercy Creek products are well done and very viable competitors in the Bloomington-Normal market area.

CHAPTER 4
SITE LOCATION EVALUATION

Meadows at Mercy Creek

Using an objective 16-point evaluation tool, PMD evaluated the location of the Meadows at Mercy Creek site. Appendix 1 of this report contains the Meadows at Mercy Creek Site Location Evaluation Checklist. The results of the evaluation follow.

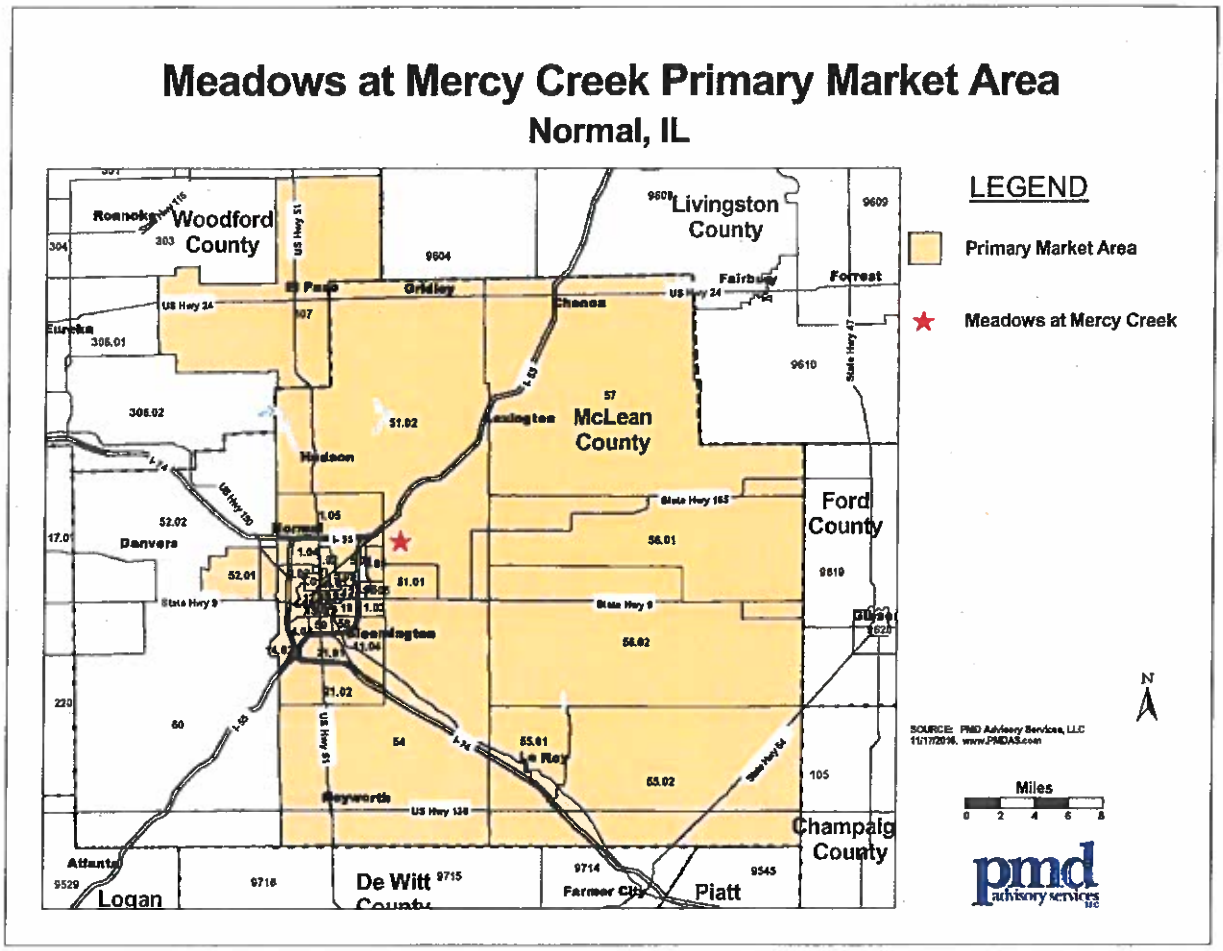
Site Location Evaluation Criteria

Several key factors determine a location's suitability for development of senior housing and care facilities. They include the following:

- Accessibility to utilities
- Accessibility to public transportation (more of an issue for employees than the residents)
- Proper zoning and compatibility with surrounding land uses
- Accessibility to full service and emergency health care, fire and safety services
- Accessibility to religious and cultural facilities
- Access to shopping and personal service providers

been defined to include 39 census tracts in McLean County and census tract 307 in Woodford County. See Table 5-1 and Map 5-1 below.

Map 5-1: Covenant Village of Meadows at Mercy Creek Primary Market Area, Normal, IL



Demographic Characteristics

The analysis of demographic trends presents 2010, 2015, and 2020 population and household data. Sources include 2010 (and 2000) U.S. Census data, The Nielsen Company estimates for the year 2015 and projections for 2020 both of which are provided on the SMP. (See Appendix 2 for the SMP.)

Mercy Creek is expected to appeal to the age 65 and older population for nursing care and the age 75 and older population for assisted living/dementia care needs. This section presents general demographic data for the population as a whole, as well as summary data for target market segments. Comparisons to the state of Illinois and the United States are made throughout the section to provide a context for the data presented. Additional detailed data is provided from the SMP in separate subsections.

Population

Population trends for the Mercy Creek PMA in comparison to trends for the state of Illinois and the United States are presented in Table 5-1 below. Table 5-2 and Table 5-3 display population projections and population projection average annual change rates that provide a long range view of population growth by age segment in the PMA.

Table 5-1: Population Trends, Meadows at Mercy Creek Primary Market Area, Illinois and U.S. - 2010-2020

Population Trends Meadows at Mercy Creek Primary Market Area 2010-2020							
	2010 Census	2015 Estimates	2020 Projections	Change* 2010-2015		Change* 2015-2020	
				Number	Percent	Number	Percent
PMA							
Age 65+	17,201	20,375	24,713	3,174	3.7%	4,338	4.3%
% of total	10.3%	11.6%	13.6%				
Age 75+	8,264	8,759	9,692	495	1.2%	933	2.1%
% of total	4.9%	5.0%	5.3%				
TOTAL	167,085	175,038	181,945	7,953	1.0%	6,907	0.8%
IL							
Age 65+	1,609,213	1,812,958	2,085,261	203,745	2.5%	272,303	3.0%
% of total	12.5%	14.1%	16.1%				
Age 75+	759,678	782,026	838,812	22,348	0.6%	56,786	1.5%
% of total	5.9%	6.1%	6.5%				
TOTAL	12,830,632	12,900,879	12,983,189	70,247	0.1%	82,310	0.1%
United States							
Age 65+	40,267,984	46,876,970	55,154,921	6,608,986	3.3%	8,277,951	3.5%
% of total	13.0%	14.7%	16.7%				
Age 75+	18,554,555	19,861,500	21,994,496	1,306,945	1.4%	2,132,996	2.1%
% of total	6.0%	6.2%	6.7%				
TOTAL	308,745,538	319,459,991	330,689,365	10,714,453	0.7%	11,229,374	0.7%

*Average Annual change. Source: Senior Market Profile, PMD Advisory Services, LLC, and The Nielsen Company November 2016.

- Total population growth in the Mercy Creek PMA well outpaced Illinois and U.S. growth rates between 2010 and 2015. Projections show PMA population will grow at a slightly slower pace while Illinois and U.S. maintain rates between 2015 and 2020.

- Age 65 and older population in the Mercy Creek PMA grew at a faster rate than both Illinois and the U.S.' 65+ segment between 2010 and 2015. Even faster paced growth is projected for the PMA 65+ age cohort staying ahead of the state and nation's pace of growth for the cohort between 2015 and 2020.

- The age 75 and older population growth in the Mercy Creek PMA grew twice as fast as the state, but slightly slower than the U.S.'s age 75 plus population growth between 2010 and 2015. PMA age 75 and older population growth is projected to grow at a substantially faster pace than the previous period, well outpacing Illinois's age 75+ population growth and tracking with the nation over the 2015-2020 five-year period.

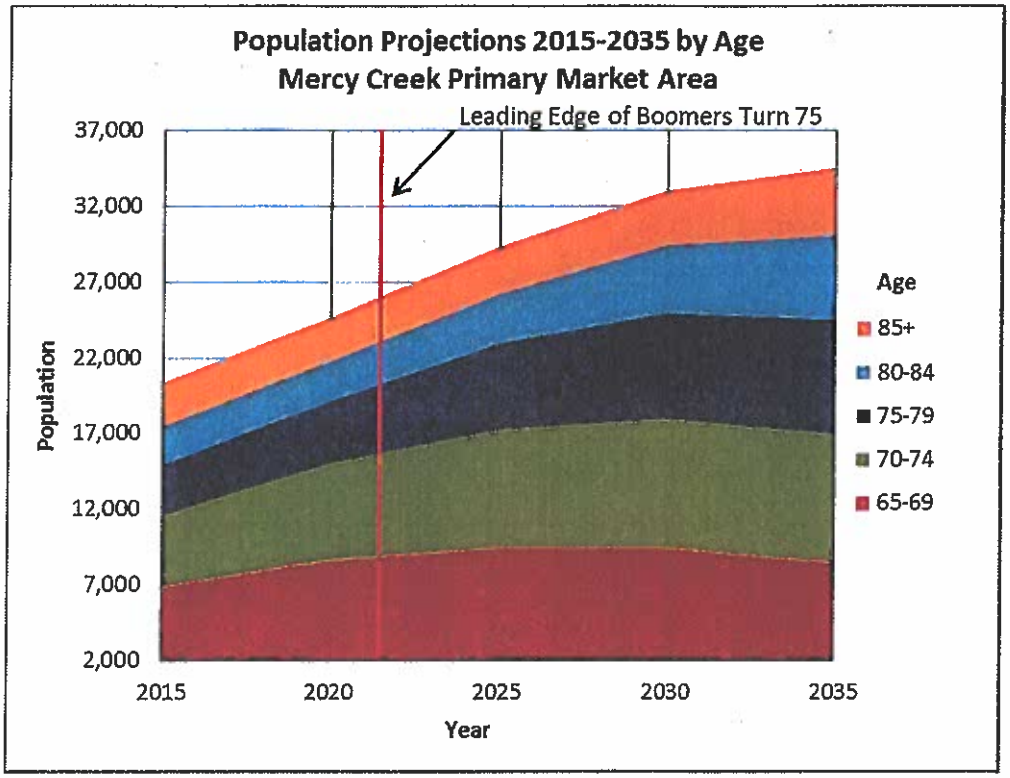
- The age 75 and older population as a proportion of the total population for the Mercy Creek PMA was notably smaller (younger) than Illinois and the U.S. proportion in 2015 and projections for 2020 indicate those relationships will remain the same through 2020.

Population Projections 2015 to 2035

The graph below presents population projections by five-year age cohort over age 65 from 2015 through 2035 for the Mercy Creek PMA. Figure 5-1 below illustrates the population projection trend lines. Table 5-2 below contains the actual projections for each age cohort and Table 5-3 shows the average annual rates of change by age cohort. The shading in Table 5-3 represents age cohorts with Baby Boomers (persons born between 1946 and 1964).

These population projections for the Mercy Creek PMA are based on McLean and Woodford county population projection change rates by age cohort from "2015 Complete Economic and Demographic Data Source (CEDDS), State and County Projections to 2045, Woods and Poole Economics, Washington, D.C., Copyright 2015" which has been applied to PMD's SMP estimates for the PMA to extrapolate the projections to the year 2035.

Figure 5-1: Population Projections 2015-2035 by Age, Meadows at Mercy Creek PMA



Source: "2015 Complete Economic and Demographic Data Source (CEDDS), State and County Projections to 2045, Woods and Poole Economics, Washington, D.C., Copyright 2015", SMP, and PMD Advisory Services, LLC.

Table 5-2: Projected Population by Age – Meadows at Mercy Creek PMA

Age	2015	2020	2025	2030	2035
65-69	6,863	8,664	9,479	9,462	8,482
70-74	4,753	6,357	7,813	8,525	8,484
75-79	3,369	4,144	5,700	6,995	7,629
80-84	2,479	2,617	3,248	4,460	5,489
85+	2,911	2,931	3,113	3,635	4,489

Table 5-3: Projected Population: Average Annual Rates of Change – Meadows at Mercy Creek PMA

Age/Year	2015-2020	2020-2025	2025-2030	2030-2035
65-69	5.2%	1.9%	0.0%	-2.1%
70-74	6.7%	4.6%	1.8%	-0.1%
75-79	4.6%	7.5%	4.5%	1.8%
80-84	1.1%	4.8%	7.5%	4.6%
85+	0.1%	1.2%	3.4%	4.7%

Source: "2015 Complete Economic and Demographic Data Source (CEDDS), State and County Projections to 2045, Woods and Poole Economics, Washington, D.C., Copyright 2015", SMP, and PMD Advisory Services, LLC.

Observations on Population Projections

- Population age 65 to 69 and particularly age 70 to 74, which will include Baby Boomers, and the age 75 to 79 segment are projected to increase much faster pace than the age 80 to 84 segment between 2015 and 2020. Virtually no growth is expected for the age 85 and older cohort during the same period.

- During the 2020 to 2025 period, accelerated growth is projected for the age 75 to 79 Baby Boomer segment, and particularly the 80 to 84 and age 85 and older segments in the Mercy Creek PMA. By contrast, the age 65 to 69 and age 70 to 74 cohorts are projected to grow at a markedly slower pace from 2020 to 2025 compared to the previous five-year period.

- Population age 80 to 84 in the Mercy Creek PMA is projected to grow much faster than the two previous periods and the age 85 and older cohort will also grow substantially faster between 2025 and 2030. Notably slower growth is projected for the 70 to 74 and 75 to 79 age segments during the same period. The age 65 to 69 growth rate will stall from 2025 to 2030.

- Faster growth is projected for the Mercy Creek PMA age 85 and older cohort with slower growth rates expected for the age 75 to 79 and age 80 to 84 cohorts between 2030 and 2035. Contracted population growth, compared to the previous 2025-2030 period, is anticipated for the 65 to 69 and 70 to 74 age cohorts during the 2030-2035 period.

Long-range population projections show the influence of aging Baby Boomers in the Mercy Creek PMA, following the population as they age into older age cohorts with sizable average annual rates of change anticipated during varying intervals between 2020 and 2035.

The long-term population projections for the Mercy Creek PMA indicate continued growth and depth in the age 75 and older population in the PMA. This is a good indicator for the continued development of senior living and care services in the PMA.

Households

Household change for the Mercy Creek PMA, the state of Illinois and the U.S. are presented below in Table 5-4. Table 5-4 provides information for households. We examine both population and households to gain a complete understanding of market demographic characteristics and changes. Household counts for the Mercy Creek PMA, the state of Illinois and the U.S. are presented in Table 5-4, and household change rates for the period 2010 to 2015 and 2015 to 2020, which follows. The proportion of age 75 and older households is also presented in Table 5-4.

Table 5-4: Household Trends, Meadows at Mercy Creek Primary Market Area, Illinois and U.S. - 2010-2020

Household Trends Meadows at Mercy Creek Primary Market Area 2010-2020							
	2010 Census	2015 Estimates	2020 Projections	Change* 2010-2015		Change* 2015-2020	
				Number	Percent	Number	Percent
PMA							
Age 65+	11,265	13,341	15,867	2,076	3.7%	2,526	3.8%
% of total	17.6%	19.8%	22.5%				
Age 75+	5,567	5,942	6,499	375	1.3%	557	1.9%
% of total	8.7%	8.8%	9.2%				
TOTAL	64,179	67,547	70,425	3,368	1.0%	2,878	0.9%
IL							
Age 65+	1,047,166	1,167,945	1,325,876	120,779	2.3%	157,931	2.7%
% of total	21.6%	23.9%	26.8%				
Age 75+	513,214	525,714	558,001	12,500	0.5%	32,287	1.2%
% of total	10.6%	10.7%	11.3%				
TOTAL	4,836,972	4,894,599	4,946,594	57,627	0.2%	51,995	0.2%
United States							
Age 65+	25,819,836	29,730,257	34,531,218	3,910,421	3.0%	4,800,961	3.2%
% of total	22.1%	24.6%	27.5%				
Age 75+	12,315,319	13,089,290	14,335,647	773,971	1.3%	1,246,357	1.9%
% of total	10.6%	10.8%	11.4%				
TOTAL	116,716,292	121,099,157	125,616,498	4,382,865	0.8%	4,517,341	0.7%

*Average Annual change. Source: Senior Market Profile, PMD Advisory Services, LLC, and The Nielsen Company November 2016.

- Total households in the Mercy Creek PMA grew faster than the nation and five times faster than the state's growth rate between 2010 and 2015. Projections show total PMA and U.S. households growing slightly slower while the state's households maintain its growth rate from 2015 to 2020.

- Age 65 and older households in the Mercy Creek PMA markedly faster than the state and the U.S.'s growth for the cohort between 2010 and 2015. PMA households age 65 and older are projected to grow at a faster pace compared to the previous period and will continue to outpace both the state and U.S. growth rates for age 65+ household segments between 2015 and 2020.

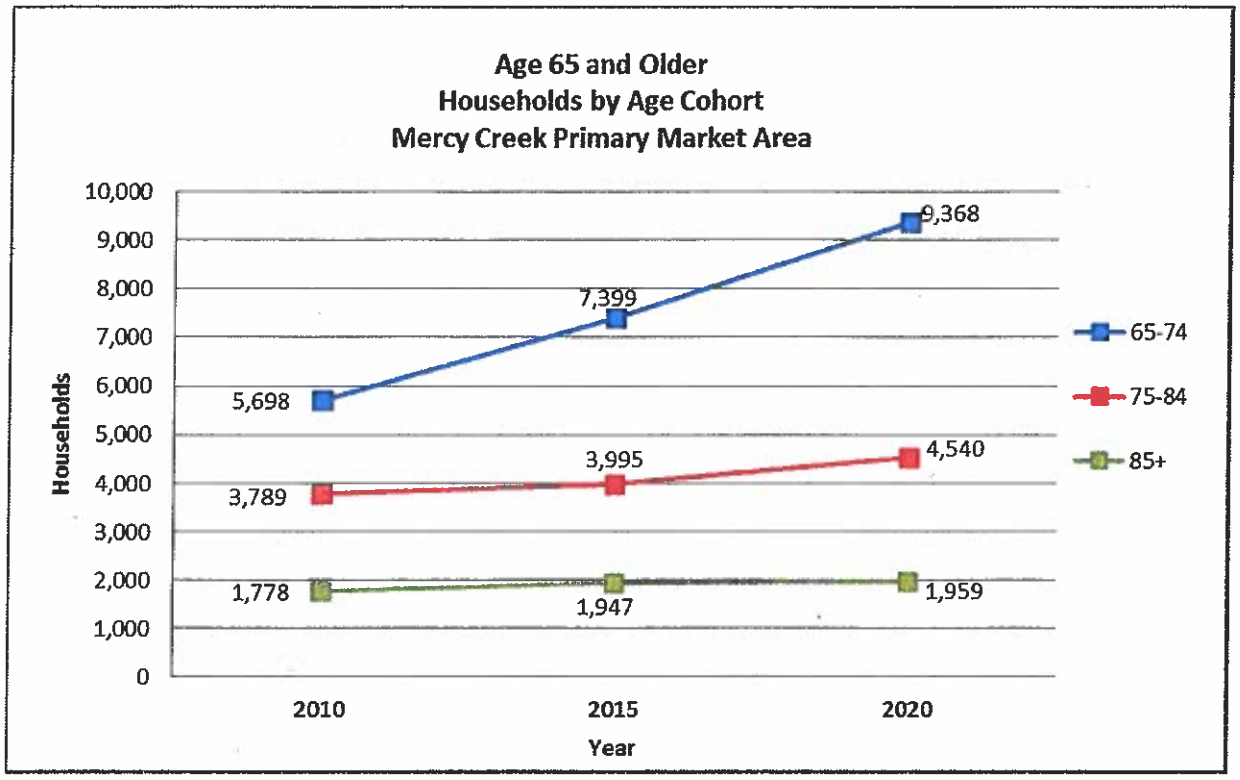
- Estimates show growth in age 75 and older households in the Mercy Creek PMA grew more than twice as fast as Illinois and at pace with U.S. age 75+ households between 2010 and 2015. The PMA's age 75 and older households are projected to show accelerated growth paralleling the U.S. and well outpacing Illinois' age 75+ projected growth for the cohort between 2015 and 2020.

Household Trends by Age Cohort

Figure 5-2 below illustrates change between 2010 and 2020 for age 65 and older households by age cohort. Between 2010 and 2015, the age 65 to 74 segment, including Baby Boomers, is estimated to have grown significantly – more than three times faster than the age 85 plus cohort. The age 75 to 84 segment grew the slowest by comparison during the same period.

The age 65 to 74 cohort in the Mercy Creek PMA is projected to continue to grow at a swift pace between 2015 and 2020. The age 75 to 84 cohort is expected to grow more than twice as fast between 2015 and 2020 than the previous period. The pace of growth for the age 85 and older cohort will slow considerably between 2015 and 2020. See Figure 5-2.

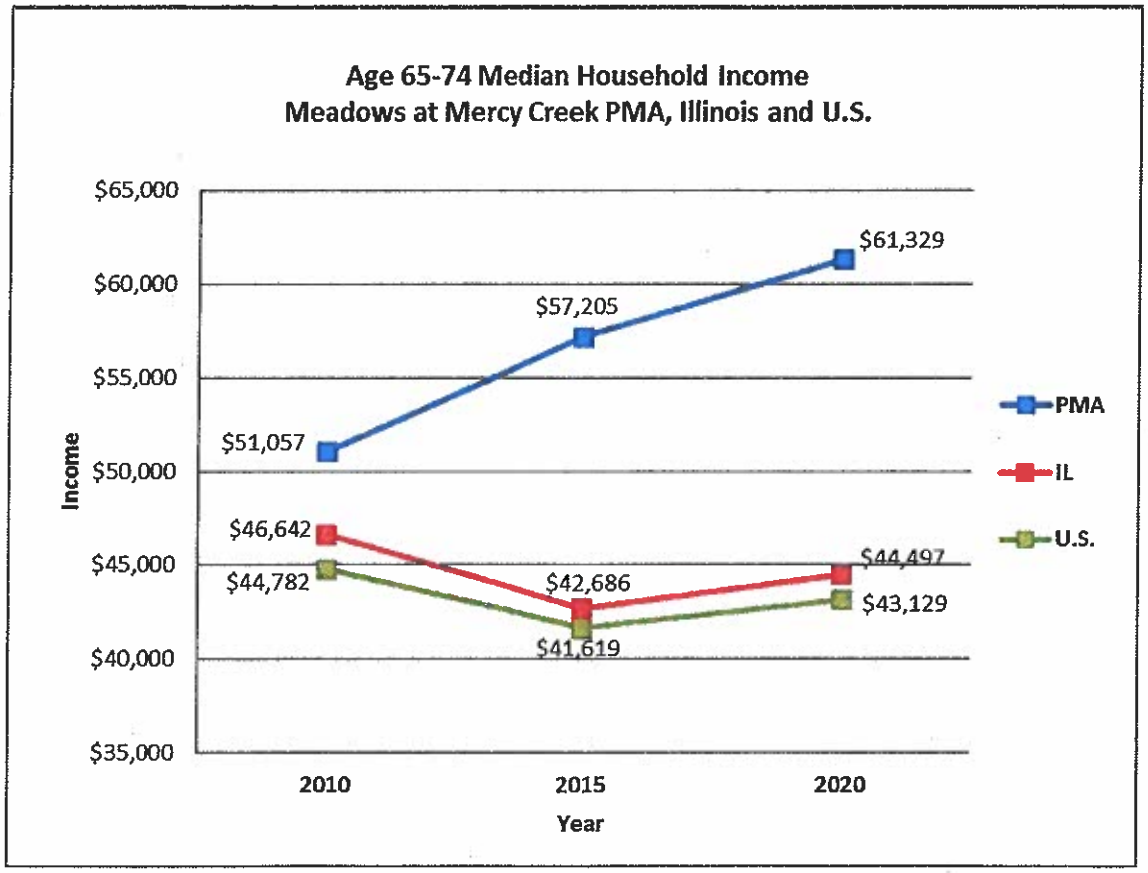
Figure 5-2: Age 65 and Older Households by Age Cohort
Meadows at Mercy Creek Primary Market Area



Target Market Household Income Trends

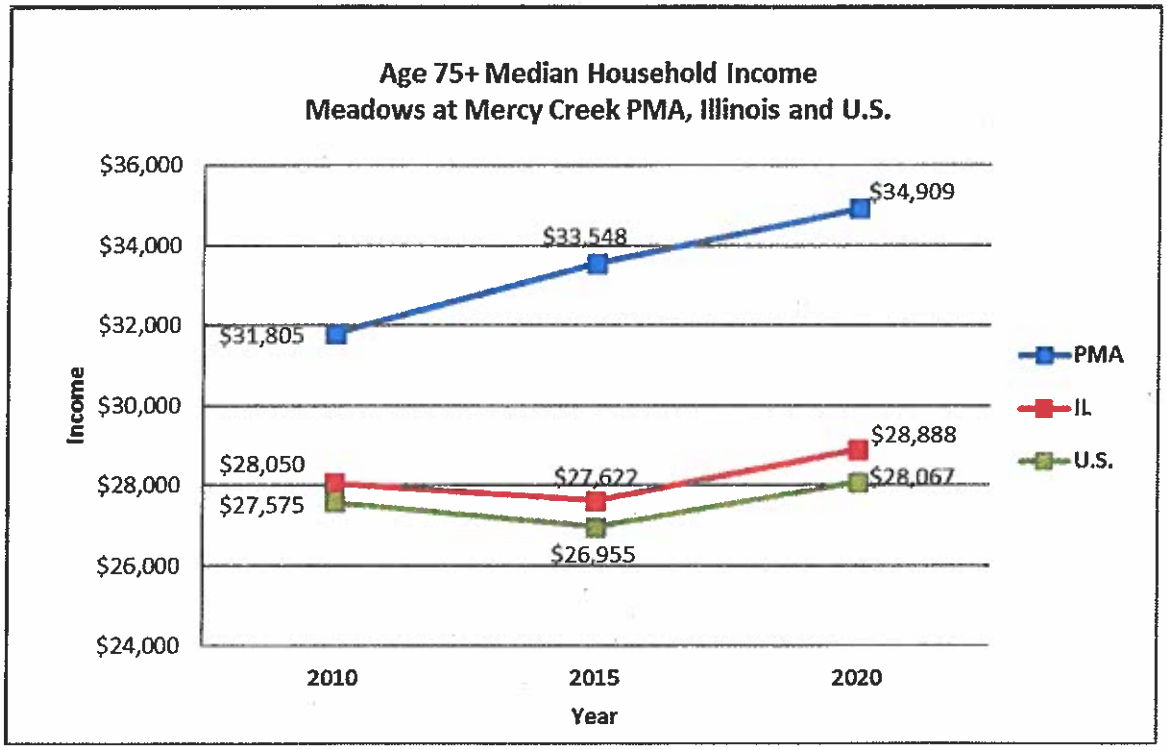
Median income for the age 65 to 74 households in the Mercy Creek PMA was well above both the Illinois and U.S. median incomes for the age cohort in 2015. Projections for 2020 indicate that the PMA median income for households age 65 to 74 will continue to increase albeit at a slower pace but remaining above the state and nation's median income for the age cohort in 2020. See Figure 5-3.

Figure 5-3: Age 65-74 Median Household Income
Meadows at Mercy Creek PMA, Illinois and U.S. 2010-2020



In 2015, median income for age 75 and older households in the Mercy Creek PMA was also substantially higher than the Illinois and U.S. median incomes for target market households. PMA median income for age 75 and older households is projected to continue rising at a faster pace staying well above the nation and the state median incomes for the cohort in 2020. See Figure 5-4 below.

Figure 5-4: Age 75 and Older Median Household Income, Meadows at Mercy Creek PMA, Illinois and U.S. - 2010-2020

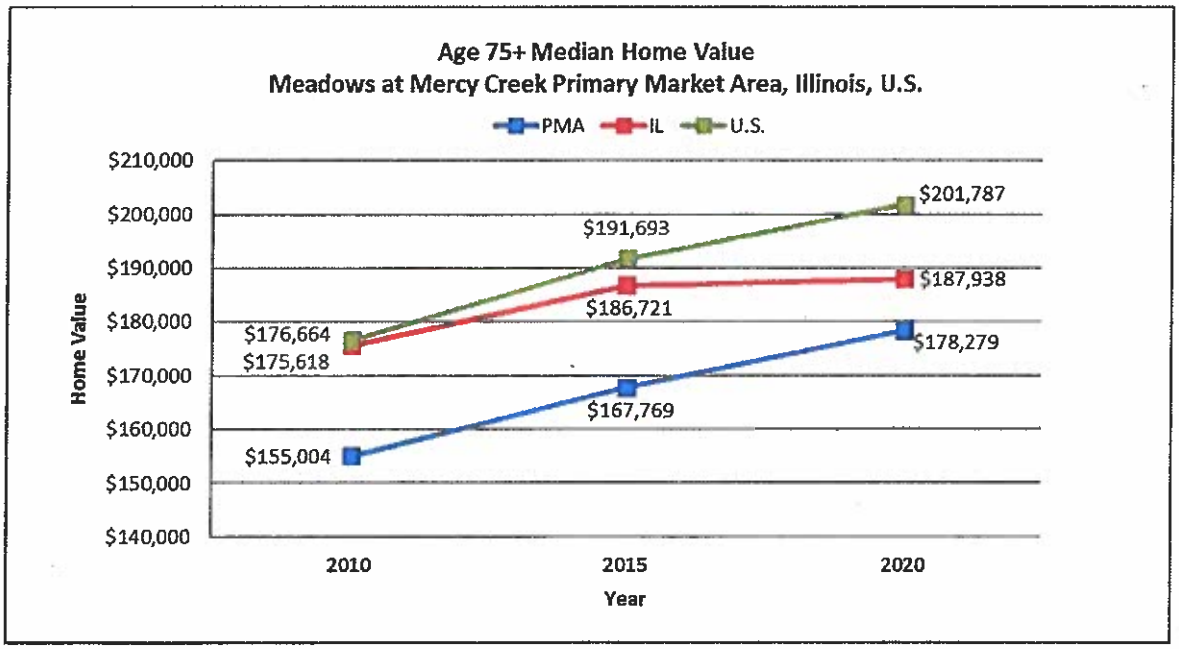


Census-Based Housing Value Trends in the Market Area

Home value information presented in this section of the report begins with the self-reported home value of the individual owner as recorded on their 2000 U.S. Census form. Home value data were not collected on the 2010 decennial Census form. Nielsen current year estimates for 2015 are based on the American Community Survey data. Current year estimates for 2015 and five year projections for 2020 are based on these home values which were, in some cases, underreported.

Median home value for age 75 and older PMA homeowners was noticeably lower than the estimated median home value for Illinois and the U.S. age 75+ homeowners in 2015. The gap between home values will narrow but the median home value for the Mercy Creek PMA age 75 and older households will continue to be below the state and the U.S. age 75 and older home values in 2020. See Figure 5-5.

Figure 5-5: Age 75 and Older Census Based Median Home Value, Meadows at Mercy Creek PMA, Illinois and U.S.: 2010-2020



Housing Sales Values in the PMA

Median Multiple Listing Service Sale Price

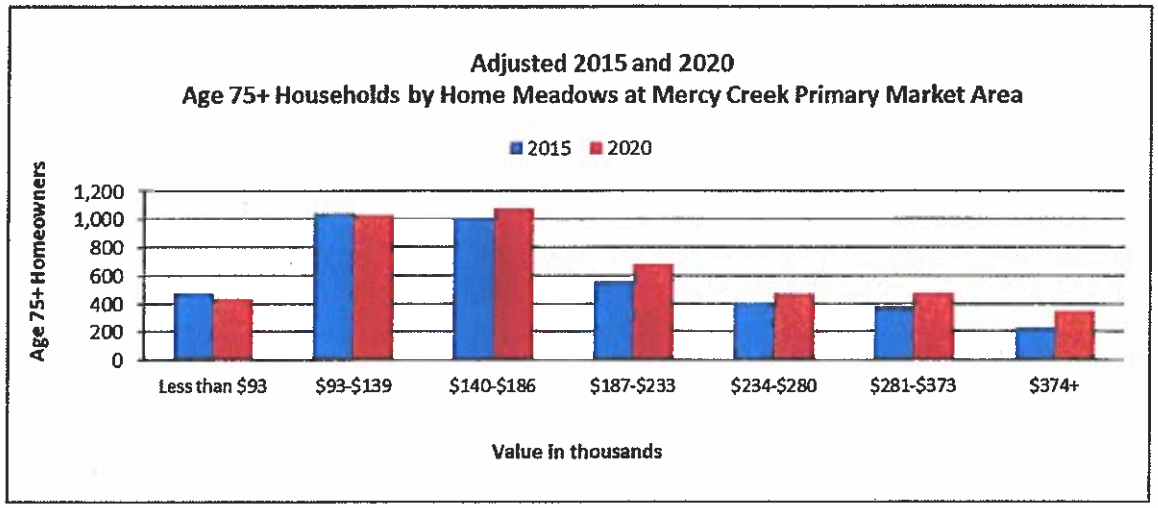
To estimate the actual median home sale values in the PMA, PMD obtained Multiple Listing Service information for the Mercy Creek PMA from Trulia.com, a real estate search website. The estimated median sales price for the period of October 2015 to October 2016 was $156,886 for the Mercy Creek PMA.

PMD also received input from a representative at Coldwell Banker in Bloomington who indicated the average price (in the Normal market) was $161,000 for the second week of November 2016. Their Coldwell Banker team "had another record year" suggesting listing and home sales are strong in the Mercy Creek PMA.

Calculation of Home Value Adjustment

The estimated median sales price for the Mercy Creek PMA was found to be $156,886 during the last year. This median is 6.5% lower than the estimated 2015 median home value on PMD's Senior Market Profile of $167,784 for the PMA. These two data points indicate that the home values in the SMP over report the estimated median value; therefore, an adjustment of 6.5% to home values will be made when conducting the demand analysis. Figure 5-6 shows the adjusted number of PMA age 75 and older households by home value for the years 2015 and 2020.

Figure 5-6: Adjusted Age 75+ Households by Home Value, Meadows at Mercy Creek PMA, 2015-2020



Target Market Net Worth – All Households and Age 75+ Households

Net worth estimates for the current year and five-year projections for all households and for age 75 and older households are taken from the SMP (see Appendix 2), which present median data for the PMA, the state and the U.S. and distributions for PMA households. Net worth is defined as all assets (such as the value of a home and investments) minus all liabilities (car loan, credit card debt, mortgage, etc.).

In 2015, the estimated median net worth for age 75 and older households in the Mercy Creek PMA was $200,598 compared to the median net worth of $62,892 for all households. Net worth is typically higher for age 75 and older households as a majority are homeowners who have paid off the mortgage on their homes. Younger households are more likely to be renters who have fewer accumulated assets and proportionately more liabilities. Projections show the Mercy Creek PMA median net worth for age 75 and older households increasing by an average annual rate of 2.1% to a total of $221,611 in 2020 - compared to a 3.3% average annual increase reaching $73,323 for all Mercy Creek PMA households.

Estimates show 1,405 or 24.2% of Mercy Creek PMA age 75 and older households had a net worth of $500,000 or more in 2015. Projections indicate that this segment in the Mercy Creek PMA with high net worth will increase to 1,622 and comprise 26.4% of all age 75 and older households in the year 2020.

The median net worth for PMA age 75 and older households of $200,598 was well above average compared to Illinois ($126,459) and U.S. ($120,203) in 2015. Mercy Creek PMA net worth for age 75 and older households net worth of $211,611 will remain well above the state ($129,279) and nation ($122,910) median net worth for the cohort in 2020.

Geographic Distribution of Target Market Households

Target Senior Households – 2019 Age 75 and Older Households with Income $50,000+

The geographic distribution of target market senior and adult children households in the Mercy Creek PMA and surrounding zip codes are displayed on Map 5-2 on the following page. Senior target market households are defined as households with a head of household age 75 and older with income of $50,000 and above in 2019. Map 5-3 presents the number of target adult children households, age 45 to 64 with income of $100,000 and above in 2019 by zip code. The corresponding Thematic Map Report appears in Appendix 3.

- Census tract 58, located southwest of the Mercy Creek and The Mercy Creek campus census tract 51.02 are projected to have the highest and 2nd highest number of age 75 and older households with a minimum income of $50,000 in 2019 with 152 and 150 target market households, respectively.

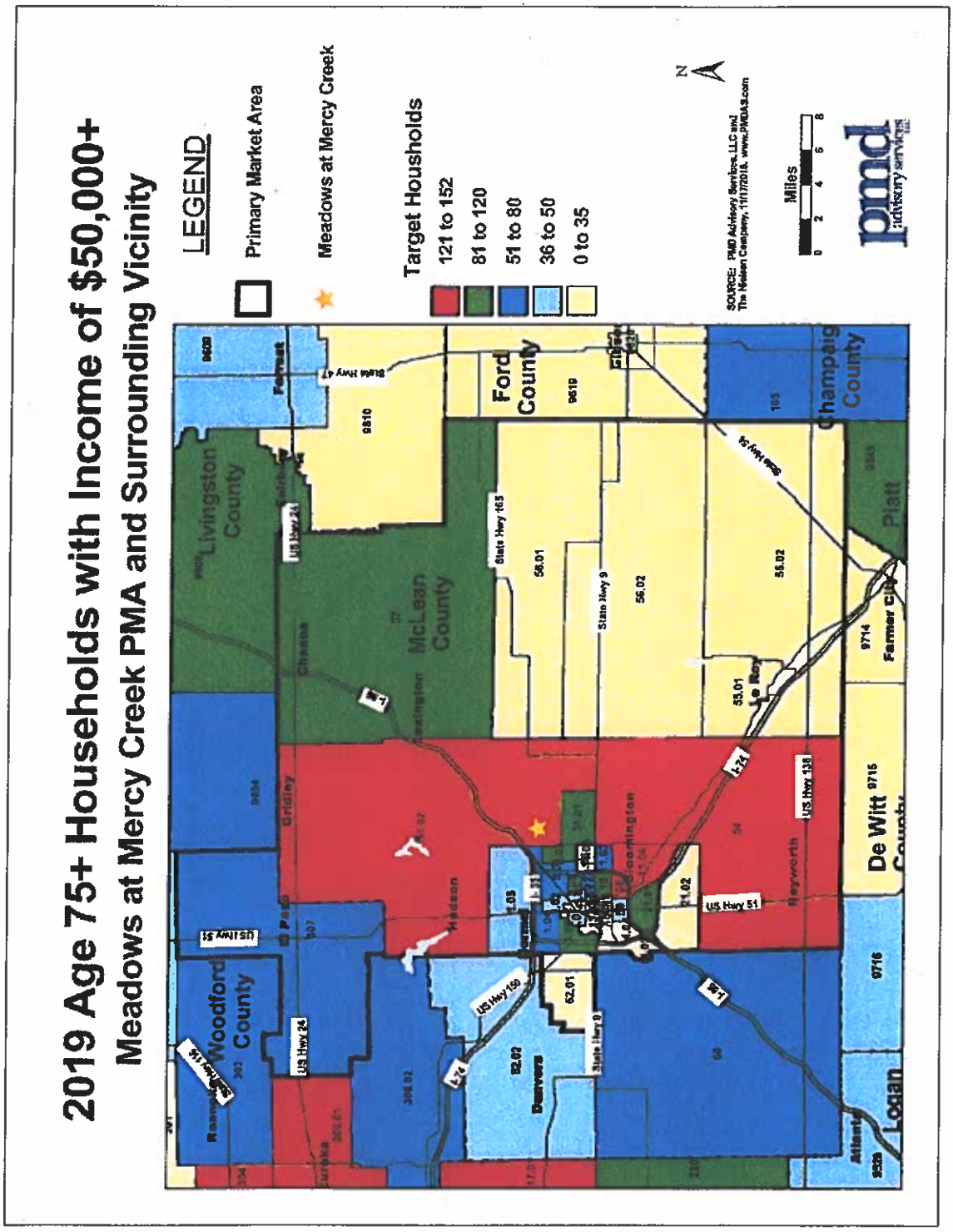
- PMA census tracts 11.04 and 54, to the south of the Mercy Creek campus, are projected to rank 4th and 5th highest with 145 and 133 targeted age 75 and older households with minimum income $50,000 in 2019, respectively.

- Census tract 5.05 to the immediate southwest of the Mercy Creek campus, and census tract 3.02, situated west of Interstate 55, will rank 9th and 10th highest with 113 and 110 age 75 and older target market households projected for 2019.

- Several PMA census tracts round out the top 20 highest in the region ranging from 71 in census tract 1.04 to 103 target market households in tract 5.05 in 2019.

Most of the census tracts with the most age 75 and older households with incomes of $50,000 and above in 2019 are projected to be located within the PMA including the Mercy Creek campus tract.

Map 5-2: 2019 Age 75 and Older Households with Income of $50,000 and Above



Adult Children – 2019 Age 45-64 with Household Incomes of $100,000 and Above

Map 5-3 on the following page depicts the density of target adult children households age 45-64 (adult children) with household incomes of $100,000 and above within and adjacent to the Mercy Creek PMA in 2019.

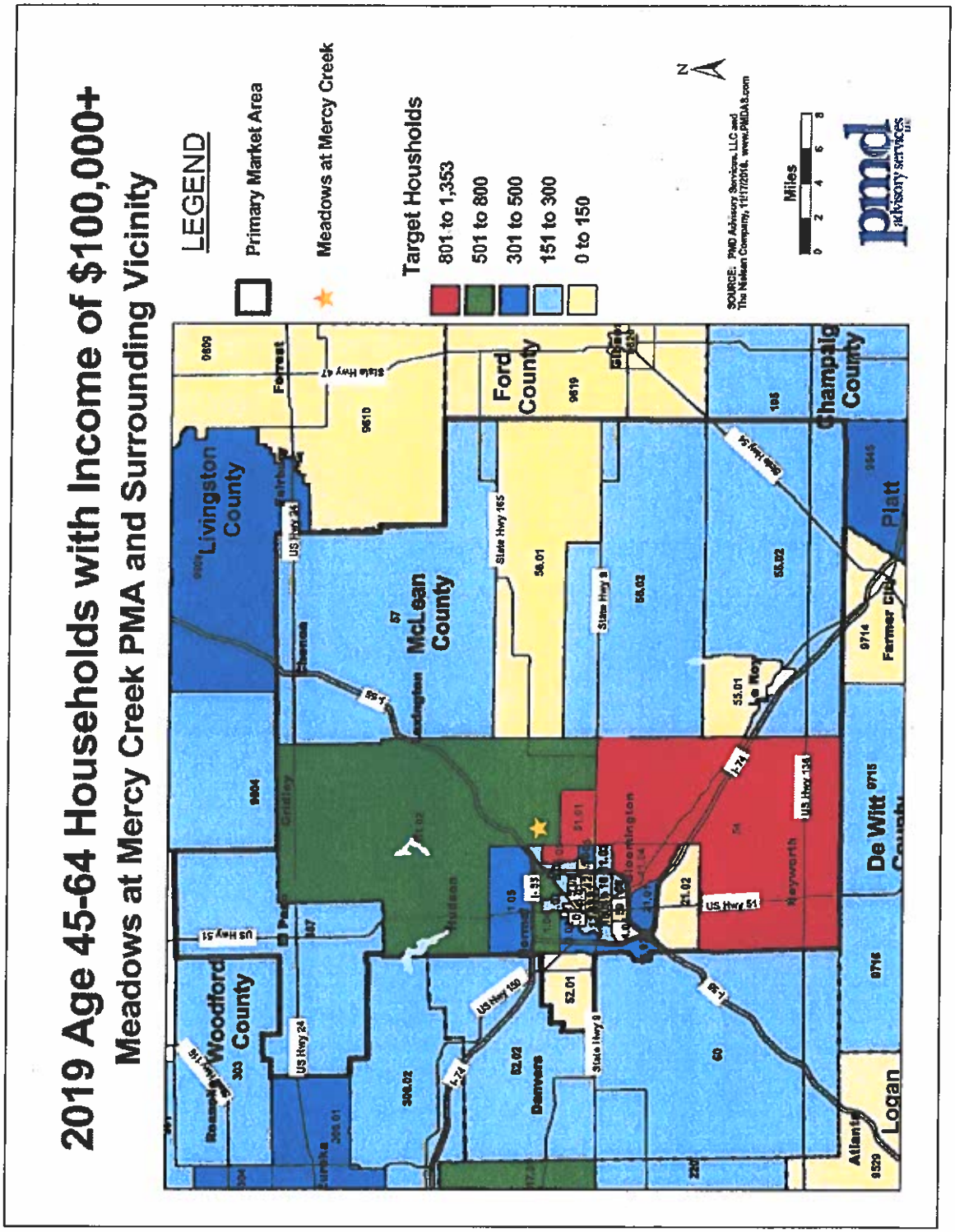
- Mercy Creek PMA census tract 51.01 is projected to have more age 45 to 64 households with a minimum income of $100,000 than any other tract in the PMA and surrounding vicinity with 1,353 adult children households projected for 2019. Nearby census tracts 54, 5.05 and 11.04 are projected to have 1,127, 950 and 930 targeted adult children households age 45 to 64, (ranking them 2nd, 3rd, and 4th highest, respectively).

- The campus of Mercy Creek census tract 51.02 is projected to rank 6th highest with 568 age 45 to 64 households with minimum income $100,000 in 2019. Nearby census tracts 1.04 and 1.05 will rank 5th and 8th highest with 617 and 400 age 45 to 64 target market households projected for 2019.

- Inside the PMA census tracts 14.02 and 11.05 are projected to have 393 and 385 households age 45 to 64 with a minimum income of $100,000 which rounds out the top 10 highest concentrations in 2019.

Nine of the top 10 census tracts with the highest densities of adult children households age 45 to 64 with a minimum income of $100,000 in 2019 will be located within the PMA with several in close proximity to, and including, the Mercy Creek campus.

Map 5-3: 2019 Age 45-64 Households with Income of $100,000 and Above

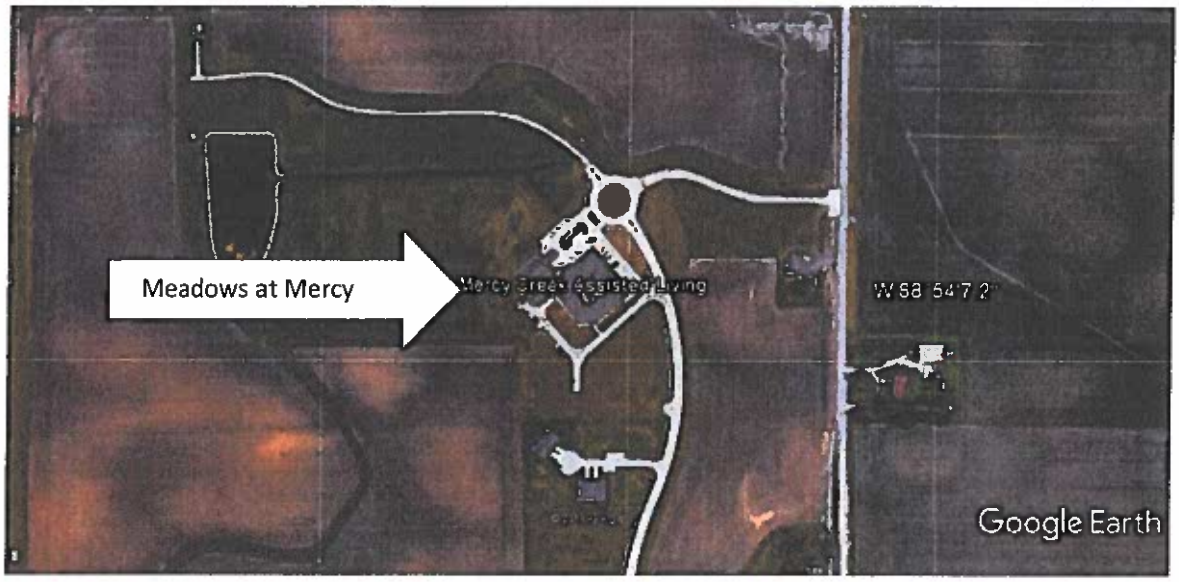


PMD's Campus Location Evaluation tool takes into account each of these factors and how they all impact the successful development of senior housing and care on the Meadows at Mercy Creek campus.

Site Location

The Meadows at Mercy Creek community is located at 1501 Mercy Creek Drive, Normal, IL 61761. See photo below.

Aerial Photo 4-1: Meadows at Mercy Creek Campus and Surrounding Area



Results of Meadows at Mercy Creek Evaluation

An evaluation of the campus' location, using 16 different criteria rated the location 72 out of 100. This classifies the location as "Good" location. Please refer to the completed Site Location Evaluation Form in Appendix 1 for detailed information.

The location's strengths include:

- Access to all required utilities
- Acceptable zoning

- Land uses for contiguous properties are primarily undeveloped farm land, an educational facility and a church are all compatible
- Vehicular access to the campus is from a quiet street
- Religious facility (Apostolic Church) is less than .5 miles south of the site and adjacent to the Mercy Creek Communities acreage
- The location is in a safe area
- Major shopping is within 5 miles (Shoppes at College Hills)

The location's weaknesses include:

- Fire and Police are over five miles away
- Full service hospital is over six miles away
- Convenience shopping is five miles away
- There is no public transportation

Overall, PMD's analysis indicates that from a location perspective, the location is a "Good" location for the development, operation and investment in senior housing.

Lifestyle Segments Analysis

PMD Advisory Services, LLC (PMD) has completed the lifestyle segment analysis of the existing Mercy Creek residents. This section presents the dominant lifestyle segments represented in the market area. The lifestyle segment data is provided by The Nielsen Company.

Findings

The lifestyle segment analysis indicates there is a commonality among households that have moved in to Mercy Creek. The majority of the households came from the Town and Rural and Suburban segments and clearly represent a lower middle income resident base.

T2: Country Comfort (Segment 28: Country Casuals) - The six segments in Country Comfort are filled with predominantly upper-middle class homeowners. In their placid towns and scenic bedroom communities, these Americans tend to be married, with or without children. They enjoy comfortable upscale lifestyles, exhibiting high indices for outdoor activities like gardening, barbecuing and playing golf, as well as home-based activities such as woodworking and crafts. Reflecting their rural, family environment, they prefer trucks, SUVs, and minivans to cars.

T3: Middle America (Segments 44 Country Strong and 52 Simple Pleasures) -The seven segments in Middle America are filled with middle class to lower-middle class homeowners living in small towns and remote exurbs. Typically found in scenic settings throughout the nation's heartland, Middle Americans are a mix of couples and families. Like many residents of remote communities, these conservative consumers tend to prefer traditional rural pursuits: fishing, hunting, making crafts, antique collecting, watching television, and meeting at civic and veterans clubs for recreation and companionship. Friday nights are for celebrating high school sports.

T4: Rustic Living (Segment 57: Back County Folks) - The seven segments in Rustic Living represent the nation's most isolated towns and rural villages. As a group, T4 residents have relatively modest incomes, aging homes, and blue-collar occupations. Many of the residents, a mix of young singles and seniors, are unmarried, and they've watched scores of their neighbors migrate to the city. In their remote communities, these consumers spend their leisure time in such

traditional small-town activities as fishing and hunting, attending social activities at the local church and veterans club, and enjoying country music and car racing.

S2: The Affluentials (Segment 8 Gray Power) - The seven segments in The Affluentials are one socioeconomic rung down from the Elite Suburbs, with a significant drop in median income; but, their residents still enjoy comfortable, suburban lifestyles. The median income and IPA in S2 are well above the U.S. median values, and the members of this social group are a mix of families, couples and singles who tend to have college degrees and white-collar jobs. As consumers, The Affluentials are big fans of health foods, computer equipment, consumer electronics, and the full range of big-box retailers.

S3: Middleburbs (Segment 20 Empty Nests) - The four segments that comprise Middleburbs share a middle class, suburban perspective, but the similarity ends there. The group includes a mix of ages and interests. Mostly homeowners, the presence of children varies across the segments. The members of Middleburbs tend to have plenty of discretionary income to visit nightclubs and casual-dining restaurants, shop at midscale department stores, and travel often.

S4: Inner Suburbs (Segment 36 Toolbelt Traditionalist) - The four segments in the Inner Suburbs social group are concentrated in the inner-ring suburbs of major metro areas where residents tend to be high school educated, unmarried, and downscale. There's diversity in this group, with segments divided evenly between homeowners and renters, and filled with households that are either young or aging in place. The behaviors of the S4 segments vary as well, from younger, more tech savvy segments to more mature segments that are slower to adopt new technology.

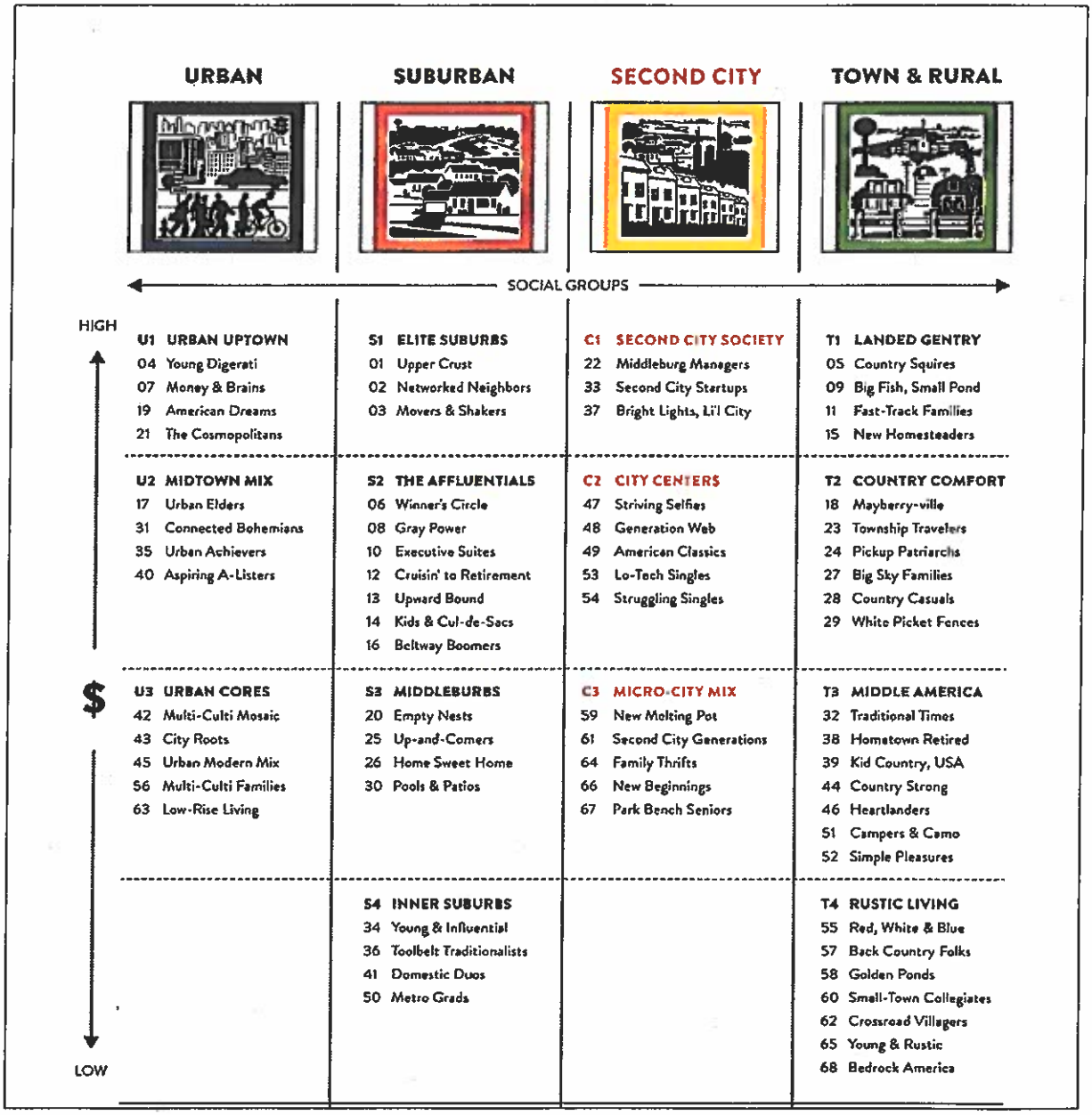
Target Market Households Lifestyle Segments

PMD utilized The Nielsen PRIZM Premier Segment database to determine the lifestyle segment distribution of the households with residents that have moved in to Mercy Creek.

The Nielsen Group PRIZM Premier Segment consists of four class categories: Urban, Suburban, Second City, and Town and Rural. Under these four groups are 14 social groups based on

urbanization class and affluence. These 14 groups are broken down into 68 lifestyle segments which are used in this analysis. See figure 5-7 below.

Figure 5-7: Nielsen PRIZM Premier Social Groups



Source: The Nielsen Company April 2016

Table 5-6 which follows illustrates the distribution of the residents at Mercy Creek.

Table 5-6: Mercy Creek Prizm Premier Segment Distribution

Meadows at Mercy Creek Mercy Creek Prizm Premier Segment Distribution					
Prizm Nick Name	Prizm Number	Number of Residents	Percent of Total	Accum. Percent	Wealth/Age
Country Strong	44	7	11.3%	11.3%	Lower Mid - 55
Simple Pleasures	52	6	9.7%	21.0%	Lower Mid - 65+
Empty Nests	20	5	8.1%	29.0%	Upper Mid - 65+
Back Country Folks	57	4	6.5%	35.5%	Downscale 55+
Toolbelt Traditionalis	36	4	6.5%	41.9%	Midscale - 55+
Country Casuals	28	4	6.5%	48.4%	Upper Mid - 55+
Gray Power	8	3	4.8%	53.2%	Wealthy - 55+

Urban
Suburban
Second City
Town/Rural

Source: The Nielsen Company April, 2016

A large percentage of the residents identified in the Mercy Creek PMA are Town and Rural Social Groups. Town & Rural (T) areas have population density centiles under 40. This Social Group includes exurbs, towns, farming communities and a wide range of other rural areas. The town aspect of this class covers the thousands of small towns and villages scattered among the rural heartland, as well as the low-density areas far beyond the outer beltways and suburban rings of America's major metros. Households in these exurban segments live among higher densities and are more affluent than their rural neighbors.

A percentage of the residents in the Mercy Creek PMA were categorized in the Suburban segment. **Suburban** (S) areas have population density scores between 40 and 90, and are clearly dependent on urban areas or second cities. Unlike second cities, they are not the population center of their surrounding community, but rather a continuation of the density decline from the city center. While some suburbs may be employment centers, their lifestyles and commuting patterns will be more tied to one another, or to the urban or second city core, than within themselves.

The Mercy Creek residents were classified as lower, middle class income households, mostly age 55 and older. Fifty-three (53.2%) percent of the Mercy Creek residents fall within the seven segments identified in Table 5-6. Thirty-four percent come from Town and Rural (34.0%) and Nineteen percent (19.4%) come from Suburban segments. None of the residents from the top seven segments were classified as Urban or Second City.

Mercy Creek – Dominant Lifestyle Segment Narratives

Following is a brief description of the dominant segments, including affluence scale, age, and family composition.

8- Gray Power: *Wealthy Older Mostly Without Kids*

Gray Power consists of upscale older couples typically living just beyond the nation's beltways. This segment is a haven for white-collar professionals drawn to comfortable homes and apartments within a manageable commute to downtown jobs, restaurants, and entertainment. They enjoy traveling and watching golf on television.

Owns a Lexus • Eats at Bonefish Grill • Shops at Chico's • Follows PGA/LPGA • Visits Alaska • Watches Golf Channel • Listens to News • Age 55+ Homeowners • Millionaires IPA • Below Average Tech

20- Empty Nests: *Upper Mid Mature Without Kids*

With their grown-up children out of the house, Empty Nests is composed of upper-middle income older Americans who pursue active, and activist, lifestyles. Most residents are over 65 years old, but they show no interest in a rest-home retirement. They travel frequently, enjoy golf, and many are active in their country clubs or fraternal groups.

Owns a Buick • Eats at Bonefish Grill • Shops at Stein Mart • Follows PGA/LPGA • Cruises on Royal Caribbean • Watches Golf Channel • Listens to Soft Adult Contemporary • Age 65+ • Mostly Owners • Elite IPA • Below Average Tech

28- Country Casuals: *Upper Mid Older Mostly Without Kids*

There's a laid-back atmosphere in Country Casuals, a collection of older, midscale empty-nest households. Today, these Baby Boom couples enjoy outdoor activities like hunting, and going out to eat but are not likely to be up-to-date on technology.

Owns a GMC • Eats at Hardee's • Shops at Hobby Lobby • Goes hunting • Stays at Hampton Inn • Watches Sportsman Channel • Listens to Classic Country • Age 55+ • Mostly Owners • High IPA • Below Average Tech

36- Toolbelt Traditionalists: *Midscale Older Mostly Without Kids*

Like many other older segments, Toolbelt Traditionalists have empty nests. If something needs to be fixed, they are likely to do the work themselves with their own power tools or paint. They enjoy the benefits of AARP and are frequent QVC and HSN shoppers.

Owns a Buick • Eats at Bob Evans • Shops at Chico's • Follows PGA/LPGA • Cruises on Royal Caribbean • Visits AARP • Listens to Gospel • Age 55+ • Mostly Owners • Low IPA • Average Tech

44- Country Strong: *Lower Mid Middle Age Family Mix*

Country Strong are lower middle class families in rural areas that embrace their day-to-day lives. They are focused on their families and prefer hunting and country music to keeping up with the latest technology.

Owns a GMC • Eats at Hardee's • Shops at Books-a-Million • Goes hunting • Stays at Super 8 • Watches CMT • Listens to New Country • Age <55 • Mostly Owners • Below Average IPA • Below Average Tech

52- Simple Pleasures: *Lower Mid Mature Without Kids*

With many of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school- educated seniors who held blue-collar jobs before their retirement.

Owns a Buick • Eats at Bob Evans • Shops at Chico's • Follows figure skating • Visits Alaska • Watches Fox News • Listens to Classic Country • Age 65+ • Mostly Owners • Above Average IPA • Lowest Tech

57- Back Country Folks: *Downscale Older Mostly Without Kids*

Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents have below average incomes and live in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

Owns a GMC • Eats at Hardee's • Visits family/lifestyle sites on PC • Follows pro rodeo • Stays at Super 8 • Watches Sportsman Channel • Listens to Classic Country

CHAPTER 6

COMPETITIVE AND COMPARABLE ENVIRONMENT

PMD examined existing independent living, assisted living, assisted living dementia care, and skilled nursing competitive and comparable communities within the Mercy Creek PMA, Normal, Illinois.

Competitive Communities - Independent Living, Assisted Living, Assisted Living Dementia Care, and Skilled Nursing

PMD's investigation into the PMA for Mercy Creek uncovered the following retirement communities considered to be comparable and/or competitive for this analysis. PMD obtained information on competitive/comparable communities via field visits, client input, telephone inquiries, and website research (both community and state organizations), and community brochures. Unless otherwise noted, this chapter and Appendix 4 contains the counts used in the demand analysis for each product type.

At the time of the study, there were 18 communities (including Mercy Creek) within the PMA considered to be competitive or comparable.

In the Mercy Creek PMA there are 486 independent living residences with an average occupancy of 95%, 261 assisted living beds in service with an average occupancy of 100%, 100 assisted living dementia care beds in service with an average occupancy of 96% and 1,102 skilled nursing beds in service with an average occupancy of 79%.

The planned supply reflects an expansion at Westminster Village, which plans to add 60 independent living residences, 6 assisted living beds, 30 assisted living dementia care beds and 12 beds of skilled nursing. In addition to Westminster Village, there are three new communities being developed which will add 183 potentially competitive assisted living beds and 78 potentially competitive assisted living dementia care beds to the Mercy Creek PMA.

The information in Table 6-1 which follows was reported to PMD during field visits, telephone, internet research, collateral materials, and client input. The information was collected in October and November, 2016 and the data reported reflects the market findings at the time of the research. Following is a brief description of each community. Detailed data on each community is provided in Appendix 4.

Table 6-1: Competitive and Comparable Communities Mercy Creek PMA

			IL		AL			DC			SNF			
Community Name	**Zip Code**	**Year Open**	**# of Res**	**% Occ.**	**# of Beds**	**# Lic**	**% Occ.**	**# of Beds**	**# Lic**	**% Occ.**	**# of Beds**	**# Lic**	**% Occ.**	**Type**
Existing Communities														
Communities at Mercy Creek	**61761**	**2012**	**4**	**100%**	**60**	**60**	**100%**							**IL/AL**
Adelaide Apartments	61761	1960's	24	92%										IL
Aperion Care (was Asta Care)	61701	1978									117	117	94%	SNF
Aperion Care Colfax	61728	WNP									60	60	50%	SNF
Bickford - Bloomington	61704	1999	16	100%	49	55	100%	16	*	WNP				IL/AL/DC
Blair House	61761	1989	110	90%										IL
Bloomington Rehabilitation & HCC	61701	1970's									65	78	85%	SNF
Evergreen Place AL	61761	2001			60	60	98%							AL
Heartland of Normal	61761	1970									97	116	77%	SNF
Heritage Health Bloomington	61701	1964									85	111	97%	SNF
Heritage Health El Paso	61738	1973									65	65	85%	SNF
Heritage Health Normal	61761	1980's									141	141	98%	SNF
Leroy Manor	61752	WNP									101	102	62%	SNF
Luther Oaks Inc.	61704	2007	90	92%	38	40	100%	18	18	100%	18	**	83%	IL/AL/DC
McLean County Nursing Home	61761	1970's									150	150	71%	SNF
Meadows Mennonite Retirement	61726	1923	44	91%							114	116	93%	IL/SNF
St. Joseph's Medical Center	61701	WNP									11	12	36%	SNF
Sugar Creek Alzheimer's SCC	61761	2008						66	76	92%				DC
Westminster Village	61701	1979	198	100%	54	60	100%				78	78	100%	CCRC EF
Total Existing	**18**		**486**	**95%**	**261**	**275**	**100%**	**100**	**94**	**96%**	**1102**	**1146**	**79%**	

Table 6-1: Competitive and Comparable Communities Mercy Creek PMA Continued

			IL		AL			DC			SNF			
Community Name	**Zip Code**	**Year Open**	**# of Res**	**% Occ.**	**# of Beds**	**# Lic**	**% Occ.**	**# of Beds**	**# Lic**	**% Occ.**	**# of Beds**	**# Lic**	**% Occ.**	**Type**
Planned Communities														
Villas at Mercy Creek	61761	TBD	12											IL
Villas of Holly Brook	61702	2018			79			32						AL/DC
Villas of Holly Brook	61701	2017			50			20						AL/DC
Welbrook Senior	61704	2017			54			26						AL/DC
Westminster Village	61701	2018	60		6			30			12			CCRC EF
Total Planned	**5**		**72**		**189**	**0**		**108**	**0**		**12**	**0**		
Total Existing and Planned	**23**		**558**	**95%**	**450**	**275**	**100%**	**208**	**94**	**96%**	**1114**	**1146**	**79%**	

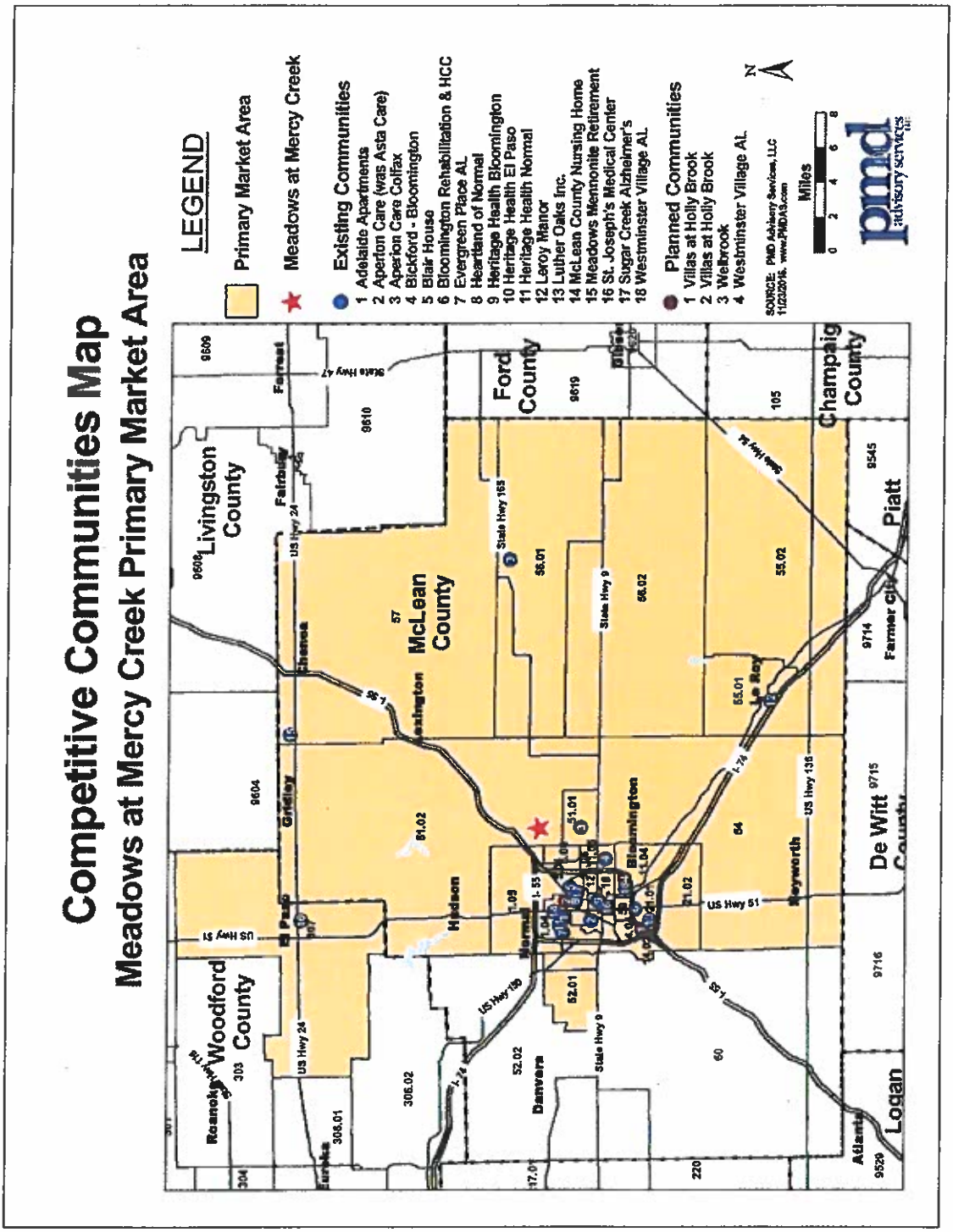
WNP - Would not Provide

**** Licensure Pending***

*****Closed CON - Residents Only***

SOURCE: PMD Advisory Services, LLC along with field, telephone, and internet research, as well as, client input.

Map 6-1: Competitive Communities Mercy Creek PMA



Adelaide Apartments is an independent living community located on the campus of Heritage Health in Normal. Heritage Health owns the community of 24 independent living residences reported with 92% occupancy. Management reported the building usually has a wait list.



The building is dated and worn and would not be a comparable with new independent living in the PMA. It was originally built in the 1960's as student housing and turned into senior housing in the 1980's.

The following amenities are available at the community:

- Beauty Salon at Heritage Health
- Lounge/Dining Area
- Secure Building
- Two Patios

Table 6-2: Adelaide Apartments Independent Living Residences and Fees

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	Second Person
Apartments	**24**	**92%**				
Studio			400	None	$958	None
One-Bedroom/One-Bath			590	None	$1,544	$294
Two-Bedroom/One-Bath			770	None	$1,797	$294

The following services are included in the monthly fees:

- Coffee Bar 24/7
- Continental Breakfast Five Days/Week
- Emergency Call System
- Heat/Water/Gas
- Housekeeping
- Limited Activities

- Maintenance
- Noon Meal Daily

The residences at Adelaide Apartments are included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and depending on price points might be competitive with a new product introduced in the market.

Aperion Care, formerly Asta Care Center of Bloomington is a skilled nursing facility that opened in 1978. It is located on Calhoun Street close to Illinois State University and Illinois Wesleyan University. Aperion is the management company of several independently owned facilities in Indiana and Illinois. The community is licensed for 117 beds. On the day surveyed, management reported the community was operating 117 beds with 94% occupancy.

The amenities at Aperion Care are limited and include common areas and a dining room.

Table 6-3: Aperion Care Skilled Nursing Residences and Fees

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Fee	LOC
Beds	**117**	**94%**				
Semi-Private			WNP	None	$200	None
Shared			WNP	None	$200	None

WNP – Would not Provide

The following services are included in the daily fee:

- 24-Hour Nursing
- Housekeeping Daily
- Laundry & Linen Service Daily
- Medication Management
- Personal Daily Assistance
- Three Meals Daily

*The residences at Aperion Care in Bloomington **are** included in the demand analysis for Mercy Creek because they are located within the PMA and are competitive.*

Bickford of Bloomington is an independent living, assisted living and assisted living dementia care community located on Heartland Drive in Bloomington. The community opened in 1999 and the assisted living dementia care neighborhood will be opening as soon as its license is issued.



The community is part of the Bickford Senior Living portfolio. At the time of the site visit, management reported 16 independent living residences and 49 assisted living residences with 100% occupancy. Prospects may put names on a wait list for a $500 refundable deposit. The new assisted living dementia care neighborhood will have 16 beds. The property is in a park-like setting, surrounded by medical offices and has good curb appeal.

The community has a lot of common spaces which have recently been remodeled and updated. The center of the building is open to the second floor and is very spacious. The apartments are large but very dated in design and finishes. The kitchens are older style, including dated appliances. Bathrooms are wheelchair accessible with roll-in showers. Larger apartments are available with washers and dryers. The community has a $5,000 community fee which can be spread over ten months

The amenities available at Bickford of Bloomington include:

- Activities Area
- Beauty Salon
- Billiards
- Bistro
- Dining Area
- Family Areas
- Outdoor Patio
- Private Dining Room
- Whirlpool Spa Room

Table 6-4: Bickford of Bloomington Independent Living Residences and Fees

Independent Living						
Type	# of Units	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	Second Person
Apartments	**16**	**100%**				
Pine Studio			389	$5,000	$2,738	$791
Spruce Studio			512	$5,000	$3,315	$791
Maple One-Bedroom			551	$5,000	$3,741	$791
Walnut One-Bedroom			646	$5,000	$4,380	$791
Oak One-Bedroom			699	$5,000	$4,623	$791
Sycamore One-Bedroom			890	$5,000	$5,049	$791
Birch Two-Bedroom			772	$5,000	$5,505	$791
Poplar Two-Bedroom			839	$5,000	$5,901	$791
Alder Two-Bedroom			942	$5,000	$6,996	$791
Beech Two-Bedroom			1,124	$5,000	$7,700	$791

Table 6-5: Bickford of Bloomington Assisted Living Residences and Fees

Assisted Living							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Apartments	**49**	**100%**					
Pine Studio			389	$5,000	$2,738	See Below	$791
Spruce Studio			512	$5,000	$3,315	See Below	$791
Maple One-Bedroom			551	$5,000	$3,741	See Below	$791
Walnut One-Bedroom			646	$5,000	$4,380	See Below	$791
Oak One-Bedroom			699	$5,000	$4,623	See Below	$791
Sycamore One-Bedroom			890	$5,000	$5,049	See Below	$791
Birch Two-Bedroom			772	$5,000	$5,505	See Below	$791
Poplar Two-Bedroom			839	$5,000	$5,901	See Below	$791
Alder Two-Bedroom			942	$5,000	$6,996	See Below	$791
Beech Two-Bedroom			1,124	$5,000	$7,700	See Below	$791
Levels of Care							
Level 1						$913	
Level 2						$1,673	
Level 3						$2,433	
Level 4						$3,194	
Level 5						$3,954	

Table 6-6: Bickford of Bloomington Assisted Living Dementia Care Residences and Fees

Assisted Living Dementia Care							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Apartments	**16**	**WNP**					
Spruce Studio			512	$5,000	$3,315	$3,376	None

WNP – Would not Provide Presales Figures

The following services are included in the base monthly fees:

- 24-Hour Emergency Response System
- Activities
- Direct TV
- Housekeeping Weekly
- Licensed Nurse Available
- Linen Service Weekly
- Maintenance
- Scheduled Transportation
- Three Meals Daily
- Utilities (Except Phone)

*The residences at Bickford of Bloomington **are** included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Blair House is an independent living community located on East College Avenue in Normal. It was built in 1989 and is owned by Holiday Retirement. On the day of the visit, management reported the community had 110 apartments with 90% occupancy. The community is located in a residential neighborhood and has a pleasant external appearance.



Inside, the community is old and dated and is typical Holiday design with the dining room, open and off the main entrance. The residents observed were very frail.

The following amenities are available at the community:

- Activity/Exercise Room
- Beauty/Barber Salon
- Billiard Lounge
- Chapel
- Dining Room
- Free Laundry Facilities
- Game Room
- Large screen TV lounge
- Library
- Private Dining Room
- Resident kitchen

The apartments are basic and have kitchenettes only due to the three meals the community provides each day. The bathrooms are wheelchair accessible with step-in showers.

Table 6-7: Blair House Independent Living Residences and Fees

Independent Living						
Type	# of Units	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	Second Person
Apartments	**110**	**90%**				
Studio			410-500	$3,050-$6,550	$2,400-$3,150	$730
One-Bedroom			486-767	$3,050-$6,550	$2,900-$4,100	$730
Two-Bedroom			860-901	$3,050-$6,550	$4,500-$5,800	$730

The following services are included in the monthly fees:

- 24-Hour Emergency Response
- 24-Hour Onsite Management Staff
- Activities
- Cable TV
- Housekeeping Weekly
- Linen Service Weekly
- Maintenance
- Scheduled Transportation
- Three Meals Daily
- Utilities (Except Phone)

The residences at Blair House are included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.

Bloomington Rehabilitation and Health Care Center is a skilled nursing facility located on South Main Street and built in the 1970's. The owner of the facility is Petersen Health Operations, LLC, a for-profit entity, located in Peoria. On the day surveyed, management reported to be operating 65 beds of its 78 licensed skilled nursing beds with 85% occupancy.



The onsite amenities include:

- Activity/Game Room
- Beauty Shop
- Dining Room
- Gardens
- Sunroom

Table 6-8: Bloomington Rehabilitation and Health Care Center Residences and Fees

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC
Beds	**65**	**85%**				
Semi-Private			WNP	None	$150	All-Inclusive
Private			WNP	None	$165	All-Inclusive

WNP – Would not Provide

The following services are included:

- 24-Hour Care
- Activities
- Assistance w/ADL's
- Laundry Services
- Local Transportation
- Medication Management
- Three Meals Daily

*The residences at Bloomington Rehabilitation and Health Care Center **are** included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Evergreen Place Assisted Living is located on Gregory Street in Normal on the Heritage Health campus. It is part of the Heritage Health Enterprises portfolio which includes Evergreen Heritage Village, primarily a low income subsidized assisted living property, and several skilled nursing properties – including one in Bloomington and the one adjacent to this community. The community is close to Illinois State University and across from Wiebring Golf Course. The single story building opened in 2001 and has good curb appeal. On the day of the site visit, management reported the community had 60 assisted living apartments with 98% occupancy. There was one studio apartment available.



The interior of the building presents well and was very clean. The hallways are wide and fresh from a remodel that was just completed in July, 2016, as are most of the common areas. The dining room also showed well with golden tablecloths and hardwood floors.

The following amenities are available at the community:

- Activity Room
- Beauty/Barber Shop
- Bistro
- Chapel
- Club Room
- Community Center
- Country Store
- Family Room
- Fitness Center
- Library
- Private Dining Room
- Resident Kitchen
- TV lounge

The apartments are small and lack upgraded features, but have wheelchair accessible bathrooms and roll-in showers. The kitchenettes come with a small microwave and small refrigerator.

Table 6-9: Evergreen Place Assisted Living Residences and Fees

Assisted Living							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Apartments	**60**	**98%**					
Studio			331	None	$3,375-$3,670	$495-$1,000	$800
One-Bedroom/One-Bath			387	None	$3,875-$4,165	$500-$1,020	$800
Two-Bedroom/One-Bath			672	None	$4,980	$465-$920	$800
Two-Bedroom/One 1/2 Bath			672	None	$4,980	$465-$920	$800

The following services are included in the monthly fees:

- Activities
- Cable
- Emergency Response System
- Housekeeping Weekly
- Linen Service Weekly
- Maintenance
- Scheduled Transportation
- Three Meals Daily
- Utilities (Except Phone)
- Wi-Fi

*The residences at Evergreen Place Assisted Living **are** included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Heartland of Normal is a skilled nursing facility that was built in the 1970's. It is located on Broadway in Normal. The owner of the facility is Heartland of Normal IL LLC, a for-profit entity, part of the Heartland Manor Care portfolio. On the day surveyed, management reported to be operating 97 beds of its 116 licensed skilled nursing beds with 77% occupancy.

The community's onsite amenities include:

- Activities
- Dining Room
- Internet café
- Lounges

Table 6-10: Heartland of Normal Residences and Fees

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC
Beds	**97**	**77%**				
Semi-Private LTC			WNP	None	$263	All-Inclusive
Private LTC			WNP	None	$302	All-Inclusive
Semi-Private STC			WNP	None	$175	All-Inclusive
Private STC			WNP	None	$250	All-Inclusive

WNP – Would Not Provide

The following services are included in the daily fees:

- 24-Hour Nursing Care
- Activities
- Assistance w/ADL's
- Laundry & Linen Service
- Medication Management
- Snacks
- Three Meals Daily
- Wi-Fi

*The residences at Heartland of Normal **are** included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Heritage Health Bloomington is a skilled nursing community located on E. Walnut Street in Bloomington. One of two Heritage Health properties in the Bloomington/Normal area, it is located in a modest, older



Bloomington neighborhood, the property has been extensively remodeled both inside and outside. Management reported the community has 85 beds with 97% occupancy during the tour.

The community has a 28 bed rehab unit which was full at the time of the site visit. There are 24 private beds and four semi-private beds. The community reported the rehab unit is usually full. There are no designated specialty beds within the rehab unit. The rooms are institutional in size and design with faux wood flooring, flat screen TV's, beds that raise and lower, a recliner and side table. The bathrooms have toilets and sinks, but no showers.

The rehab gym is very well equipped as is a resident kitchen. The community features an Independent Day Program to make sure residents who are living alone can function in all spaces of a home such as tub/shower, kitchen, laundry, and other activities of daily living before they return home. Overall, the community shows well but does not promote a residential feel..

The following amenities are available at the community:

- Activity Area
- Dining Room
- Family Lounge
- Private Dining Room
- Rehab Gym

Table 6-11: Heritage Health Bloomington Skilled Nursing Residences and Fees

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Rate	LOC
Beds	**85**	**97%**				
Semi-Private			WNP	None	$218	All-Inclusive
Large Semi-Private			WNP	None	$235	All-Inclusive
Private			WNP	None	$269	All-Inclusive
Private Suite/Semi-Private to Private			WNP	None	$292	All-Inclusive
Private Suite/Semi-Private to Private Large			WNP	None	$372	All-Inclusive
WNP - Would not Provide						

The following services are included in the fees:

- 24-Hour Nursing Care
- Activities
- Assistance w/ADL's
- Laundry & Linen Service
- Medication Management
- Snacks
- Three Meals Daily

*The residences at Heritage Health Bloomington **are** included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Heritage Health Normal is one of the area's skilled nursing communities owned by Heritage Health Enterprises. On the day surveyed, management reported to be operating 141 beds of its 164 licensed skilled nursing beds with 98% occupancy. The building dates to the 1980's but shows very well for its age. The building is on the same campus as Evergreen Place Assisted Living and is close to the Illinois State University Campus.



The community has a dedicated 24-bed RESTORE unit designed to expedite the return home for residents, as well as Legacy Care, dedicated to the care of assisted living dementia care residents.

The following amenities are available at the community:

- Beauty Shop
- Dining Room
- Family Lounge
- Private Dining Room
- State-of-art therapy Center

Table 6-12: Heritage Health Normal Skilled Nursing Residences and Fees

Skilled Nursing							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Rate	LOC	Second Person
Beds	141	98%					
Semi-Private			WNP	None	$213-$218	All-Inclusive	None
Private			WNP	None	$262-$292	All-Inclusive	None
Semi-Private Legacy Care (ALZ)			WNP	None	$235	All-Inclusive	None
Private Legacy Care (ALZ)			WNP	None	$271-$372	All-Inclusive	None

WNP – Would not Provide

The following services are included in the daily rates:

- 24-Hour Nursing Care
- Activities
- Assistance with ADL's

- Flat Screen TV w/Cable
- Medication Management
- Three Meals Daily
- Wi-Fi

*The residences at Heritage Health Normal **are** included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Luther Oaks is owned by Lutheran Life Communities and opened in August, 2007. It is an entrance fee continuing care retirement community located on 10 acres in a rural setting on Lutz Road, a short drive from Bloomington. There are two, four-story brick buildings with aluminum siding. The community is warm and inviting and all common spaces show very well. The entire community, including the apartments, had a very comfortable, residential feel. The common areas, especially the dining venues and casual bar, were well appointed.



On the day of the tour, management reported the community had 90 independent living residences with 92% occupancy, 38 assisted living beds with 100% occupancy, 18 assisted living dementia care beds with 100% occupancy and 18 all private skilled nursing suites with 83% occupancy. Management also reported the community was approaching ten years old so they will be starting a community refurbishing program very soon which will include upgrading the apartment appliances to stainless and quartz countertops in the kitchens.

The following amenities are available at the community:

- Beauty/Barber Shop
- Chapel
- Club Room with Internet
- Community Room
- Convenience Store
- Dining Room
- Fitness Center
- Library
- Lounge Area
- Outdoor Patios/Landscaped Grounds
- Private Dining Room

There are two entrance fee programs with refund options of 90% and 75%. Both plans provide a discount program on additional levels of care.

Apartments in both independent and assisted living had modern appliances and cabinetry. Showers in independent living are step-in, and showers in assisted living are roll-in. All bathrooms are wheelchair accessible. Washers and dryers are provided in the independent living apartments.

Table 6-13: Luther Oaks Independent Living Residences and Fees

Independent Living							
Type	# of Units	% Occ.	Sq. Ft.	90% Refund EF	Monthly Fee 90% Refund	75% Refund EF	Monthly Fee 75% Refund
Apartments - Rental Plan	**90**	**92%**					
One-Bedroom Standard	16		695	$144,000	$2,530	$122,400	$2,277
One-Bedroom Traditional	8		755	$159,000	$2,770	$135,150	$2,493
One-Bedroom Deluxe Patio	8		771	$172,000	$2,870	$150,000	$2,580
One-Bedroom Deluxe Sunroom	12		814	$185,000	$3,010	$157,250	$2,650
Two-Bedroom Traditional	10		989	$205,000	$3,180	$188,000	$2,750
Two-Bedroom Classic Sunroom	8		1,034	$222,000	$3,320	$198,000	$2,800
Two-Bedroom Deluxe Patio	4		1,141	$244,000	$3,570	$207,400	$3,213
Two-Bedroom Deluxe Sunroom	8		1,193	$262,000	$3,740	$222,700	$3,366
Two-Bedroom Grand Patio	4		1,283	$280,000	$4,010	$238,000	$3,609
Two-Bedroom Grand Sunroom	12		1,344	$285,000	$4,180	$242,250	$3,762
Second Person Fee					$860		$860

Table 6-14: Luther Oaks Assisted Living Residences and Fees

Assisted Living							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Beds	**38**	**100%**					
One-Bedroom			473	None	$4,740	Incs Level 1	$950
One-Bedroom			523	None	$5,020	Incs Level 1	$950
Two-Bedroom			854	None	$6,600	Incs Level 1	$950
Enhanced LOC						$440	

Advocate BroMenn Medical Center

1304 Franklin Avenue ‖ Normal, IL 61761 ‖ T 309.454.1400 ‖ advocatehealth.com

August 15, 2018

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Dear Ms. Avery,

I would like to support The Village of Mercy Creek's application for a Certificate of Need to establish a 40-bed long-term care skilled nursing facility to be located west of Towanda Barnes Road and North of East Raab road in Normal Illinois. I believe The Village of Mercy Creek provides a very important service to the Bloomington-Normal area.

Geographically, the location will be ideal for some of the elderly who live in this area. This project will provide outstanding services to residents of this community. I believe The Village of Mercy Creek will fill a needed gap in skilled nursing for the area. Thank you so much for considering The Village of Mercy Creek for the addition of these nursing beds. I wish the best and offer our support in their endeavor.

Respectfully,

Colleen Kannaday, FACHE
President

Meadows

Meadows Mennonite Retirement Community
24588 Church Street • Chenoa, Illinois 61726
p : 309-747-2702 f: 309-747-2944

Meadows at Mercy Creek
1501 Mercy Creek Drive • Normal, Illinois 61761
p : 309-268-1501 f: 309-268-1498

Ms. Courtney Avery Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 W. Jefferson Street, Second Floor
Springfield, IL 62761

RE: Application for Certificate of Need for Village at Mercy Creek – Normal, IL
40 Bed Skilled Nursing and Memory Care in Normal, IL

Dear Ms. Avery,

As you may know, the Village at Mercy Creek – a Franciscan Ministries (FM) community is proposing to build a 40 bed skilled rehabilitation and healthcare center on the campus previously owned and operated by the Meadows Mennonite Retirement Communities (MMRC). I serve as the Board Chair for MMRC.

Please be advised that the purchase of Mercy Creek was completed on August 9 2018, and that we chose FM as partners because of our shared mission. We are excited to know that they will be developing a full continuum of care ranging from Independent Living to Skilled care. As the Bloomington/Normal IL population continues to expand, the demand for skilled care will only grow. There is especially a shortage of communities that provide appropriate care for residents needing advanced dementia services. We anticipate the need for quality skilled services will only grow in the coming years in the Bloomington/Normal area. I support the Village at Mercy Creek's addition of this 40 bed facility.

Thank you for giving this Certificate of Need application every consideration. Please feel free to contact me directly should you have any further questions.

Sincerely,

Mary J. Dyck

Mary J. Dyck, PhD, RN, LNHA
MMRC Board Chair

Table 6-15: Luther Oaks Assisted Living Dementia Care Residences and Fees

Assisted Living Dementia Care						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC
Beds	**18**	**100%**				
Private Suite			WNP	None	WNP	WNP

WNP – Would not Provide

Table 6-16: Luther Oaks Skilled Nursing Residences and Fees

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily	LOC
Beds	**18**	**83%**				
Private Suite			WNP	None	WNP	All-Inclusive

WNP – Would not Provide

The following services are included in the fees:

- 24-Hour Emergency Call
- 32 Meals Monthly Lunch or Dinner (Three Daily AL/DC/SNF)
- Activities
- Assistance w/ADL's (Level 1 AL/All in DC and SNF)
- Daily Bed Making (DC Only)
- Discounted Healthcare
- Expanded Cable
- Flat Linens Bi-Weekly (Weekly AL/DC)
- Housekeeping Bi-Weekly (Weekly AL/DC)
- Internet
- Maintenance
- Medication Management (DC/SNF Only)
- Overnight checks
- Personal Laundry (AL/DC/SNF Only)
- Transportation
- Utilities (Except Phone)

All residence types at Luther Oaks are included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.

Meadows Mennonite Chenoa is a rental independent living and skilled nursing community located on Church Street in Chenoa, Illinois. The surrounding area is agricultural about a 25-minutedrive from Normal and Bloomington. It has been providing care since 1923, with an excellent reputation for quality of care. On the day of the visit, management reported the community had 44 independent living residences with 91% occupancy. The skilled nursing had a total of 114 beds, 67 dedicated to mid and late stage dementia care and 47 in skilled care with 93% occupancy, overall.



The following amenities are available at the community:

- Aviaries (SNF)
- Beauty/Barber Salon
- Campus Center
- Chapel
- Dining Room (in SNF)
- Fitness Center
- Full-Service Kitchen
- Horseshoe Pits
- Multi-Purpose Room
- Shuffleboard Courts

Table 6-17: Meadows Mennonite Chenoa Independent Living Residences and Fees

Independent Living						
Type	# of Units	% Occ.	Sq. Ft.	Deposit*	Monthly Fee	Second Person
Duplexes**	**44**	**91%**				
Burt Quad One-Bedroom/One-Bath	4		613	$1,500	$675	None
Oak Ct Two-Bedroom/One-Bath	2		856	$1,500	$850	None
Maple Ct Two-Bedroom/One-Bath	4		960	$1,500	$850	None
Burt Two-Bedroom/1.5 Bath/Porch	4		985	$1,500	$850	None
Burt Two-Bedroom/1.5 Bath/Porch	14		1,000	$1,500	$850	None
Oak Ct Two-Bedroom/One-Bath	4		1,000	$1,500	$850	None
Evergreen Ct Two-Bedroom/One-Bath	2		1,050	$1,500	$850	None
Evergreen Ct Two-Bedroom/One-Bath	4		1,120	$1,500	$850	None
North Ct Two-Bedroom/One-Bath	2		1,124	$1,500	$850	None
North Ct Two-Bedroom/One-Bath	2		1,150	$1,500	$850	None
North Ct Two-Bedroom/One-Bath	2		1,333	$1,500	$850	None
*$1,200 is refundable **Upgraded villas are $1,100/Month						

The following services are included in the monthly fees:

- 24-Hour Emergency Call Alert
- Cable
- Insurance
- Landscaping
- Maintenance
- Priority Admission to SNF
- Property Taxes
- Sewer
- Snow Removal
- Trash Removal
- Twice Monthly Transportation
- Water

Table 6-18: Meadows Mennonite Chenoa Skilled Nursing Residences and Fees

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.*	Community Fee	Daily Fee	LOC
Beds	**114**	**93%**				
Semi-Private Memory Care	67**		325	None	$235	All-Inclusive
Private Memory Care			250	None	$255	All-Inclusive
Semi-Private LTC	47**		325	None	$225	All-Inclusive
Private LTC			250	None	$245	All-Inclusive

*Mid-Stage Dementia are large rooms
**# of beds represents the total number of memory care and LTC, not private and semi-private

The following services are included in the daily fees:

- 24-Hour Nursing Care
- Activities
- Assistance w/ADL's
- Coordination of Appointments
- Emergency Call System
- Medication Management
- Onsite Chaplain
- Regular Housekeeping Services
- Regular Laundry Services
- Rehabilitation
- Security
- Three Meals Daily
- Utilities (Except Phone)
- Wi-Fi

*The residences at Meadows Mennonite Chenoa **are** included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Sugar Creek Alzheimer's Special Care Center is located on E. Vernon Avenue in Normal. The community is owned by JEA Senior Living and opened in 2008. On the day surveyed management reported to be operating 66 beds of its 76 licensed assisted living beds at 92% occupancy. There was a total of 38 rooms, providing both private and semi-private accommodations.



JEA's signature program "Meaningful Moments" is designed to honor the individual resident's life story in order to provide individuals with unique moments throughout their day.

The following amenities are available at the community:

- Dining Room
- Fireplace
- Game Room
- Landscaped Secured Courtyards
- Living Room
- Private Dining Room
- Security System
- TV Room
- Walking Paths

Table 6-19: Sugar Creek Dementia Care Residences and Fees

Assisted Living Dementia Care							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Rooms	66	92%					
Shared Level I			188	$1,000	$4,600	All-Inclusive	None
Shared Level II			188	$1,000	$4,900	All-Inclusive	None
Shared Level III			188	$1,000	$5,200	All-Inclusive	None
Shared Level IV			188	$1,000	$5,500	All-Inclusive	None
Shared Level V			188	$1,000	$5,800	All-Inclusive	None
Add'l for Private Room			276	$1,000	$1,500	All-Inclusive	None

The following services are provided in the monthly fees:

- 24-Hour Care
- Assistance w/ADL's
- Furnished Linens
- Furnished Room
- Laundry
- Medication Management
- Routine Housekeeping
- Specially Trained Staff
- Three Meals/Snacks Daily

The residences at Sugar Creek Alzheimer's Special Care Center ***are*** *included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.*

Westminster Village retirement community is located in Bloomington, Illinois. This community opened in 1979 and is a Continuing Care Retirement Community (CCRC) which has 22 cottages, 176 independent living apartments, 54 assisted living apartments and 78 skilled nursing beds. The community representative reported 100% occupancy in all levels of care with a 300 prospect wait list.



The community is situated on 40 acres in a quiet, residential neighborhood off of Lincoln Street. Curb appeal is good with mature trees on the property. The sales rep indicated an expansion plan that will eventually add 12 skilled nursing beds, 6 assisted living beds, 30 assisted living dementia care beds and 60 independent living residences. Skilled nursing is phase I of the expansion with a new two-story building of 50 beds. When that is complete, the existing skilled nursing building will be gutted and converted into 40 private skilled nursing beds. Phase II is two to three years out and will be a new three-story building for 60 assisted living beds and 30 assisted living dementia care beds. The existing assisted living building will be converted to 60 independent living residences.

The sales rep also indicated a new trend happening at the community which is a lot of children of past residents are moving in.

The following amenities are available at the community:

- Activity/exercise room
- Bank
- Beauty/barber salon
- Billiard lounge
- Chapel
- Convenience Store
- Dining room

- Fitness room
- Free laundry facilities
- Game room
- Large screen TV lounge
- Library
- Private dining room
- Resident kitchen
- Walking Path

Table 6-20: Westminster Village Independent Living Residences and Fees

Independent Living								
Type	# of Units	% Occ.	Sq. Ft.	Life Occ. EF 36 Months	Return on Equity EF 75% Refundable	Rental Deposit	Monthly Fee EF/Rental	Second Person EF/Rental Monthly Fee
Apartments	176	100%						
Studio			439	$58,630	$85,000	$2,358	$1,986/ $2,358	N/A
One-Bedroom			523	$68,640	$115,000	$2,900- $3,800	$2,075/ $2,900	$872/$900
Two-Bedroom			765	$97,240	$150,000	$3,585- $4,485	$2,262/ $3,585	$905/$900
Two-Bedroom Expanded			860	$120,120	$175,000	$3,892- $4,792	$2,345/ $3,892	$937/$900
Two-Bedroom Expanded Corner			860	$120,120	$175,000	$3,892- $4,792	$2,345 /$3,892	$937/$900
Two-Bedroom Deluxe I			1,046	$141,570	$210,000	$4,062- $4,962	$2,501/ $4,062	$981/$900
Two-Bedroom Deluxe II			1,288	$159,445	$230,000	$4,294- $5,194	$2,659/ $4,294	$982/$900
Duplexes	22	100%		Life Lease	90% Return Monthly Fee	85% Return Monthly Fee	80% Return Monthly Fee	
The Sassafras			1,440	$150,000*	$601	$534	$466	
The Maple			1,675	$150,000*	$601	$534	$466	
The Linden			1,780	$150,000*	$601	$534	$466	
*Starting Prices - based on resale								

The following services are included in the independent living monthly fees:

- 24-Hour Staff
- Activities
- Cable
- Does Not Include Real Estate Taxes
- Emergency Response System
- Housekeeping Bi-Weekly
- Linen/Flat Service Bi-Weekly
- Maintenance
- One Meal Daily
- Priority Healthcare Access
- Scheduled Transportation
- Utilities (Except Phone)

Table 6-21: Westminster Village Assisted Living Residences and Fees

Assisted Living							
Type	# of Units	% Occ.	Sq. Ft.	Deposit	Monthly Fee	LOC	Second Person
Apartments	**54**	**100%**					
Efficiency			250	One Month	$2,881	Level 1 Inc Level 2 $425 Level 3 $850	$875
Studio			439	One Month	$4,077	Level 1 Inc Level 2 $425 Level 3 $850	$875
One-Bedroom			523	One Month	$4,326	Level 1 Inc Level 2 $425 Level 3 $850	$875
Two-Bedroom			765+	One Month	$4,659	Level 1 Inc Level 2 $425 Level 3 $850	$875

Table 6-22: Westminster Village Skilled Nursing Residences and Fees

Skilled Nursing							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Fee	LOC	Second Person Fee
Rooms	**78**	**100%**					
Private			WNP	None	$314-$446	All-Inclusive	None
Semi-private Level One			WNP	None	$223	All-Inclusive	None
Semi-private Level Two			WNP	None	$236	All-Inclusive	None

WNP - Would not Provide

The following services are included in the base fees:

- 24-Hour Staff
- Activities
- Emergency Response System
- Housekeeping
- Level of Care 1
- Linen Service Weekly
- Maintenance
- Scheduled Transportation
- Three Meals Daily
- Utilities (Except Phone)

In addition to the above, the following services are provided in skilled nursing:

- 24-Hour Care
- Assistance w/ADL's
- Medication Management

The residences at Westminster Village are included in the demand analysis for the Mercy Creek PMA because they are located within the PMA and are competitive.

Skilled Nursing Payor Details

The following table reflects the payor mix as well as the Five Star Quality Rating of the identified competitive and comparable skilled nursing facilities for the Mercy Creek PMA.

Table 6-26: Payor Mix and CMS 5 Star Quality Rating

Community Name	Medicare %	Medicare Beds	Medicaid %	Medicaid Beds	Private Pay/ Other %	Private Pay/ Other Beds	Five Star Overall Rating	# of Beds
Aperion Care (was Asta Care)*	0%	0	0%	0	0%	0	1	117
Aperion Care Colfax/Arba Care Center	14%	9	86%	51	0%	0	1	60
Bloomington Rehabilitation & HCC	6%	4	79%	51	15%	10	1	65
Heartland of Normal	20%	20	39%	38	41%	40	4	97
Heritage Health Bloomington	13%	11	35%	30	52%	44	4	85
Heritage Health El Paso	4%	3	59%	38	37%	24	3	65
Heritage Health Normal	12%	17	38%	54	50%	71	2	141
Leroy Manor	6%	6	44%	45	50%	50	1	101
McLean County Nursing Home	3%	4	70%	105	27%	41	1	150
Meadows Mennonite Retirement	7%	8	40%	45	53%	61	2	114
St. Joseph's Medical Center	51%	6	0%	0	49%	5	4	11
Westminster Village	9%	7	0%	0	91%	71	2	78
Average/Total	**8%**	**93**	**53%**	**457**	**39%**	**416**	**2**	**1084**

Source: snfdata.com/medicare.gov

*No data reported. Calls to admissions were not returned
Luther Oaks omitted from list as it is not certified.

CMS Five Star Quality Rating

CMS measures quality via a combination of calculated and self-reported data and provides this data in a rating available to the public. The three components CMS measures are: health inspections, staffing, and quality measures. A star rating is provided for each of these 3 sources, then, these 3 ratings are combined to calculate an overall rating (mathematically some scores are weighted more heavily than others). This information provides a "snap shot" of the care individual nursing homes provide. While there have been objections about the accuracy of the ratings, the measures remain the recognized rating representing quality in the SNF industry.

Equally important, insurance companies, hospitals and ACOs have begun using a facility's CMS 5 Star Quality Rating as a determination whether to do business with an individual SNF. A rating

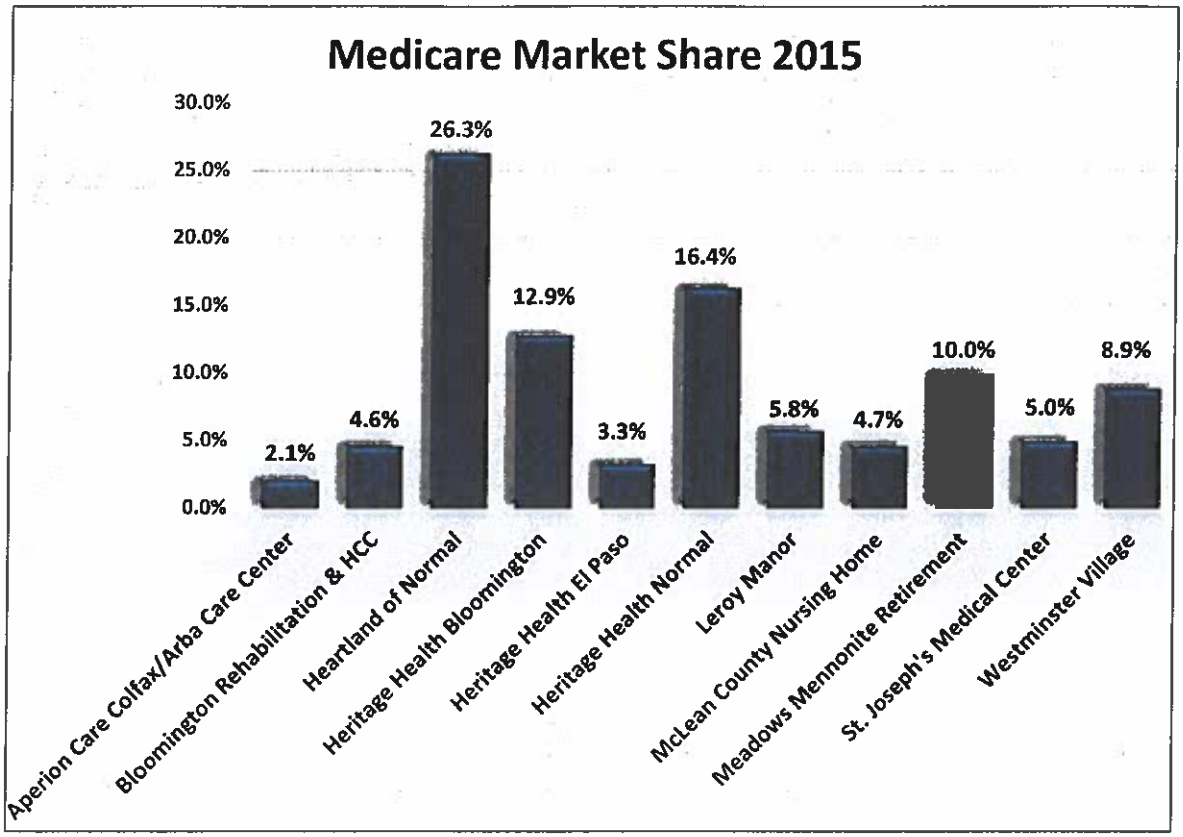
of less than 3 Stars has been commonly used as a cut-off for contracting purposes. So the importance of maintaining high quality is even more underscored.

No facilities in the PMA have achieved 5 Stars on the CMS 5 Star Rating, the highest rating. Heartland of Normal, Heritage Health Bloomington and St. Joseph's Medical Center skilled nursing unit were all rated 4 Stars. Overall, the competitors 5 Star Rating was below average, or 2 Stars. There were seven of the twelve facilities that were rated below average (less than three stars).

Medicare Market Share

Medicare, as a payor source, is often considered to be the most sought after form of reimbursement because the prospective daily rate is higher than other forms of reimbursement and depending on the acuity (based on RUGs categories), the potential profitability may be higher. PMD analyzed 2015 Cost Report information to determine each facility's Medicare market share using the assumption that a larger market share of Medicare patients means a stronger competitive factor. Heartland of Normal had the highest Medicare market share in the PMA with 26.3%. Heritage Health Normal and Heritage Health Bloomington followed with 16.4% and 12.9% respectively. These three facilities account for 55.6% of the market share, and on this basis are considered very strong competitors. Figure 6-1 displays the Medicare Market Share for the PMA extracted from the 2015 Cost Reports.

Figure 6-1: 2015 Medicare Market Share

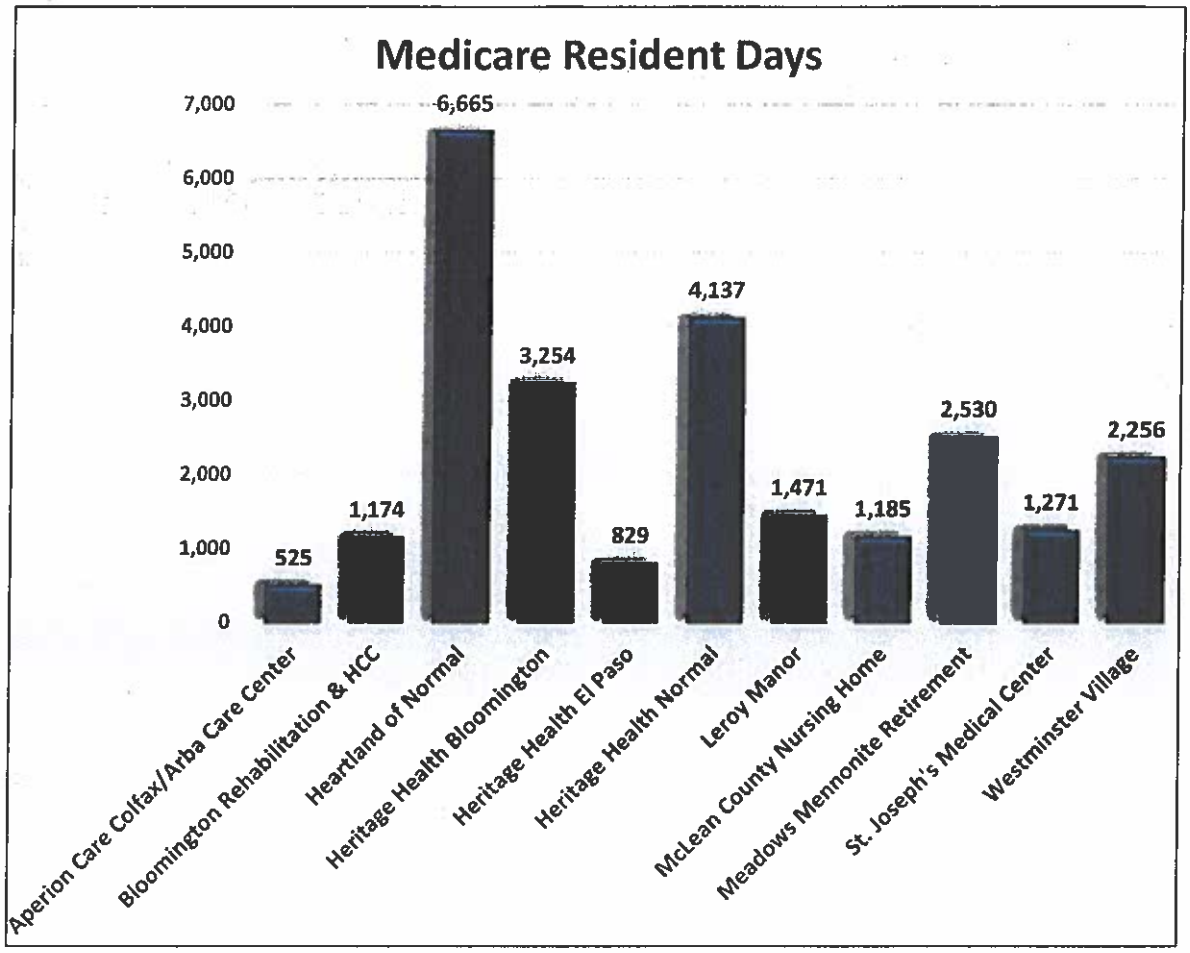


Analysis of Medicare Utilization

PMD considers Medicare utilization, as measured by resident Medicare days and turns per bed, to be a leading indicator of a facility's competitiveness in the provision of skilled care. As the market conditions continue to evolve to include the re-direction of post-acute care to lower cost alternative settings such as home health and assisted living, SNFs find themselves competing for fewer Medicare patients. As SNFs scramble to ramp up their marketing and relationship building to maintain their position in terms of Medicare admissions, PMD believes there are opportunities for facilities who can handle a large number of resident days with a high number of turns per bed (shorter lengths of stay per patient per bed). So, facilities who admit more Medicare patients have higher Medicare resident days and IF they are able to turn over their patients with shorter lengths of stay we consider them to be strongly competitive.

In terms of the number of Medicare resident days, the clear leader was Heartland of Normal with 6,665 days, followed by Heritage Health Normal with 4,137 days. The number of resident Medicare days is displayed below in Figure 6-2.

Figure 6-2: Medicare Resident Days

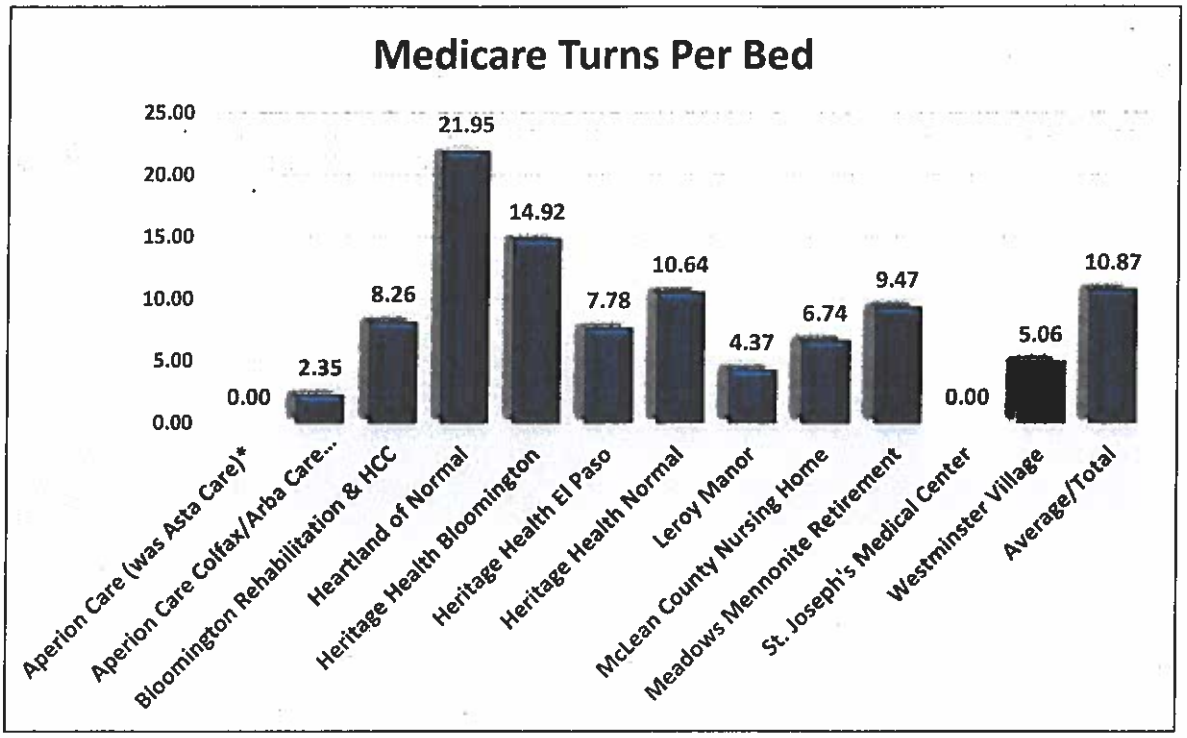


Source: 2015 Medicare Cost Reports

The number of Medicare admissions is one set of indicators PMD analyzes to determine a facility's competitiveness in the provision of skilled care. The other is 'throughput' and is typically measured by the number of turns per Medicare bed. As the lengths of stay decrease, we expect turns per bed to increase; but it must be in tandem with an increase in the overall number of Medicare resident days to result in competitiveness and profitability. Turns per bed is defined as the number of Medicare admissions/discharges divided by the number of functional (staffed) beds. Medicare Cost Report data for 2015 was used to analyze the number of Medicare admissions and Medicare discharges for each of the facilities and to calculate the number of turns per Medicare bed.

In this context, PMD found that Heartland of Normal had the highest turns per bed with 21.9 turns, followed by Heritage Health Bloomington with 14.9 turns per bed. The PMA contains low competition for Medicare residents as evidenced by the average number of Medicare days, discharges per month, and turns per bed. Figure 6-3 below displays the number of Medicare turns per bed.

Figure 6-3: Medicare Turns per Bed



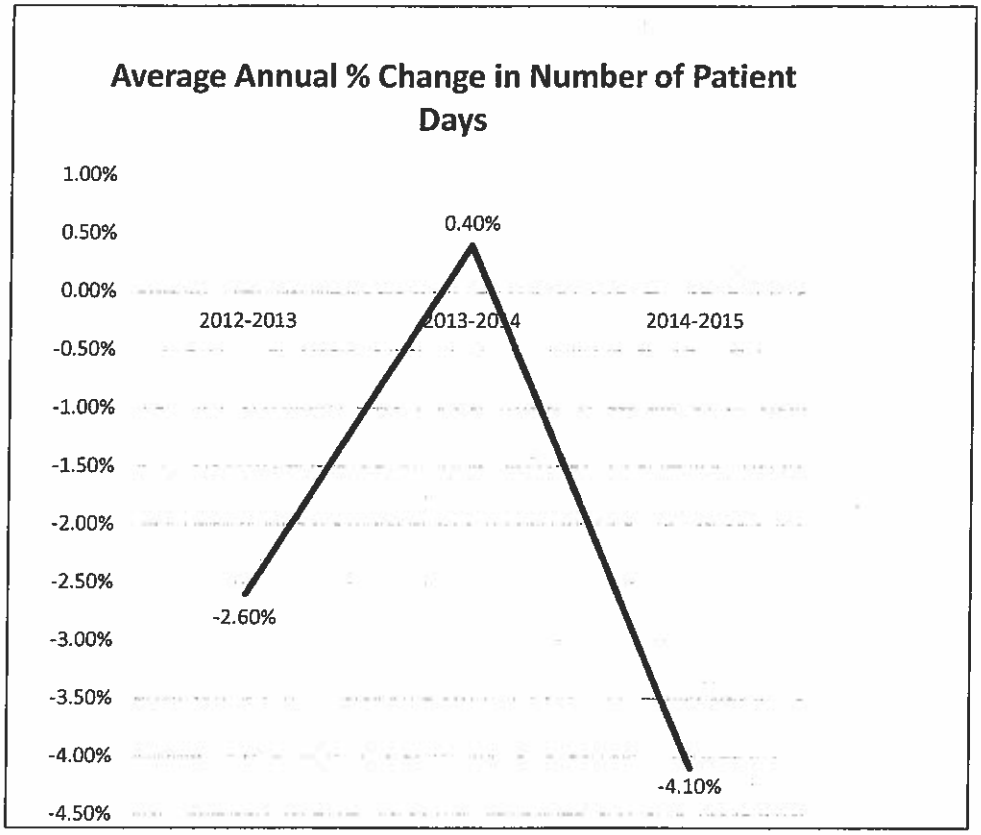
Asperion Care acquired Asta Care within the past 12 months. Therefore, there is no recent cost report filed in order to determine Medicare turns per bed. St. Joseph's Medical Center Transitional Care Unit does not report Medicare activity separate from the hospital. Therefore, we are unable to calculate turns per bed.

Annual Patient Day Trends

As the SNF industry continues to change and evolve to meet the demands of new reimbursement and care models, such as bundled payments and disease management guidelines, we are seeing a decline in the annual number of patient days in numerous markets. PMD believes this decline will continue into the future and includes the analysis of trends in annual patient days to display the average annual percent change in days over the last three years. Data was extracted from the cost reports for 2012, 2013, 2014, and 2015, respectively.

The average decline in patient days over the three years analyzed, was 2.13% per year. This 2.13% rate of decline was incorporated into the demand analysis projected out to 2019 to capture the anticipated decline in patient days in calculating unmet demand. Figure 6-4 below displays the average annual percentage change in the number of patient days.

Figure 6-4: Average Annual Percentage Change in Number of Patient Days

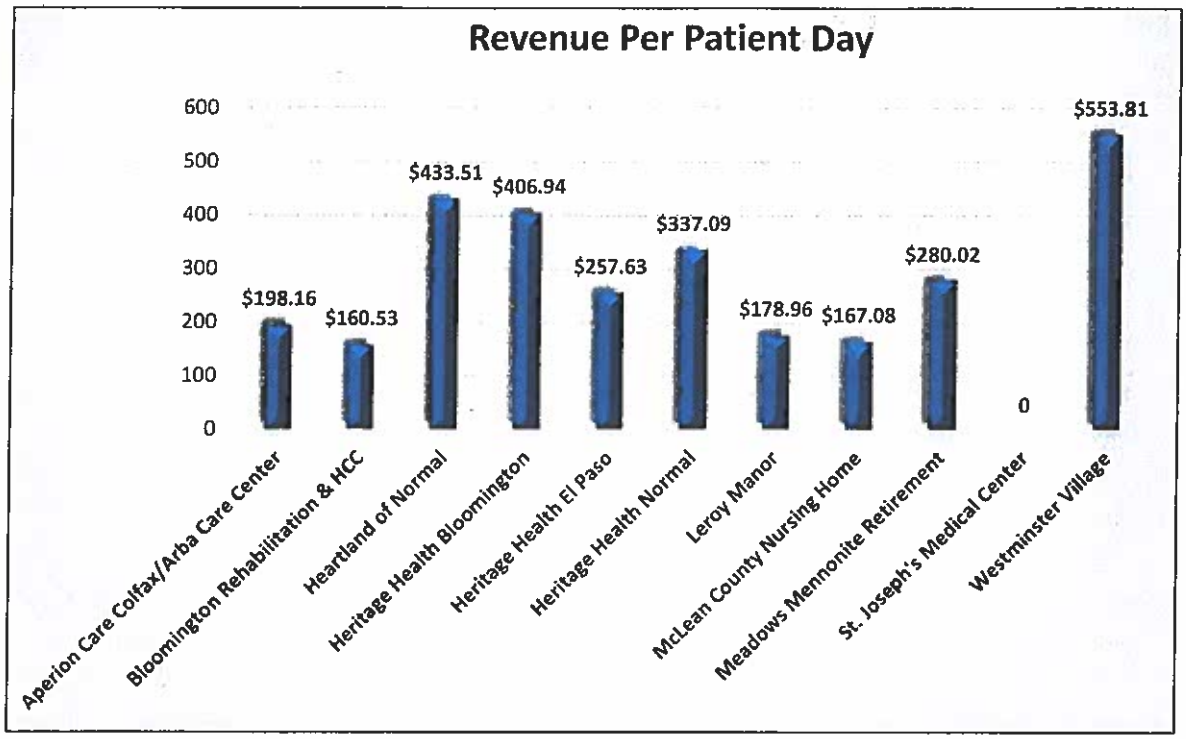


Financial Metrics

Revenue per Patient Day

PMD analyzed the total revenue per patient day (PPD) for all payors from the latest settled cost report data, in this instance 2015. The purpose of this analysis was to identify which facilities had admitted higher acuity patients which equates to higher revenue per patient day. Westminster Village had the highest revenue per patient day of $553.81, followed by Heartland of Normal with $433.51. The PMA's average revenue PPD was $270.34. Figure 6-5 below displays revenue per patient day extracted from the 2015 cost reports.

Figure 6-5: 2015 Revenue per Patient Day



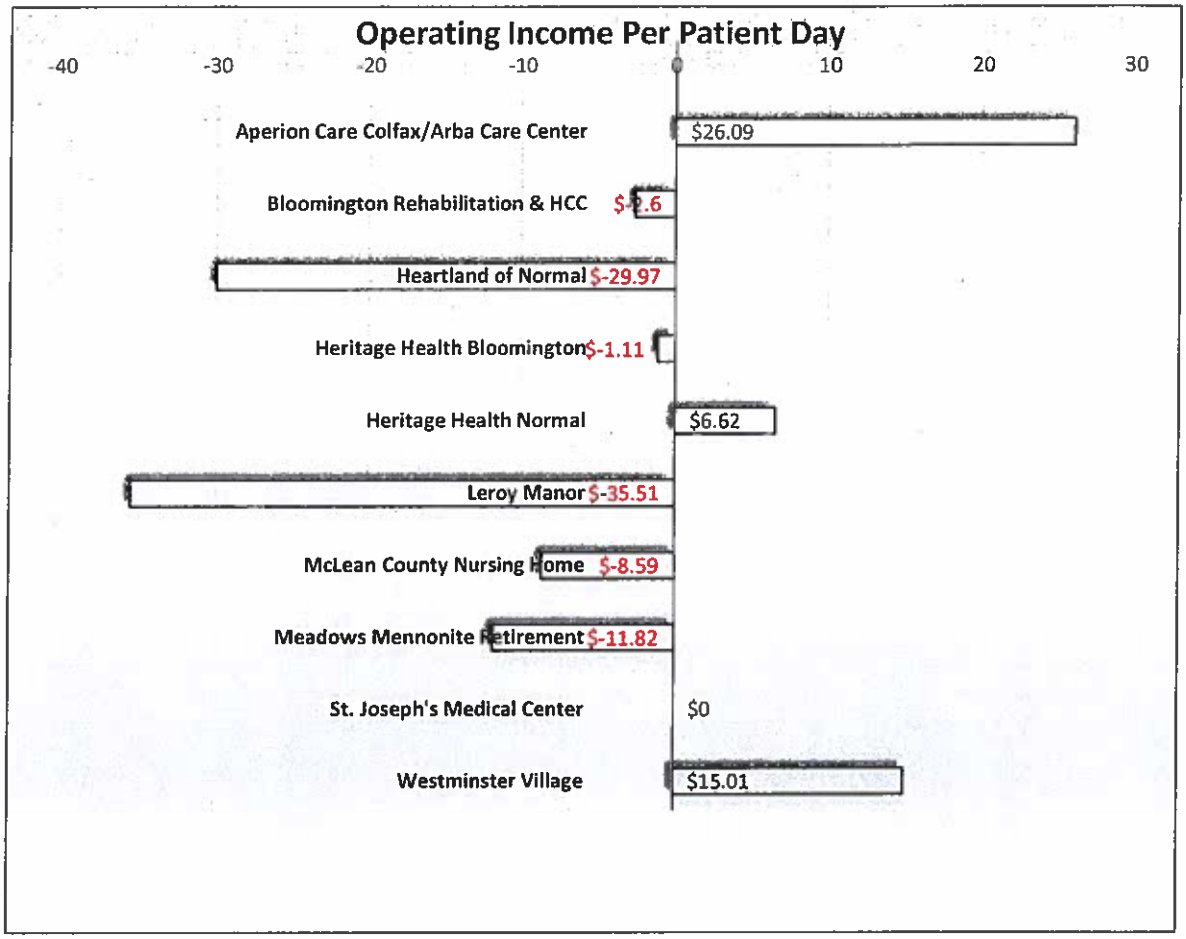
St. Joseph's Medical Center Transitional Care Unit does not report Medicare activity separate from the hospital. Therefore, revenue per patient day is not available.

Operating Income per Patient Day

Data analyzed from the 2015 cost reports indicated the PMA had an average operating income per patient day of -$4.65. Of the ten facilities reported, only three posted positive operating income PPD.

Aperion Care Colfax had the highest operating income PPD with $26.09. Westminster Village was second with $15.01 operating income PPD and Heritage Health Normal with $6.62. All others posted operating loss PPD with Meadows Mennonite Retirement posting -$11.82 operating loss PPD. Figure 6-6 below displays the operating income per patient day for each of the SNFs in the PMA.

Figure 6-6: 2014 Operating Income per Patient Day



Planned Communities

In order to identify any planned communities, PMD obtained and performed analysis of FW Dodge Construction Reports for the Mercy Creek PMA as well as contacted the local planning departments located within the PMA. Field visits were also made to competitive and comparable communities and discussions were conducted with onsite personnel. Five planned communities were identified at the time research was conducted.

- There are 12 more residences at **Villas at Mercy Creek** planned for the community. These independent living residences ***are*** included in the planned supply on Table 6-1.
- **Villas at Holly Brook and Reflections Memory Care** will be an assisted living and assisted living dementia care community located at 2016 Fox Creek Road in Bloomington, Illinois 61701. Construction began on October 29, 2016. The two-story, 60,000 square foot building will include 50 assisted living beds and 20 assisted living dementia care beds. These beds ***are included*** in the planned supply counts as they are located in the Mercy Creek PMA.



- **The Villas of Holly Brook and Reflections Memory Care** at Towanda Barnes Road project is a single-story community with 50 assisted living beds and 32 assisted living dementia care beds. A possible second phase could add another 29 beds for assisted living. The community's 11-acre site is located on the northeast corner of Towanda Barnes and General Electric roads. The new street will be named Holly Brook Court. These beds ***are included*** in the planned supply counts as they are located in the Mercy Creek PMA.
- **Welbrook Senior Living** is constructing its first community in Illinois. The El Segundo, California, company is building a $4.5 million assisted living and assisted living dementia care community at 1402 Leslie Drive in East Bloomington. The community will offer 54 assisted living beds and 26 assisted living



dementia care beds scheduled to open in the fall of 2017. These beds ***are included*** in the planned supply counts as they are located in the Mercy Creek PMA.

- **Westminster Village** has an expansion plan that will eventually add 12 skilled nursing beds, 6 assisted living beds, 30 assisted living dementia care beds and 60 independent living residences. Skilled nursing is phase I of the expansion with a new two-story building of 50 beds. When that is complete, the existing skilled nursing building will be gutted and converted into 40 private skilled nursing beds. Phase II is two to three years out and will be a new three-story building for 60 assisted living beds and 30 assisted living dementia care beds. The existing assisted living building will be converted to 60 independent living residences.

CHAPTER 7
MARKET DEMAND ANALYSIS

This section of the market analysis presents the working assumptions used to evaluate the market potential for additional independent living residences (entrance fee and rental), assisted living, assisted living dementia care, and skilled nursing in the Mercy Creek PMA. Demand calculations are based on an opening year of 2019. To determine market demand, PMD will assume that all comparable existing and planned residences in the PMA are full and will test to see if the market will support additional residences of each type in the Mercy Creek PMA.

The SMP data summarized previously in the Demographic Characteristics section of this report are employed in this market assessment. Information and insights gathered in previous sections were also used to help formulate assumptions in this analysis of market depth.

The SMP data for the PMA are utilized in PMD's proprietary computer models, in order to estimate PMA unit potential for independent living residences (entrance fee and rental), assisted living, assisted living dementia care, and skilled nursing residences/beds. The assumptions and results of the demand calculations are summarized in this section.

Independent Living Demand Analysis

To evaluate the market penetration rates for the independent living demand calculations, PMD will calculate the market penetration rates using three methodologies. Those three methodologies are:

1. PMD methodology using segmentation of data by Age and Income.
2. Ziegler Methodology developed by the Demand Methodology Task Force.
3. NIC (National Investment Center for Senior Housing and Care Industry) MAP Methodology.

The Project Penetration Rate calculates the portion of the net qualified target market (age, income and home value qualified households (for entrance fee products) less existing and planned competitive residences) that the subject project can expect to capture. Historically, Project Penetration Rates of 3% to 5% have been used as benchmarks. PMD contends that the Project Penetration Rate cannot be used in a vacuum and must be evaluated based on local market conditions and the resulting Market Penetration Rate.

The Market Penetration Rate calculates the total number of age and income qualified households that are currently living in existing product plus any required to fill planned residences divided by the total number of age and income qualified households in the market area. Using this PMD formula for calculating market penetration, historically Market Penetration rates of less than 25% indicate excellent opportunity in most markets while rates between 25% and 30% indicate very good potential, depending on the current occupancy rates in existing communities.

By measuring the unit potential, using both the Project Penetration Rate and the Market Penetration Rate, we are able to identify the number of new residences that can be added to the market and keep close to, or within, historical benchmarks.

Following are the assumptions utilized in developing both the Project Penetration Rate and the Market Penetration Rate for the independent living analysis in the Mercy Creek PMA.

Table 7-1 below provides a breakdown of the residences/beds included in the demand analysis.

Independent Living Demand Analysis – Entrance Fee Residences

The table below reflects the independent living entrance fee competitive communities used in this demand analysis.

Table 7-1: Demand Calculation Assumptions – Independent Living Entrance Fee Supply

			IL		
Community Name	**Zip Code**	**Year Open**	**# of Res**	**% Occ.**	**Type**
Existing Communities					
Westminster Village	61701	1979	198	100%	CCRC EF
Total Existing	**1**		**198**	**100%**	
Planned Communities					
Westminster Village	61701	2018	60		CCRC EF
Total Planned	**1**		**60**		
Total Existing and Planned	**2**		**258**	**100%**	

Independent Living Entrance Fee Assumptions

PMD conducted testing on independent living entrance fees based on all owner households with a home value of **$125,664 and above** (2019 dollars) and who can afford corresponding monthly fees of **$2,267 and a second person fee of $983** (2019 dollars). All renter households were discounted by 80%, assuming that potential residents would likely be owners trading the equity in their home for the entrance fee. The entrance fees and monthly fee are based on the current 2016 fees for a one-bedroom apartment style residence at Westminster Village increased by 3% per year to an opening year of 2019.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed demand calculations appear in Table 7-3. Following is a summary description of the assumptions used for evaluating the depth of demand by Project and Market Penetration Rates for independent living entrance fee residences in the Mercy Creek PMA.

Table 7-2: Demand Calculation Assumptions – Independent Living Entrance Fee - Apartments

Assumption	Independent Living - $125,664+ Entrance Fee
First Year of Occupancy	2019
Minimum Age at Entrance	75
Multipliers:	74.1% Percent Age 75+ Owners 25.9% Percent Age 75+ Renters 53.4% Percent Age 75+ 1 Person 46.6% Percent Age 75+ MC and Other 72.2% Percent with Homes worth $125,664+
2019 Monthly Fees:	Price Point 1: $2,267 2nd Person Fee: $983
Fee to Income Ratio	60% assuming that independent living households could spend up to 60% of their monthly income to cover the monthly fee.
Stabilized Occupancy	95%
Percent Draw from the Study Area	65%
Upper Income Limit	No upper income limit is used in this analysis.
Contribution of Home Sale to Homeowner Annual Income	None assuming it will be used for entrance fee.
Existing Competitive Communities	There were 198 competitive and comparable entrance fee residences identified in and adjacent to the PMA.
Planned Competitive Communities	60 planned residences were identified in and adjacent to the PMA.
Acceptable Project Penetration Rates	3% and 5% rates are tested in this analysis

Table 7-3: Demand Calculation Assumptions – Independent Living Entrance Fee

Mercy Creek PMA

Independent Living Entrance Fee Demand Analysis

Assumptions			
Year of Opening:		2019	
Minimum Entry Age at Opening:		75	
Rent to Income Ratio:		60%	
Minimum Monthly Fee at Opening:		$2,267	
Second Person Charge:		$983	
Annual Income Requirement for 1 person Household:		$45,340	
Annual Income Requirement for 2 person Household:		$65,000	
Minimum Entrance Fee at Opening:		$125,664	
Age and Income Qualified Households by Type			
1 Person Owner Households:		712	
Married Couples and Other Owner Households:		420	
20% of 1 Person Renter Households		69	
20% of Married Couples and Other Renter Households		41	
Total Age and Income Qualified Households:		1,242	
Competitive Residences			
Existing:		198	
Planned:		60	
Total:		258	
Net Target Market:		984	
Project Penetration Rate:		3%	5%
	Net Target Households:	30	49
Market Area Draw:	65%	45	76
Occupancy Rate:	95%	48	80
Total Supportable Residences:		**48**	**80**
Market Penetration Rate			
Current Supply:		10.4%	
With 3% Demand :		12.3%	
With 5% Demand:		13.5%	

*Market penetration rates are based on the total number of households with incomes of $45,340+

SOURCE: PMD Advisory Services, LLC
11/28/2016 16:07

Findings - Project Penetration Rates – Independent Living Entrance Fee

This demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older owner households who have homes worth $125,664 or more, and can afford a monthly fee of $2,267 or higher can support about **48 - 80** additional residences with a project penetration rate of 3% and 5% respectively.

Findings – Market Penetration Rates – Independent Living Entrance Fee

Utilizing the PMD methodology for calculation of demand, the current market penetration rate for age 75 and above independent living entrance fee residences is **10.4%** which remains within the PMD "excellent" benchmark range of less than 25% and indicates that there is likely excellent potential in the market for new product, depending on other factors in the PMA. This calculation is based on **258** existing and planned comparable and competitive entrance fee residences divided by 2,493 qualified households, which is the total number of target age 75 and older households with an annual income of $45,340 or more.

The project penetration calculation indicates that the market based on households age 75 and older should support an additional 48 - 80 residences in 2019. The existing market penetration rate in the Mercy Creek PMA is 10.4% which falls within the PMD "excellent" benchmark range and indicates that there is likely excellent potential in the market for new product, depending on other factors in the PMA. The addition of 80 entrance fee residences in 2019 (potential at a 5% penetration rate), increases the market penetration rate to 13.5% indicating excellent market potential.

Ziegler Methodology

The Ziegler Methodology uses an estimate of age 75 and older households with incomes of $50,000. The difference between the PMD methodology and the Ziegler methodology is that the PMD methodology discounts households by type reflecting their likelihood to move to a senior living community while the Ziegler methodology does not. Also, the number of existing residences includes both all residences and is adjusted for a 65% market area draw and a 95% occupancy rate. This results in a market penetration rate of **18.0%** in 2019.

NIC Methodology

The NIC Methodology uses an estimate of age 75 and older households, regardless of income, tenure, or home value. The supply data using this methodology does not account for vacancy of 5% or market area draw of 65%. This results in a market penetration of **10.0%** in 2019.

Table 7-4 summarizes the results of the three market penetration rate tests and compares them to Fitch and BB&T Benchmarks.

Table 7-4: Independent Living Entrance Fee Market Penetration Rates

Comparison of Market Penetration Rates
Mercy Creek PMA – Mercy Creek, IL
2019 Calculation - Entry Fee of $125,664
Market Penetration Calculation based on the addition of 80 entrance fee apartment residences in the market.

	Market Penetration Rate
PMD Methodology*	13.5%
Ziegler Methodology**	18.0%
NIC Methodology***	10.0%
Fitch Benchmarks******	<15%
BB&T Average Benchmarks******	15%-25%

* PMD Methodology based on age 75+, income qualified households.

**Ziegler Methodology based on age75+ income qualified households - this calculation includes all income qualified owners and renters in the calculation of the base regardless of ownership status.

***NIC Methodology based on age 75+ households - all owners and all renters. The NIC base includes all renter and home owner households regardless of income.

****Fitch and BB&T Benchmarks measured using NIC and Ziegler methodology.

Independent Living Demand Analysis – Rental

The table below reflects the independent living rental competitive communities used in this demand analysis.

Table 7-5: Demand Calculation Assumptions – Independent Living Rental Supply

			IL		
Community Name	**Zip Code**	**Year Open**	**# of Res**	**% Occ.**	**Type**
Existing Communities					
Meadows Mennonite Retirement	61726	1923	44	91%	CCRC Rental
Westminster Village	61701	1979	198	100%	CCRC EF
Adelaide Apartments	61761	1960's	24	92%	IL
Blair House	61761	1989	110	90%	IL
Meadows at Mercy Creek A.L.	**61761**	**2012**	**4**	**100%**	**IL/AL**
Bickford - Bloomington	61704	1999	16	100%	IL/AL/DC
Luther Oaks Inc.	61704	2007	90	92%	IL/AL/DC
Total Existing	**7**		**486**	**95%**	
Planned Communities					
Villas at Mercy Creek	61761	TBD	12		IL
Westminster Village	61701	2018	60		CCRC EF
Total Planned	**2**		**72**		
Total Existing and Planned	**9**		**558**	**95%**	

PMD conducted testing on independent living rental based on all households who can afford a monthly fees of **$3,169 and a second person fee of $953** (2019 dollars). The monthly fee is based on the current 2016 fees for a one-bedroom residence at Blair House increased by 3% per year to an opening year of 2019.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed demand calculations appear in Table 7-7. Following is a summary description of the assumptions used for evaluating the depth of demand by Project and Market Penetration Rates for independent living rental residences in the Mercy Creek PMA.

Table 7-6: Demand Calculation Assumptions – Independent Living Rental

Assumption	Independent Living Rental
First Year of Occupancy	2019
Minimum Age at Entrance	75
Multipliers:	53.4% Percent Age 75+ 1 Person 46.6% Percent Age 75+ MC and Other
2019 Monthly Fees:	Price Point 1: $3,169 2nd Person Fee: $953
Fee to Income Ratio	60% assuming that independent living households could spend up to 60% of their monthly income to cover the monthly fee.
Stabilized Occupancy	95%
Percent Draw from the Study Area	65%
Upper Income Limit	No upper income limit is used in this analysis.
Contribution of Home Sale to Homeowner Annual Income	None assuming it will be used for entrance fee.
Existing Competitive Communities	There were 486 competitive and comparable residences identified in and adjacent to the PMA.
Planned Competitive Communities	72 planned residences were identified in and adjacent to the PMA.
Acceptable Project Penetration Rates	3% and 5% rates are tested in this analysis

Table 7-7: Demand Calculation Assumptions – Independent Living Rental

Mercy Creek PMA

Independent Living Rental Demand Analysis

Assumptions			
Year of Opening:		2019	
Minimum Entry Age at Opening:		75	
Rent to Income Ratio:		60%	
Minimum Monthly Fee at Opening:		$3,169	
Second Person Charge:		$953	
Annual Income Requirement for 1 person Household:		$63,380	
Annual Income Requirement for 2 person Household:		$82,440	
Age and Income Qualified Households by Type			
1 Person Households:		926	
Married Couples and Other Households:		563	
Total Age and Income Qualified Households:		1,489	
Competitive Residences			
Existing:		486	
Planned:		72	
Total:		558	
Net Target Market:		931	
Project Penetration Rate:		3%	5%
	Net Target Households:	28	47
Market Area Draw:	65%	43	72
Occupancy Rate:	95%	45	75
Total Supportable Residences:		**45**	**75**

*Market penetration rates are based on the total number of households with incomes of $63,380+

Market Penetration Rate	
Current Supply:	32.2%
With 3% Demand :	34.8%
With 5% Demand:	36.5%

SOURCE: PMD Advisory Services, LLC
11/23/2016 8:01

Findings - Project Penetration Rates – Independent Living Rental

This demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older owner households who can afford a monthly fee of $3,169 or higher can support about **45 - 75** additional residences with a project penetration rate of 3% and 5% respectively.

Findings – Market Penetration Rates – Independent Living Rental

Utilizing the PMD methodology for calculation of demand, the current market penetration rate for age 75 and above independent living rental residences is **32.2%** which is within the PMD "good" benchmark range of less than 35% and indicates that there is likely good potential in the market for existing product, depending on other factors in the PMA. This calculation is based on **558** existing and planned comparable and competitive rental residences divided by 1,734 qualified households, which is the total number of target age 75 and older households who can afford a monthly fee of $3,169 or more.

The project penetration calculation indicates that the market based on households age 75 and older should support an additional 45 - 75 residences in 2019. The existing market penetration rate in the Mercy Creek PMA is 32.2% which indicates the market that may be reaching or at market saturation, depending on other factors in the PMA. The addition of 75 entrance fee residences in 2019 (potential at a 5% penetration rate), increases the market penetration rate to 36.5% indicating a potentially saturated market with minimal opportunity for new product.

Ziegler Methodology

The Ziegler Methodology uses an estimate of age 75 and older households with incomes of $50,000. The difference between the PMD methodology and the Ziegler methodology is that the PMD methodology discounts households by type reflecting their likelihood to move to a senior living community while the Ziegler methodology does not. Also, the number of existing residences includes both all residences and is adjusted for a 55% market area draw and a 95% occupancy rate. This results in a market penetration rate of **17.8%** in 2019.

NIC Methodology

The NIC Methodology uses an estimate of age 75 and older households, regardless of income, tenure, or home value. The supply data using this methodology does not account for vacancy of 5% or market area draw of 65%. This results in a market penetration of **9.9%** in 2019.

Table 7-8 summarizes the results of the three market penetration rate tests and compares them to Fitch and BB&T Benchmarks.

Table 7-8: Independent Living Rental Market Penetration Rates

Comparison of Market Penetration Rates
Mercy Creek PMA – Mercy Creek, IL
2019 Calculation - Monthly Fee of $3,169
Market Penetration Calculation based on the addition of 75 rental residences in the market.

	Market Penetration Rate
PMD Methodology*	36.5%
Ziegler Methodology**	17.8%
NIC Methodology***	9.9%
Fitch Benchmarks******	<15%
BB&T Average Benchmarks******	15%-25%

* PMD Methodology based on age 75+, income qualified households.

**Ziegler Methodology based on age75+ income qualified households - this calculation includes all income qualified owners and renters in the calculation of the base regardless of ownership status.

***NIC Methodology based on age 75+ households - all owners and all renters. The NIC base includes all renter and home owner households regardless of income.

****Fitch and BB&T Benchmarks measured using NIC and Ziegler methodology.

While no nationally accepted standards exist for achievable market penetration as the CCRC product is still maturing in many regions, a market in a region which is at or below 25% total market penetration indicates excellent market potential. A market penetration rate of 25% to 30% indicates very good opportunity. A market penetration rate of 35% or more is an indication of a market that may be reaching saturation.

For purposes of this study, secondary source analysis, risk ratings for market penetration are characterized as:

Market Penetration Rate	General Characterization for Most Markets
• Rate of less than 25%	Excellent market potential
• Rate of 25 - 30%	Very Good market potential
• Rate of 31 - 35%	Good market potential
• Rate of more than 35%	Fair market potential

It is important to remember that this analysis calculates the number of age and income qualified households living within the PMA that are not currently residing in a senior living community that could support additional senior living residences. It does not tell us how many of these qualified households will move to a senior living community, or more specifically, to the Mercy Creek senior living community.

Assisted Living Demand Analysis

Testing was conducted using estimated 2019 monthly fees starting at $4,869 (all-inclusive 2016 monthly fees at Mercy Creek inflated to 2019 dollars) with a minimum annual income of $35,000 for one-person households.

The minimum household income approach defined above is based on the results of a national analysis conducted by NIC and anecdotal evidence from providers that demonstrates that assisted living (frail and dementia care) residents often have incomes below what we would calculate using the monthly fee. This reflects spend down of assets and/or financial assistance provided by family members plus other sources like the Veterans Association.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed spend down tables appear in Appendix 5. Following is a summary description of the balance of the assumptions used and the results of evaluating the depth of demand by Project and Market Penetration Rates for assisted living residences in the Mercy Creek PMA.

Table 7-9 below provides a breakdown of the residences/beds included in the assisted living demand analysis.

Table 7-9: Demand Calculation Assumptions – Assisted Living Supply

Community Name	Zip Code	Year Open	AL # of Beds	AL # Lic	AL % Occ.	Type
Existing Communities						
Meadows at Mercy Creek A.L.	**61761**	**2012**	**60**	**60**	**100%**	**IL/AL**
Bickford - Bloomington	61704	1999	49	55	100%	IL/AL/DC
Evergreen Place AL	61761	2001	60	60	98%	AL
Luther Oaks Inc.	61704	2007	38	40	100%	IL/AL/DC
Westminster Village	61701	1979	54	60	100%	CCRC EF
Total Existing	**5**		**261**	**275**	**100%**	
Planned Communities						
Villas of Hollybrook	61702	2018	79			AL/DC
Villas of Hollybrook	61701	2017	50			AL/DC
Welbrook Senior	61704	2017	54			AL/DC
Westminster Village	61701	2018	6			CCRC EF
Total Planned	**4**		**189**	**0**		
Total Existing and Planned	**9**		**450**	**275**	**100%**	

WNP - Would not Provide

**** Licensure Pending***

Table 7-10: Demand Calculation Assumptions – Assisted Living

Assumption:	
First Year of Occupancy	2019
Minimum Age at Entry	75
Households expected to receive assistance from a formal caregiver for activities of daily living: Normal Acuity	The percent of households expected to receive assistance from formal care givers for two or more activities of daily living is estimated by age – 9.7% age 75-84 and 28.6% age 85+
Multipliers:	53.4% Percent Age 75+ 1 Person 46.6% Percent Age 75+ MC and Other
Minimum Monthly Fee 2019 dollars: Minimum Household Income 2019 dollars:	Price Point 1: $4,869 Minimum Income: $35,000
Stabilized Occupancy	95%
Percent Draw from the PMA	65%
Upper Income Limit	None
Spend down of assets on fees:	It is expected over the typical length of stay in assisted living of 21 months that a household with an annual income of $35,000 will spend down about $63,721 of assets. The age 75 median net worth in the PMA is $217,408 and a household with the median net worth will have a balance remaining of $156,814.
Existing Competitive Communities	There are 261 existing assisted living residences in and adjacent to the PMA. 60 of them are likely classified as households; 201 are likely classified as group quarters. Assisted living residences classified as group quarters are not in the household counts, so they don't have to be extracted from the qualified household counts. However, in the demand analysis 57.8% of these residences are included as competitive because the individuals that fill the residences vacated by turnover are in the household counts and must be taken out. Therefore, the total number of competitive residences utilized in the demand calculations is 176 (60 + (57.8% of 201)).
Planned Competitive Communities	189 planned competitive residences were identified in and adjacent to the PMA.
Acceptable Market Capture Rate	20% and 25%

Table 7-11: Demand Calculation Assumptions – Assisted Living

Mercy Creek PMA
Assisted Living Demand Analysis

Assumptions			
Year of Opening:		2019	
Minimum Entry Age at Opening:		75	
Minimum Monthly Fee at Opening:		$4,869	
Annual Income Requirement:		$77,904	
Annual Income based on Spend Down Analysis:		$35,000	
Age, Income, Need Qualified* Households by Type			
1 person - Income and Asset Spend Down		243	
Married Couples and Other - Inc and Spend Down		87	
Total Age, Income and Need Qualified Households:		330	
Competitive Residences			
Existing:		176	
Planned:		189	
Total:		365	
Net Target Market:		-35	
Project Penetration Rate:		20%	25%
	Net Target Households:	0	0
Market Area Draw:	65%	0	0
Occupancy Rate:	95%	0	0
Total Supportable Residences:		0	0
Market Penetration Rate			
Current Supply:		11.56%	
With 20% Demand :		11.56%	
With 25% Demand:		11.56%	

*Need qualification equals the need for assistance with 2+ ADLs.

SOURCE: PMD Advisory Services, LLC
11/23/2016 9:57

Assisted Living Frail Demand

This demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a minimum monthly fee of $4,869 in 2019 dollars and a minimum household income of $35,000 in 2019, will **not** support additional assisted living residences. For the detail spend down tables see Appendix 5.

Assisted Living Dementia Demand Analysis

Testing was conducted using estimated 2019 monthly fees starting at $7,313 (all-inclusive 2016 Bickford assisted living dementia care fee inflated to 2019 dollars) with a minimum income of $50,000 required for one-person households for assisted living dementia care.

The minimum household income approach defined above is based on the results of a national analysis conducted by NIC and anecdotal evidence from providers that demonstrates that assisted living (frail and dementia care) residents often have incomes below what we would calculate using the monthly fee. This reflects spend down of assets and/or financial assistance provided by family members plus other sources like the Veterans Association.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed spend down tables appear in Appendix 5. Following is a summary description of the balance of the assumptions used and the results of evaluating the depth of demand by Project and Market Penetration Rates for assisted living dementia care residences in the Mercy Creek PMA.

Table 7-12 below provides a breakdown of the assisted living dementia care residences/beds included in the demand analysis.

Table 7-12: Demand Calculation Assumptions – Assisted Living Dementia Care Supply

Community Name	Zip Code	Year Open	DC # of Beds	DC # Lic	DC % Occ.	DC Type
Existing Communities						
Bickford - Bloomington	61704	1999	16	*	WNP	IL/AL/DC
Luther Oaks Inc.	61704	2007	18	18	100%	IL/AL/DC
Sugar Creek Alzheimer's SCC	61761	2008	66	76	92%	DC
Total Existing	**3**		**100**	**94**	**96%**	
Planned Communities						
Villas of Hollybrook	61702	2018	32			AL/DC
Villas of Hollybrook	61701	2017	20			AL/DC
Welbrook Senior	61704	2017	26			AL/DC
Westminster Village	61701	2018	30			CCRC EF
Total Planned	**4**		**108**	**0**		
Total Existing and Planned	**7**		**208**	**94**	**96%**	

WNP - Would not Provide

**** Licensure Pending***

Table 7-13: Demand Calculation Assumptions – Assisted Living Dementia Care

Assumption:	
First Year of Occupancy	2019
Minimum Age at Entry	75
Households expected to receive assistance from a formal caregiver for activities of daily living: Normal Acuity plus Dementia	The percent of households expected to receive assistance from formal care givers for two or more activities of daily living plus symptoms of dementia is estimated by age. – 14.3% age 75-84 and 31.2% age 85+
Multipliers:	53.4% Percent Age 75+ 1 Person 47.2% Percent Age 75+ MC and Other
Minimum Monthly Fee 2019 dollars: Minimum Household Income 2019 dollars:	Price Point 1: $7,313 Minimum Income: $50,000
Stabilized Occupancy	95%
Percent Draw from the PMA	65%
Upper Income Limit	None
Spend down of assets on fees:	It is expected over the typical length of stay in dementia care of 22 months that a household with an annual income of $50,000 will spend down about $93,918 of assets. The age 75 median net worth in the PMA is $217,408 and a household with the median net worth will have a balance remaining of $126,515.
Existing Competitive Communities	There are 100 existing dementia living residences in and adjacent to the PMA. None of them are likely classified as households; 100 of them are likely classified as group quarters. Assisted Living dementia care residences classified as group quarters are not in the household counts, so they don't have to be extracted from the qualified household counts; However, in the demand analysis, 54.8% of these residences are included as competitive because the individuals that fill the residences vacated by turnover are in the household counts and must be taken out. Therefore, the total number of competitive residences utilized in the demand calculations is 55 (54.8% of 100).
Planned Competitive Communities	108 planned competitive residences were identified in and adjacent the PMA.
Acceptable Market Capture Rate	10% and 15%

Table 7-14: Demand Calculation Assumptions – Assisted Living Dementia Care

Mercy Creek PMA
Dementia Care Demand Analysis

Assumptions				
Year of Opening:			2019	
Minimum Entry Age at Opening:			75	
Minimum Monthly Fee at Opening:			$7,313	
Annual Income Requirement:			$109,695	
Annual Income based on Spend Down Analysis:			$50,000	
Age, Income, Need Qualified* Households by Type				
1 person - Income and Asset Spend Down			216	
Married Couples and Other - Inc and Spend Down			59	
Total Age, Income and Need Qualified Households:			275	
Competitive Residences				
Existing:			55	
Planned:			108	
Total:			163	
Net Target Market:			112	
Project Penetration Rate:			10%	15%
	Net Target Households:		11	17
Market Area Draw:		65%	17	26
Occupancy Rate:		95%	18	27
Total Supportable Residences:			**18**	**27**
Market Penetration Rate				
Current Supply:			7.43%	
With 10% Demand :			8.26%	
With 15% Demand:			8.67%	

*Need qualification equals the need for assistance with 2+ ADLs and symptoms of dementia.

SOURCE: PMD Advisory Services, LLC
11/23/2016 13:10

Assisted Living Dementia Care Demand

This demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a minimum monthly fee of **$7,313** in 2019 and a minimum household income of **$50,000** in 2019 the market, will support **18 - 27** additional assisted living dementia care residences. For the detailed spend down tables see Appendix 5.

Skilled Nursing Demand Analysis

Demand Analysis Assumptions

The working assumptions used to analyze demand for skilled nursing private pay, Medicare and Medicaid beds in the Mercy Creek PMA include using the age qualified population for the PMA and the total number of beds from the facilities that were identified in the competitive analysis. The number of beds used in the demand analysis includes beds from the 35 communities in the market with nursing care beds. In recognition of the industry's declining number of patient days, PMD analyzed the trend in patient days over the last three years in the PMA. PMD estimated the declining trend will continue at the same average annual rate through the projected target year, in this case -2.13% decrease in patient days per year. PMD utilized a project penetration rate of 15% to determine demand potential for the Communities at Mercy Creek project. ***Fifteen (15) percent project penetration rates were used in the analysis of each payor type to reflect the age, marketability and how well the existing competitors would likely fair when compared to the skilled nursing beds on the Mercy Creek campus.***

Demand Analysis – Private Pay

To determine demand for Private Pay skilled nursing beds, PMD calculated the number of Private Pay beds in the PMA that are supported by the existing age 65 and older population in the market area using the entire complement of skilled nursing beds minus the reported percentage of Medicaid, and Medicare beds. In 2016, the PMA had 21,243 persons over the age of 65. This base of age 65 and older population supported a total of 416 Private Pay beds. This equates to a 2.0% utilization rate.

PMD estimates the age 65 and older population will increase to 23,845 by the year 2019. Using the current utilization rate of 2.0% for age 65 and older persons adjusted by market area draw, it

is estimated that the Communities at Mercy Creek market area will support **48** additional Private Pay/Other beds by 2019. PMD estimates that the Mercy Creek project could expect to capture 7 of those beds.

Of the total 416 skilled nursing private pay beds 303 beds are in facilities with a Quality Star Rating of less than 3. Our sense is that the Mercy Creek project should be able to take market share from these poorly performing communities.

Table 7-15: Private Pay Skilled Nursing Demand Calculation

SKILLED NURSING PRIVATE PAY/OTHER DEMAND CALCULATION	
	2016 Estimates
	Private Pay/Other
Age 65 and Older Population	21,243
Total Existing Private Pay/Other Beds	416
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)	2.0%
	2019
	Private Pay/Other
Projected Age 65 and Older Population	23,845
PMA Base Use Rate for Population Age 65 * Age 65+ Population	477
Avg Annual Percent Change in SNF Patient Days	-2.13%
Estimate of New Supportable Beds	447
Total Existing Private Pay/Other Competitive Beds	416
Total Planned Private Pay/Other Competitive Beds	0
Total Existing Plus Planned Private Pay/Other Competitive Beds	416
Estimate of Net New Supportable Beds	31
Market Area Draw	65%
Net New Supportable Beds Divided by Market Area Draw = Total Supportable Market Area Beds	48
Net Demand at Project Penetration Rate	
15%	**7**

Findings- Private Pay

It is estimated that the proposed Mercy Creek project should be able to capture 7 Private Pay/Other beds in 2019 due to population growth in the PMA.

Demand Analysis – Medicare

To determine demand for Medicare skilled nursing beds, PMD calculated the number of Medicare beds in the PMA that are supported by the existing age 65 and older population in the market area using the entire complement of skilled nursing beds minus the reported percentage of private pay/other and Medicaid beds. In 2016, the PMA had 21,243 persons over the age of 65. This base of age 65 and older population supported a total of 93 Medicare beds. This equates to a 0.44% utilization rate.

PMD estimates that the age 65 and older population will increase to 23,845 by the year 2019. Using the current use rate of 0.44% for age 65 and older persons adjusted by market area draw, it is estimated that the Mercy Creek market area will support 8 additional Medicare beds by 2019. PMD estimates that the Mercy Creek project could expect to capture **1** of those beds.

Of the total 93 skilled nursing Medicaid beds 54 beds are in facilities with a Quality Star Rating of less than 3. Our sense is that the Mercy Creek project should be able to take market share from these poorly performing communities.

Table 7-16: Medicare Skilled Nursing Demand Calculation

SKILLED NURSING MEDICARE DEMAND CALCULATION	
	2016 Estimates
	Medicare
Age 65 and Older Population	21,243
Total Existing Medicare Beds	93
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)	0.44%
	2019
	Medicare
Projected Age 65 and Older Population	23,845
PMA Base Use Rate for Population Age 65 * Age 65+ Population	105
Avg Annual Percent Change in SNF Patient Days	-2.13%
Estimate of New Supportable Beds	98
Total Existing Medicare Competitive Beds	93
Total Planned Medicare Competitive Beds	0
Total Existing plus Medicare Competitive Beds	93
Estimate of Net New Supportable Beds	5
Market Area Draw	65%
Net New Supportable Beds Divided by Market Area Draw = Total Supportable Market Area Beds	8
Net Demand at Project Penetration Rate	
15%	**1**

Findings – Medicare

It is estimated that the proposed Mercy Creek project should be able to capture **1** Medicare bed in 2019 due to population growth in the PMA.

Demand Analysis – Medicaid

PMD calculated the number of Medicaid certified beds in the PMA that are supported by the existing age 65 and older population in the market area using the entire complement of skilled nursing beds minus the reported percentage of private pay, Medicare and other insurance beds. In 2016, the PMA had 21,243 persons over the age of 65. This base of age 65 and older population supported a total of 457 Medicaid beds. This equates to a 2.15% utilization rate.

PMD estimates the age 65 and older population will increase to 23,845 by the year 2019. Using the current utilization rate of 2.15% for age 65 and older persons adjusted by market area draw, it is estimated that the Mercy Creek market area will support **36** additional Medicaid beds by 2019. PMD estimates that the Mercy Creek project could expect to capture **5** of those beds.

Of the total 457 skilled nursing Medicaid beds 351 beds are in facilities with a Quality Star Rating of less than 3. Our sense is that the Mercy Creek project should be able to take market share from these poorly performing communities.

Table 7-17: Medicaid Skilled Nursing Demand Calculation

SKILLED NURSING MEDICAID DEMAND CALCULATION	
	2016 Estimates
	Medicaid
Age 65 and Older Population	21,243
Total Existing Medicaid Beds	457
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)	2.15%
	2019
	Medicaid
Projected Age 65 and Older Population	23,845
PMA Base Use Rate for Population Age 65 * Age 65+ Population	513
Avg Annual Percent Change in SNF Patient Days	-2.13%
Estimate of New Supportable Beds	481
Total Existing Medicaid Competitive Beds	457
Total Planned Medicaid Competitive Beds	0
Total Existing plus Planned Medicaid Competitive Beds	457
Estimate of Net New Supportable Beds	24
Market Area Draw	65%
Net New Supportable Beds Divided by Market Area Draw = Total Supportable Market Area Beds	36
Net Demand at Project Penetration Rate	
15%	**5**

Findings – Medicaid

It is estimated that the proposed Mercy Creek project should be able to capture **5** Medicaid beds in 2019 due to population growth in the PMA.

CHAPTER 8
HOSPITAL PARTNERSHIP, SNF MARKET SHARE ANALYSIS, AND ACCOUNTABLE CARE/ POST-ACUTE CARE NETWORK OPPORTUNITIES

The purpose of this portion of the engagement was to provide Communities at Mercy Creek with the basis for the development of strategies for hospital and other partnerships and analyze each competitor's market share to assist in the strategic planning process for Communities at Mercy Creek.

Strategies were developed after examination of external market forces to include the status of hospital readmissions and discharges to SNFs by area hospitals, market share analysis of the SNF competition, Accountable Care Organization (ACO) opportunities, post-acute care preferred provider relationships, bundled payment opportunities, and Medicare Advantage insurance plan opportunities.

The strategies PMD developed are predicated on Meadows Mennonite successfully transferring some skilled nursing beds from Meadows Mennonite Chenoa to the Communities at Mercy Creek.

Hospital Analysis and SNF Market Share Analysis

PMD conducted an analysis of the market area's top two referring area hospitals from three perspectives that PMD believes will provide insight into identification of partnership/alliance opportunities for Communities at Mercy Creek. The first portion of the hospital analysis examines hospital readmissions for the seven disease states that CMS monitors (heart failure, hip/knee surgery, stroke, COPD, pneumonia, heart attack, and coronary artery bypass graft (CABG)). The second portion of the analysis examines each of the top two referring hospital's patterns of discharge to skilled nursing facilities for the same seven disease states. Last, we analyzed individual SNF market share from the same two hospitals for discharges across seven large diagnostic categories.

This three-pronged hospital and market share analysis provides the basis for custom hospital-specific and market-driven strategies that Communities at Mercy Creek can pursue. The intended result is designed to enhance hospital relations, provide a much needed readmission reduction program, provide a strategy to increase market share, and position Communities at Mercy Creek to take advantage of ACO and post-acute care network partnership opportunities.

Hospital Analysis

Hospital Readmission Analysis

PMD believes it is relevant to conduct an analysis of the area hospital's readmission rates and subsequent CMS imposed penalties for excess readmissions. Specifically, hospitals are looking to partner with post-acute care providers now more than ever because they play an integral role in transferring patients across the continuum of care and they can no longer afford, literally, to discharge to SNFs who have high readmission rates that are out of line with national norms.

But how does a SNF significantly impact readmissions? PMD believes it can be accomplished through thoughtfully structured, focused and consistently implemented clinical disease management programs. Consistently applied disease management programs can produce positive outcomes including readmission reductions. PMD believes several market opportunities exist for Communities at Mercy Creek through the creation and implementation of disease management programs: a boost to overall market share, a niche market opportunity, and positioning for bundled payments and risk bearing arrangements.

Skilled Nursing Value-Based Payment Program

Monitoring readmissions are not reserved for hospitals any longer. Beginning in 2016, CMS will begin sending SNFs confidential quality feedback reports on their measured performance, probably late this summer. Also, starting in October, 2016 CMS began posting SNF performance on Nursing Home compare. The two measures that will be used are:

1. SNF all cause readmission measure – estimates the risk standardized rate of unexpected readmissions within 30 days of hospitalization
2. SNF 30 day potentially preventable readmission measure – estimates the risk standardized rate of unexpected, potentially preventable readmission rate within 30 days of hospitalization.

Why is this important in 2016? Experts believe the quarterly feedback reports on SNFs readmission performance will most likely be the basis for incentive/penalty payments when they are finally implemented, currently estimated to begin in fiscal year 2019. Under the program, the plan is to reduce all SNF Medicare payments by 2%, and a portion of these dollars will be

redistributed as incentive payments for SNFs that perform well on the hospital readmission measures.

So, SNFs stand to either gain from incentive payments for superior performance when it comes to their own readmissions, or lose Medicare revenue based on performance that misses the targeted percentages for readmissions. Coupled with an opportunity to potentially gain market share by working with hospitals to "help" them with their excess readmissions, readmission reduction programs becoming a top priority for SNFs.

For this analysis and in an effort to identify future relationship-building opportunities between Communities at Mercy Creek and area hospitals, PMD analyzed hospital readmissions for fiscal year 2015 for the seven diagnoses that CMS currently monitors and uses to calculate payment penalties for excess Medicare readmissions. While much attention and effort is being put forth to reduce/eliminate excess readmissions, there remains several "hot pockets" of opportunity with area hospitals. That being said, an individual hospital's readmission rates are a moving target. Remarkable strides have been made in the market area in the last 12 months and as readmission reduction efforts are implemented and refined, current performance may differ from that represented in the analysis.

Based on staff input and area referral patterns to Communities at Mercy Creek, PMD analyzed the following hospitals for inclusion in the readmission analysis: Advocate BroMenn Medical Center and OSF St. Joseph Medical Center. PMD identified only slight excess Medicare readmissions in three of the seven diagnoses currently being monitored: COPD, pneumonia, and coronary artery bypass graft (CABG). The data used for the analysis was current as of December 31, 2015.

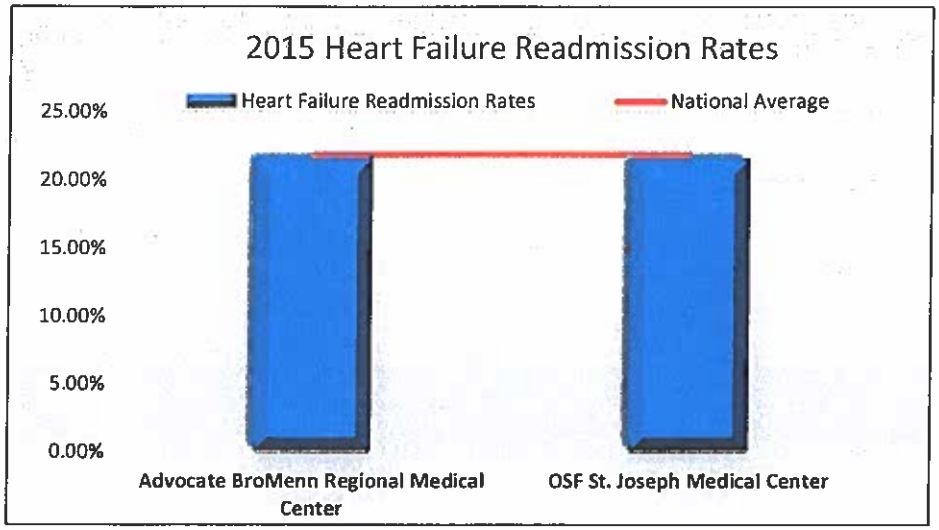
It should be noted that CMS adjusts the national target 30-day risk adjusted readmission rates downward each fiscal year. The 2016 fiscal year overall readmission rate is scheduled to drop from 15.6% to 15.31%, a significant change when hospitals were "on the edge" of missing the targets in 2015.

Hospital performance is essentially graded on a curve because the calculations for determining penalties are based on comparisons to the national average. For each measure, if the national rate of Medicare readmissions declines—then it is possible for hospitals to improve their readmission rates, but still be penalized. That is to say, while the local hospitals appear to have had their readmission rates under control in 2015, that may not be the case once the target has been lowered again for fiscal year

2017, nor does it imply the hospitals have not recently had penalties applied.

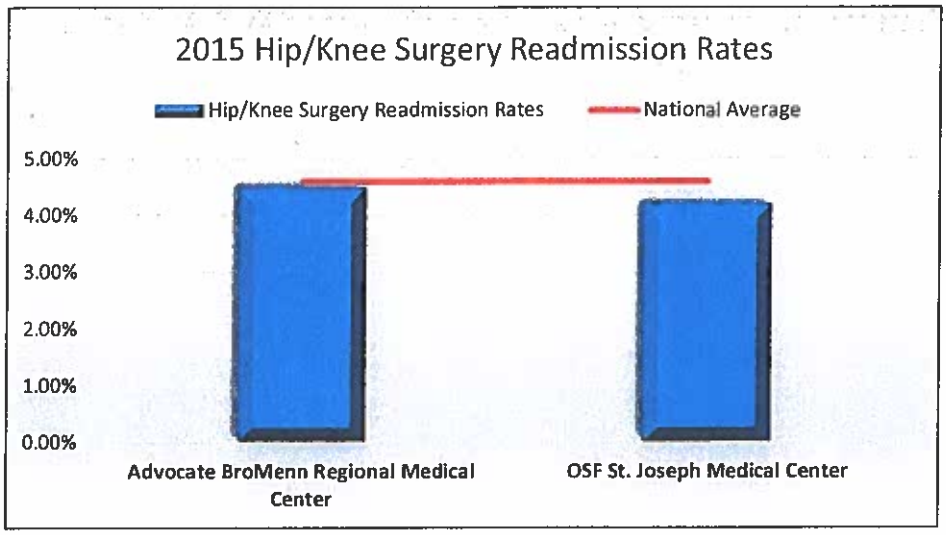
Specifically, in 2015, both of the two hospitals had readmissions for heart failure under control. Neither one exceeded the national average of 21.9% but were very close to exceeding the target. See Figure 8-1 below for details.

Figure 8-1: Heart Failure Readmission Rate



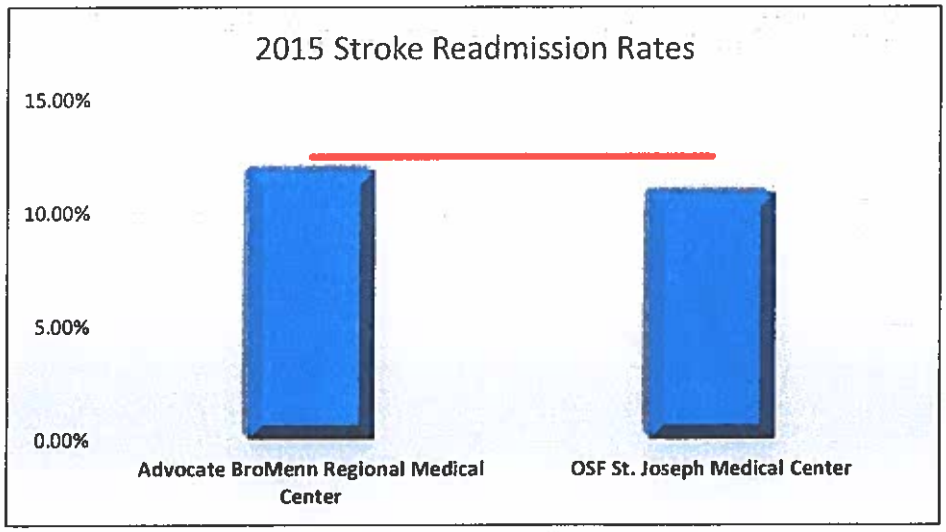
Neither of the hospitals exceeded the national average of 4.6% for hip/knee surgery readmissions, although BroMenn came close to exceeding the target with 4.5% readmissions. See Figure 8-2 below for details

Figure 8-2: Hip/Knee Surgery Readmission Rate



Again, neither of the hospitals exceeded the national average rate for Medicare readmissions of Stroke patients with 12.5% readmissions. BroMenn came close with 11.9% readmissions. See Figure 8-3 below for details.

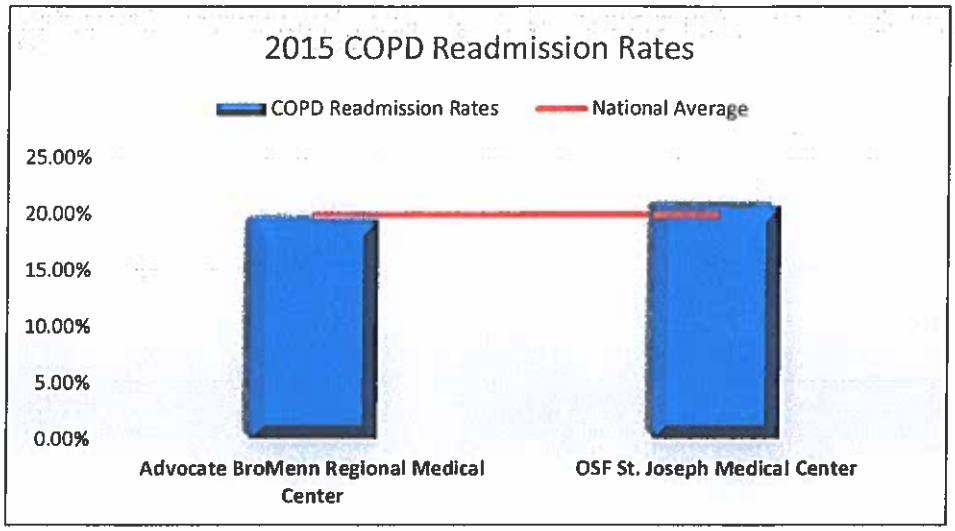
Figure 3-3: Stroke Readmission Rate



Only St. Josephs exceeded the national average rate of 20.0% for COPD Medicare readmissions with 20.7% readmissions, although Advocate BroMenn was close. See Figure 8-4 below for

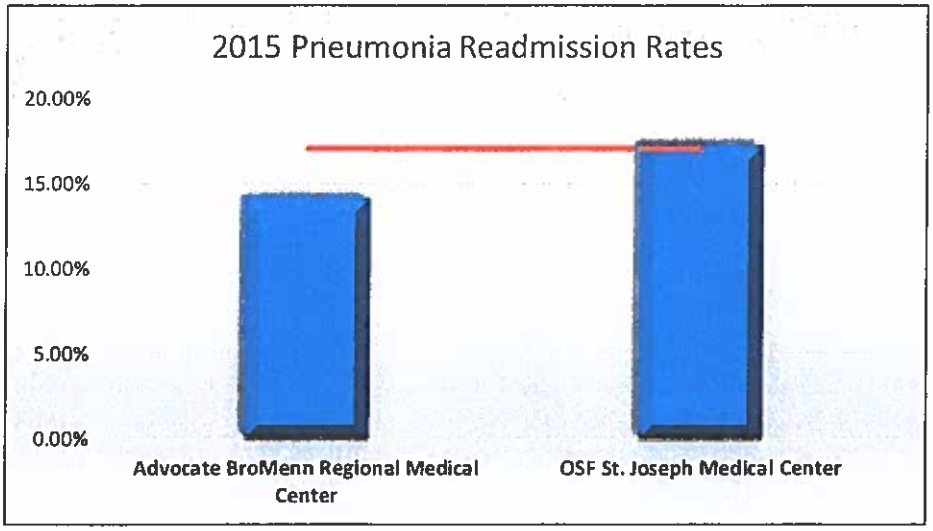
details.

Figure 8-4: COPD Readmission Rate



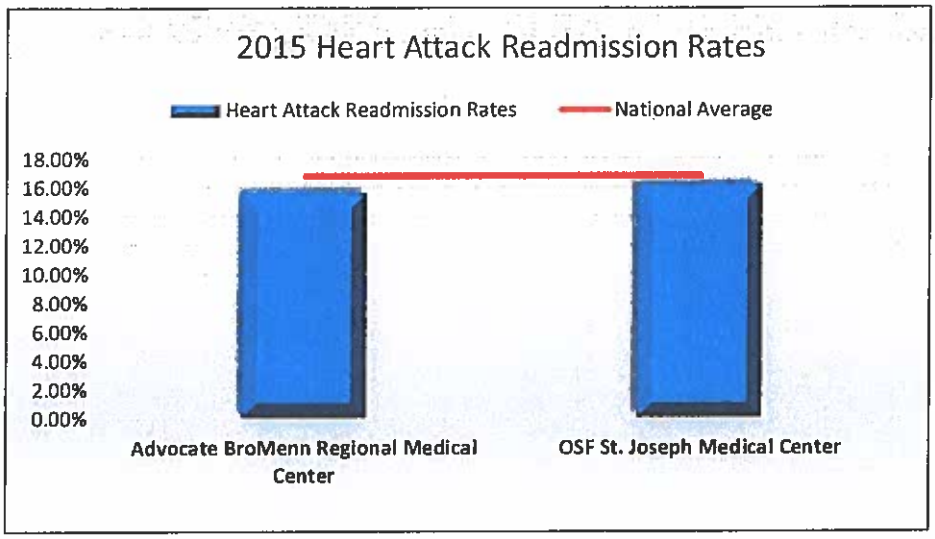
St. Joseph's was the only hospital to exceed the national average rate of 17.1% for pneumonia readmissions with 17.3% readmissions. See Figure 8-5 below for details.

Figure 8-5: Pneumonia Readmission Rate



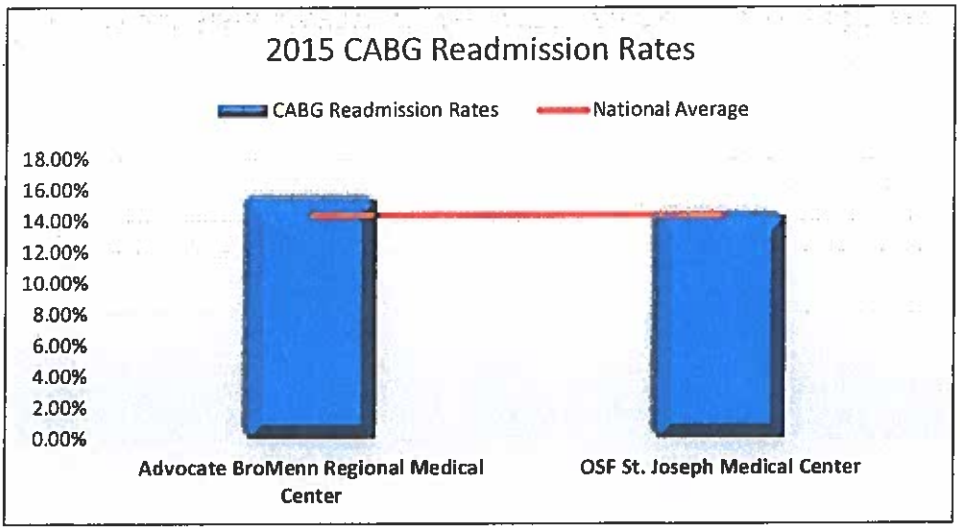
Neither hospital exceeded the national average for heart attack readmissions. The target was 16.8%, and BroMenn had 16.2% readmissions and St. Joseph had 15.6% readmissions. See Figure 8-6 below for details.

Figure 8-6: Heart Attack Readmission Rate



St. Joseph exceeded the national average rate for Coronary Artery Bypass Graft (CABG) readmissions. The target was 14.4% and St. Joseph had 15.4% readmissions. BroMenn had the same percentage readmissions as the national target (14.4%). See Figure 8-7 below for details.

Figure 8-7: CABG Readmission Rate



The significance of analyzing the hospital readmission rates is to understand the degree of the hospital's "pain", as represented by monetary penalties applied to ALL current Medicare fee-for-service admissions based on excess readmissions in the above seven categories. The following table represents the 2015 percent payment reduction applied against all Medicare fee-for-service revenue through December 31, 2015.

In congruence with the above relatively favorable hospital performance on readmissions, the 2015 percent payment reduction was relatively quite low. BroMenn's Medicare payment percent reduction for 2015 was -0.31% and St. Joseph did not have readmission penalties applied.

Table:8-1: Medicare Percent Payment Reduction

2015 Medicare Percent Payment Reduction	
	Percent Reduction
Advocate Bro Menn Regional Medical Center	-0.31%
OSF St. Joseph Medical Center	0.00%

The fines, applied to all Medicare fee-for-service admissions, are a powerful motivator for hospitals to work with post-acute providers that can help them get, and *keep*, their readmissions under control. While the two area hospitals demonstrated good control over their readmissions in

2015, Communities at Mercy Creek needs to keep in mind the national target percentages are adjusted downward each year by CMS. That implies that while readmissions were under control using the 2015 targets, the 2016 targets, and beyond, will require even more attention by the hospitals and post-acute care partners to maintain the hospital's performance levels.

Post-acute care providers, such as Communities at Mercy Creek, that come to the table armed with the above data and a readmission reduction program have a much higher probability of getting the hospital's attention and building a relationship than those skilled nursing providers who do not have the data to support their position, do not have a program to reduce readmissions, and is not attentive to a hospital's situation.

Analysis of Select Hospital Discharges to Skilled Nursing Facilities

Analysis of each hospital's frequency of discharge to SNF providers of post-acute care allows Communities at Mercy Creek to identify opportunities to develop specialized disease state management programs for short stay residents that may be of great interest to area hospitals. The potential for strategic alliances that may evolve out of the successful implementation of these programs could include participation in bundled payments and risk sharing in the near future.

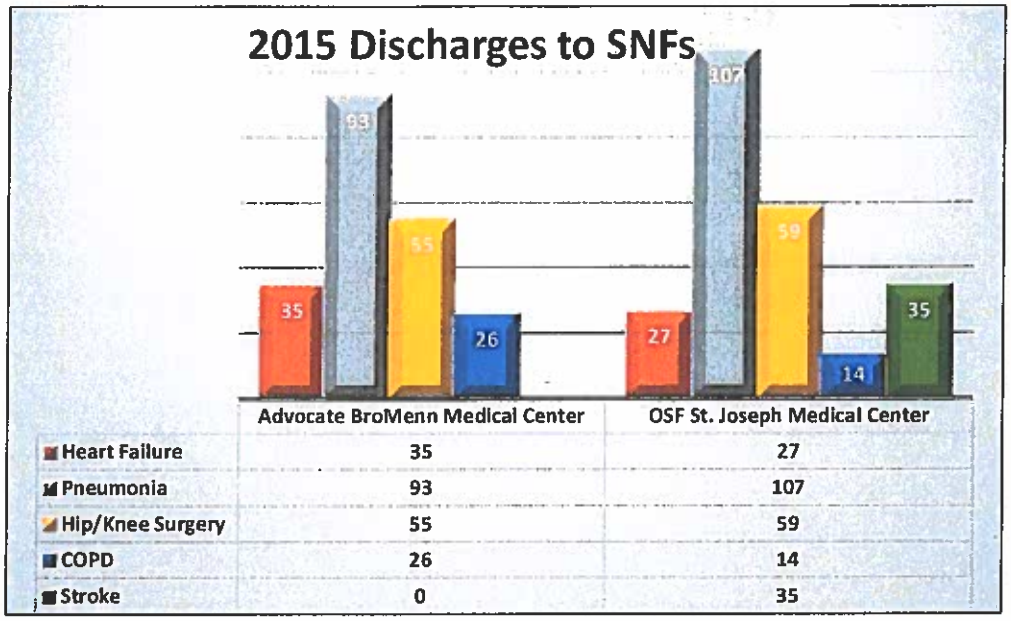
More short stay residents require much higher levels of service, but also provide higher reimbursement and the type of reimbursement that generally offers better margins. A key element in the transformation of the skilled nursing industry is how to attract and care for a growing number of short stay residents. In the short term, PMD believes as programs are designed for the Communities at Mercy Creek SNF, specific disease state management programs would potentially provide a greater number of Medicare admissions, and in particular, admissions with more complex care needs and rehab needs that are potentially more profitable.

PMD analyzed discharge-to-SNF patterns to identify specific disease states which Communities at Mercy Creek can focus on to develop disease management programs to attract a larger number of higher reimbursed patients. Both of the potential top two referring hospitals discharged varying numbers of patients directly to skilled nursing facilities for each of the seven diagnoses of interest. The figures below display each diagnosis and the 2015 discharges to skilled nursing facilities.

An overview of all 2015 SNF discharges (for the seven diseases states CMS monitors) to both of the top two referring hospitals follows. OSF St. Joseph's Medical Center had the largest number of SNF discharges in the seven disease states with 242 discharges and Advocate BroMenn Medical Center had 209 discharges in 2015. There were no discharges to SNFs for heart attack or CABG in 2015, and as such, these two diagnoses do not appear on the figures below.

Figure 8-8 displays the number of 2015 discharges to SNFs from Advocate BroMenn and St. Joseph's Medical Centers.

Figure 8-8 2015 Discharges to SNFs



	Advocate BroMenn Medical Center	OSF St. Joseph Medical Center
Heart Failure	35	27
Pneumonia	93	107
Hip/Knee Surgery	55	59
COPD	26	14
Stroke	0	35

In 2015, of the 62 discharges to SNFs for heart failure from the two hospitals, Advocate BroMenn had the greatest number of discharges with 35 discharges. St. Joseph's had 27 heart failure discharges. Of the 200 pneumonia discharges to SNFs in 2015, St. Joseph's had the largest number of discharges to SNF with 107 discharges. Advocate BroMenn had 93 pneumonia discharges. Of the 114 discharges to SNFs for hip/knee surgery from the two hospitals, St. Joseph's had the larges number of discharges with 59 discharges, followed closely by Advocate BroMenn with 55 hip/knee surgery discharges to SNFs. Of the 40 COPD discharges to SNFs, Advocate BroMenn had the largest number of discharges with 26 discharges. St. Joseph's had 14 COPD discharges. St. Joseph's was the only hospital to discharge Stroke patients to a SNF in 2015. St. Joseph's discharged 35 Stroke patients to SNFs in 2015. Again, the two hospitals did not discharge heart attack or CABG patients to SNFs in 2015.

Skilled Nursing Facility Market Share Analysis

The third component of PMD's analysis of strategic hospital opportunities and market share analysis drills deeper into discharges to skilled nursing providers to gain an understanding of the diagnostic groups of patients that area SNFs have admitted from the two referring hospitals. The analysis then quantifies the number of admissions that the competitive SNFs in the market area admit from local hospitals to identify the market share of patients in each of eight broad diagnostic categories (e.g., cardiology, orthopedics, pulmonary, etc.). The analysis provides the basis to develop strategies to increase market share of certain desirable patient groups, points to "target" SNFs from which Communities at Mercy Creek may acquire future market share, and dispels common misinterpretations of the actual state of the market.

Data used in the market share analysis was extracted from each of the hospital's cost reports for the year ending December 31, 2014. Unfortunately, the 2015 hospital discharge data to SNFs had some problems and was not available for the analysis at this time. To provide a more recent analysis of the market, PMD also presents data from the first quarter of 2016, following the 2014 data below.

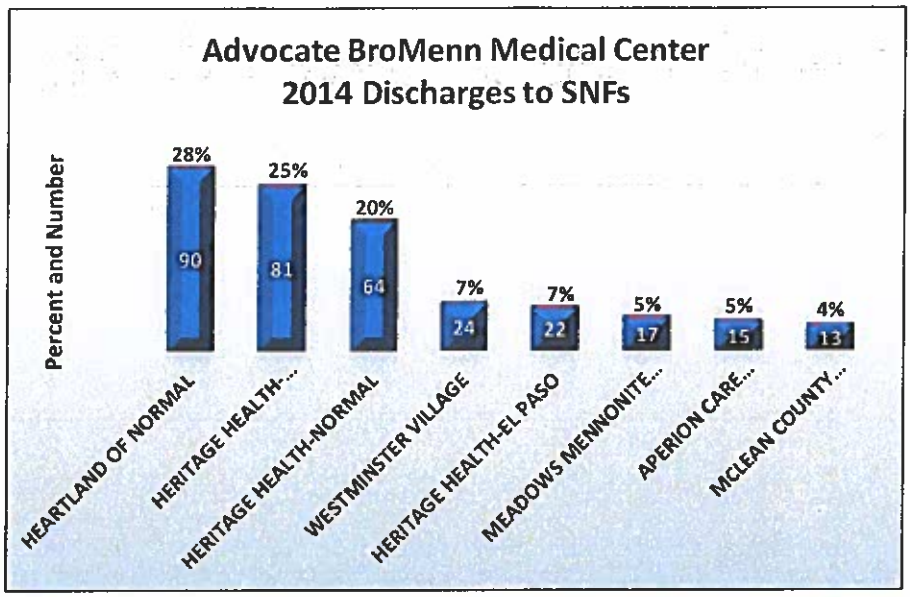
The SNF market share is calculated based on the two hospitals discharges to the PMAs SNFs, and does not include all discharges made to all SNFs.

Overall SNF Market Share

In 2014, Advocate BroMenn Medical Center discharged to eight of the thirteen SNFs located in the PMA, which represented 71% of the total SNF discharges. OSF St. Joseph Medical Center discharged to seven of the thirteen PMAs SNFs in 2014, which represented 67% of the total SNF discharges.

The 2014 and first quarter 2016 SNF discharges from Advocate BroMenn Medical Center follows.

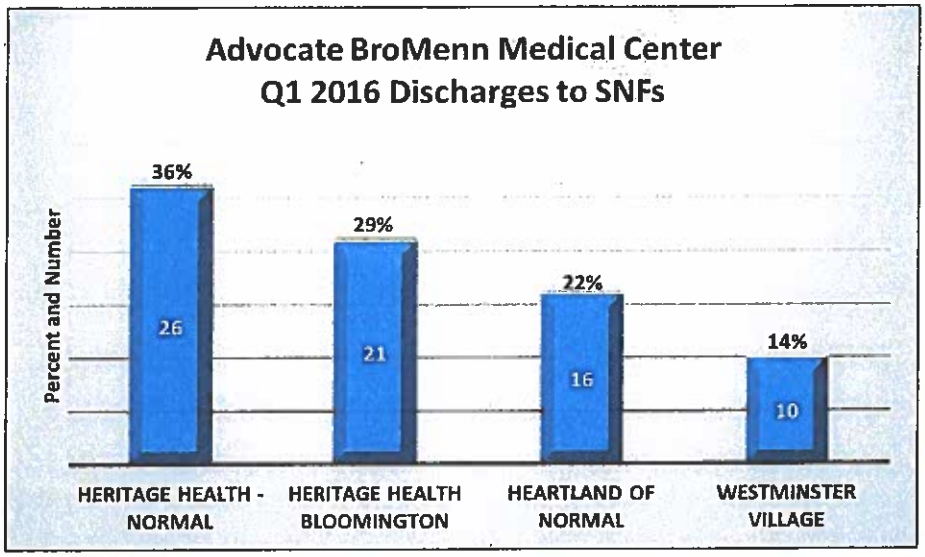
Figure 8-9: 2014 Advocate BroMenn Medical Center PMA SNF Market Share – Percent and Number



In 2014, Heartland of Normal commanded the largest market share from Advocate BroMenn with 28% overall market share. Heritage Health Bloomington followed closely with 25% overall market share.

PMD analyzed Q1 2016 SNF discharges and found a shift in the trends of discharges. Q1 2016 discharges to SNFs are displayed below in Figure 8-10.

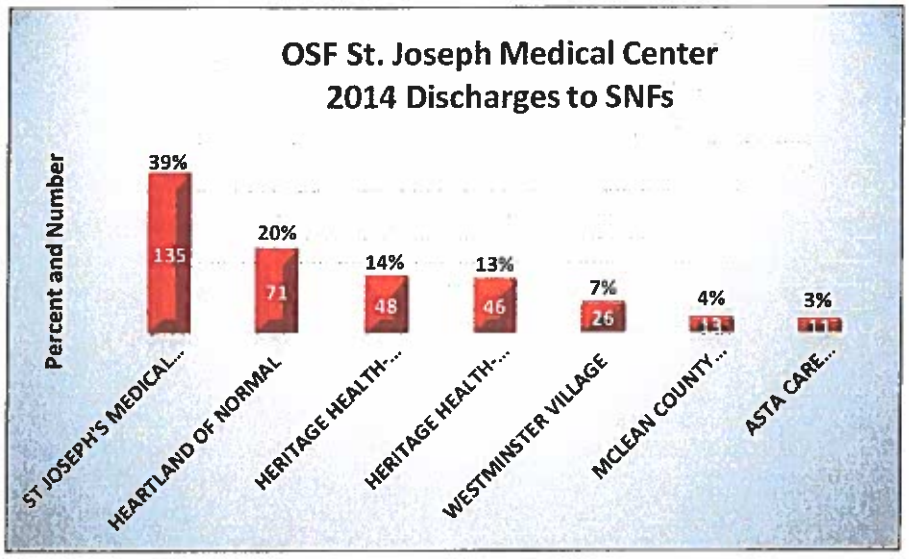
Figure 8-10: Q1 2016 Advocate BroMenn Medical Center PMA SNF Market Share – Percent and Number



While the numbers were much smaller in the first quarter of 2016, Advocate BroMenn discharged to only four of the PMA SNFs which represented 67% of the total discharges to the PMAs SNFs. Unlike activity in 2014, Heritage Health Normal had the largest market share of discharges with 36% share. The market leader in 2014, Heartland of Normal, had 22% of discharges in Q1 2016.

PMD analyzed the OSF St. Joseph Medical Center discharges to SNF in 2014 and Q1 2016 and the results are displayed below in Figure 8-11 and Figure 8-12.

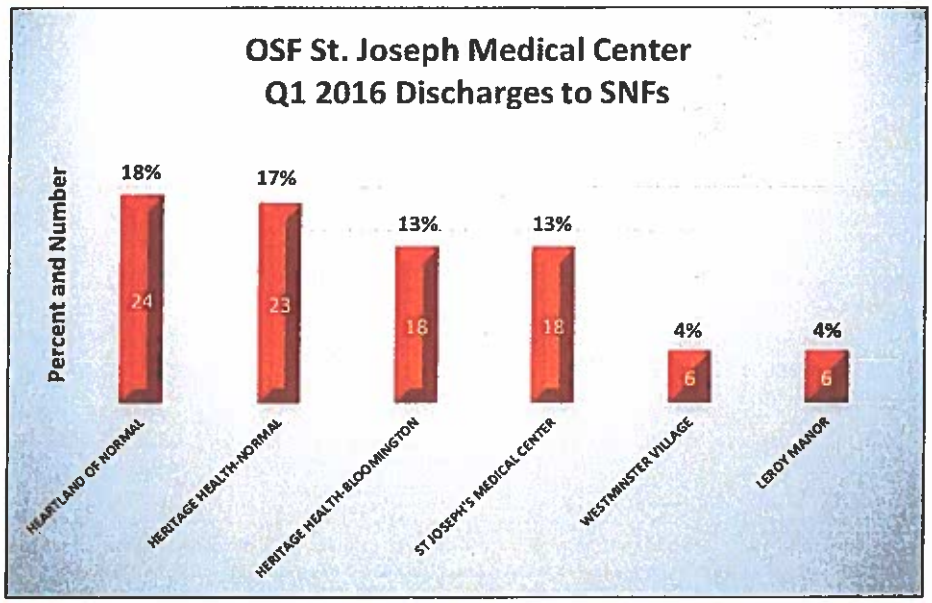
Figure 8-11: 2014 OSF St. Joseph Medical Center SNF Market Share – Percent and Number



In 2014 the 12 bed SNF located in St. Joseph Medical Center was the clear leader for overall market share with 39% share. Heartland of Normal was a distant second place with 20% overall market share.

In the first quarter of 2016, OSF St. Joseph Medical Center discharged to six PMA SNFs and PMD found a distinctive shift in discharge patterns. Unlike activity in 2014, the market leader was Heartland of Normal with 18% of the PMAs SNF discharges, followed closely by Heritage Health of Normal with 17% of the discharges. The SNF unit located in St. Joseph's ranked fourth with 13% of the PMAs SNF discharges in Q1 2016. Figure 8-12 displays the Q1 2016 discharges below.

Figure 8-12: Q1 2016 OSF St. Joseph Medical Center PMA SNF Market Share – Percent and Number

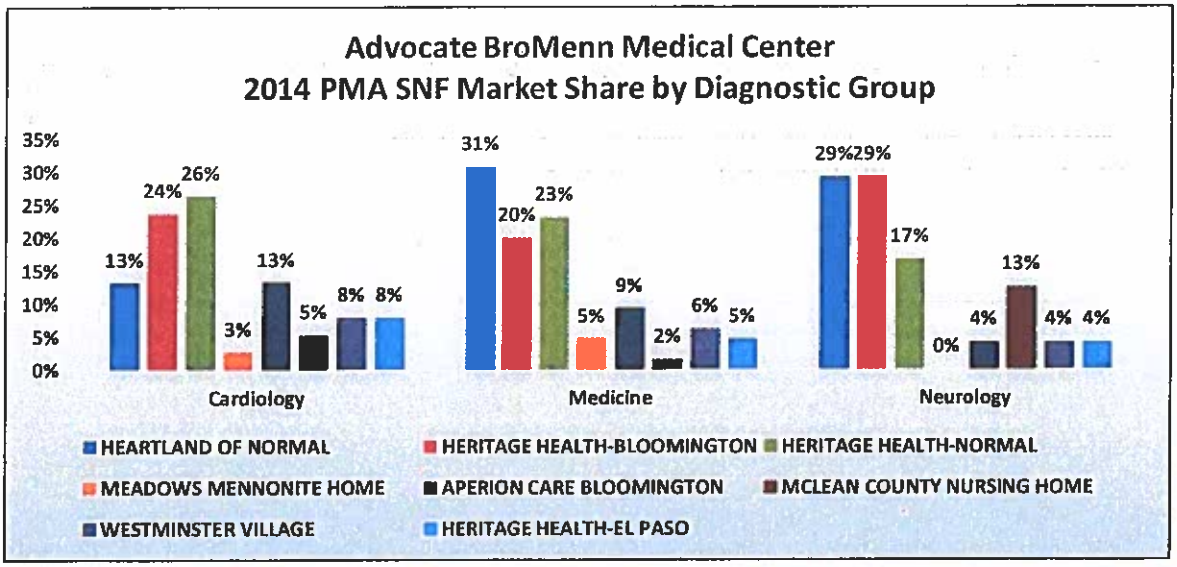


Market Share Across Seven Diagnostic Groups

PMD also analyzed the SNF discharges across seven broad diagnostic groupings and the market share for each SNF in the PMA. PMD selected the following diagnostic groupings as representative of the large majority of patients admitted to SNFs: cardiology, medicine, neurology, orthopedics, pulmonology, surgery, and urology. PMD broke the seven diagnostic categories into several figures for each hospital to make it easier to read.

Skilled nursing market share from Advocate BroMenn Medical Center for cardiology, medicine and neurology is displayed below in Figure 8-13.

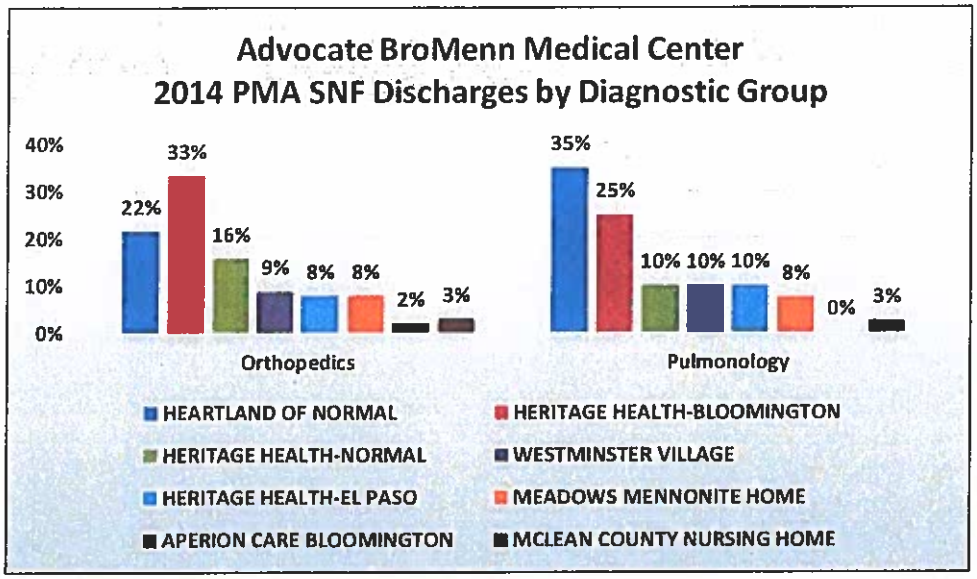
Figure 8-13: Advocate BroMenn Medical Center 2014 PMA SNF Market Share – Cardiology, Medicine, & Neurology



Twenty-six percent (26%) of Advocate BroMenn's Cardiology discharges to SNFs were made to Heritage Health Normal, followed by Heritage Health Bloomington with 24% of the discharges. Heartland of Normal commanded the greatest market share of Medicine discharges with 31% share. Both Heartland of Normal and Heritage Health Bloomington were tied for the largest share of Neurology discharges with 29% share each.

Figure 8-14 displays the 2014 SNF discharges from Advocate BroMenn for Orthopedics and Pulmonology.

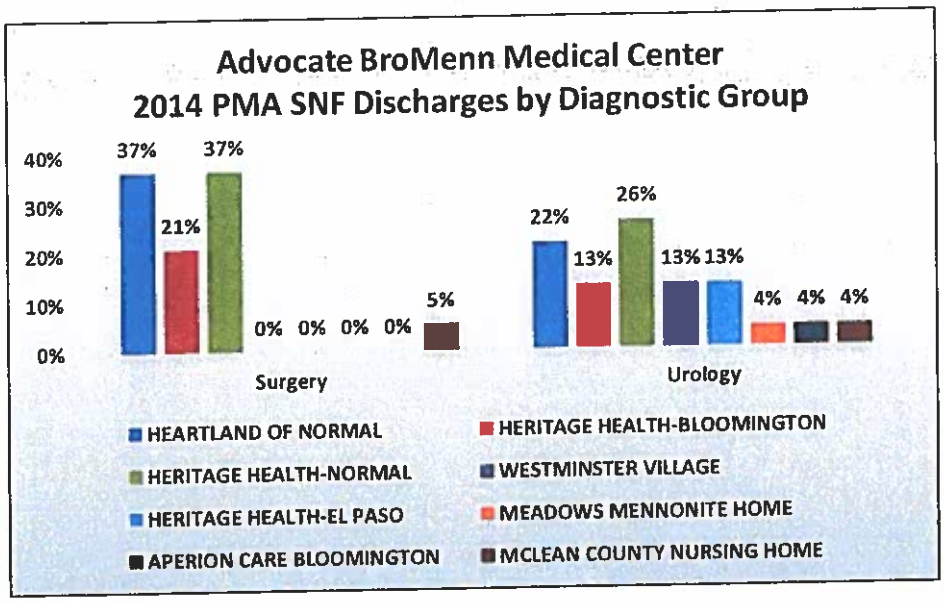
Figure 8-14: Advocate BroMenn Medical Center 2014 PMA SNF Market Share – Orthopedics & Pulmonology



Heritage Health Bloomington had the largest share of Advocate BroMenn's Orthopedics SNF discharges with 33% share. Heartland of Normal had the largest share of 2014 Pulmonology SNF discharges with 35% share.

Figure 8-15 below displays Advocate BroMenn's 2014 discharges to SNF for Surgery and Urology.

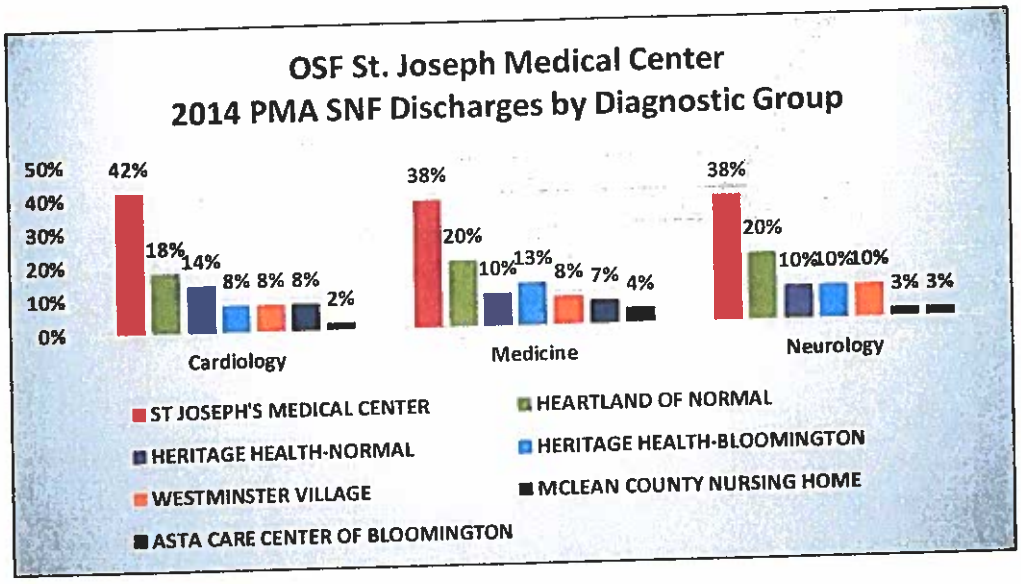
Figure 8-15: Advocate BroMenn Medical Center 2014 PMA SNF Market Share – Surgery & Urology



Both Heartland of Normal and Heritage Health Normal were tied for the largest share of Advocate BroMenn's Surgery discharges with 37% share each. Heritage Health Normal had the largest share of Urology discharges with 26% share.

OSF St. Joseph Medical Center discharges to PMA SNFs in 2014 for Cardiology, Medicine, and Neurology are displayed below in Figure 8-16.

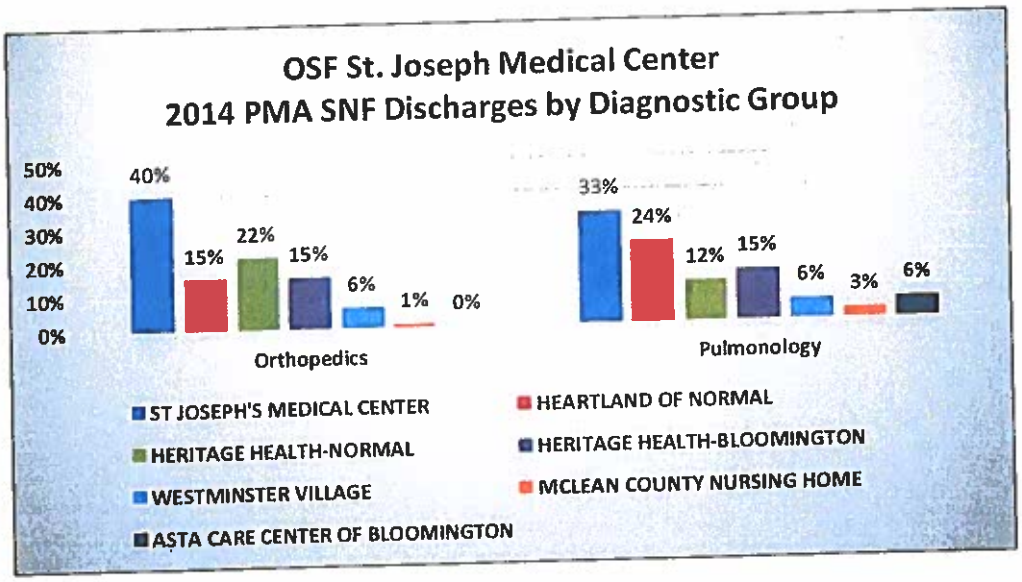
Figure 8-17: OSF St. Joseph Medical Center 2014 PMA SNF Market Share – Cardiology, Medicine, & Neurology



In 2014, St. Joseph Medical Center SNF far exceeded all other SNF providers in Cardiology (42%), Medicine (38%), and Neurology (38%) discharges to SNFs.

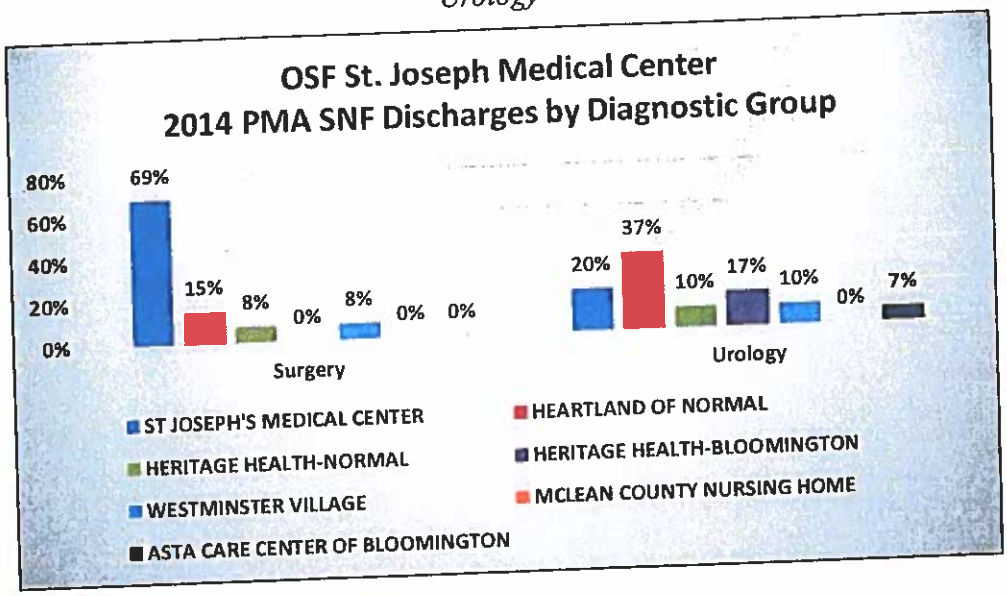
Figure 8-18 below displays the 2014 discharges to SNF for Orthopedics and Pulmonology.

Figure 8-18: OSF St. Joseph Medical Center 2014 PMA SNF Market Share – Orthopedics & Pulmonology



Again, St. Joseph Medical Center had the largest share for both Orthopedics (40%) and Pulmonology (33%) SNF discharges.

Figure 8-19: OSF St. Joseph Medical Center 2014 PMA SNF Market Share – Surgery & Urology



In 2014, St. Joseph Medical Center had the lion share of Surgery discharges to SNF with a 69% share. Heartland of Normal had the largest share of Urology discharges to SNFs with 37% share.

PMD did not display the SNFs market share from Advocate BroMenn and St. Joseph's for Q1 2016. Specifically, PMD believes that because the number of discharges was so small, an analysis of market share for Q1 2016 may not be representative of the overall state of the market.

Accountable Care Organization and Preferred Provider Opportunities

Advocate Health System ACO

Growth in accountable care organizations in the Normal/Bloomington area has been slow to start to date. In fact, the only Accountable Care Organization licensed in the PMA was Advocate Physician Partners Accountable Care, Inc. The ACO was formed in 2012 under the auspice of the Advocate Health Care System and consists of all the Advocate hospitals and more than 5,000 physicians. It was formed as a "care management collaboration" and is a recognized leader in care management and clinical integration across the country.

Post-Acute Network

One of the Advocate Physician Partners ACOs notable programs is the Post-Acute Network, in which Meadows Mennonite Chenoa participates. The Advocate ACO developed a preferred network of community-based skilled nursing, long-term acute care, and rehabilitation providers who meet Advocate's standards for quality. This Post-Acute Network (PAN) includes 41 skilled nursing facilities that have partnered with Advocate to provide optimal care through its "SNF Care Program." The 41 SNFs are system wide and extends beyond the Communities at Mercy Creek PMA.

In this care model, SNF patients are seen by an on-site provider—an Advocate employed advanced practice nurse (APN) or physician—three to five days per week. The APN helps ensure a smooth transition, communicates with the SNF physician, is closely involved with the SNF staff to facilitate medical care coordination and discharge planning, and is responsible for relaying medical information back to the referring PCP. Results have been impressive: in 2015, with a patient volume of more than 9,400, the post-acute adjusted length of stay was 15.5 days (reduced from a 2014 average length of stay of 17 days) and the readmission rate was just 13.5%. This compares to a national average length of stay of 27.6 days for fee-for-service Medicare beneficiaries, according to the most recent report. CMS has taken notice of the care model, and has singled out Advocate's SNF Care Program as a national model for achieving goals of improved care and reduced cost.

OSF St. Joseph Medical Center Post-Acute Care Preferred Provider Network

OSF St. Joseph Medical Center formed a post-acute care preferred provider network currently comprised of approximately nine SNFs. Meadows Mennonite Chenoa is a participant. Four SNFs located in the PMA participate in the network and include Heritage Health Bloomington, OSF St. Joseph Transitional Care Unit, Heartland of Normal, and Heritage Health Normal. The preferred SNFs have an OSF Health Care physician continue to manage patient care in each SNF.

Minimal network standards to obtain and keep participant status in the OSF St. Joseph post-acute care preferred provider network are fairly typical and include:

1) 4 – 5 Star CMS overall rating;
2) 3 – 5 Star CMS quality rating,
3) RN on site 24/7,
4) ability to start IV lines 24/7, and
5) ability to admit within two hours of notification.

Medicare Advantage Opportunities

As of 2016, of over two million Illinois Medicare enrollees, just 18% of Medicare beneficiaries were enrolled in Medicare Advantage plans, compared to the nationwide average of 31% enrollment. Rapid growth of the enrollment in these plans is expected throughout the U.S. and in Illinois. There were 21 different Medicare Advantage plans in McLean County licensed to operate in 2017. Each plan has developed or will develop a version of value-based payment models for both acute and post-acute care. PMD believes potential opportunities lie in approaching select plans and present a willingness and flexibility to enter new arrangements with alternative payment models to garner a larger share of the Medicare Advantage market.

APPENDIX 1

Site Evaluation Form

Senior Housing Site Location Evaluation Check List

Project: Meadows at Mercy Creek **Date:** November 9, 2016

Location: 1501 Mercy Creek Drive, Normal, IL 61761 **Client:** Meadows at Mercy Creek

1. Site Services Available

Gas	Yes (4)	4
Electricity	Yes (4)	4
Water	Yes (4)	4
Sewer	Yes (4)	4
Telephone	Yes (4)	4
Total:		**20**

2. Vehicular Access to Site

From quiet residential street	Yes (5)	5
From secondary commercial street	Yes (3)	
From busy primary artery	Yes (1)	
Total:		**5**

3. Property Zoning:

Zoned for elderly housing	Yes (5)	5
Can be rezoned for elderly housing	Yes (3)	
Total:		**5**

4. Fire and Police Protection Proximity:

0-1 mile	(6)	
1-5 miles	(3)	
5-10 miles	(1)	1
Does not exist	(0)	
Total:		**1**

5. Emergency Health Care Proximity:

0-1 mile	(6)	
1-5 miles	(3)	3
5-10 miles	(1)	
Does not exist	(0)	
Total:		**3**

6. Full Service Hospital Proximity:

0-1 mile	(6)	
1-5 miles	(3)	
5-10 miles	(1)	1
Greater than 10 miles	(0)	
Total:		**1**

7. Degree of Neighborhood Safety and Security:

Very Safe	(6)	6
Average	(3)	
Security Required	(1)	
Total:		**6**

Senior Housing Site Location Evaluation Check List

Project: Meadows at Mercy Creek **Date:** November 9, 2016

Location: 1501 Mercy Creek Drive, Normal, IL 61761 **Client:** Meadows at Mercy Creek

8. Cultural Facility Proximity: (e.g. Theater, Library, Museum, etc.)

0-5 blocks	(5)	
½-1 mile	(3)	
1-5 miles	(1)	1
5-10 miles	(0)	
Total:		**1**

9. Religious Facility Proximity:

0-5 blocks	(6)	6
½-1 mile	(3)	
1-5 miles	(1)	
5-10 miles	(0)	
Total:		**6**

10. Convenience Shopping Proximity: (e.g. bank, Drugstore, Cleaner, Deli, etc.)

0-5 blocks	(5)	
½-1 mile	(3)	
1-5 miles	(1)	1
5-10 miles	(0)	
Total:		**1**

11. Parks and Recreation Facility Proximity:

0-5 blocks	(5)	
½-1 mile	(3)	
1-5 miles	(1)	3
5-10 miles	(0)	
Total:		**3**

12. Major Shopping Mall Proximity:

0-5 miles	(5)	5
5-10 mile	(3)	
10-20 miles	(1)	
Total:		**5**

13. Public Transportation Access Point:

At Site	(5)	
2 blocks	(3)	
5 blocks	(1)	
Does not exist	(0)	0
Total:		**0**

14. Surrounding Land Use:

Compatible	(5)	5
Incompatible	(1)	
Total:		**5**

Senior Housing Site Location Evaluation Check List

Project: Meadows at Mercy Creek **Date:** November 9, 2016

Location: 1501 Mercy Creek Drive, Normal, IL 61761 **Client:** Meadows at Mercy Creek

15. Project Design, Compatibility with Surrounding Neighborhood (Example: High-rise in Neighborhood of Single Family Bungalows not Compatible):

Yes	(5)	5
No	(0)	
Total:		**5**

16. Nearest Similar Facility:

5-10 miles	(5)	5
1-5 miles	(3)	
0-1 miles	(1)	
Total:		**5**

TOTAL SCORE: **72**

Scoring: Maximum Score = 100 Points

85 to 100 = Excellent Site Should appeal to wide market.
70 to 85 = Good Site Depending on negatives - may have slightly limited market range.
55 to 70 = Average Site Need to carefully evaluate negatives - may have limited marketability.
0 to 55 = Below Average Site May be more risks than necessary - get several additional opinions

APPENDIX 2

Senior Market Profile

The Senior Market Profile in this appendix utilizes block group level data supplied by The Nielsen Company from the 2010 U.S. Census including population and household data. The SMP also includes current year (2015) estimates and (2020) projections of population and households by age, income, home value and net worth supplied by The Nielsen Company. PMD has developed estimates and projections using these data, specifically estimates of median income and home value for 2010 and estimates and projections of age specific home value, net worth and need for assistance with activities of daily living that are included in the SMP.

Estimates and projections of need for assistance with activities of daily living on pages 8 and 9 are the result of extensive research using a variety of current resources and PMD maintains the methodology is statistically sound, however testers (when in beta testing mode) found the new methodology produces counts that are unusually low (in the limited number of market areas tested). For this reason, PMD is reviewing the ADL methodology and is using blended multipliers based on previous PMD research in this market analysis.

Senior Market Profile

Mercy Creek PMA **Normal,IL**

Market Area Overview 2015 Estimates

Households

67,547	Total Households
5,942	Total 75+ Households

Age 75+ Household Income

916	75+ Households with Income of <$15,000
2,187	75+ Households with Income of $15K-$34,999
2,839	75+ Households with Income of >$35,000

Age 75+ Housholds in Need of Assistance

250	75+ Households with 1+ ADLs and Income of <$15,000
575	75+ Households with 1+ ADLs and Income of $15K-$34,999
698	75+ Households with 1+ ADLs and Income of >$35,000

Age 75+ Housholds with Dementia

245	75+ Households with 1+ ADLs and Dementia and Income of <$15,000
553	75+ Households with 1+ ADLs and Dementia and Income of $15K-$34,999
639	75+ Households with 1+ ADLs and Dementia and Income of >$35,000

Adult Child Households

24,367	Total 45-64 Households
13,607	45-64 Households with Income of $75,000+

Household Home Value and Net Worth

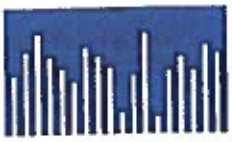
63,413	All Age Household Median Income
33,548	75+ Household Median Income
167,784	All Age Household Median Home Value
167,769	75+ Household Median Home Value
62,892	All Age Household Median Net Worth
200,598	75+ Household Median Net Worth

Household Tenure / Type	Own		Rent	
	Count	Percent	Count	Percent
Total	44,927	66.5	22,620	33.5
Age 75+	4,402	74.1	1,540	25.9

Households By Type	1 Person Female		1 Person Male		Couple		Other	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Total	9,148	13.5	7,359	10.9	16,294	24.1	34,746	51.4
Age 75+	2,394	40.3	780	13.1	2,097	35.3	671	11.3

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Senior Market Profile



Mercy Creek PMA

Normal,IL

Census and Current Year Estimates

Variable	2010 Census Summary Comparison Mkt Area	IL	US	2015 Estimate Summary Comparison Mkt Area	IL	US	Market Area Change 2010 - 2015 Number	*AA%
Population								
Total (all ages)	167,085	12,830,632	308,745,538	175,038	12,900,879	319,459,991	7,953	1.0
55 and older	34,198	3,082,420	76,750,713	40,035	3,437,686	87,463,350	5,837	3.4
% of total	20.5	24.0	24.9	22.9	26.6	27.4		
65 and older	17,201	1,609,213	40,267,984	20,375	1,812,958	46,876,970	3,174	3.7
% of total	10.3	12.5	13.0	11.6	14.1	14.7		
75 and older	8,264	759,678	18,554,555	8,759	782,026	19,861,500	495	1.2
% of total	4.9	5.9	6.0	5.0	6.1	6.2		
85 an older	2,681	234,912	5,493,433	2,911	249,826	6,094,345	230	1.7
% of total	1.6	1.8	1.8	1.7	1.9	1.9		
Median age	32.0	36.5	37.1	32.8	37.1	37.5		
Households								
Total (all ages)	64,179	4,836,972	116,716,292	67,547	4,894,599	121,099,157	3,368	1.1
55 and older	21,561	1,911,567	47,160,174	25,187	2,112,824	53,228,855	3,626	3.4
% of total	33.6	39.5	40.4	37.3	43.2	44.0		
55-64	10,296	864,401	21,340,338	11,846	944,879	23,498,598	1,550	3.0
% of total	16.0	17.9	18.3	17.5	19.3	19.4		
65 and older	11,265	1,047,166	25,819,836	13,341	1,167,945	29,730,257	2,076	3.7
% of total	17.6	21.6	22.1	19.8	23.9	24.6		
65-74	5,698	533,952	10,937,349	7,399	642,231	16,640,967	1,701	6.0
% of total	8.9	11.0	9.4	11.0	13.1	13.7		
75 and older	5,567	513,214	12,315,319	5,942	525,714	13,089,290	375	1.4
% of total	8.7	10.6	10.6	8.8	10.7	10.8		
75-84	3,789	355,982	8,716,367	3,995	358,688	9,108,721	206	1.1
% of total	5.9	7.4	7.5	5.9	7.3	7.5		
85 and older	1,778	157,232	3,598,952	1,947	167,026	3,980,569	169	1.9
% of total	2.8	3.3	3.1	2.9	3.4	3.3		
Avg. Household size	2.6	2.7	2.6	2.6	2.6	2.6		
Avg. Household size 75+	1.5	1.5	1.5	1.5	1.5	1.5		
Median Income								
All Households	58,542	55,290	50,821	63,413	53,987	49,401	4,871	1.7
55-64	73,063	63,795	58,768	80,427	65,384	59,541	7,364	2.0
65-74	51,057	46,642	44,782	57,205	42,686	41,619	6,148	2.4
Age 75+	31,805	28,050	27,575	33,548	27,622	26,955	1,743	1.1
Age 65+	41,875	36,051	35,432	45,159	34,483	33,872	3,284	1.6
Median Home Value								
All Households	155,018	161,575	156,979	167,784	171,790	170,333	12,766	1.7
Age 75+	155,004	175,618	176,664	167,769	186,721	191,693	12,765	1.7
Median Net Worth								
All Age Households				62,892	62,809	52,637		
Age 75+				200,598	126,459	120,203		

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

2010 census | 2015 current | 2020 projection

Current and Projection Year Estimates

Variable	2015 Estimate Summary Comparison Mkt Area	IL	US	2020 Projection Summary Comparison Mkt Area	IL	US	Market Area Change 2015 - 2020 Number	*AA%
Total (all ages)	175,038	12,900,879	319,459,991	181,945	12,983,189	330,689,365	6,907	0.79
55 and older	40,035	3,437,686	87,463,350	45,814	3,769,730	98,282,778	5,779	2.89
% of total	22.9	26.6	27.4	25.2	29.0	29.7		
65 and older	20,375	1,812,958	46,876,970	24,713	2,085,261	55,154,921	4,338	4.26
% of total	11.6	14.1	14.7	13.6	16.1	16.7		
75 and older	8,759	782,026	19,861,500	9,692	838,812	21,994,496	933	2.13
% of total	5.0	6.1	6.2	5.3	6.5	6.7		
85 an older	2,911	249,826	6,094,345	2,931	251,446	6,447,122	20	0.14
% of total	1.7	1.9	1.9	1.6	1.9	1.9		
Median age	32.8	37.1	37.5	34.1	38.0	38.2		
Households								
Total (all ages)	67,547	4,894,599	121,099,157	70,425	4,946,594	125,616,498	2,878	0.85
55 and older	25,187	2,112,824	53,228,855	28,266	2,294,263	59,173,983	3,079	2.44
% of total	37.3	43.2	44.0	40.1	46.4	47.1		
55-64	11,846	944,879	23,498,598	12,399	968,387	24,642,765	553	0.93
% of total	17.5	19.3	19.4	17.6	19.6	19.6		
65 and older	13,341	1,167,945	29,730,257	15,867	1,325,876	34,531,218	2,526	3.79
% of total	19.8	23.9	24.6	22.5	26.8	27.5		
65-74	7,399	642,231	16,640,967	9,368	767,875	20,195,571	1,969	5.32
% of total	11.0	13.1	13.7	13.3	15.5	16.1		
75 and older	5,942	525,714	13,089,290	6,499	558,001	14,335,647	557	1.87
% of total	8.8	10.7	10.8	9.2	11.3	11.4		
75-84	3,995	358,688	9,108,721	4,540	390,740	10,147,633	545	2.73
% of total	5.9	7.3	7.5	6.4	7.9	8.1		
85 and older	1,947	167,026	3,980,569	1,959	167,261	4,188,014	12	0.12
% of total	2.9	3.4	3.3	2.8	3.4	3.3		
Avg. Household size	2.6	2.6	2.6	2.6	2.6	2.6		
Avg. Household size 75+	1.5	1.5	1.5	1.5	1.5	1.5		
Median Income								
All Households	63,413	53,987	49,401	68,580	54,971	49,918	5,167	1.63
55-64	80,427	65,384	59,541	90,317	67,682	61,560	9,890	2.46
65-74	57,205	42,686	41,619	61,329	44,497	43,129	4,124	1.44
Age 75+	33,548	27,622	26,955	34,909	28,888	28,067	1,361	0.81
Age 65+	45,159	34,483	33,872	48,539	36,592	35,407	3,380	1.5
Median Home Value								
All Households	167,784	171,790	170,333	178,267	169,473	176,945	10,483	1.25
Age 75+	167,769	186,721	191,693	178,279	187,938	201,787	10,510	1.25
Median Net Worth								
All Age Households	62,892	62,809	52,637	73,323	67,537	56,614	10,431	3.32
Age 75+	200,598	126,459	120,203	221,611	129,279	122,910	21,013	2.1

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Senior Market Profile

Mercy Creek PMA — Normal,IL

Population / Age / Sex

2010 census | 2015 current | 2020 projection

Age	Market Area Population 2010	2015	2020	Change 2010 - 2015 Number	*AA%	Change 2015 - 2020 Number	*AA%
Total	167,085	175,038	181,945	7,953	1.0	6,907	0.8
Under 25	67,018	68,105	66,664	1,087	0.3	-1,441	-0.4
25 to 34	23,202	23,862	25,624	660	0.6	1,762	1.5
35 to 44	20,542	21,504	22,781	962	0.9	1,277	1.2
45 to 49	11,287	10,595	10,494	-692	-1.2	-101	-0.2
50 to 54	10,838	10,937	10,568	99	0.2	-369	-0.7
55 to 59	9,524	10,589	10,792	1,065	2.2	203	0.4
60 to 64	7,473	9,071	10,309	1,598	4.3	1,238	2.7
65 to 69	5,076	6,863	8,664	1,787	7.0	1,801	5.2
70 to 74	3,861	4,753	6,357	892	4.6	1,604	6.7
75 to 79	2,975	3,369	4,144	394	2.6	775	4.6
80 to 84	2,608	2,479	2,617	-129	-1.0	138	1.1
85 and older	2,681	2,911	2,931	230	1.7	20	0.1
Median age	32	33	34	1	0.5	1	0.8
Female Total	86,090	89,911	93,367	3,821	0.9	3,456	0.8
Under 25	34,133	34,458	33,629	325	0.2	-829	-0.5
25 to 34	11,637	12,029	12,868	392	0.7	839	1.4
35 to 44	10,240	10,664	11,436	424	0.8	772	1.4
45 to 49	5,728	5,373	5,213	-355	-1.2	-160	-0.6
50 to 54	5,611	5,581	5,393	-30	-0.1	-188	-0.7
55 to 59	4,981	5,523	5,550	542	2.2	27	0.1
60 to 64	3,804	4,778	5,449	974	5.1	671	2.8
65 to 69	2,688	3,580	4,620	892	6.6	1,040	5.8
70 to 74	2,079	2,532	3,379	453	4.4	847	6.7
75 to 79	1,723	1,890	2,281	167	1.9	391	4.1
80 to 84	1,618	1,519	1,556	-99	-1.2	37	0.5
85 and older	1,848	1,984	1,993	136	1.5	9	0.1
Median age	28	29	30	1	0.5	1	0.9
Male Total	80,995	85,127	88,578	4,132	1.0	3,451	0.8
Under 25	32,885	33,647	33,035	762	0.5	-612	-0.4
25 to 34	11,565	11,833	12,756	268	0.5	923	1.6
35 to 44	10,302	10,840	11,345	538	1.0	505	0.9
45 to 49	5,559	5,222	5,281	-337	-1.2	59	0.2
50 to 54	5,227	5,356	5,175	129	0.5	-181	-0.7
55 to 59	4,543	5,066	5,242	523	2.3	176	0.7
60 to 64	3,669	4,293	4,860	624	3.4	567	2.6
65 to 69	2,388	3,283	4,044	895	7.5	761	4.6
70 to 74	1,782	2,221	2,978	439	4.9	757	6.8
75 to 79	1,252	1,479	1,863	227	3.6	384	5.2
80 to 84	990	960	1,061	-30	-0.6	101	2.1
85 and older	833	927	938	94	2.3	11	0.2
Median age	26	27	29	1	1.1	2	1.1

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Senior Market Profile

Mercy Creek PMA
Household Income

Normal,IL

2010 census | 2015 current | 2020 projection

Age	Market Area Households 2010	2015	2020	Change 2010 - 2015 Number	*AA%	Change 2015 - 2020 Number	*AA%
Total	63,907	67,547	70,425	3,640	1.1	2,878	0.9
Under 25	6,086	5,646	4,932	-440	-1.4	-714	-2.5
25 to 34	11,826	12,136	12,530	310	0.5	394	0.6
35 to 44	11,492	12,057	12,688	565	1.0	631	1.0
45 to 49	6,577	6,086	5,976	-491	-1.5	-110	-0.4
50 to 54	6,365	6,435	6,033	70	0.2	-402	-1.2
55 to 59	5,850	6,470	6,548	620	2.1	78	0.2
60 to 64	4,446	5,376	5,851	930	4.2	475	1.8
65 to 69	3,136	4,271	5,312	1,135	7.2	1,041	4.9
70 to 74	2,562	3,128	4,056	566	4.4	928	5.9
75 to 79	1,860	2,166	2,629	306	3.3	463	4.3
80 to 84	1,929	1,829	1,911	-100	-1.0	82	0.9
85 and older	1,778	1,947	1,959	169	1.9	12	0.1
Median age	32	33	34	0.8	0.5	1	0.8
Household Income (for all HH)							
Total		67,547	70,425			2,878	0.9
Less than 15		7,832	7,347			-485	-1.2
15 to <25		6,223	5,994			-229	-0.7
25 to <35		5,828	5,804			-24	-0.1
35 to <50		7,724	7,588			-136	-0.4
50 to <60		4,496	4,558			62	0.3
60 to <75		7,344	6,855			-489	-1.3
75 to <100		9,382	9,739			357	0.8
100 to <125		6,111	6,930			819	2.7
125 to <150		4,303	4,872			569	2.6
150 to <200		4,573	5,369			796	3.5
200 and over		3,731	5,369			1,638	8.8
HH Income byPercentage							
Total		67,547	70,425			2,878	0.9
Less than 15		12	10			-1	-2.1
15 to <25		9	9			-1	-1.5
25 to <35		9	8			0	-0.9
35 to<50		11	11			-1	-1.1
50 to <60		7	7			0	-0.6
60 to<75		11	10			-1	-2.2
75 to<100		14	14			0	-0.1
100 to<125		9	10			1	1.8
125 to<150		6	7			1	1.6
150 to <200		7	8			1	2.4
200 and over		6	8			2	7.6

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

2010 census **2015** current **2020** projection

Current Age / Income

Household Income (000's Dollars)	Totals by Age of Householder Total	Under 45	45-54	55-59	60-64	45+ HHLDS	55+ HHLDS
Total	67,547	29,839	12,521	6,472	5,374	37,708	25,187
Less than 15	7,832	4,293	927	614	510	3,539	2,612
15 to <25	6,223	2,801	592	399	331	3,422	2,830
25 to <35	5,828	2,980	547	329	273	2,848	2,301
35 to <50	7,724	3,308	1,155	666	553	4,416	3,261
50 to <60	4,496	2,076	772	415	344	2,420	1,648
60 to <75	7,344	3,810	1,187	626	520	3,534	2,347
75 to <100	9,382	4,130	1,876	926	769	5,252	3,376
100 to <125	6,111	2,406	1,630	738	614	3,705	2,075
125 to <150	4,303	1,606	1,049	492	408	2,697	1,648
150 to <200	4,573	1,483	1,465	662	550	3,090	1,625
200 and over	3,731	946	1,321	605	502	2,785	1,464
Median Income	63,413	57,409	89,392	80,049	80,072	69,376	59,648
Mean Income	86,158	73,038	118,446	108,960	108,951	96,541	85,652

Household Income (000's Dollars)	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	4,271	3,128	2,165	1,830	1,947	13,341	5,942
Less than 15	330	242	288	244	384	1,488	916
15 to <25	474	348	431	364	483	2,100	1,278
25 to <35	456	334	321	271	317	1,699	909
35 to <50	648	475	362	306	251	2,042	919
50 to <60	327	239	128	108	87	889	323
60 to <75	439	322	171	144	125	1,201	440
75 to <100	662	485	218	184	132	1,681	534
100 to <125	296	216	76	65	70	723	211
125 to <150	305	223	83	71	66	748	220
150 to <200	179	131	48	40	15	413	103
200 and over	155	113	39	33	17	357	89
Median Income	56,973	56,904	36,740	36,765	28,375	45,159	33,548
Mean Income	76,583	76,485	54,183	54,201	43,035	64,959	50,536

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

Projection Age / Income

	2010 census	2015 current	2020 projection

Household Income (000's Dollars)	Totals by Age of Householder					45+ HHLDS	55+ HHLDS
	Total	Under 45	45-54	55-59	60-64		
Total	70,425	30,150	12,009	6,549	5,850	40,275	28,266
Less than 15	7,347	3,914	778	553	494	3,433	2,655
15 to <25	5,994	2,554	488	350	312	3,440	2,952
25 to <35	5,804	2,829	465	305	272	2,975	2,510
35 to <50	7,588	3,147	976	599	536	4,441	3,465
50 to <60	4,558	3,525	671	385	344	2,465	1,794
60 to <75	6,855	2,093	966	547	489	3,330	2,364
75 to <100	9,739	4,276	1,704	898	803	5,463	3,759
100 to <125	6,930	2,769	1,647	800	714	4,161	2,514
125 to <150	4,872	1,834	1,042	521	465	3,038	1,996
150 to <200	5,369	1,798	1,549	747	667	3,571	2,022
200 and over	5,369	1,411	1,723	844	754	3,958	2,235
Median Income	68,580	57,464	99,355	89,894	89,882	75,247	64,803
Mean Income	96,153	81,265	134,131	124,020	124,017	106,854	95,265

Household Income (000's Dollars)	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	5,311	4,057	2,631	1,909	1,959	15,867	6,499
Less than 15	378	288	334	242	366	1,608	942
15 to <25	543	414	495	360	478	2,290	1,333
25 to <35	538	411	383	278	323	1,933	984
35 to <50	765	585	424	309	247	2,330	980
50 to <60	397	304	158	114	92	1,065	364
60 to <75	495	378	195	141	119	1,328	455
75 to <100	823	629	274	199	133	2,058	606
100 to <125	416	318	107	77	82	1,000	266
125 to <150	416	318	115	83	78	1,010	276
150 to <200	261	199	76	55	17	608	148
200 and over	279	213	70	51	24	637	145
Median Income	61,061	61,032	38,679	38,592	29,211	48,539	34,909
Mean Income	84,853	84,854	59,584	59,557	45,775	72,795	55,414

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

ADLs Age / Income

2010 census	2015 current	2020 projection

2015 Households with 1+ ADLs by Income by Age of Householder	Totals by Age of Householder 65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	295	337	333	444	746	2,155	1,523
Less than 15	23	26	44	59	147	299	250
15 to <25	33	38	66	88	185	410	339
25 to <35	31	36	49	66	121	303	236
35 to <50	45	51	56	74	96	322	226
50 to <60	23	26	20	26	33	128	79
60 to <75	30	35	26	35	48	174	109
75 to <100	46	52	34	45	51	228	130
100 to <125	20	23	12	16	27	98	55
125 to <150	21	24	13	17	25	100	55
150 to <200	12	14	7	10	6	49	23
200 and over	11	12	6	8	7	44	21
Median Income	56,957	56,539	36,875	36,824	28,388	45,161	33,605
Mean Income	76,658	76,164	54,281	54,331	43,333	56,986	48,933

2019 Households with 1+ ADLs by Income by Age of Householder	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	366	437	404	462	751	2,420	1,617
Less than 15	26	31	51	59	140	307	250
15 to <25	37	45	76	87	183	428	346
25 to <35	37	44	59	67	124	331	250
35 to <50	53	63	65	75	95	351	235
50 to <60	27	33	24	28	35	147	87
60 to <75	34	41	30	34	46	185	110
75 to <100	57	68	42	48	51	266	141
100 to <125	29	34	16	19	31	129	66
125 to <150	29	34	18	20	30	131	68
150 to <200	18	21	12	13	7	71	32
200 and over	19	23	11	12	9	74	32
Median Income	61,324	60,732	38,692	38,600	29,274	48,627	34,893
Mean Income	84,834	84,711	59,927	59,210	45,764	63,637	53,144

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

Dementia Age / Income

2010 census	2015 current	2020 projection

2015 HHlds w/Dementia and 1+ ADLs by Income by Age of Householder	Totals by Age of Householder					65+ HHLDS	75+ HHLDS
	65-69	70-74	75-79	80-84	85+		
Total	56	104	189	412	836	1,597	1,437
Less than 15	4	8	25	55	165	257	245
15 to <25	6	12	38	82	208	346	328
25 to <35	6	11	28	61	136	242	225
35 to <50	9	16	32	69	108	234	209
50 to <60	4	8	11	24	37	84	72
60 to <75	6	11	15	32	54	118	101
75 to <100	9	16	19	42	57	143	118
100 to <125	4	7	7	15	30	63	52
125 to <150	4	7	7	16	28	62	51
150 to <200	2	4	4	9	6	25	19
200 and over	2	4	3	7	7	23	17
Median Income	57,500	56,250	36,406	36,739	28,309	45,000	33,571
Mean Income	76,291	76,324	53,269	53,912	42,796	50,261	47,361

2020 HHlds w/Dementia and 1+ ADLs by Income by Age of Householder	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	69	137	229	432	842	1,709	1,503
Less than 15	5	10	29	55	157	256	241
15 to <25	7	14	43	81	206	351	330
25 to <35	7	14	33	63	139	256	235
35 to <50	10	19	37	70	106	242	213
50 to <60	5	10	14	26	40	95	80
60 to <75	7	13	17	32	51	120	100
75 to <100	11	21	24	45	57	158	126
100 to <125	5	11	9	17	35	77	61
125 to <150	5	11	10	19	34	79	63
150 to <200	3	7	7	12	7	36	26
200 and over	4	7	6	12	10	39	28
Median Income	60,000	61,154	38,649	38,643	29,173	48,677	35,000
Mean Income	85,428	84,794	59,646	59,789	45,615	55,826	51,827

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

2010 census | 2015 current | 2020 projection

Home Value and Wealth - Age 75+ Households

HOME VALUE	Home Value and Wealth 2015	2020	Change 2015 - 2020 Number	*AA%
Total Owner Units	4,402	4,863	461	2.1
Less than $50,000	332	357	25	1.5
$50,000 to $99,999	473	437	-36	-1.5
$100,000 to $149,999	1,036	1,030	-6	-0.1
$150,000 to $199,999	1,013	1,075	62	1.2
$200,000 to $249,999	551	677	126	4.6
$250,000 to $299,999	401	468	67	3.3
$300,000 to $399,999	371	472	101	5.4
$400,000 to $499,999	140	206	66	9.4
$500,000 to $749,999	64	105	41	12.8
$750,000 to $999,999	14	25	11	15.7
$1,000,000 and over	7	11	4	11.4
Median Value **	167,769	178,279	10,510	1.3
Age 75+ Households By Percentage of Total				
Less than $50,000	7.5	7.3	-0.2	-0.5
$50,000 to $99,999	10.7	9	-1.7	-3.2
$100,000 to $149,999	23.5	21.2	-2.3	-2.0
$150,000 to $199,999	23	22.1	-0.9	-0.8
$200,000 to $249,999	12.5	13.9	1.4	2.2
$250,000 to $299,999	9.1	9.6	0.5	1.1
$300,000 to $399,999	8.4	9.7	1.3	3.1
$400,000 to $499,999	3.2	4.2	1	6.3
$500,000 to $749,999	1.5	2.2	0.7	9.3
$750,000 to $999,999	0.3	0.5	0.2	13.3
$1,000,000 and over	0.2	0.2	0	0.0

75+ Households Household Wealth	Households 2015	2020		
TOTAL	5,817	6,140	323	1.1
Less than $25,000	1,495	1,463	-32	-0.4
$25,000 to $49,999	163	161	-2	-0.2
$50,000 to $74,999	265	278	13	1.0
$75,000 to $99,999	210	209	-1	-0.1
$100,000 to $149,999	394	399	5	0.3
$150,000 to $249,999	753	782	29	0.8
$250,000 to $499,000	1,132	1,226	94	1.7
$500,000 to $749,000	534	607	73	2.7
$750,000 to $999,999	301	316	15	1.0
$1,000,000 and over	570	699	129	4.5
Age 75+ Median Net Worth	200,598	221,611	21,014	2.1

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

Home Value and Wealth - All Households

	Home Value and Wealth		Change 2015 - 2020	
HOME VALUE	2015	2020	Number	*AA%
Total Owner Units	44,927	47,032	2,105	0.9
Less than $50,000	3,381	3,441	60	0.4
$50,000 to $99,999	4,832	4,231	-601	-2.5
$100,000 to $149,999	10,574	9,965	-609	-1.2
$150,000 to $199,999	10,338	10,399	61	0.1
$200,000 to $249,999	5,626	6,546	920	3.3
$250,000 to $299,999	4,091	4,527	436	2.1
$300,000 to $399,999	3,786	4,563	777	4.1
$400,000 to $499,999	1,429	1,993	564	7.9
$500,000 to $749,999	655	1,020	365	11.1
$750,000 to $999,999	145	238	93	12.8
$1,000,000 and over	70	109	39	11.1
Median Value **	167,784	178,267	10,483	1.2
All Households				
By Percentage of Total				
Less than $50,000	8	7	-0.2	-0.5
$50,000 to $99,999	11	9	-1.8	-3.3
$100,000 to $149,999	24	21	-2.3	-2.0
$150,000 to $199,999	23	22	-0.9	-0.8
$200,000 to $249,999	13	14	1.4	2.2
$250,000 to $299,999	9	10	0.5	1.1
$300,000 to $399,999	8	10	1.3	3.1
$400,000 to $499,999	3	4	1	6.3
$500,000 to $749,999	2	2	0.7	9.3
$750,000 to $999,999	0	1	0.2	13.3
$1,000,000 and over	0	0	0	0.0

	Households			
All Households Household Wealth	2015	2020		
TOTAL	66,171	68,226	2,055	0.6
Less than $25,000	27,570	27,405	-165	-0.1
$25,000 to $49,999	3,919	3,857	-62	-0.3
$50,000 to $74,999	3,097	3,056	-41	-0.3
$75,000 to $99,999	2,514	2,497	-17	-0.1
$100,000 to $149,999	4,108	4,117	9	0.0
$150,000 to $249,999	5,670	5,793	123	0.4
$250,000 to $499,000	7,640	8,098	458	1.2
$500,000 to $749,000	3,549	3,922	373	2.1
$750,000 to $999,999	2,213	2,496	283	2.6
$1,000,000 and over	5,891	6,985	1,094	3.7
Median Net Worth	62,892	73,323	10,432	3.3

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Senior Market Profile

Mercy Creek PMA Normal,IL

2010 census | 2015 current | 2020 projection

Population Age 65+ by Race and Hispanic Origin

POPULATION *	Market Area Population 2010	2015	2020	Change 2010 - 2015 Number	*AA%	Change 2015 - 2020 Number	*AA%
Total AmIn/AlNat Pop.	386	483	587	97	5.0	104	4.3
AmIn/AlNat Age 65 - 69	9	16	23	7	15.6	7	8.8
AmIn/AlNat Age 70 - 74	7	12	22	5	14.3	10	16.7
AmIn/AlNat Age 75 - 79	5	6	9	1	4.0	3	10.0
AmIn/AlNat Age 80 - 84	2	2	4	0	0.0	2	20.0
AmIn/AlNat Age 85 and older	3	4	7	1	6.7	3	15.0
Median AmIn/AlNat Age	28	28	29	0	0.2	1	0.6
Total Asian Pop.	7,203	8,956	10,849	1,753	4.9	1,893	4.2
Asian Population Age 65 - 69	77	143	235	66	17.1	92	12.9
Asian Population Age 70 - 74	48	79	155	31	12.9	76	19.2
Asian Population Age 75 - 79	38	49	79	11	5.8	30	12.2
Asian Population Age 80 - 84	20	20	29	0	0.0	9	9.0
Asian Population Age and older	9	10	13	1	2.2	3	6.0
Median Asian Age	29	29	30	0	0.0	1	0.4
Total Black Population	12,353	13,452	14,551	1,099	1.8	1,099	1.6
Black Population Age 65 - 69	158	241	344	83	10.5	103	8.5
Black Population Age 70 - 74	105	135	202	30	5.7	67	9.9
Black Population Age 75 - 79	74	85	109	11	3.0	24	5.6
Black Population Age 80 - 84	51	47	51	-4	-1.6	4	1.7
Black Population Age 85 and older	54	65	76	11	4.1	11	3.4
Median Black Age	26	26	28	1	0.7	2	1.5
Total Pacific Islander Pop.	56	62	67	6	2.1	5	1.6
PI Population Age 65 - 69	0	0	1	0	1.0	1	0.0
PI Population Age 70 - 74	0	0	0	0	1.0	0	0.0
PI Population Age 75 - 79	0	0	1	0	1.0	1	0.0
PI Population Age 80 - 84	0	0	0	0	1.0	0	0.0
PI Population Age 85 and older	0	0	2	0	1.0	2	0.0
Median PI Age	26	26	28	1	0.5	2	1.3
Total White Pop.	140,589	144,604	147,376	4,015	0.6	2,772	0.4
White Population Age 65-69	4,792	6,400	7,958	1,608	6.7	1,558	4.9
White Population Age 70-74	3,671	4,490	5,915	819	4.5	1,425	6.3
White Population Age 75-79	2,836	3,201	3,896	365	2.6	695	4.3
White Population Age 80-84	2,527	2,404	2,519	-123	-1.0	115	1.0
White Population Age 85 and older	2,598	2,808	2,802	210	1.6	-6	0.0
Median White Age	34	35	37	1	0.6	2	0.9
Total Hispanic Pop.	7,358	8,718	10,173	1,360	3.7	1,455	3.3
Hispanic Population Age 65-69	61	96	153	35	11.5	57	11.9
Hispanic Population Age 70-74	41	58	96	17	8.3	38	13.1
Hispanic Population Age 75-79	34	44	71	10	5.9	27	12.3
Hispanic Population Age 80-84	21	23	42	2	1.9	19	16.5
Hispanic Population Age 85 and older	17	25	36	8	9.4	11	8.8
Median Hispanic Age	22	23	24				

** "Other Race" and "2 or More Races" counts are not included, therefore totals by race will not sum to Total Population.*

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

2010	2015	2020
census	current	projection

Market Area Geography

Market Area selection type: TreeView selected

State	County	Tract	Block Group	Zip Code	
17	113	102			McLean County, Illinois Tract 000102
17	113	104			McLean County, Illinois Tract 000104
17	113	105			McLean County, Illinois Tract 000105
17	113	200			McLean County, Illinois Tract 000200
17	113	301			McLean County, Illinois Tract 000301
17	113	302			McLean County, Illinois Tract 000302
17	113	400			McLean County, Illinois Tract 000400
17	113	501			McLean County, Illinois Tract 000501
17	113	502			McLean County, Illinois Tract 000502
17	113	504			McLean County, Illinois Tract 000504
17	113	505			McLean County, Illinois Tract 000505
17	113	1103			McLean County, Illinois Tract 001103
17	113	1104			McLean County, Illinois Tract 001104
17	113	1105			McLean County, Illinois Tract 001105
17	113	1106			McLean County, Illinois Tract 001106
17	113	1200			McLean County, Illinois Tract 001200
17	113	1301			McLean County, Illinois Tract 001301
17	113	1302			McLean County, Illinois Tract 001302
17	113	1303			McLean County, Illinois Tract 001303
17	113	1402			McLean County, Illinois Tract 001402

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Senior Market Profile

Mercy Creek PMA **Normal,IL**

2010	2015	2020
census	current	projection

Market Area Geography

Market Area selection type: TreeView selected

State	County	Tract	Block Group	Zip Code	
17	113	1403			McLean County, Illinois Tract 001403
17	113	1404			McLean County, Illinois Tract 001404
17	113	1500			McLean County, Illinois Tract 001500
17	113	1600			McLean County, Illinois Tract 001600
17	113	1700			McLean County, Illinois Tract 001700
17	113	1800			McLean County, Illinois Tract 001800
17	113	2101			McLean County, Illinois Tract 002101
17	113	2102			McLean County, Illinois Tract 002102
17	113	5101			McLean County, Illinois Tract 005101
17	113	5102			McLean County, Illinois Tract 005102
17	113	5201			McLean County, Illinois Tract 005201
17	113	5400			McLean County, Illinois Tract 005400
17	113	5501			McLean County, Illinois Tract 005501
17	113	5502			McLean County, Illinois Tract 005502
17	113	5601			McLean County, Illinois Tract 005601
17	113	5602			McLean County, Illinois Tract 005602
17	113	5700			McLean County, Illinois Tract 005700
17	113	5800			McLean County, Illinois Tract 005800
17	113	5900			McLean County, Illinois Tract 005900
17	203	30700			Woodford County, Illinois Tract 030700

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APPENDIX 3

Thematic Map Report

Thematic Map Report

Meadows at Mercy Creek PMA and Surrounding Vicinity

Census Tract	County	2019 Age 75+ HH's w/Inc. $50K+	Rank	Census Tract	County	2019 Age 45-54 HH's w/Inc. $100K+	Rank
58	McLean	152	1	51.01	McLean	1,353	1
51.02	*McLean*	*150*	2	54	McLean	1,127	2
304	Woodford	148	3	5.05	McLean	950	3
11.04	McLean	145	4	11.04	McLean	930	4
54	McLean	133	5	1.04	McLean	617	5
306.01	Woodford	129	6	*51.02*	*McLean*	*568*	6
217.01	Tazewell	123	7	217.01	Tazewell	560	7
9608	Livingston	117	8	1.05	McLean	400	8
5.05	McLean	113	9	14.02	McLean	393	9
3.02	McLean	110	10	11.05	McLean	385	10
21.01	McLean	103	11	306.01	Woodford	376	11
5.02	McLean	99	12	304	Woodford	373	12
57	McLean	95	13	9608	Livingston	326	13
51.01	McLean	89	14	9545	Piatt	312	14
220	Tazewell	86	15	3.02	McLean	302	15
18	McLean	83	16	21.01	McLean	302	16
9545	Piatt	82	17	57	McLean	298	17
5.04	McLean	74	18	11.03	McLean	293	18
1.04	McLean	71	19	9716	De Witt	287	19
105	Champaign	69	20	60	McLean	286	20
11.03	McLean	65	21	220	Tazewell	281	21
306.02	Woodford	61	22	105	Champaign	272	22
9604	Livingston	59	23	307	Woodford	271	23
9620	Ford	56	24	58	McLean	253	24
60	McLean	54	25	18	McLean	250	25
12	McLean	53	26	9620	Ford	229	26
303	Woodford	52	27	1.02	McLean	226	27
307	Woodford	51	28	5.04	McLean	219	28
9609	Livingston	50	29	52.02	McLean	218	29
59	McLean	49	30	55.02	McLean	195	30
1.05	McLean	48	31	9715	De Witt	191	31
9716	De Witt	46	32	303	Woodford	182	32
1.02	McLean	45	33	9604	Livingston	178	33
5.01	McLean	44	34	306.02	Woodford	176	34
9529	Logan	43	35	14.03	McLean	170	35
3.01	McLean	41	36	56.02	McLean	160	36
52.02	McLean	41	37	301	Woodford	153	37
302	Woodford	37	38	9529	Logan	150	38
13.01	McLean	36	39	21.02	McLean	149	39
14.04	McLean	34	40	14.04	McLean	147	40
9715	De Witt	33	41	9714	De Witt	145	41
9610	Livingston	33	42	11.06	McLean	135	42
9714	De Witt	32	43	52.01	McLean	130	43
4	McLean	31	44	302	Woodford	130	44
14.02	McLean	29	45	3.01	McLean	116	45
55.02	McLean	29	46	9619	Ford	113	46
9619	Ford	28	47	12	McLean	108	47
14.03	McLean	27	48	9609	Livingston	107	48
301	Woodford	27	49	5.02	McLean	105	49
21.02	McLean	25	50	13.01	McLean	101	50
55.01	McLean	25	51	55.01	McLean	97	51
56.02	McLean	23	52	5.01	McLean	86	52
52.01	McLean	21	53	56.01	McLean	80	53
16	McLean	19	54	9610	Livingston	66	54
56.01	McLean	19	55	4	McLean	63	55
11.05	McLean	14	56	59	McLean	62	56
17	McLean	14	57	17	McLean	41	57
11.06	McLean	12	58	13.03	McLean	36	58
15	McLean	10	59	13.02	McLean	30	59

Thematic Map Report

Meadows at Mercy Creek PMA and Surrounding Vicinity

Census Tract	County	2019 Age 75+ HH's w/Inc. $50K+	Rank	Census Tract	County	2019 Age 45-54 HH's w/Inc. $100K+	Rank
13.03	McLean	8	60	15	McLean	21	60
13.02	McLean	3	61	16	McLean	18	61
2	McLean	0	62	2	McLean	0	62

PMA geography appear in bold typeface. Project campus/site appears in italics.

Source: PMD Advisory Services, LLC and The Nielsen Company, November 2016

APPENDIX 4

Competitive Community Data

Meadows Communities at Mercy Creek
IL/AL EF
Address: 1501 Mercy Creek Drive, Normal, IL 61761
Phone Number: 309-268-1501
Year Opened: 2002
Sponsor/Profit Status: Meadows Mennonite Retirement & Apostolic Christian Church/Non Profit

Independent Living - Villas at Mercy Creek Life Lease

Type	# of Units	% Occ.	Sq. Ft.	Founder's Purchase	Monthly HOA	Est. Monthly Additional*	Total Monthly
Villas	4	100%					
Two-Bedroom/Two-Bath	2		1,125	$218,295	$260	$800	$1,060
Two-Bedroom/Two-Bath/Den/Sunroom	2		1,725	$264,655	$345	$1,000	$1,345

Assisted Living - Meadows at Mercy Creek

Type	# of Units	% Occ.	Sq. Ft.	Founder's Purchase	Deposit	All-Inclusive Monthly Fee	Second Person
Apartments	60	100%					
One-Bedroom			536	$145,000	$1,000 ($700 Refundable)	$4,138	$800
One-Bedroom Deluxe			604	$165,000	$1,000 ($700 Refundable)	$4,456	$800
Two-Bedroom			726	$195,000	$1,000 ($700 Refundable)	$4,880	$800

Villa Services:
Home Maintenance Exterior
Home Maintenance Interior
Lawn Care
Snow Removal

AL Services:
24-Hour Emergency Response
24-Hour Staff
Activities
Assistance w/ADL's
Cable TV
Housekeeping Weekly
Internet
Linen Service Weekly
Maintenance
Medication Management
Scheduled Transportation
Three Meals Daily
Utilities (Except Phone)

Amenities:
Activity Room
Beauty Salon/Barber Shop
Bistro
Center Courtyard and Patios
Computer Lounge
Conference Room
Dining Room
Gift Shop
Health Spa
Library
Private Dining Room
Theatre Room

***Additional Monthly:**
Cable TV
Electric
Gas
Internet
Real Estate Tax
Renter Liability Ins.
Sewer
Telephone
Trash
Water

Adelaide Apartments
IL
Address: 509 N. Adelaide St., Normal, IL 61761
Phone Number: 309-452-7468
Year Opened: 1980's
Sponsor/Profit Status: Heritage Health/For Profit



Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	Second Person
Apartments	**24**	**92%**				
Studio			400	None	$958	None
One-Bedroom/One-Bath			590	None	$1,544	$294
Two-Bedroom/One-Bath			770	None	$1,797	$294

Services:
Coffee Bar 24/7
Continental Breakfast Five Days/Week
Emergency Call System
Heat/Water/Gas
Housekeeping
Limited Activities
Maintenance
Noon Meal Daily
Preferred Access to Health Care

Amenities:
Beauty Salon at Heritage Health
Lounge/Dining Area
Secure Building
Two Patios

Aperion Care (was Asta Care Center of Bloomington)
SNF
Address: 1509 North Calhoun St., Bloomington, IL 61701
Phone Number: 309-827-6046
Year Opened: 1978
Sponsor/Profit Status: Aperion Care/For Profit

Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Fee	LOC
Beds	**117**	**94%**				
Semi-Private			WNP	None	$200	None
Shared			WNP	None	$200	None

WNP - Would not Provide

Services:
24-Hour Nursing
Housekeeping Daily
Laundry & Linen Service Daily
Medication Management
Personal Daily Assistance
Three Meals Daily

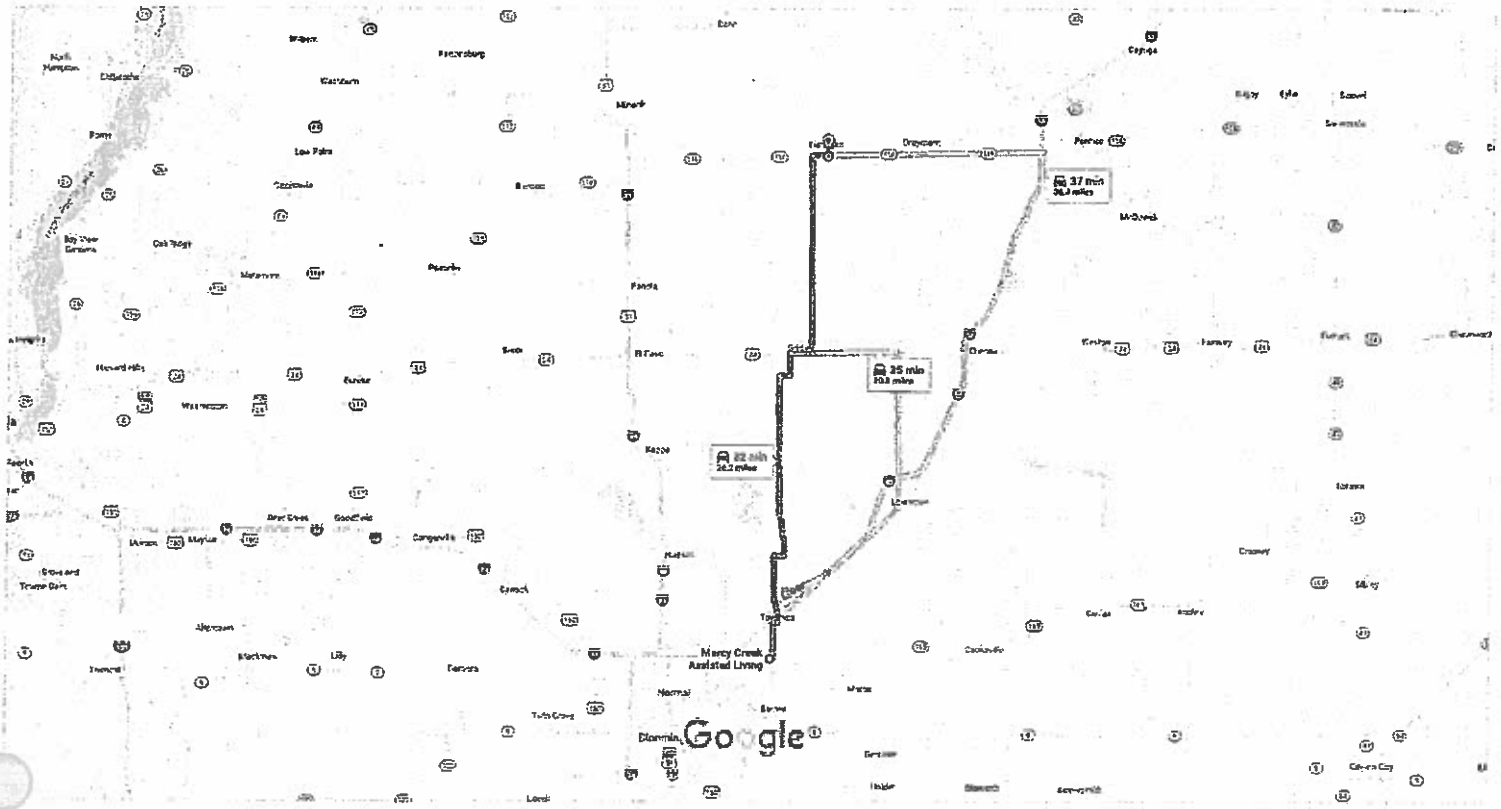
Amenities:
Common Areas
Dining Room

Google Maps

Mercy Creek Assisted Living to 201 East Falcon Highway, Flanagan, IL

Flanagan Rehabilitation & HCC

Drive 26.2 miles, 32 min



via N 1925 East Rd and N 300 E Rd — 32 min
Fastest route, the usual traffic — 26.2 miles

via Historic U.S. 66 E and N 300 E Rd — 35 min
30.8 miles

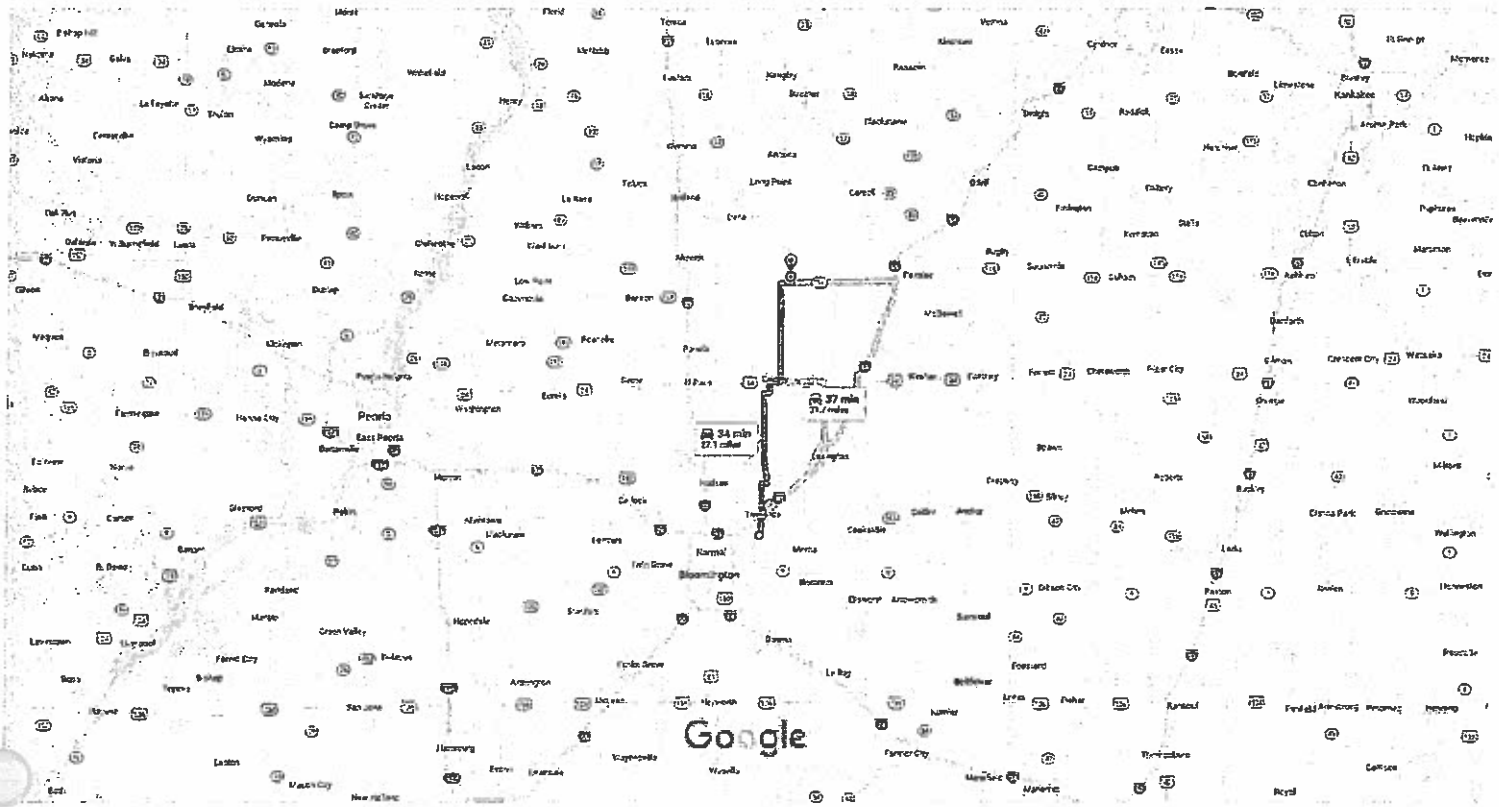
via I-55 N and IL-116 W/1700 N Rd — 37 min
38.4 miles

Google Maps

Mercy Creek Assisted Living to 205 North Adams Street, Flanagan, IL 61740

Drive 27.1 miles, 34 min

Good Samaritan-Flanigan



via N 1925 East Rd and N 300 E Rd — 34 min

Fastest route, the usual traffic — 27.1 miles

via N 300 E Rd — 37 min

31.7 miles

via I-55 N — 39 min

38.7 miles

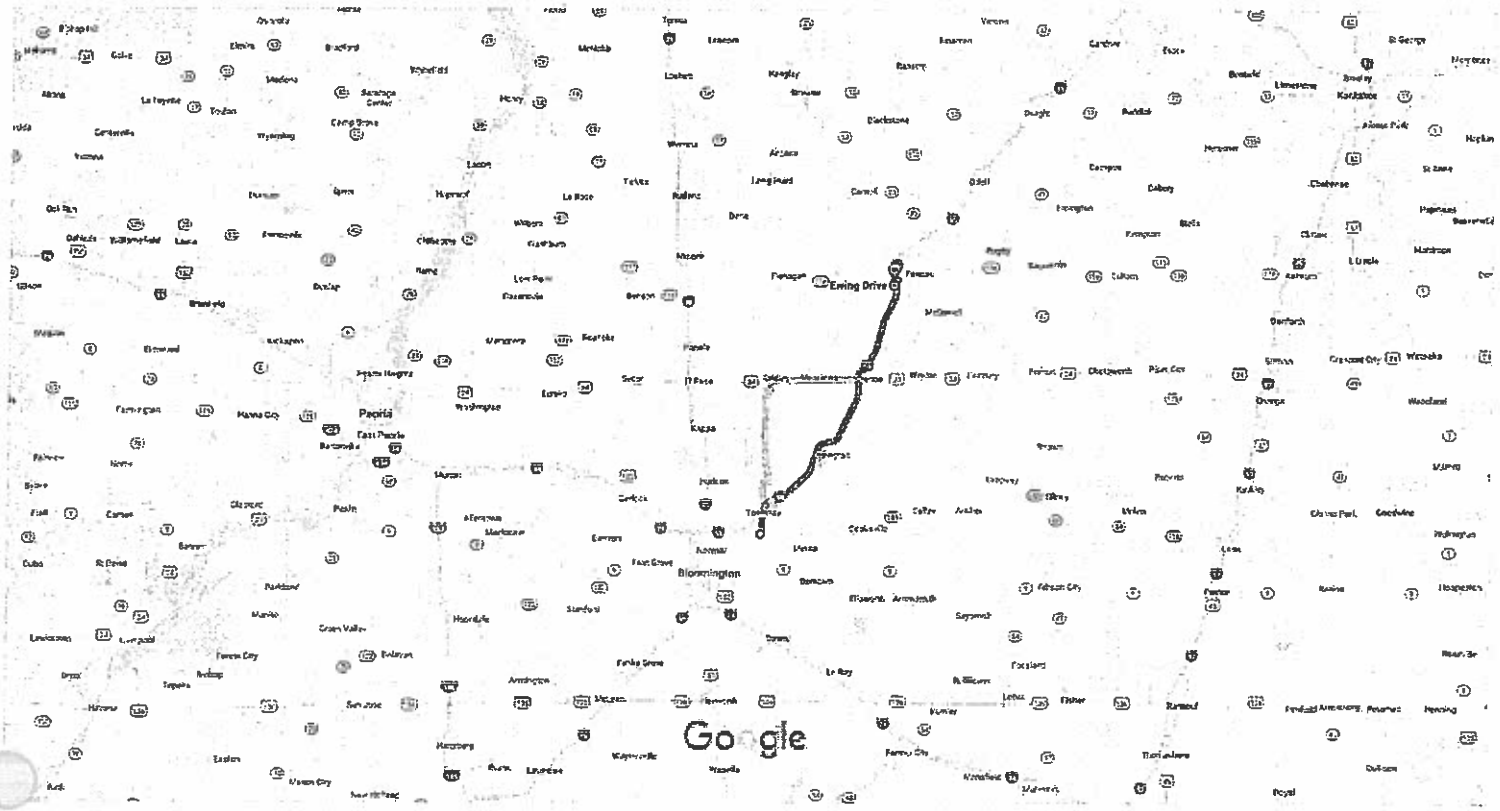
Page 000327

Google Maps

Mercy Creek Assisted Living to Ewing Dr, Pontiac, IL 61764

Drive 29.3 miles, 29 min

Good Samaritan-Pontiac



via I-55 N
Fastest route, the usual traffic
29 min
29.3 miles

via Historic U.S. 66 E and I-55 N
32 min
30.3 miles

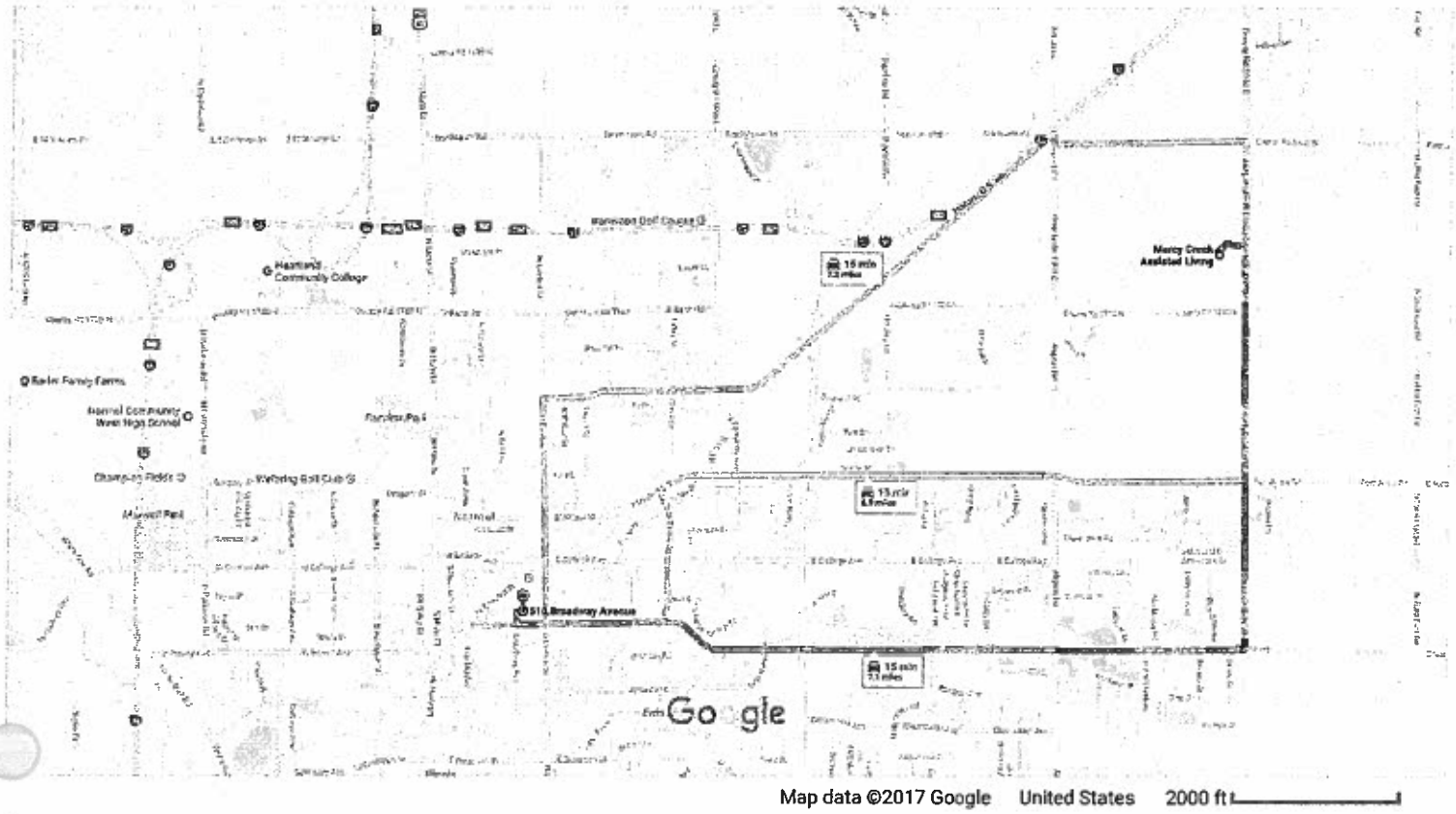
via US-24 E/E 3100 North Rd/County Rd 3100 N and I-55 N
40 min
34.9 miles

Google Maps

Mercy Creek Assisted Living to 510 Broadway Ave, Normal, IL 61761

Drive 7.1 miles, 15 min

Heartland of Normal



via County Rd 1900 E/Towanda-Barnes Rd and General Electric Rd — 15 min
Best route — 7.1 miles

via Fort Jesse Rd — 15 min
6.9 miles

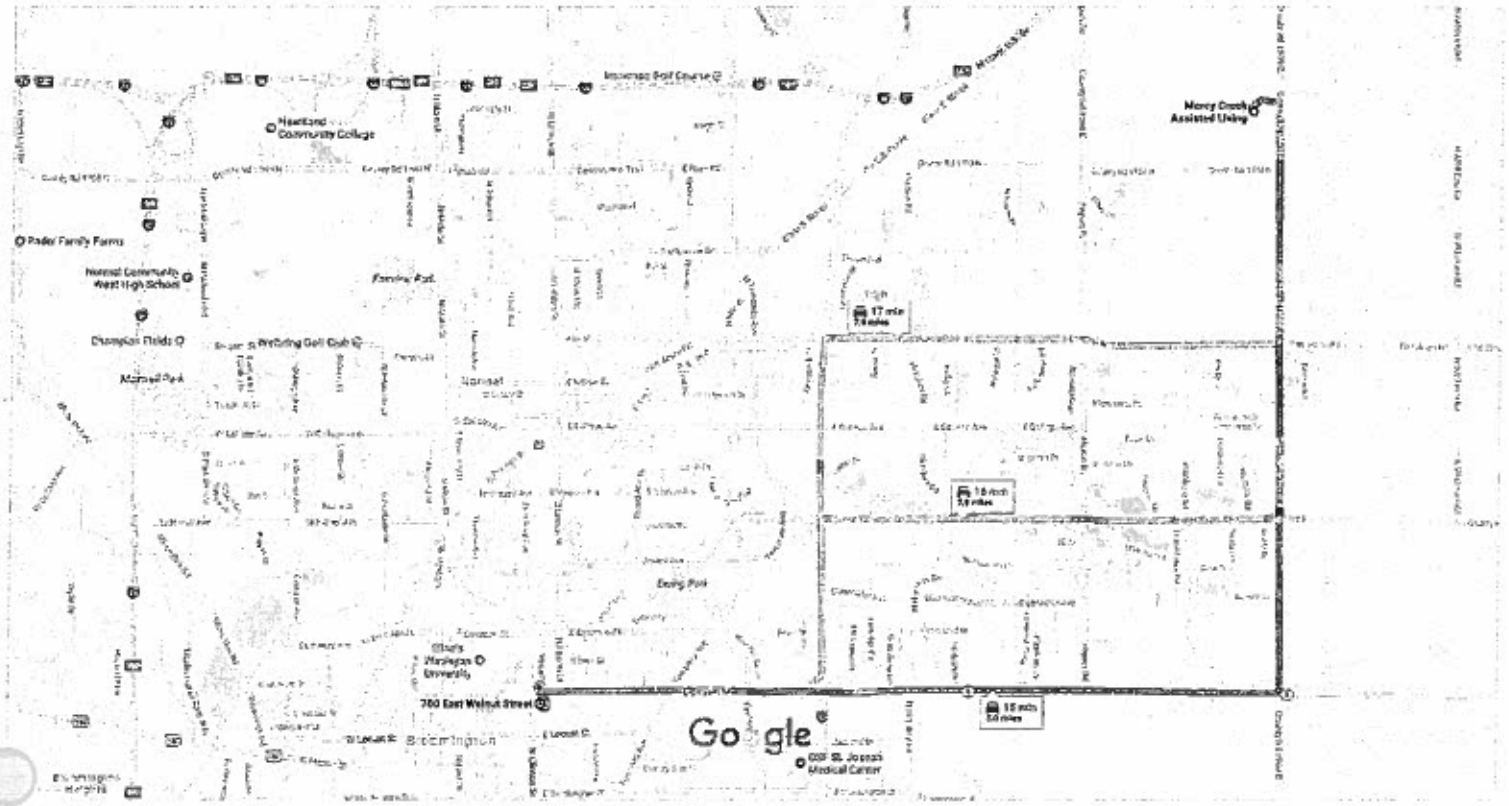
via Old U.S. Rte 66 — 15 min
7.2 miles

Google Maps

Mercy Creek Assisted Living to 700 E Walnut St, Bloomington, IL 61701

Drive 8.0 miles, 15 min

Heritage Health Bloomington



via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 15 min

Fastest route, the usual traffic — 8.0 miles

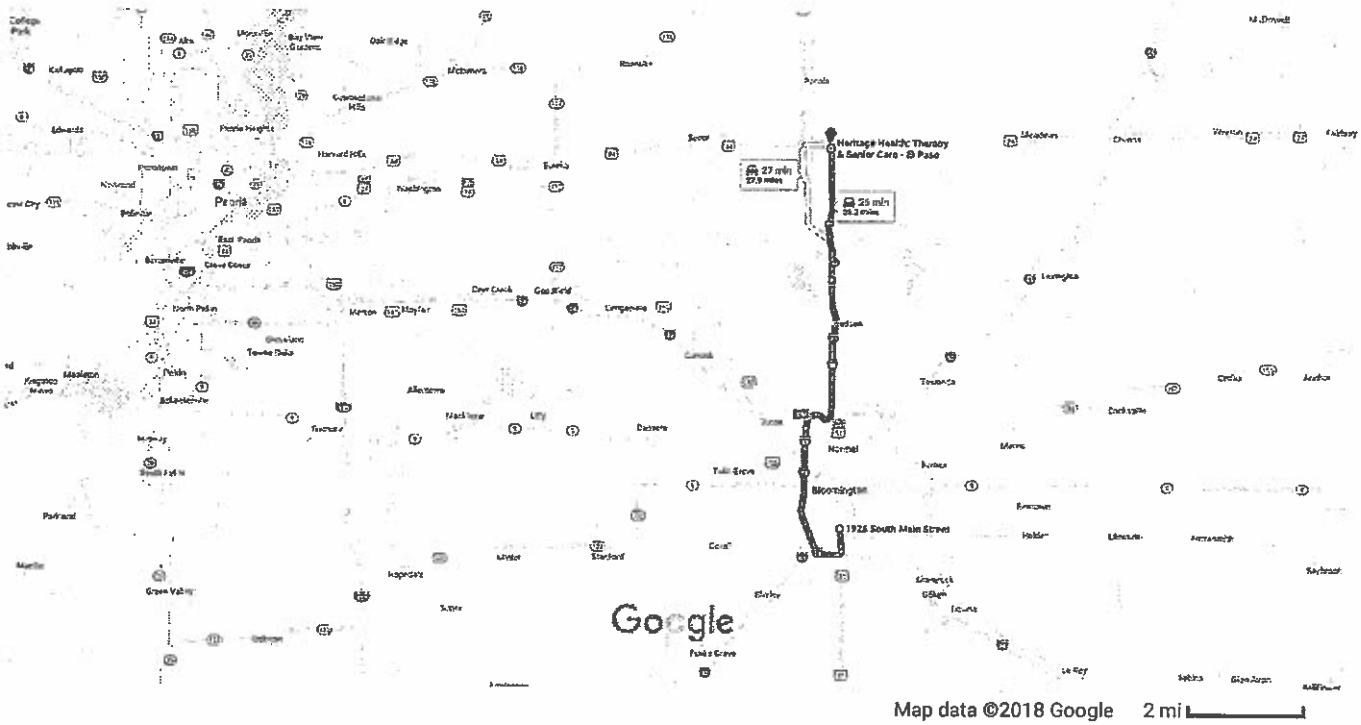
via County Rd 1900 E/Towanda-Barnes Rd and General Electric Rd — 16 min

7.9 miles

via Fort Jesse Rd — 17 min

7.9 miles

Google Maps 1925 South Main Street, Bloomington, IL to Drive 25.2 miles, 26 min
Heritage Health: Therapy & Senior Care - El Paso



1925 S Main St
Bloomington, IL 61704

Get on I-74/US-51 N in Bloomington Township

2 min (1.5 mi)

1. Head south on US-51 BUS S/S Main St

1.2 mi

2. Use the right lane to take the Interstate 74/U.S. 51 ramp to Peoria/Rockford

0.3 mi

Continue on I-74/US-51 N. Take I-39 N to IL-251 N in Hudson Township. Take exit 8 from I-39 N/US-51 N

15 min (17.3 mi)

3. Merge onto I-74/US-51 N

7.6 mi

4. Continue onto I-55 N/US-51 N

1.0 mi

5. Take exit 164 for I-39/US-51 N toward Rockford

1.3 mi

6. Continue onto I-39 N/US-51 N

7.2 mi

7. Take exit 8 for IL-251 toward Kappa/Lake Bloomington Rd

0.3 mi

Follow IL-251 N and County Rd 2800 E to E Clay St in El Paso

9 min (6.4 mi)

8. Turn right onto IL-251 N

0.2 mi

9. Turn left to stay on IL-251 N

2.2 mi

10. Turn right onto County Rd 600 N/State St

0.2 mi

11. Turn left onto County Rd 2800 E

3.8 mi

12. Turn left onto E Clay St

374 ft

Heritage Health: Therapy & Senior Care - El Paso

555 E Clay St, El Paso, IL 61738

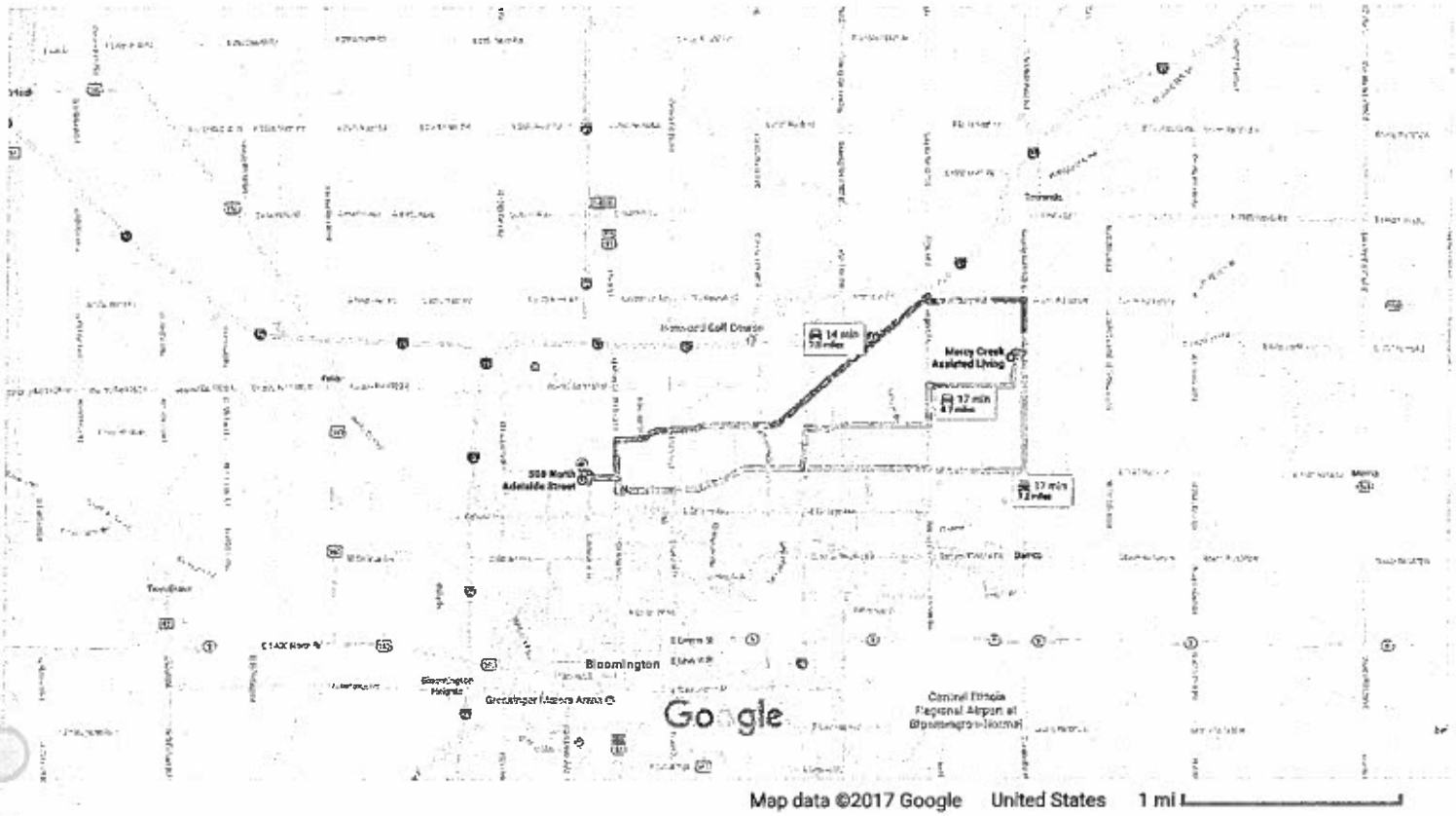
These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Google Maps

Mercy Creek Assisted Living to 509 N Adelaide St, Normal, IL 61761

Drive 7.3 miles, 14 min

Heritage Health- Normal



via Old U.S. Rte 66 — 14 min
Fastest route, the usual traffic — 7.3 miles

via Fort Jesse Rd — 17 min
7.2 miles

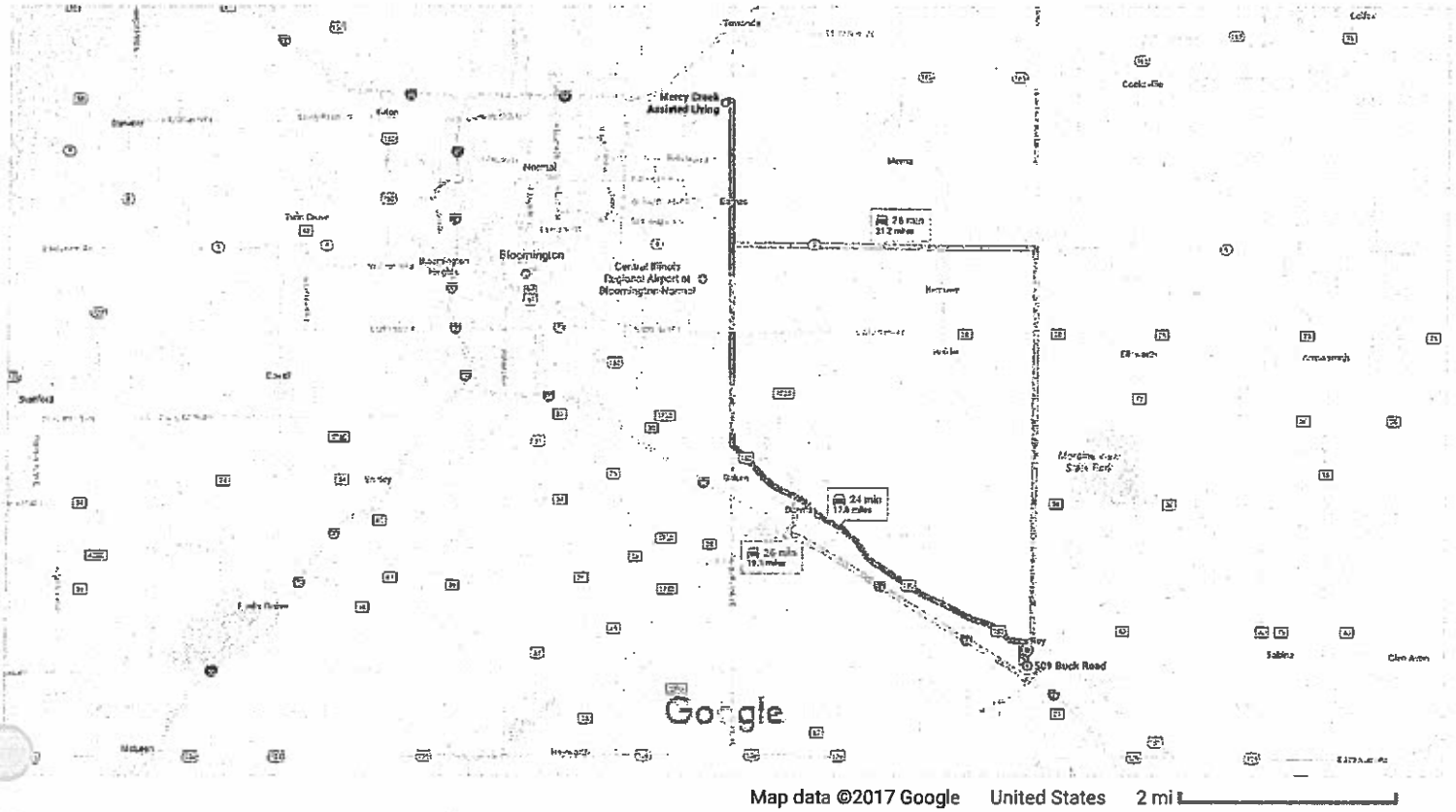
via Shepard Rd — 17 min
6.7 miles

Google Maps

Mercy Creek Assisted Living to 509 Buck Rd, Le Roy, IL

Drive 17.6 miles, 24 min

Leroy Manor



via County Rd 1900 E/Towanda-Barnes Rd and US-150 E — 24 min

Fastest route, the usual traffic — 17.6 miles

via County Rd 1900 E/Towanda-Barnes Rd and I-74 — 26 min

19.1 miles

via IL-9 E/E 1400 North Rd/County Rd 1400 N and Leroy-Lexington Blacktop — 28 min

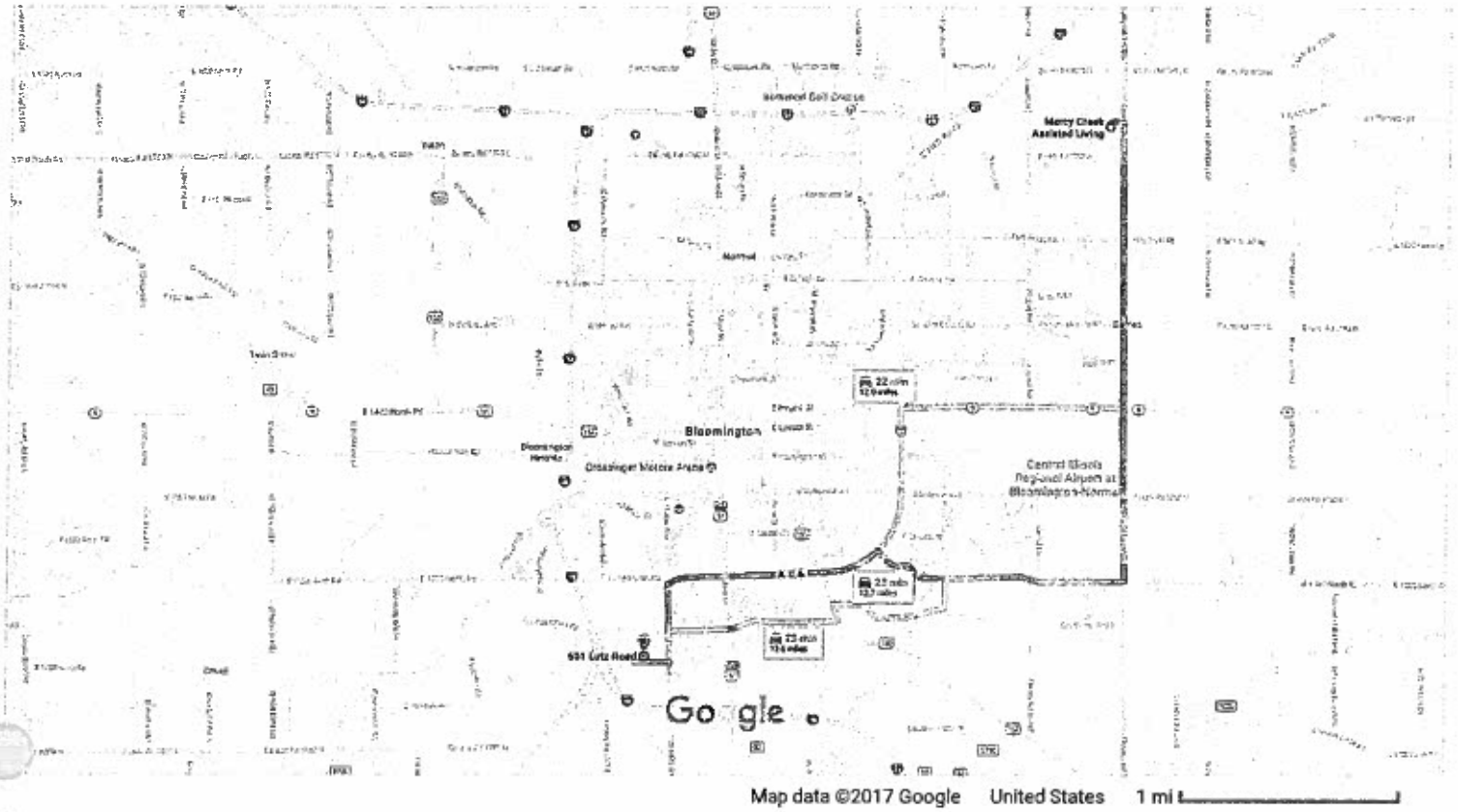
21.2 miles

Google Maps

Mercy Creek Assisted Living to 601 Lutz Rd, Bloomington, IL

Drive 12.7 miles, 23 min

Luther Oaks



via County Rd 1900 E/Towanda-Barnes Rd — 23 min
Best route — 12.7 miles

via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 22 min
12.0 miles

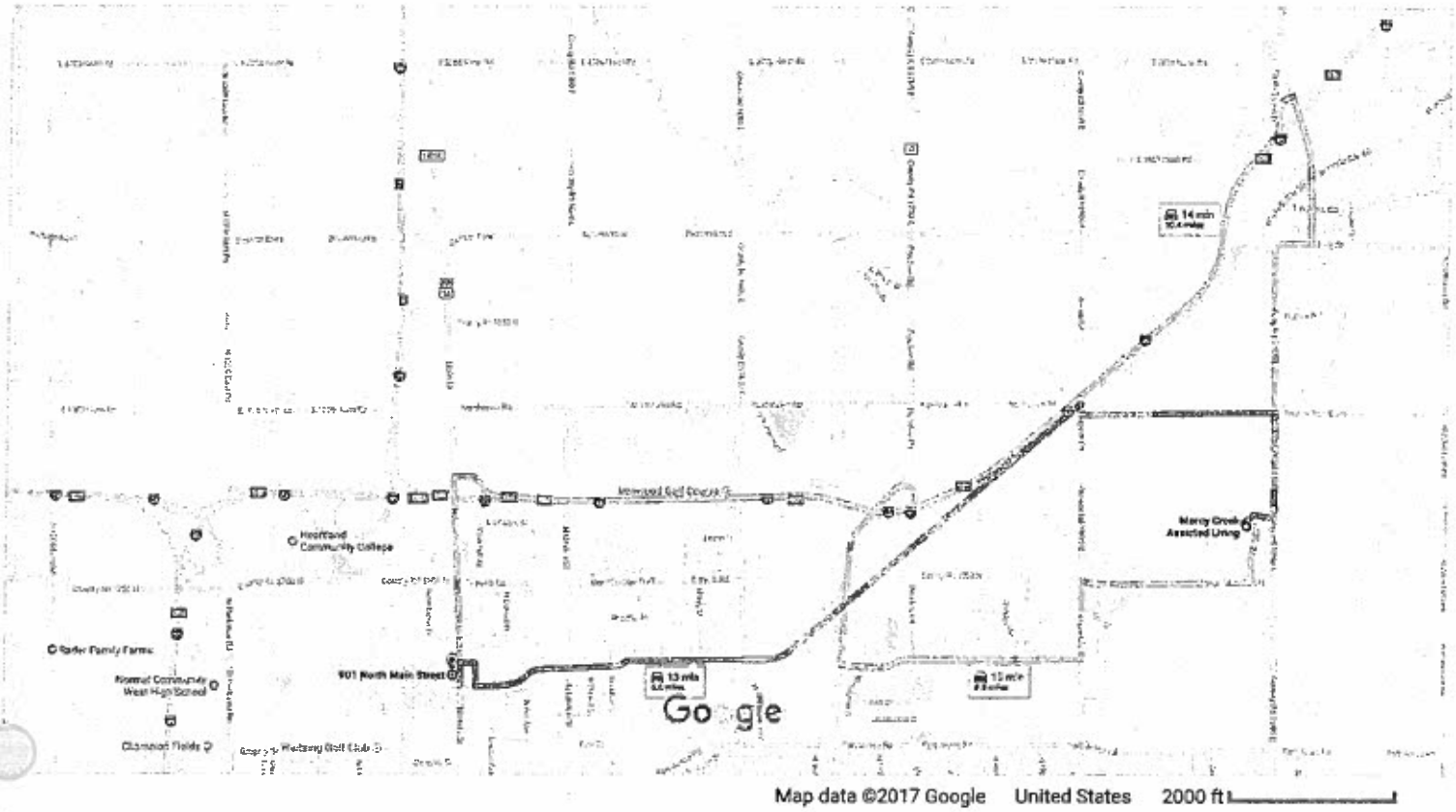
via County Rd 1900 E/Towanda-Barnes Rd and Ireland Grove Rd — 23 min
12.6 miles

Google Maps

Mercy Creek Assisted Living to 901 North Main Street, Normal, IL

Drive 6.6 miles, 13 min

McLean County Nursing Home



Map data ©2017 Google United States 2000 ft

via Old U.S. Rte 66 and Shelbourne Dr — 13 min
Fastest route — 6.6 miles

via I-55 S — 14 min
10.4 miles

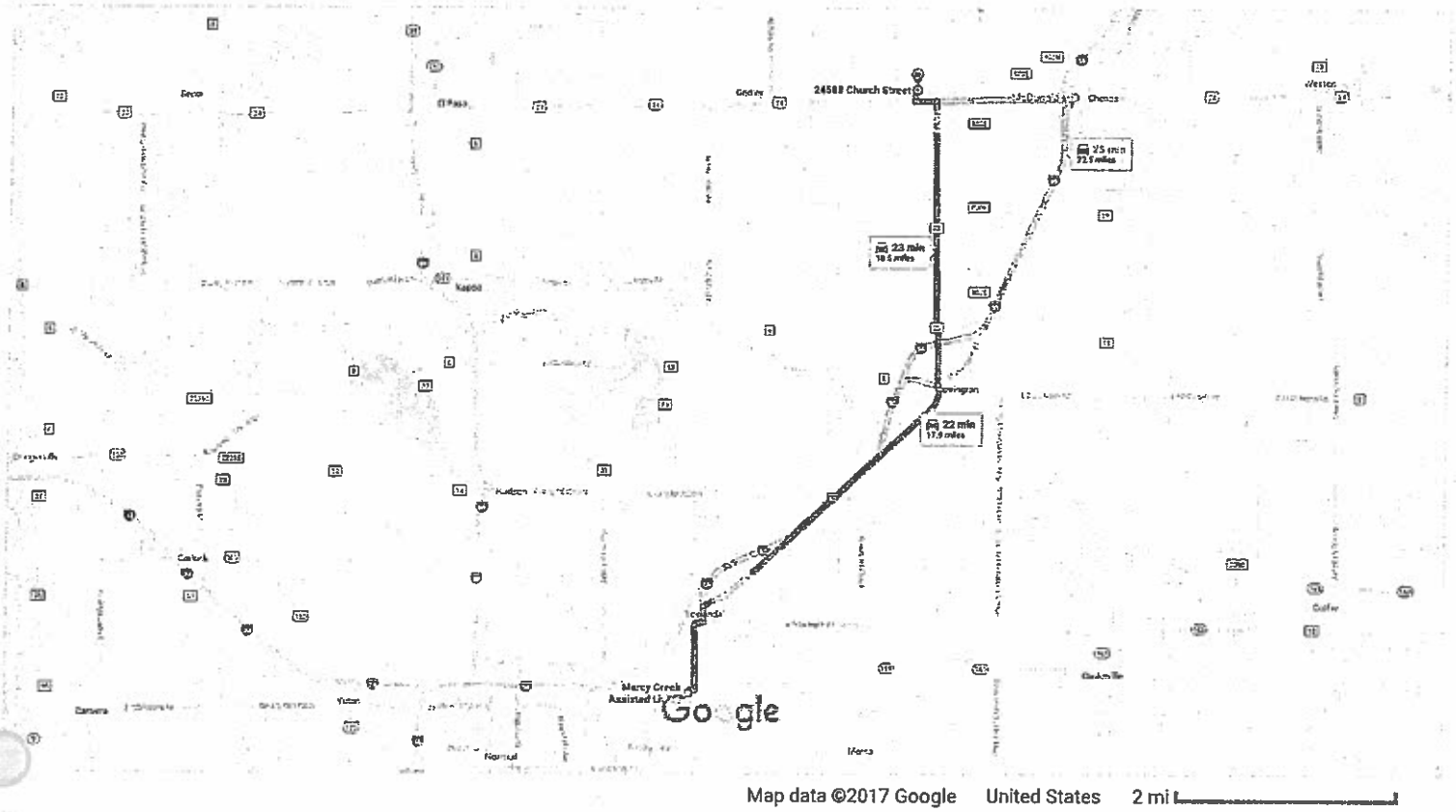
via Shepard Rd and I-55 S — 15 min
8.8 miles

Google Maps

Mercy Creek Assisted Living to 24588 Church Street, Chenoa, IL

Drive 17.9 miles, 22 min

Meadows Mennonite Home

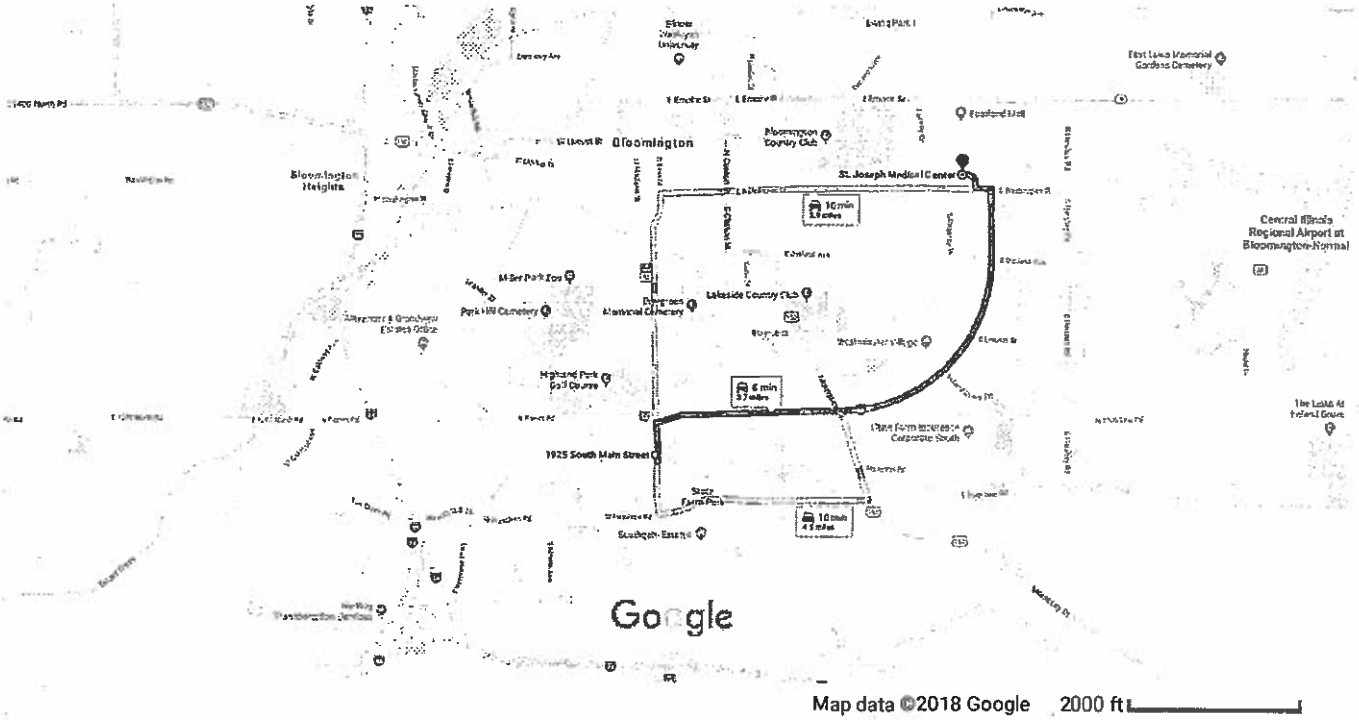


via Historic U.S. 66 E and County Hwy 23
Fastest route
22 min
17.9 miles

via I-55 N and County Hwy 23
23 min
18.5 miles

via I-55 N
25 min
22.5 miles

Google Maps 1925 South Main Street, Bloomington, IL to St. Joseph Medical Center, Bloomington, IL — Drive 3.7 miles, 8 min



1925 S Main St
Bloomington, IL 61704

1. Head south on S Main St — 210 ft
2. Make a U-turn — 0.3 mi
3. Turn right to merge onto I-55BL/Historic U.S. 66 E/S Veterans Pkwy — 3.1 mi
   - Pass by Steak 'n Shake (on the right in 0.9 mi)
4. Turn left onto E Washington St — 0.1 mi
5. Turn right at the 1st cross street onto St Joseph Dr — 0.1 mi
6. Continue straight to stay on St Joseph Dr — 177 ft
   - Destination will be on the left

St. Joseph Medical Center
Bloomington, IL 61701

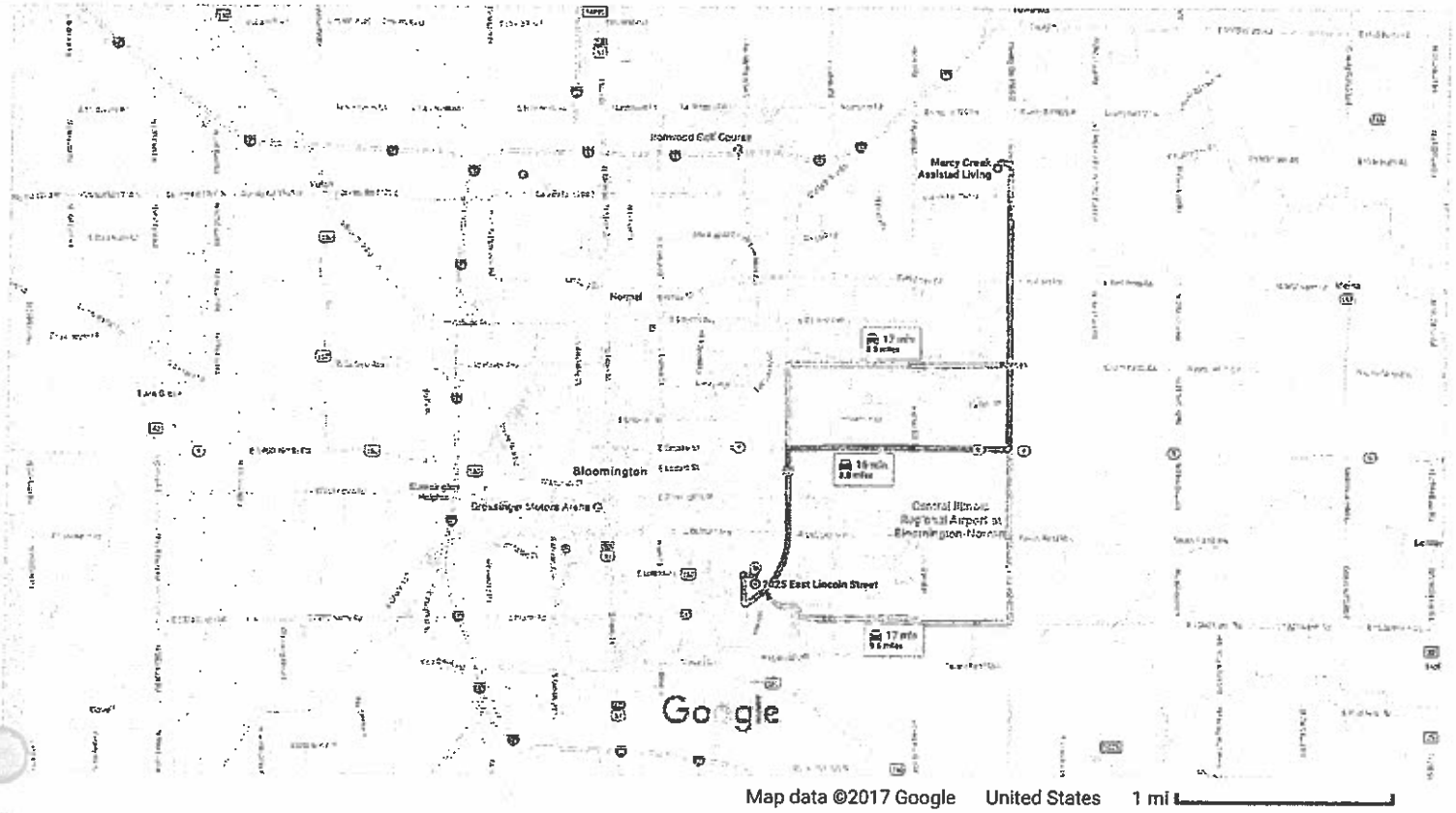
These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Google Maps

Mercy Creek Assisted Living to 2025 East Lincoln Street, Bloomington, IL

Drive 8.8 miles, 16 min

Westminister Village



via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 16 min
Fastest route now due to traffic conditions — 8.8 miles

via County Rd 1900 E/Towanda-Barnes Rd and Ireland Grove Rd — 17 min
9.6 miles

via County Rd 1900 E/Towanda-Barnes Rd, General Electric Rd and Historic U.S. 66 W/N Veterans Pkwy — 17 min
8.8 miles

Senior Market Profile

Mercy Creek PMA Normal,IL

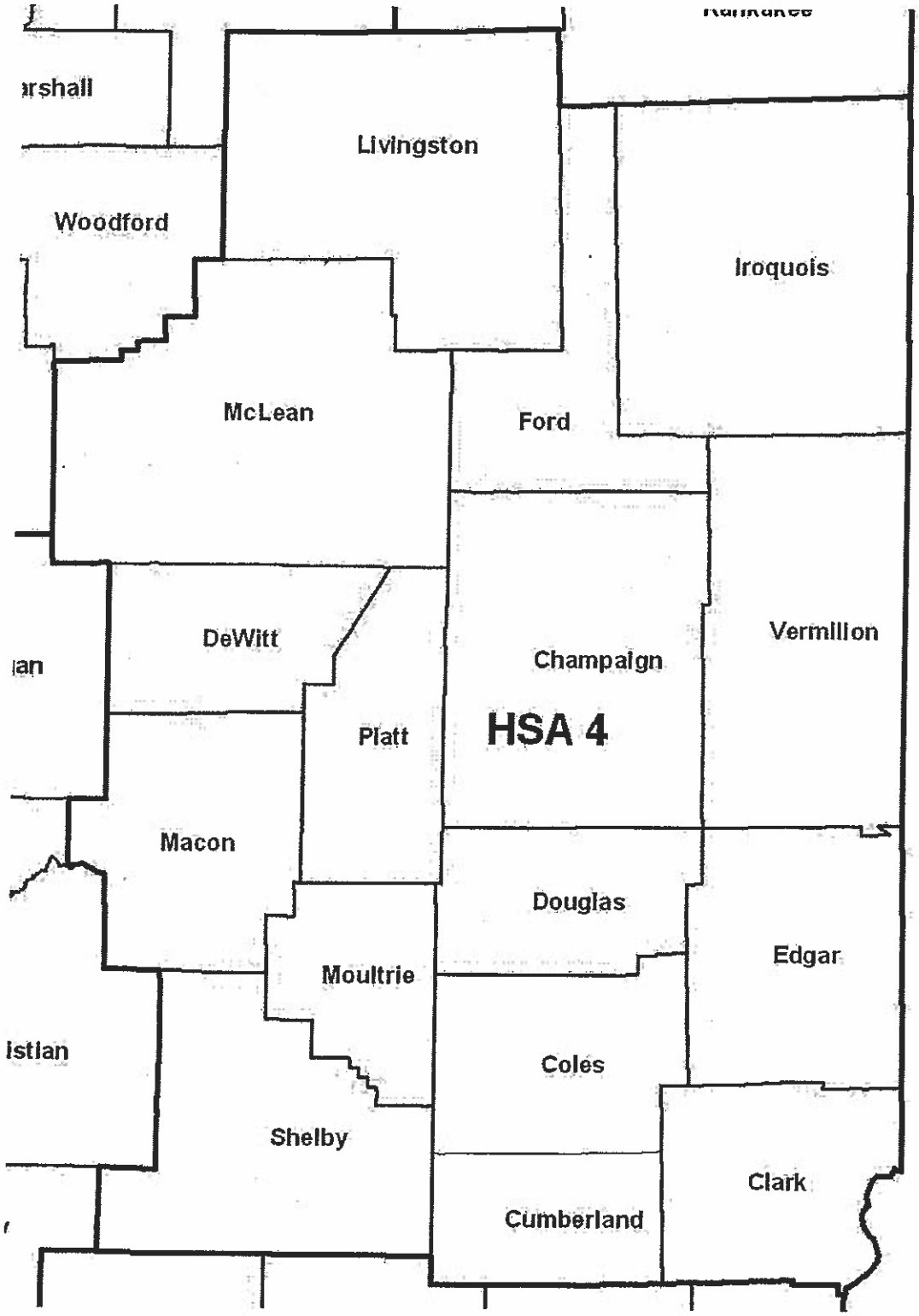
2010 census | 2015 current | 2020 projection

Current and Projection Year Estimates

Variable	2015 Estimate Summary Comparison Mkt Area	IL	US	2020 Projection Summary Comparison Mkt Area	IL	US	Market Area Change 2015 - 2020 Number	*AA%
Total (all ages)	175,038	12,900,879	319,459,991	181,945	12,983,189	330,689,365	6,907	0.79
55 and older	40,035	3,437,686	87,463,350	45,814	3,769,730	98,282,778	5,779	2.89
% of total	22.9	26.6	27.4	25.2	29.0	29.7		
65 and older	20,375	1,812,958	46,876,970	24,713	2,085,261	55,154,921	4,338	4.26
% of total	11.6	14.1	14.7	13.6	16.1	16.7		
75 and older	8,759	782,026	19,861,500	9,692	838,812	21,994,496	933	2.13
% of total	5.0	6.1	6.2	5.3	6.5	6.7		
85 an older	2,911	249,826	6,094,345	2,931	251,446	6,447,122	20	0.14
% of total	1.7	1.9	1.9	1.6	1.9	1.9		
Median age	32.8	37.1	37.5	34.1	38.0	38.2		
Households								
Total (all ages)	67,547	4,894,599	121,099,157	70,425	4,946,594	125,616,498	2,878	0.85
55 and older	25,187	2,112,824	53,228,855	28,266	2,294,263	59,173,983	3,079	2.44
% of total	37.3	43.2	44.0	40.1	46.4	47.1		
55-64	11,846	944,879	23,498,598	12,399	968,387	24,642,765	553	0.93
% of total	17.5	19.3	19.4	17.6	19.6	19.6		
65 and older	13,341	1,167,945	29,730,257	15,867	1,325,876	34,531,218	2,526	3.79
% of total	19.8	23.9	24.6	22.5	26.8	27.5		
65-74	7,399	642,231	16,640,967	9,368	767,875	20,195,571	1,969	5.32
% of total	11.0	13.1	13.7	13.3	15.5	16.1		
75 and older	5,942	525,714	13,089,290	6,499	558,001	14,335,647	557	1.87
% of total	8.8	10.7	10.8	9.2	11.3	11.4		
75-84	3,995	358,688	9,108,721	4,540	390,740	10,147,633	545	2.73
% of total	5.9	7.3	7.5	6.4	7.9	8.1		
85 and older	1,947	167,026	3,980,569	1,959	167,261	4,188,014	12	0.12
% of total	2.9	3.4	3.3	2.8	3.4	3.3		
Avg. Household size	2.6	2.6	2.6	2.6	2.6	2.6		
Avg. Household size 75+	1.5	1.5	1.5	1.5	1.5	1.5		
Median Income								
All Households	63,413	53,987	49,401	68,580	54,971	49,918	5,167	1.63
55-64	80,427	65,384	59,541	90,317	67,682	61,560	9,890	2.46
65-74	57,205	42,686	41,619	61,329	44,497	43,129	4,124	1.44
Age 75+	33,548	27,622	26,955	34,909	28,888	28,067	1,361	0.81
Age 65+	45,159	34,483	33,872	48,539	36,592	35,407	3,380	1.5
Median Home Value								
All Households	167,784	171,790	170,333	178,267	169,473	176,945	10,483	1.25
Age 75+	167,769	186,721	191,693	178,279	187,938	201,787	10,510	1.25
Median Net Worth								
All Age Households	62,892	62,809	52,637	73,323	67,537	56,614	10,431	3.32
Age 75+	200,598	126,459	120,203	221,611	129,279	122,910	21,013	2.1

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Health Service Area 4



Summary of General Long-Term Nursing Care Beds and Need by Planning Area				
Health Service Area 4				
PLANNING AREA	EXISTING BEDS	PROJECTED BEDS NEEDED - 2020	ADDITIONAL BEDS NEEDED	EXCESS BEDS
Champaign County	908	855	0	53
Clark County	245	215	0	30
Coles/Cumberland Counties	939	643	0	296
DeWitt County	190	210	20	0
Douglas County	233	188	0	45
Edgar County	299	270	0	29
Ford Counties	434	205	0	229
Iroquois County	486	401	0	85
Livingston County	518	423	0	95
McLean County	1048	982	0	66
Macon County	1096	902	0	194
Moultrie County	361	238	0	123
Piatt County	160	145	0	15
Shelby County	259	162	0	97
Vermilion County	766	605	0	161
HSA 4 TOTALS	7942	6444	20	1518

HEALTH SERVICE AREA	004
TOTAL FACILITIES	11
HOSPITAL BASED UNITS	1
FREE STANDING FACILITIES	10
FACILITIES LICENSED FOR:	
NURSING CARE BEDS ONLY	10
DD CARE BEDS ONLY	0
MULTI-LICENSED FACILITIES	1
FACILITIES REPORTED BY OWNERSHIP TYPE	
GOVERNMENTAL OWNERSHIP	1
NON-PROFIT OWNERSHIP	2
FOR PROFIT OWNERSHIP	8
CONTINUING CARE COMMUNITY	3
LIFE CARE FACILITY	2

ADMISSION RESTRICTIONS	
Aggressive/Anti-Social	6
Chronic Alcoholism	7
Developmentally Disabled	4
Drug Addiction	7
Medicaid Recipient	1
Medicare Recipient	0
Mental Illness	5
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	1
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	10
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	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	0
Non-Medical Conditions	0
TOTALS	0

**Data Not Collected for 2015*

Reported Identified Offenders	28
Total Residents Diagnosed with Mental Illness	59

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	MEDICAID CERTIFIED
Nursing Care	1,118	1,073	912	1,063	806	312	808	823
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	29	3	1	3	0	29		
TOTAL BEDS	1,147	1,076	913	1,066	806	341	808	823

ADMISSIONS AND DISCHARGES - 2015

Residents on 1/1/2015	866
Total Admissions 2015	2,244
Total Discharges 2015	2,311
Residents on 12/31/2015	799

FACILITY UTILIZATION - 2015

BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pay Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	27,126	9.2%	157,016	52.3%	2,507	7,854	106,704	7	301,214	73.8%	76.9%
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	210	0	210	2.0%	19.2%
TOTALS	27,126	9.2%	157,016	52.3%	2,507	7,854	106,914	7	301,424	72.0%	76.7%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2015

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	4	1	0	0	0	0	0	0	4	1	5
45 to 59	19	20	0	0	0	0	0	0	19	20	39
60 to 64	13	10	0	0	0	0	0	0	13	10	23
65 to 74	42	56	0	0	0	0	0	0	42	56	98
75 to 84	71	146	0	0	0	0	0	0	71	146	217
85+	103	336	0	0	0	0	0	0	103	336	439
TOTALS	252	569	0	0	0	0	0	0	252	569	821

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	69	409	3	11	314	0	806
Skilled Under 22	0	0	0	0	0	0	0
ICF/DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	69	409	3	11	314	0	806

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	243	231
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	78	78

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	ICF/DD	Sheltered Care	Totals
Asian	3	0	0	0	3
American Indian	1	0	0	0	1
Black	32	0	0	0	32
Hawaiian/Pacific Isl.	0	0	0	0	0
White	785	0	0	0	785
Race Unknown	0	0	0	0	0
Total	821	0	0	0	821

ETHNICITY	Nursing Care	Skilled Under 22	ICF/DD	Sheltered Care	Totals
Hispanic	5	0	0	0	5
Non-Hispanic	779	0	0	0	779
Ethnicity Unknown	37	0	0	0	37
Total	821	0	0	0	821

STAFFING

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Administrators	10.10
Physicians	1.05
Director of Nursing	10.50
Registered Nurses	78.80
LPN's	123.90
Certified Aides	386.20
Other Health Staff	54.00
Non-Health Staff	301.00
Totals	965.55

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
21.5%	23.9%	0.2%	8.9%	45.5%	100.0%		
13,951,403	15,513,117	145,168	5,764,901	29,490,714	64,865,303	1,800,775	2.8%

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

Planning Area: McLean

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2013 Patient Days
ARBA CARE CENTER OF BLOOMINGTON	BLOOMINGTON	McLean County	117	36,065
6/10/2014 CHOW Change of Ownership occurred.				
ARBA CARE CENTER OF COLFAX	COLFAX	McLean County	60	13,389
6/10/2014 CHOW Change of Ownership occurred.				
BLOOMINGTON REHAB HLTHCARE CTR	BLOOMINGTON	McLean County	78	19,850
HEARTLAND OF NORMAL	NORMAL	McLean County	116	33,131
HERITAGE HEALTH - BLOOMINGTON	BLOOMINGTON	McLean County	111	25,175
HERITAGE HEALTH - NORMAL	NORMAL	McLean County	164	42,834
LEROY MANOR	LEROY	McLean County	102	30,225
LUTHER OAKS (PERMIT)	BLOOMINGTON	McLean County	18	
2/20/2014 13-067 Permit issued to establish an 18 bed Nursing Care facility at 601 Lutz Road in Bloomington.				
MCLEAN COUNTY NURSING HOME	NORMAL	McLean County	150	49,976
MEADOWS MENNONITE HOME	CHENOA	McLean County	130	31,617
ST. JOSEPH'S MEDICAL CENTER	BLOOMINGTON	McLean County	12	2,420
WESTMINSTER VILLAGE	BLOOMINGTON	McLean County	78	20,855
		Planning Area Totals	1,136	305,537

LTH SERVICE AREA	AGE GROUPS	2013 Patient Days	2013 Population	2013 Use Rates (Per 1,000)	2013 Minimum Use Rates	2013 Maximum Use Rates
004	0-64 Years Old	279,113	712,000	392.0	235.2	627.2
	65-74 Years Old	289,827	65,300	4,438.4	2,663.0	7,101.4
	75+ Years Old	1,628,025	56,900	28,612.0	17,167.2	45,779.3

	2013 PSA Patient Days	2013 PSA Estimated Populations	2013 PSA Use Rates (Per 1,000)	2013 HSA Minimum Use Rates	2013 HSA Maximum Use Rates	2018 PSA Planned Use Rates	2018 PSA Projected Populations	2018 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	23,392	153,000	152.9	235.2	627.2	235.2	162,400	38,198			
65-74 Years Old	42,018	10,300	4,079.4	2,663.0	7,101.4	4,079.4	13,300	54,256			
75+ Years Old	240,127	8,700	27,600.8	17,167.2	45,779.3	27,600.8	8,700	240,127			
						Planning Area Totals		332,581	911.2	1,012	124

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health

General Long-Term Care Category of Service

9/1/2017
Page A-51

Planning Area: Champaign

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
CHAMPAIGN COUNTY NURSING HOME	URBANA	Champaign County	243	73,806
CHAMPAIGN URBANA REG REHAB CENTER	SAVOY	Champaign County	213	43,174
CLARK-LINDSEY VILLAGE	URBANA	Champaign County	95	23,689
8/16/2017 Bed Change: Added 12 Nursing Care beds; facility now has 95 Nursing Care beds and 19 Sheltered Care beds.				
COUNTRY HEALTH	GIFFORD	Champaign County	89	30,143
HEARTLAND OF CHAMPAIGN	CHAMPAIGN	Champaign County	102	28,788
HELIA HEALTHCARE OF CHAMPAIGN	CHAMPAIGN	Champaign County	118	22,167
ILLINI HERITAGE REHAB & NURSING CENTER	CHAMPAIGN	Champaign County	60	19,441
		Planning Area Totals	920	241,208

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	21,178	182,800	115.9	206.7	551.3	206.7	189,900	39,259			
74 Years Old	33,798	12,500	2,703.8	2,453.6	6,542.9	2,703.8	16,600	44,884			
+ Years Old	186,232	10,600	17,569.1	16,274.4	43,398.3	17,569.1	11,200	196,773			
						Planning Area Totals		280,916	767.5	853	67

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Planning Area: Clark

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
BURNSIDES COMMUNITY HEALTH CENTER	MARSHALL	Clark County	95	23,801
CASEY HEALTHCARE CENTER	CASEY	Clark County	69	20,313
HEARTLAND MANOR NURSING HOME	CASEY	Clark County	81	20,644
		Planning Area Totals	245	64,758

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	8,487	12,700	668.3	206.7	551.3	551.3	11,900	6,560			
65-74 Years Old	7,126	1,800	3,958.9	2,453.6	6,542.9	3,958.9	1,900	7,522			
75+ Years Old	49,145	1,300	37,803.8	16,274.4	43,398.3	37,803.8	1,500	56,706			
						Planning Area Totals		70,788	193.4	215	30

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Planning Area: Coles/Cumberland

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
CHARLESTON REHAB & HEALTH CARE CENTER	CHARLESTON	Coles County	139	20,359
CUMBERLAND REHAB & HEALTH CARE	GREENUP	Cumberland County	54	12,399
DOUGLAS NURSING & REHAB CENTER	MATTOON	Coles County	79	16,849
HEARTLAND CHRISTIAN VILLAGE	NEOGA	Cumberland County	71	22,643
HILLTOP SKILLED NURSING & REHAB	CHARLESTON	Coles County	108	18,008
MATTOON REHAB & HEALTHCARE CENTER	MATTOON	Coles County	148	29,845
ODD FELLOWS - REBAKAH HOME	MATTOON	Coles County	162	43,060
PALM TERRACE OF MATTOON	MATTOON	Coles County	178	50,065
		Planning Area Totals	939	213,228

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
64 Years Old	39,231	52,600	745.8	206.7	551.3	551.3	57,000	31,424			
74 Years Old	31,603	5,500	5,746.0	2,453.6	6,542.9	5,746.0	6,000	34,476			
5+ Years Old	142,394	4,600	30,955.2	16,274.4	43,398.3	30,955.2	4,700	145,490			
						Planning Area Totals		211,389	577.6	642	297

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Planning Area: DeWitt

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
DR. JOHN WARNER HOSPITAL (SWING BEDS)	CLINTON	DeWitt County	0	67
FARMER CITY REHAB & HEALTHCARE CENTER	FARMER CITY	DeWitt County	56	17,212
HAWTHORNE INN OF CLINTON	CLINTON	DeWitt County	134	43,024
		Planning Area Totals	190	60,303

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Beds Needed
0-64 Years Old	1,753	13,200	132.8	206.7	551.3	206.7	12,500	2,584			
65-74 Years Old	8,765	1,900	4,613.2	2,453.6	6,542.9	4,613.2	1,800	8,304			
75+ Years Old	49,785	1,200	41,487.5	16,274.4	43,398.3	41,487.5	1,400	58,083			
						Planning Area Totals		68,970	188.4	209	19

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Planning Area: Douglas

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
ARCOLA HEALTHCARE CARE CENTER	ARCOLA	Douglas County	100	28,617
NEWMAN REHAB & HEALTHCARE CTR	NEWMAN	Douglas County	60	15,589
TUSCOLA HEALTH CARE CENTER	TUSCOLA	Douglas County	73	18,498
7/14/2015 CHOW	Change of Ownership occurred.			
9/1/2016 CHOW	Change of ownership occurred.			
		Planning Area Totals	233	62,704

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	14,061	16,300	862.6	206.7	551.3	551.3	16,000	8,821			
65-74 Years Old	10,641	1,800	5,911.7	2,453.6	6,542.9	5,911.7	2,100	12,415			
75+ Years Old	38,002	1,600	23,751.3	16,274.4	43,398.3	23,751.3	1,700	40,377			
						Planning Area Totals		61,612	168.3	187	46

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Planning Area: Edgar

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
PARIS COMMUNITY HOSPITAL (SWING BEDS)	PARIS	Edgar County	0	815
PARIS HEALTHCARE CENTER	PARIS	Edgar County	128	28,675
PLEASANT MEADOWS SENIOR LIVING	CHRISMAN	Edgar County	109	34,486
TWIN LAKES REHAB & HEALTH CARE	PARIS	Edgar County	62	16,694
		Planning Area Totals	299	80,670

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	5,475	14,000	391.1	206.7	551.3	391.1	12,800	5,006			
65-74 Years Old	11,681	2,200	5,309.5	2,453.6	6,542.9	5,309.5	2,300	12,212			
75+ Years Old	63,514	1,600	39,696.3	16,274.4	43,398.3	39,696.3	1,800	71,453			
						Planning Area Totals		88,671	242.3	269	30

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Planning Area: Ford

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
GIBSON COMMUNITY HOSPITAL	GIBSON CITY	Ford County	16	4,580
GIBSON COMMUNITY HOSPITAL (SWING BEDS)	GIBSON CITY	Ford County	0	787
GIBSON COMMUNITY HOSPITAL ANNEX	GIBSON CITY	Ford County	26	8,290
HEARTLAND OF PAXTON	PAXTON	Ford County	106	26,930
HERITAGE HEALTH - GIBSON CITY	GIBSON CITY	Ford County	75	18,814
ILLINOIS KNIGHTS TEMPLAR HOME	PAXTON	Ford County	75	17,945
PAXTON HEALTHCARE AND REHAB	PAXTON	Ford County	76	21,612
8/2/2017 CHOW Change of ownership occurred.				
PIPER CITY REHAB & LIVING CENTER	PIPER CITY	Ford County	60	15,935
		Planning Area Totals	434	114,893

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
4 Years Old	15,068	11,000	1,369.8	206.7	551.3	551.3	10,900	6,009			
-74 Years Old	13,561	1,300	10,431.5	2,453.6	6,542.9	6,542.9	1,400	9,160			
75+ Years Old	86,264	1,400	61,617.1	16,274.4	43,398.3	43,398.3	1,200	52,078			
						Planning Area Totals		67,247	183.7	204	230

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Planning Area: Iroquois

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
GILMAN HEALTHCARE CENTER	GILMAN	Iroquois County	99	24,949
IROQUOIS MEMORIAL HOSPITAL (SWING BEDS)	WATSEKA	Iroquois County	0	0
IROQUOIS RESIDENT HOME	WATSEKA	Iroquois County	44	11,671
PRAIRIEVIEW LUTHERAN HOME	DANFORTH	Iroquois County	90	29,320
PRESENCE A MERKLE-C KNIPPRATH NH	CLIFTON	Iroquois County	99	19,225
SHELDON HEALTH CARE CENTER	SHELDON	Iroquois County	31	8,983
WATSEKA REHAB & HEALTH CARE CTR	WATSEKA	Iroquois County	123	32,679
		Planning Area Totals	486	126,827

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	14,310	22,500	636.0	206.7	551.3	551.3	21,300	11,743			
65-74 Years Old	20,623	3,400	6,065.6	2,453.6	6,542.9	6,065.6	3,500	21,230			
[illegible] Years Old	91,894	2,700	34,034.8	16,274.4	43,398.3	34,034.8	2,900	98,701			
						Planning Area Totals		131,673	359.8	400	86

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anning Area: Livingston

cility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
ENGLOW LODGE	PONTIAC	Livingston County	73	22,284
RVIEW HAVEN	FAIRBURY	Livingston County	63	21,661
NAGAN REHAB & HEALTH CARE CTR	FLANAGAN	Livingston County	43	13,724
OD SAMARITAN - PONTIAC	PONTIAC	Livingston County	90	5,512
/31/2016 12-027	Project completed - replacement facility opened with 90 Nursing Care beds.			
/31/2016 Add Change	Address change - address now 1225 South Ewing Drive, Pontiac IL 61764			
/31/2016 CHOW	Change of Ownership occurred.			
OD SAMARITAN-FLANAGAN	FLANAGAN	Livingston County	60	13,983
ITAGE HEALTH - DWIGHT	DWIGHT	Livingston County	92	30,641
ITIAC HEALTHCARE AND REHAB	PONTIAC	Livingston County	97	25,958
2/2017 CHOW	Change of ownership occurred.			
		Planning Area Totals	518	133,763

TH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
Years Old	8,026	30,700	261.4	206.7	551.3	261.4	32,400	8,470			
Years Old	12,994	3,600	3,609.4	2,453.6	6,542.9	3,609.4	3,900	14,077			
Years Old	112,743	3,000	37,581.0	16,274.4	43,398.3	37,581.0	3,100	116,501			
						Planning Area Totals		139,048	379.9	422	96

Planning Area: McLean

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
APERION CARE COLFAX	COLFAX	McLean County	0	14,038
2/2/2017 Closure — Facility closed; 60 Nursing Care beds removed from Inventory.				
ARBA CARE CENTER OF BLOOMINGTON	BLOOMINGTON	McLean County	117	34,725
BLOOMINGTON REHAB HLTHCARE CTR	BLOOMINGTON	McLean County	78	18,450
HEARTLAND OF NORMAL	NORMAL	McLean County	116	31,814
HERITAGE HEALTH - BLOOMINGTON	BLOOMINGTON	McLean County	88	25,456
3/25/2016 Bed Change — Discontinued 23 Nursing Care beds; facility now has 88 Nursing Care beds.				
HERITAGE HEALTH - NORMAL	NORMAL	McLean County	141	42,223
3/25/2016 Bed Change — Discontinued 23 Nursing Care beds; facility now has 141 Nursing Care beds.				
LEROY MANOR	LEROY	McLean County	102	25,121
LUTHER OAKS	BLOOMINGTON	McLean County	18	
11/7/2016 13-067 — Facility licensed for operation with 18 Nursing Care beds.				
MCLEAN COUNTY NURSING HOME	NORMAL	McLean County	150	44,165
MEADOWS MENNONITE HOME	CHENOA	McLean County	130	36,690
ST. JOSEPH'S MEDICAL CENTER	BLOOMINGTON	McLean County	12	2,407
WESTMINSTER VILLAGE	BLOOMINGTON	McLean County	78	24,310
'STMINSTER VILLAGE (PERMIT)	BLOOMINGTON	McLean County	18	
5/14/2017 16-052 — permit issued to add 18 nursing care beds to existing long-term care facility; facility will have 96 nursing care beds upon project completion.				
		Planning Area Totals	1,048	299,399

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	24,628	151,400	162.7	206.7	551.3	206.7	164,800	34,070			
65-74 Years Old	35,876	11,100	3,232.1	2,453.6	6,542.9	3,232.1	14,500	46,865			
75+ Years Old	238,895	8,900	26,842.1	16,274.4	43,398.3	26,842.1	9,000	241,579			
						Planning Area Totals		322,514	881.2	979	69

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Planning Area: Macon

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
APERION CARE DECATUR	DECATUR	Macon County	140	33,774
5/1/2016 CHOW — Change of ownership occurred.				
DECATUR REHAB & HEALTHCARE CENTER	DECATUR	Macon County	58	13,802
EASTERN STAR AT MACON	MACON	Macon County	48	7,590
10/14/2015 Correction — Facility converted 4 beds from Sheltered Care to Nursing Care; facility now has 48 Nursing Care and 16 Sheltered Care beds.				
FAIR HAVENS CHRISTIAN HOME	DECATUR	Macon County	154	43,738
HEARTLAND OF DECATUR	DECATUR	Macon County	117	31,608
HERITAGE HEALTH - MOUNT ZION	MOUNT ZION	Macon County	75	24,594
HICKORY POINT CHRISTIAN VILLAGE	FORSYTH	Macon County	64	21,294
IMBODEN CREEK LIVING CENTER	DECATUR	Macon County	95	29,946
MCKINLEY COURT	DECATUR	Macon County	150	47,480
ST. MARY'S HOSPITAL	DECATUR	Macon County	0	0
3/13/2017 E-014-17 — Exemption approved to discontinue 14 bed Long-Term Care unit.				
SYMPHONY OF DECATUR	DECATUR	Macon County	195	59,229
		Planning Area Totals	**1,096**	**313,055**

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	35,584	88,100	403.9	206.7	551.3	403.9	84,700	34,211			
65-74 Years Old	46,440	10,600	4,381.1	2,453.6	6,542.9	4,381.1	12,000	52,574			
75+ Years Old	231,031	9,600	24,065.7	16,274.4	43,398.3	24,065.7	8,700	209,372			
						Planning Area Totals		296,156	809.2	899	197

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Planning Area: Moultrie

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
ARTHUR HOME	ARTHUR	Moultrie County	53	14,780
EASTVIEW TERRACE	SULLIVAN	Moultrie County	63	18,411
MASON POINT	SULLIVAN	Moultrie County	122	36,411
SULLIVAN REHAB & HEALTH CARE CTR	SULLIVAN	Moultrie County	123	23,548
		Planning Area Totals	361	93,150

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	12,445	11,900	1,045.8	206.7	551.3	551.3	11,700	6,450			
65-74 Years Old	14,708	1,500	9,805.3	2,453.6	6,542.9	6,542.9	1,700	11,123			
75+ Years Old	65,997	1,400	47,140.7	16,274.4	43,398.3	43,398.3	1,400	60,758			
						Planning Area Totals		78,331	214.0	238	123

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Planning Area: Piatt

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
BEMENT HEALTH CARE CENTER	BEMENT	Piatt County	60	12,699
JOHN & MARY KIRBY HOSPITAL (SWING BEDS)	MONTICELLO	Piatt County	0	1,351
PIATT COUNTY NURSING HOME	MONTICELLO	Piatt County	100	28,519
		Planning Area Totals	160	42,569

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	4,771	13,300	358.7	206.7	551.3	358.7	12,800	4,592			
65-74 Years Old	2,936	1,800	1,631.1	2,453.6	6,542.9	2,453.6	2,100	5,153			
75+ Years Old	34,862	1,200	29,051.7	16,274.4	43,398.3	29,051.7	1,300	37,767			
						Planning Area Totals		47,511	129.8	144	16

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INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health

General Long-Term Care Category of Service

9/1/2017
Page A-64

Planning Area: Shelby

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
MOWEAQUA REHAB & HEALTHCARE CENTER	MOWEAQUA	Shelby County	70	11,695
SHELBY MEMORIAL HOSPITAL (SWING BEDS)	SHELBYVILLE	Shelby County	0	303
SHELBYVILLE MANOR	SHELBYVILLE	Shelby County	109	29,156
SHELBYVILLE REHAB & HLTHCARE CTR	SHELBYVILLE	Shelby County	80	11,889
		Planning Area Totals	259	53,043

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	4,197	18,200	230.6	206.7	551.3	230.6	16,600	3,828			
65-74 Years Old	6,106	2,800	2,180.7	2,453.6	6,542.9	2,453.6	2,700	6,625			
75+ Years Old	42,740	2,200	19,427.3	16,274.4	43,398.3	19,427.3	2,200	42,740			
						Planning Area Totals		53,193	145.3	161	98

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Planning Area: Vermilion

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
COLONIAL MANOR	DANVILLE	Vermilion County	90	25,535
8/28/2017 Bed Change: Added 7 Nursing Care beds; facility now has 90 Nursing Care beds.				
DANVILLE CARE	DANVILLE	Vermilion County	200	37,876
GARDENVIEW MANOR	DANVILLE	Vermilion County	213	44,570
HAWTHORNE INN OF DANVILLE	DANVILLE	Vermilion County	80	26,645
HERITAGE HEALTH - HOOPESTON	HOOPESTON	Vermilion County	75	26,361
HOOPESTON COMMUNITY HOSPITAL (SWING BEDS)	HOOPESTON	Vermilion County	0	259
NORTH LOGAN HEALTHCARE CENTER	DANVILLE	Vermilion County	108	29,798
		Planning Area Totals	766	191,044

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
64 Years Old	33,219	64,900	511.8	206.7	551.3	511.8	62,500	31,991			
4 Years Old	28,985	8,100	3,578.4	2,453.6	6,542.9	3,578.4	8,900	31,848			
+ Years Old	128,840	6,300	20,450.8	16,274.4	43,398.3	20,450.8	6,600	134,975			
						Planning Area Totals		198,814	543.2	604	162

Community	Street Address	City	State	Zip	Population
Aperion Care Bloomington	1509 North Calhoun St	Bloomington	IL	61701	36,100
Bloomington Rehabilitation	1925 South Main St.	Bloomington	IL	61701	36,100
El Paso health Care Center	850 East Second St	El Paso	IL	61738	4,450
Evenglow Lodge	215 East Washington	Pontiac	IL	61764	11,800
Fairview haven	605 North 4th St	Fairbury	IL	61739	5,000
Flanagan Rehabilitation	201 East Falcon Highway	Flanagan	IL	61740	1,660
Good Samaritan- Flanagan	205 North Adams St.	Flanagan	IL	61740	1,660
Good Samaritan- Pontiac	1225 South Ewwing dr	Pontiac	IL	61764	14,600
Heartland of Normal	510 Broadway	Normal	IL	61761	52,497
Heritage Health-Bloomington	700 East Walnut	Bloomington	IL	61701	36,100
Heritage Health- El Paso	555 East Clay	El Paso	IL	61738	4,450
Heritage Health-Normal	509 North Adelaide	Normal	IL	61761	52,497
Leroy Manor	509 South Buck Rd	Leroy	IL	61752	4,339
Luther Oaks	601 Lutz Road	Bloomington	IL	61704	36,100
Mclean County Nursing Home	901 North Main	Normal	IL	61761	52,497
Meadows Mennonite Home	24588 church St.	Chenoa	IL	61726	2,544
Pontiac Healthcare and Rehab	300 West Lowell	Pontiac	IL	61764	14,600
St. Joseph Medical Center	2200 East Washington St.	Bloomington	IL	61701	36,100
Westminister Village	2025 East Lincoln	Bloomington	IL	61701	36,100

The Village at Mercy Creek
Certificate of Need Application
Criterion 1125.590 Staffing Availability

Residents →	1-10	11-20	21-30	31-40
Day				
RN	0.0	0.0	0.0	16.0
LPN	8.0	16.0	16.0	8.0
CNA	8.0	16.0	24.0	24.0
PM				
RN	0.0	0.0	8.0	16.0
LPN	8.0	16.0	8.0	8.0
CNA	8.0	16.0	24.0	24.0
Night				
RN	0.0	0.0	0.0	8.0
LPN	8.0	8.0	16.0	8.0
CNA	8.0	8.0	16.0	16.0
Total per day	48.0	80.0	112.0	128.0
Staffing per Resident Day	4.80	4.00	3.73	3.20

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Printed: 8/21/2018

Section IV-Service Specific Review Criteria

This proposed project known as The Village at Mercy Creek is for the establishment of a 40 bed nursing care facility. Upon project completion the licensed bed capacity will be 40 nursing care beds. Therefore, the proposed project is compliant with criterion 1125.600.

Attachment 20

CHENOA PHARMACY LLC

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Dear Ms. Avery,

I would like to express my support for the Villages of Mercy Creek's application for a Certificate of Need to establish a 40 bed long-term care skilled nursing facility to be located west of Towanda Barnes Road and North of East Raab road in Normal Illinois.

I believe the Villages of Mercy Creek is very important to the Bloomington-Normal area. This project will not only provide progressive services to the senior population, but it will also bring new jobs to the community.

Geographically, the location will be ideal for some of the elderly who live in this area. This project will provide outstanding services to resident of this community. I believe that the new Villages of Mercy Creek will provide the utmost supportive and compassionate care for their clients.

Thank you so much for considering the Villages of Mercy Creek and I wish the best and offer our support in their endeavor.

Respectfully,

Robert W. Donaggio RPh

209 Green Street - Chenoa, Illinois 61726

ILLINOIS HOUSE OF REPRESENTATIVES

SPRINGFIELD OFFICE
314 CAPITOL
SPRINGFIELD, IL 62706
(217) 782-1118
FAX (217) 558-6271

DISTRICT OFFICE
104 W. NORTH STREET
NORMAL, IL 61761
(309) 662-1100
FAX (309) 662-1150
www.rep-danbrady.com

DANIEL P. BRADY

STATE REPRESENTATIVE · 105TH DISTRICT
DEPUTY REPUBLICAN LEADER

August 15, 2018

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street
Springfield, IL 62761

Dear Ms. Avery:

I would like to express my support for the Villages of Mercy Creek's application for a Certificate of Need to establish a 40 bed long-term care skilled nursing facility to be located west of Towanda Barnes Road and north of East Raab Road in Normal, Illinois.

I believe the Villages of Mercy Creek is very important to the Bloomington-Normal area. This project will not only provide progressive services to the senior population, it will also bring new jobs to the community.

Geographically, the location will be ideal for some of the elderly who live in this area. This project will provide outstanding services to residents of this community. I believe that the new villages of Mercy Creek will provide the utmost supportive and compassionate care for their clients.

Thank you in advance for considering the Villages of Mercy Creek and I offer my support in their endeavor.

Sincerely,

Daniel P. Brady
State Representative
105th District

Section IV-Service Specific Review Criteria

ATTACHMENT 22-Upon project completion, The Village at Mercy Creek will comprise 28,157 gross square feet of space for 40 nursing care beds. This equates to 704 gsf per bed upon project completion. It should be noted that the proposed project is in compliance with the criterion as the full complement is well within the range limit of 713 gross square feet per bed.

BLDD ARCHITECTS

October 24, 2017

Ms. Jessica Basile
Director of Plant Resources at Franciscan Ministries
Franciscan Sisters of Chicago
11500 Theresa Drive
Lemont, IL 60439

Re: Zoning - Meadows at Mercy Creek Skilled Nursing Facility (SNF) and Memory Care Development
Normal, IL

Jessica:

To the best of our knowledge, and based upon the information we are aware of to date, it appears that the site designated for the proposed SNF referenced above is zoned for this particular occupancy and use.

Location: Currently known as 1501 Mercy Creek Drive on the northeast side of Normal, Illinois.

Current Zoning: The existing facility and proposed SNF addition appear to be zoned S-2, Public Lands and Institutions District. According to Section 15.6-12 of the local Zoning Regulations, Nursing and Retirement Homes are permitted uses within this district.

Existing Facility: The current site was developed in 2012 with a 62,000 SF two-story, 60 unit assisted living building. The site was zoned and master planned for future senior living development.

Proposed Addition: The newly proposed project will consist of a one story wood framed building (approximately 44,800 SF) connected to the north and west sides of the existing Meadows at Mercy Creek Assisted Living Community. The new building will be home to forty private skilled nursing care (SNF) beds, split into two small house neighborhoods of twenty beds. Contiguous to these forty beds will be sixteen private assisted living memory care (ALMC) apartments designed to skilled care regulations (I-2 occupancy) but operated as a household of assisted living memory care. The architecture of the new nursing care building will complement the existing assisted living building.

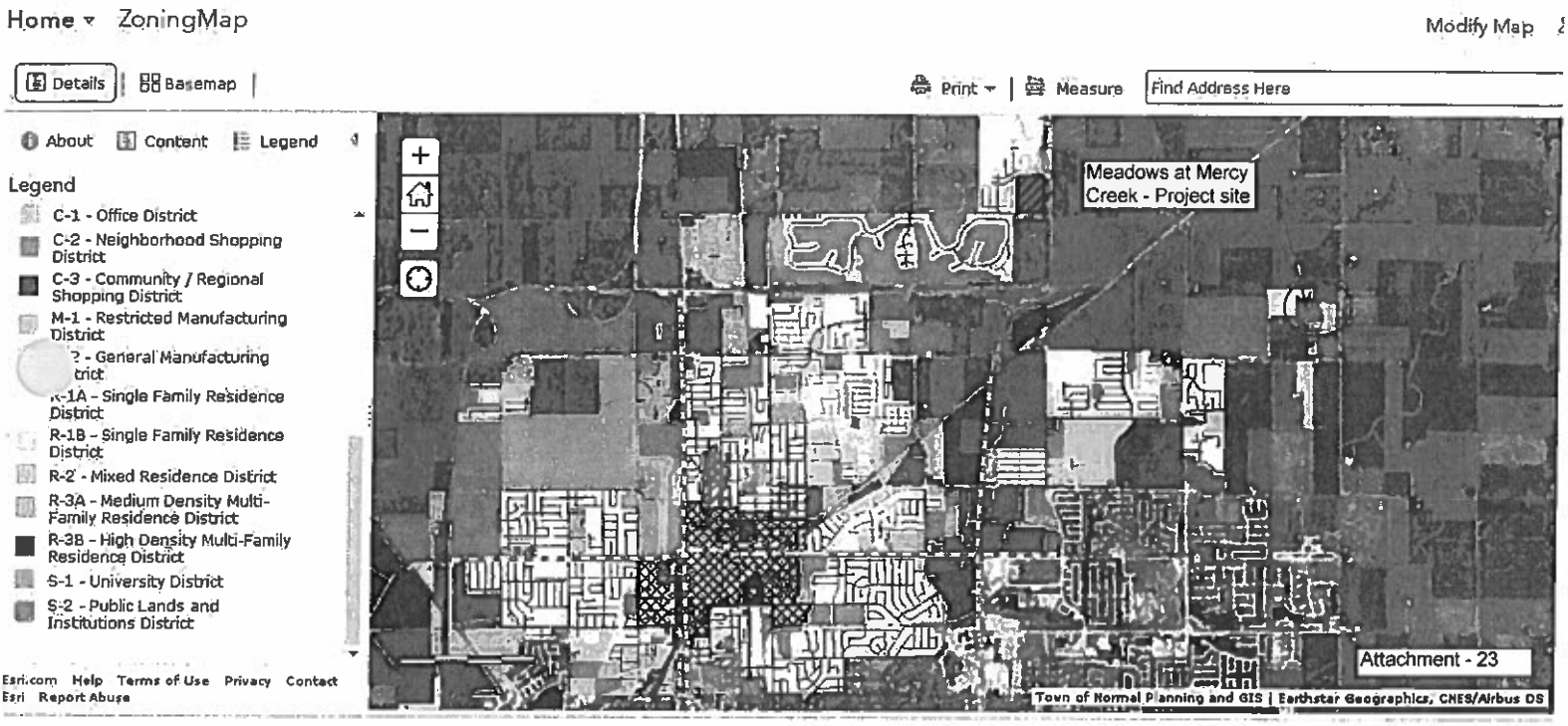
Sincerely,
BLDD Architects, Inc.

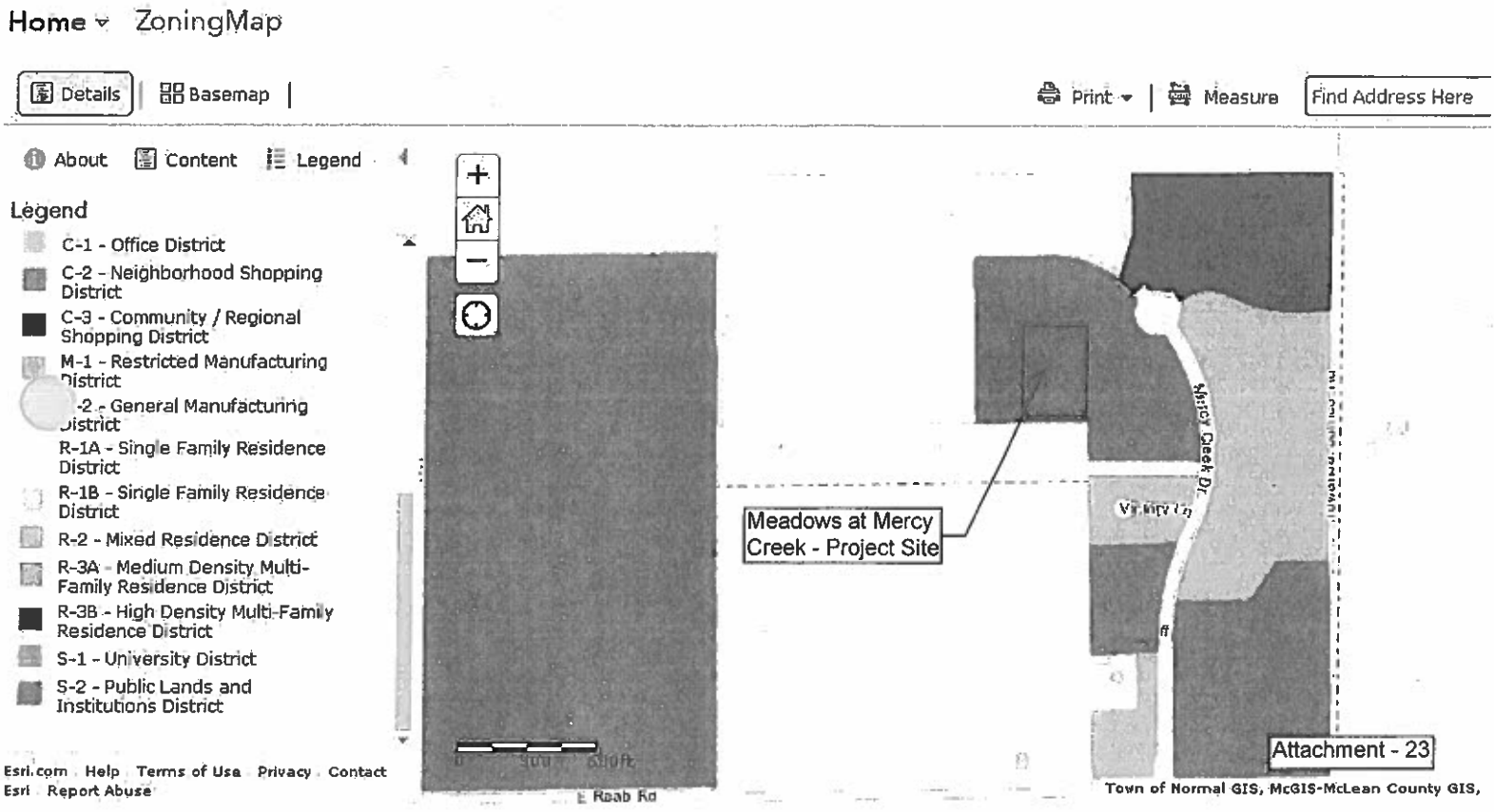
Scott M. Likins

Scott M. Likins, AIA, NCARB
Principal

Attachments: Normal, IL Zoning Maps
Normal, IL Zoning Regulations (Chapter 15-6)

BECAUSE LIFE DESERVES DESIGN


Home
ZoningMap
Modify Map
Details
Basemap
Print
Measure
Find Address Here
About
Content
Legend
Legend
C-1 - Office District
C-2 - Neighborhood Shopping District
C-3 - Community / Regional Shopping District
M-1 - Restricted Manufacturing District
M-2 - General Manufacturing District
R-1A - Single Family Residence District
R-1B - Single Family Residence District
R-2 - Mixed Residence District
R-3A - Medium Density Multi-Family Residence District
R-3B - High Density Multi-Family Residence District
S-1 - University District
S-2 - Public Lands and Institutions District
Esri.com Help Terms of Use Privacy Contact Esri Report Abuse
Meadows at Mercy Creek - Project site
Attachment - 23
Town of Normal Planning and GIS | Earthstar Geographics, CNES/Airbus DS


Home ZoningMap
Details
Basemap
Print
Measure
Find Address Here
About
Content
Legend
Legend
C-1 - Office District
C-2 - Neighborhood Shopping District
C-3 - Community / Regional Shopping District
M-1 - Restricted Manufacturing District
R-1A - Single Family Residence District
R-1B - Single Family Residence District
R-2 - Mixed Residence District
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R-3B - High Density Multi-Family Residence District
S-1 - University District
S-2 - Public Lands and Institutions District
Meadows at Mercy Creek - Project Site
Mercy Creek Dr
E Raab Rd
Esri.com Help Terms of Use Privacy Contact Esri Report Abuse
Town of Normal GIS, McGIS-McLean County GIS,
Attachment - 23

DIVISION 6

PRINCIPAL USES AND DISTRICT STANDARDS

SEC. 15.6-1 PREAMBLE. These Principal Uses and District Standards are intended to govern the use of land, buildings, and structures and establish bulk and off-street parking and loading requirements applicable thereto. It is essential that each new use of land, buildings, or structures become an integral part of the overall function and pattern of community development. All development subject to the provisions of this Code, except as provided hereinafter for Planned Unit Developments, as provided in ordinances authorizing special use permits or pursuant to variations granted by the Zoning Board of Appeals or corporate authority shall conform to the standards of the district in which it is located.

SEC. 15.6-2 A-AGRICULTURE DISTRICT.

A. Intent. The intent of the A-Agriculture District is to govern the use of land, buildings, and structures within areas of the Town where soil, topographic, and other conditions are best suited for the pursuit of agriculture or where essential community facilities or utilities do not yet or are not reasonably expected to serve the property. These regulations are further intended to provide for the protection and conservation of natural resources; to prevent or minimize conflicts between agriculture and non-agricultural land uses; act as a holding zone for annexed land prior to timely development; and to facilitate orderly and efficient urban development by preventing a scattered and indiscriminate pattern of urban growth.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the A-Agriculture zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The suitability of the property for agricultural uses.

2. The extent to which the property and adjoining properties exhibit indicators of urbanization, such as land subdivision, change in land use, or substantial increases in property values.

3. The impact of agricultural use upon the property and upon adjacent properties.

4. Potential public benefit derived from preservation of natural resources on or under the property.

5. The extent to which the property can be effectively served by existing or proposed public facilities and utilities.

Attachment - 23
Page 000370

C. Permitted Uses. In the A-Agriculture District, no buildings or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Farm
3. Roadside stands for sale of agricultural products
4. Telecommunication antenna and related telecommunication antenna facilities. (Amended 6/16/97 by Ord. No. 4456)

D. Special Uses. The following special uses may be permitted, subject to the conditions and standards stated in Division 10 of this Code.

1. Agriculture & Horticultural Fairs, Displays & Shows & Exhibits
2. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
3. Cemeteries
4. Country Clubs & Private Golf Courses
5. Extraction, Loading, Storage, Washing & Hauling of Sand, Gravel & Topsoil
6. Nurseries & Greenhouses
7. Riding Stables
8. Veterinary Hospitals

E. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall contain a minimum of five (5) acres and shall have a minimum lot width of three hundred (300) feet.

2. Yards:

   a. Front Yard: Fifty (50) feet minimum.
   b. Side Yard: Fifty (50) feet minimum each.
   c. Corner Side Yard: Fifty (50) feet minimum.
   d. Rear Yard: Fifty (50) feet minimum.
   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height: Not to exceed thirty-five (35) feet or two (2) stories, whichever is lower. For exemptions from these height regulations, see SEC. 15.4-3(C) of this Code.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Requirements. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

SEC. 15.6-3 R-1AA SINGLE-FAMILY RESIDENCE DISTRICT.

A. Intent. The intent of this R-1AA Residence District is to provide for the establishment of areas characterized by large-lot single-family dwellings intended for occupancy by families and related recreational, religious, and cultural facilities that serve the immediately surrounding residents, as well as those living in the district. The R-1AA district provides for up to approximately two dwelling units per acre.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the R-1AA Residence zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The capacity of existing and proposed community facilities and utilities, including water, sewer, and transportation systems, to serve the uses which might lawfully occur on the property so zoned.

2. The adequacy of public services, including police and fire protection and solid waste collection, serving the property and the impact permitted uses would have upon these services.

3. The extent to which the permitted uses will promote balanced growth in the community and will be consistent with the Town's goals for equal housing opportunities and a variety of housing types.

4. The existence of vacant properties in the vicinity that are developable for uses compatible to those permitted in this district.

5. The impact any natural disasters, including flooding, would have upon permitted uses.

6. The impact the permitted uses would have upon the environment including noise, air, or water pollution.

7. The potential impact existing or permitted uses in the vicinity would have upon uses authorized in the R-1AA District and the impact such uses, if developed on the property would have upon existing uses in the vicinity.

8. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the R-1AA Residence District, no building or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Day Care Home (Added 2/20/95 by Ord. No. 4290, Effective 7/1/95)
3. Dwellings, Single Family

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Cemeteries
3. Churches & Other Places of Public Worship
4. Country Clubs & Private Golf Courses
5. Day Care Centers in Churches

E. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall contain a minimum of twenty-two thousand five hundred (22,500) square feet and shall have a minimum lot width of one hundred twenty-five (125) feet.

2. Yards.

   a. Front Yard: Forty (40) feet minimum or the average setback, whichever is greater.
   b. Side Yards: Twenty (20) feet minimum each.
   c. Corner Side Yards: Thirty-five (35) feet minimum.
   d. Rear Yard: Sixty (60) feet minimum.
   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.
   f. With the exception of driveways leading to off-street parking, private sidewalks, front stoops and porches, the remainder of the front and corner side yards shall be landscaped. (Added 1/20/04 by Ord. No. 4926)

3. Building Height: Not to exceed thirty-five (35) feet or two (2) stories, whichever is lower. For exemptions from these height regulations, see SEC. 15.4-3(C) of this Code.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this code.

G. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7.

SEC. 15.6-4 R-1A SINGLE-FAMILY RESIDENCE DISTRICT.

A. Intent. The intent of this R-1A Residence District is to provide primarily for the establishment of areas characterized by moderate-sized lots and single-family detached dwellings intended for occupancy by families. In addition to these dwellings, related recreational, religious, and cultural facilities intended to serve the immediately surrounding residents are allowed where such facilities are found to be compatible with surrounding residential development. The R-1A district allows densities of up to approximately four dwelling units per acre.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the R-1A Residence zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The capacity of existing and proposed community facilities and utilities, including water, sewer, and transportation systems, to serve the permitted uses which might lawfully occur on the property so zoned.

2. The adequacy of public services, including police and fire protection and solid waste collection, serving the property and the impact permitted uses would have upon these services.

3. The extent to which the permitted uses will promote balanced growth in the community and will be consistent with the Town's goals for equal housing opportunities and a variety of housing types.

4. The existence of vacant properties in the vicinity that are developable for uses compatible to those permitted in this district.

5. The impact any natural disasters, including flooding, would have upon permitted uses.

6. The impact the permitted uses would have upon the environment including noise, air, or water pollution.

7. The potential impact existing or permitted uses in the vicinity would have upon uses authorized in the R-1A District and the impact such uses, if developed on the property would have upon existing uses in the vicinity.

8. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the R-1A Residence District, no building or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Day Care Home (Added 2/20/95 by Ord. No. 4290, Effective 7/1/95)
3. Dwellings, Single Family

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Cemeteries
3. Churches & Other Places of Public Worship
4. Country Clubs & Private Golf Courses
5. Day Care Centers in Churches

E. Bulk Regulations. The following bulk regulations shall apply to all permitted uses. Bulk regulations relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall contain a minimum of ten thousand (10,000) square feet and shall have a minimum lot width of seventy (70) feet.

2. Yards.

   a. Front Yard: Thirty (30) feet minimum or the average setback, whichever is greater.
   b. Side Yards: Eight (8) feet minimum each.
   c. Corner Side Yard: Thirty (30) feet minimum.
   d. Rear Yard: Forty (40) feet minimum.
   e. For General Yard Regulations that are applicable, see SEC. 15.4-5 of this Code.
   f. With the exception of driveways leading to off-street parking, private sidewalks, front stoops and porches, the remainder of the front and corner side yards shall be landscaped. (Added 1/20/04 by Ord. No. 4926)

3. Building Height: Not to exceed thirty-five (35) feet or two (2) stories, whichever is lower. For exemptions from these height regulations, see SEC. 15.4-3(C) of this Code.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

SEC. 15.6-5 R-1B SINGLE-FAMILY RESIDENCE DISTRICT.

A. Intent. The intent of this R-1B Residence District is to provide primarily for the establishment of areas of higher density single-family detached dwellings. Densities of approximately six dwelling units per acre are allowed. This district may be applied to newly developed areas, as well as the older residential areas of the Town.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the R-1B Residence zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The capacity of existing and proposed community facilities and utilities, including water, sewer, and transportation systems, to serve the permitted uses which might lawfully occur on the property so zoned.

2. The adequacy of public services, including police and fire protection and solid waste collection, serving the property and the impact permitted uses would have upon these services.

3. The extent to which the permitted uses will promote balanced growth in the community and will be consistent with the Town's goals for equal housing opportunities and a variety of housing types.

4. The existence of vacant or redevelopable properties in the vicinity that are developable for uses compatible to those permitted in this district.

5. The impact any natural disasters, including flooding, would have upon permitted uses.

6. The impact the permitted uses would have upon the environment including noise, air, or water pollution.

7. The potential impact existing or permitted uses in the vicinity would have upon uses authorized in the R-1B District and the impact such uses, if developed on the property would have upon existing uses in the vicinity.

8. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the R-1B Residence District, no building or land shall be used except for one (1) or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Day Care Home (Added 2/20/95 by Ord. No. 4290, Effective 7/1/95)
3. Dwellings, Single Family

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Cemeteries
3. Churches & Other Places of Public Worship
4. Country Clubs & Private Golf Courses
5. Day Care Centers in Churches

E. Bulk Regulations. The following bulk regulations shall apply to all permitted residential uses. Bulk regulations relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall contain a minimum of six thousand six hundred (6,600) square feet and shall have a minimum lot width of sixty (60) feet.

2. Yards.

   a. Front Yard: Twenty-five (25) feet minimum or the average setback, whichever is greater.
   b. Side Yards: Six (6) feet minimum each. (Amended 11/20/95 by Ord. No. 4356)
   c. Corner Side Yard: Twenty-five (25) feet minimum.
   d. Rear Yard: Thirty-five (35) feet minimum.
   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.
   f. With the exception of driveways leading to off-street parking, private sidewalks, front stoops and porches, the remainder of the front and corner side yards shall be landscaped. (Added 1/20/04 by Ord. No. 4926)

3. Building Height: Not to exceed thirty-five (35) feet or two (2) stories, whichever is lower. For exemptions from these height regulations, see SEC. 15.4-3(C) of this Code.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Requirements. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

SEC. 15.6-6 R-2 MIXED RESIDENTIAL DISTRICT.

A. Intent. The intent of this R-2 Residence District is to accommodate development characterized by a mixture of housing types at a high single-family and low multiple-family structural density. Densities of up to approximately 14 dwelling units per acre are allowed. This district allows for the conversion of dwelling units in older residential areas of mixed dwelling types in order to extend the economic lift of these structures and allow owners to justify expenditures for repairs and modernization and serves as a zone of transition between lower density residential districts and residential districts that permit greater land use intensity and structural density.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the R-2 Residence zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The availability of permanent open spaces, including public parks, golf courses, schools, and similar such uses in proximity to the subject property.

2. The distance the subject property is from primary service facilities and activity centers, including schools, commercial centers, cultural nodes and places of employment.

3. The capacity of existing and proposed community facilities and utilities, including water, sewer, and transportation systems, to serve the permitted uses which might lawfully occur on the property so zoned.

4. The relationship of the subject property to the various aspects of the Town's transportation system including pedestrian ways, bicycle paths, major and collector streets, and public transit.

5. The adequacy of public services including schools, police and fire protection and solid waste collection, serving the property and the impact the permitted uses would have upon these services.

6. The potential impact existing or permitted uses in the vicinity would have upon land uses authorized in the R-2 District and the impact such uses, if developed, would have upon existing uses in the vicinity.

7. The extent to which the permitted uses will promote balanced growth in the community and will be consistent with the Town's goals for equal housing opportunity and a variety of housing types.

8. The impact any natural disasters, including flooding would have upon the permitted uses.

9. The impact the permitted uses would have upon the environment including noise, air, and water pollution.

10. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the R-2 Residence District, no building or land may be used except for one or more of the following specified uses, unless otherwise provided in the Code.

1. Agriculture
2. Day Care Home (Added 2/20/95 by Ord. No. 4290, Effective 7/1/95)
3. Dwelling, Two-Family
4. Dwellings, Single Family

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Churches & Other Places of Public Worship
3. Day Care Centers

E. Bulk Regulations. The following bulk requirements shall apply to all permitted residential uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall be sized as follows:

   a. Dwellings, single-family: Six thousand six hundred (6,600) square feet and sixty (60) feet in width.
   b. Dwellings, two-family: Seven thousand five hundred (7,500) square feet and seventy-five (75) feet in width, except, however, where a lot of record contains one (1) side yard of zero (0) feet, then the lot must contain three thousand seven hundred and fifty (3,750) square feet and thirty seven and one-half (37.5) feet in width. (Amended 9/16/91)(Amended 11/16/92 by Ord. 4091)
   c. Day Care Centers: In accordance with Department of Children and Family Service licensing standards.

2. Yards.

   a. Front Yard: Twenty-five (25) feet minimum or the average setback, whichever is greater.

b. Side Yards: Six (6) feet minimum each except a lot of record meeting or exceeding all bulk requirements of this district may contain one (1) side yard of at least six (6) feet and one (1) sideyard of zero (0) feet, provided that side yard of zero (0) feet abuts another lot with a side yard of zero (0) feet and the two (2) lots share the same side yard of zero (0) feet. (Amended 9/16/91)(Amended 11/16/92 by Ord. 4091)

c. Corner Side Yard: Twenty-five (25) feet minimum.

d. Rear Yard: Thirty-five (35) feet minimum.

e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

f. With the exception of driveways leading to off-street parking, private sidewalks, front stoops and porches, the remainder of the front and corner side yards shall be landscaped. (Added 1/20/04 by Ord. No. 4926)

3. Building Height. Not to exceed thirty-five (35) feet or two (2) stories, whichever is lower. For exemptions from these height regulations see SEC. 15.4-3(C) of this Code.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

SEC. 15.6-7 R-3A MEDIUM-DENSITY MULTIPLE-FAMILY RESIDENCE DISTRICT.

A. Intent. The intent of this R-3A Residence District is to facilitate the development of residential districts for primarily multiple-family residences, which may generally serve as a zone of transition between non-residential districts and residential districts of more moderate density. This district is further intended to provide for the needs of persons desiring the apartment type of dwelling at densities from 12 to 18 dwelling units per acre.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the R-3A Residence zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration.

1. The availability of permanent open spaces, including public parks, golf courses, schools, and similar such uses in proximity to the subject property.

2. The relationship of the subject property to the various aspects of the Town's transportation system including pedestrian ways, bicycle paths, major and collector streets, and public transit.

3. The distance the subject property is from primary service facilities and activity centers, including schools, commercial centers, cultural nodes and places of employment.

4. The adequacy of public services including schools, police and fire protection, and solid waste collection, serving the property and the impact the permitted uses would have upon these services.

5. The capacity of existing and proposed community facilities and utilities including water and sewer systems, to serve the permitted uses which might lawfully occur on the property so zoned.

6. The potential impact existing or permitted uses in the vicinity would have upon this residential use and the impact uses authorized in the district would have upon these surrounding areas.

7. The extent to which the permitted uses will promote balanced growth in the community and will be consistent with the Town's goals for equal housing opportunity and a variety of housing types.

8. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

9. Impact any natural disasters, including flooding, would have upon the permitted uses.

10. The conformance of the proposal with the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the R-3A Residence District, no building or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Day Care Home (Added 2/20/95 by Ord. No. 4290, Effective 7/1/95)
3. Dwelling, Multiple-Family
4. Dwelling, Two-Family

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Churches & Other Places of Public Worship
3. Commercial Parking Lot (Added 1/16/01 by Ord. No. 4707)
4. Country Clubs & Private Golf Courses
5. Day Care Centers
6. Nursing & Retirement Homes
7. Rooming Houses
8. Therapeutic Care Homes

E. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall be sized as follows:

   a. Dwellings, two family: Eight thousand (8,000) square feet and eighty (80) feet in width; however, when one side yard of zero (0) feet is proposed, then the lot must contain four thousand (4,000) square feet and forty (40) feet in width. (Amended 11/20/95 by Ord. No. 4356)

   b. Dwellings, multiple-family: Seventy (70) feet in width and
      (i) Efficiency unit: One thousand five hundred (1,500) square feet per dwelling unit.
      (ii) One bedroom unit: Two thousand (2,000) square feet per dwelling unit.
      (iii) Two or more bedroom units: Two thousand four hundred (2,400) square feet per dwelling unit.

   c. Day Care Centers: In accordance with Department of Children and Family Service licensing standards.

2. Yards.

   a. Front Yard: Twenty-five (25) feet minimum or the average setback, whichever is greater, or as otherwise provided in the Parking Impact Zone. (Added 10/15/01 by Ord. No. 4751).
   b. Side Yards: Side yards ten (10) feet minimum each except for a two (2) family lot that contains one (1) side yard of ten (10) feet and one (1) side yard of zero (0) feet provided that the side yard of zero (0) feet and abutting or adjoining lot share the same side yard of zero (0) feet. (Amended 11/20/95 by Ord. No. 4356)
   c. Corner Side Yard: Twenty-five (25) feet minimum.
   d. Rear Yard: Thirty (30) feet minimum, except as otherwise provided in the Parking Impact Zone. (Added 10/15/01 by Ord. No. 4751).
   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height: Not to exceed thirty-five (35) feet or two (2) stories, whichever is lower. For exemptions from these height regulations see SEC. 15.4-3(C) of this Code.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

H. Development Standards. The provisions set forth in Division 14 shall apply to any proposal for development in the R-3A District. (Added 1/20/04 by Ord. No. 4926)

SEC. 15.6-8 R-3B HIGH DENSITY MULTIPLE-FAMILY RESIDENCE DISTRICT.

A. Intent. The intent of this R-3B Residential District is to allow for areas of highly concentrated multiple-family residential development. This district provides for more intense land usage in areas where lower density development is deemed neither appropriate nor economical. It is further intended for this district to provide apartment type dwellings in mid-rise structures for those persons desiring to live in such an environment. Allowing densities of up to 72 dwelling units per acre, this district may be applied to areas best suited for such intense residential usage, principally on the fringes of the central business district and Illinois State University. It may also be applied to other areas in the Town where comparable physical arrangements of land uses are present.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property in the R-3B Residence zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration.

1. The availability of permanent open spaces, including public parks, golf courses, schools, and similar such uses in proximity to the subject property.

2. The relationship of the subject property to the various aspects of the Town's transportation system including pedestrian ways, bicycle paths, major and collector streets, and public transit.

3. The distance the subject property is from primary service facilities and activity centers, including schools, commercial centers, cultural nodes and places of employment.

4. The adequacy of public services including schools, police and fire protection, and solid waste collection, serving the property and the impact the permitted uses would have upon these services.

5. The capacity of existing and proposed community facilities and utilities including water and sewer systems, to serve the permitted uses which might lawfully occur on the property so zoned.

6. The potential impact existing or permitted uses in the vicinity would have upon this residential use and the impact uses permitted in this district would have upon such surrounding uses.

7. The extent to which the permitted uses will promote balanced growth in the community and will be consistent with the Town's goals for equal housing opportunity and a variety of housing types.

8. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

9. The impact any natural disasters, including flooding, would have upon the permitted uses.

10. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the R-3B Residence District, no building or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Day Care Centers
3. Day Care Home (Added 2/20/95 by Ord. No. 4290, Effective 7/1/95)
4. Dwelling, Multiple-Family
5. Rooming Houses
6. Therapeutic Care Homes

D. Special Uses. The following special uses may be permitted, subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Churches & Other Places of Public Worship
3. College, University Classroom (Added 2/20/95 by Ord. No. 4289)
4. Commercial Parking Lot (Added 1/16/01 by Ord. No. 4707)
5. Convenience Established in Multiple-Family Buildings
6. High-Rise Building
7. Office Building

E. Site Plan Review. Site Plan Review and approval by the Town Council, after a legislative public hearing and recommendation by the Normal Planning Commission, in accordance with SEC. 15.8-3 of this Code shall be required for all development which fulfills one or more on the following criteria:

1. The development of land on a tract one (1) acre or larger. (Amended 11/20/95 by Ord. No. 4356)

F. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall be sized as follows:

   a. Dwellings, multiple-family: Six thousand (6,000) square feet and sixty (60) feet in width, and
   b. Therapeutic Care Homes: Four hundred (400) square feet per occupant. Minimum Width: Sixty (60) feet. Day Care Centers: In accordance with Department of Children and Family Services licensing standards.
   c. Other: No minimum.

2. Yards.

   a. Front Yard: Twenty (20) feet minimum, except as otherwise provided in the Parking Impact Zone. (Added 10/15/01 by Ord. No. 4751)
   b. Side Yards: Nine (9) feet minimum.
   c. Corner Side Yards: Twenty (20) feet minimum.
   d. Rear Yard: Twenty-five (25) feet minimum, except as otherwise provided in the Parking Impact Zone. (Added 10/15/01 by Ord. No. 4751)
   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height: Maximum heights permitted are as follows. For exemptions from these height regulations see SEC. 15.4-3(C) of this Code.

   a. Day Care centers, rooming houses, therapeutic care homes, fraternities and sororities: Thirty-five (35) feet or three (3) stories, whichever is lower.
   b. Dwellings, multiple-family: Sixty-five (65) feet or six (6) stories, whichever is lower.

G. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

H. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

I. Development Standards. The provisions set forth in Division 14 shall apply to any proposal for development in the R-3B District. (Added 1/20/04 by Ord. No. 4926)

SEC. 15.6-9 R-4 MOBILE HOME RESIDENCE DISTRICT.

A. Intent. The intent of this R-4 Residence District is to provide for the establishment of mobile home subdivisions, wherein individual lots are provided for ownership in a manner and at a density deemed appropriate, safe and compatible to surrounding land uses and densities and in conformance with the Subdivision Code, Chapter 16 of the Municipal Code of the Town of Normal.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the R-4 Residence zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration.

1. The capacity of existing and proposed community facilities and utilities, including water, sewer, and transportation systems, to serve the permitted uses which might lawfully occur on the property so zoned.

2. The relationship of the subject property to the various aspects of the Town's transportation system, including pedestrian ways, bicycle paths, major and collector streets and public transit.

3. The adequacy of public services including police and fire protection, solid waste collection, and public schools that would serve the property and the impact the permitted uses would have upon these.

4. The extent to which the permitted uses will promote balanced growth in the community and will be consistent with the Town's goals for equal housing opportunities and a variety of housing types.

5. The compatibility of uses authorized in the district with existing and permitted uses on surrounding properties.

6. The impact any natural disasters, including flooding, will have upon the permitted uses.

7. The impact the permitted uses would have upon the natural environment including noise, air, and water pollution.

8. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the R-4 Residence District, no building or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Day Care Home (Added 2/20/95 by Ord. No. 4290, Effective 7/1/95)
3. Dwellings, Mobile Home
4. Single-Family Manufactured Unit (Amended 11/20/95 by Ord. No. 4356)

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Cemeteries
3. Day Care Centers in Churches

E. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: Lots shall contain six thousand six hundred (6,600) square feet and shall have a minimum lot width of sixty (60) feet.

2. Yards.

   a. Front Yard: Twenty-five (25) feet minimum.
   b. Side Yards: Two side yards having a combined width of not less than twelve (12) feet with neither less than five (5) feet in width.
   c. Corner Side Yard: Twenty-five (25) feet minimum.
   d. Rear Yard: Thirty-five (35) feet minimum.
   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height: Not to exceed thirty-five (35) feet or two (2) stories, whichever is lower. For exemptions from these height regulations, see SEC. 15.4-3(C) of this Code.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

SEC. 15.6-10 SPECIAL PUBLIC INTEREST DISTRICTS.

A. Intent. It is the intent of these regulations to permit the creation of SPECIAL PUBLIC INTEREST (S) districts:

1. In general areas officially designated as having special and substantial public interest in protection of existing or proposed character, or of principal views of, from, or through such areas;

2. Surrounding individual buildings or grounds where there is special and substantial public interest in protecting such buildings and their visual environment; or

3. In other cases where special and substantial public interest requires modification of existing zoning regulations or repeal and replacement of such regulations for the accomplishment of special public purposes for which the district was established.

It is further intended that such SPECIAL PUBLIC INTEREST (S) districts and the regulations established therein shall be in accord with and promote the purposes set forth in the Town's Comprehensive Plan and other officially adopted plans of the Town and shall encourage land use and development in substantial accord with the physical design set forth therein.

B. Effect of S District Designation. Such S districts designated by amendment of the Zoning Map supplant district or districts existing at the time of creation of a particular S district.

C. Preparation of Recommendations for Specific S Zoning. Recommendations for specific S district zoning classification shall be prepared by the Planning Commission on its own initiative or at the direction of the Council. Each recommendation shall identify the proposed zoning classification by the S prefix and a number identifying the particular district and shall contain information and recommendations as indicated below concerning the regulations proposed for such district classification:

1. Statement of Intent. The recommendation shall include a statement of intent, specifying the nature of the special and substantial public interest involved and the objectives to be promoted by special regulations and/or procedures, within the district as a whole, or within subareas of the district, if division into such subareas is reasonably necessary for achievement of regulatory purposes.

2. Proposed Regulations. The recommendation shall include regulations designed to promote the special purposes of the district, as set forth in the statement of intent. In particular, such regulations may require submission of detailed site plans, building plans and elevations, and maps indicating the relation of proposed development to surrounding or otherwise affected property in terms of location, amount, character, and continuity of open space; protection of desirable principal views; convenience of access through and between buildings or in other locations where appropriate for public purposes and where such access will reduce pedestrian congestion on public streets; separation of pedestrian and vehicular traffic; signs; lighting; mixtures of proposed uses and other matters as appropriate to determinations related to special public interest of the district and the objectives to be promoted.

The regulations may require special approval of such plans by the Planning Commission, Town Council, or other officials or agencies of the Town.

SEC. 15.6-11 S-1 UNIVERSITY DISTRICT.

A. Intent. The intent of this S-1 University District is to allow for the establishment and expansion of colleges, universities, or theological schools. It shall be applied to property owned, or leased, and used by a college, university, or theological school for educational or education related activities. While providing for flexibility in land usage, this district recognizes the multi-building, multi-acre, traffic-generating character of universities and the profound influence such a school may have upon surrounding neighborhoods and public facilities and utilities. This district is not to serve as a substitute for comprehensive, cooperative, campus-community planning but rather it is intended to foster better relations and mutual problem solving between the two.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the S-1 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration.

1. The relationship of the subject property to the various aspects of the Town's transportation system including pedestrian ways, bicycle paths, major and collector streets, parking facilities, and public transit and the probable impact the permitted uses will have upon this system.

2. The capacity of existing and proposed community facilities and utilities including water and sewer systems, to serve the permitted uses which might lawfully occur on the property so zoned.

3. The potential impact existing or permitted uses in the vicinity would have upon this proposed university use and the impact uses authorized in the district would have upon the surrounding permitted or existing uses.

4. The extent to which the permitted uses will promote balanced growth in the community.

5. The impact uses authorized in the district would have upon the environment, including noise, air, and water pollution.

6. The impact any natural disasters, including flooding, would have upon uses authorized in the district.

7. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the S-1 University District, no building or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Arena, Stadium
3. Art Gallery, Museum
4. Auditorium
5. Book, Stationery Store
6. Bowling, Billiard Center
7. Business School
8. Churches & Other Places of Public Worship
9. College, University Classroom
10. Computer Data-Processing Center
11. Dance Studio
12. Day Care Centers
13. Dormitory Residence Hall
14. Exhibition Hall, Exposition Hall
15. Farm
16. Fieldhouse
17. Golf Course, Public
18. Greenhouse
19. Heating, Physical Plant
20. Ice Rink
21. Junior College Classroom Building
22. Laboratory
23. Library
24. Office Building, Office
25. Park
26. Parking Lot
27. Planetarium
28. Police Station
29. Radio, T.V. Station
30. Recreation Center
31. Rooming Houses
32. School, Elementary
33. School, High
34. School, Junior High
35. Specialty School
36. Swimming Facility
37. Telecommunication Antenna and Related Telecommunication Antenna Facilities (Added 6/16/97 by Ord. No. 4445)
38. Theater
39. Other uses similar to the above, provided such uses are consistent with the purpose of this district.

D. Special Uses. No special uses are permitted in this district.

E. Bulk Regulations. The following bulk requirements shall apply to all permitted uses.

1. Lot Size and Width: No minimum.

2. Yards: No minimum, although the General Yard Regulations contained in SEC. 15.4-5 of this Code shall apply.

3. Building Height: No maximum height requirement.

4. Day Care Centers: In accordance with Department of Children and Family Service licensing standards.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

SEC. 15.6-12 S-2 PUBLIC LANDS AND INSTITUTIONS DISTRICT.

A. Intent. The intent of this S-2 Public Lands and Institutions District is to allow for the establishment and maintenance of public uses, publicly regulated uses, and private uses that display an inherent relationship to the public interest. The creation of such a district shall be provided for parcels of substantial size where such community serving uses are necessary in order that adequate community services may be rendered and where, through proper site selection and planning, such uses are compatible with the surrounding area.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the S-2 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration.

1. The extent to which the uses authorized in the district are necessary for the proper provision of community services.

2. The potential impact existing or permitted uses in the vicinity would have upon the public uses and impact the permitted uses would have upon these surrounding uses.

3. The capacity of existing and proposed community facilities and utilities, including water, sewer, and transportation systems, to serve the uses authorized in the district.

4. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

5. The impact any natural disasters, including flooding, would have upon the permitted uses.

6. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the S-2 Public Lands and Institutions District, no building or land shall be used except for one (1) or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Airport, Heliport
3. Arena, Stadium
4. Art Gallery, Museum
5. Auditorium
6. Churches & Other Places of Public Worship
7. College, University Classroom

8. Community Center
9. Convention Center
10. Correctional Institutions, Detention Centers & Rehabilitation Centers
11. Dormitory
12. Dwelling, Multi-family provided such dwelling unit is restricted to residents 55 years of age and older with no more than 20 percent of the dwelling units occupied by a grandfamily (Added 5/18/09 by Ord. No. 5265)
13. Electric Power Plants & Substations
14. Fieldhouse
15. Fire Station
16. Gas Company Plants and Facilities
17. Golf Course, Public
18. Gymnasium
19. Hospital
20. Ice Rink
21. Junior College Classroom Building
22. Legislative Hall
23. Library
24. Nursing & Retirement Homes
25. Office Building, Office
26. Park
27. Parking Lot
28. Police Station
29. Radio, T.V. Station
30. Recreation Center
31. Sanitary landfill
32. School Administrative Offices
33. School Bus Garages and/or repair shops, Public Transit Garages
34. School System Warehouses; Governmental Warehouses and Storage Areas
35. School, Elementary
36. School, High
37. School, Junior High
38. Student Residence Hall
39. Swimming Facility
40. Telecommunication Antenna and Related Telecommunication Antenna Facilities (Added 6/16/97 by Ord. No. 4456)
41. Telephone Exchange
42. Water Filtration/Treatment Plants & Elevated & Underground storage Tanks
43. Welfare Agency
44. Zoo
45. Other uses similar to the above, provided such uses are consistent with the purpose of this district.

(Amended 6/17/96 by Ord. No. 4395)

D. Special Uses. No special uses are permitted in this district.

E. Site Plan Review and Approval by the Town Council. After a legislative public hearing and recommendation by the Normal Planning Commission, in accordance with SEC. 15.8-3 of this Code shall be required for all developments in the District. (Amended 11/20/95 by Ord. No. 4356)

F. Bulk Regulations. The following bulk requirements shall apply to all permitted uses.

1. Lot Size and Width: No minimum.

2. Yards. No minimum, although the General Yard Regulations contained in Section 15.4-5 of this Code shall apply.

3. Building Height. No maximum.

G. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

H. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

I. Development Standards. The provisions set forth in Division 14 shall apply to any proposal for development in the S-2 District. (Added 1/20/04 by Ord. No. 4926)

SEC. 15.6-13 S-3 HISTORIC AND CULTURAL DISTRICT.

A. Intent. In addition to those general purposes set forth in Division 2 of this Code, it is hereby declared a matter of public policy that the protection, enhancement perpetuation, and use of improvements of special character or special historical interest or value is a public necessity and is required in the interest of the health, prosperity, safety, and welfare of the citizens of the Town. This S-3 Historic and Cultural District shall be applied as an overlay or a combined district. This technique retains the list of uses allowed in the present zoning classification that the S-3 District overlays. The purpose of the S-3 Historic and Cultural District is to:

1. effect and accomplish the protection, enhancement, and perpetuation of such improvements and of such districts that represent or reflect elements of the Town's cultural, social, economic, political, and architectural history;

2. safeguard the Town's historic and cultural heritage, as embodied and reflected in such landmarks and historic districts;

3. stabilize and improve property values;

4. foster civic pride in the beauty and noble accomplishments of the past;

5. protect and enhance the Town's attractions to residents, home buyers, tourists, and visitors and shoppers, thereby supporting and promoting business, commerce and industry;

6. strengthen the economy of the Town; and

7. promote the use of historic districts and landmarks for education, pleasure, and welfare of the people of the Town.

B. Zoning Map Amendment Guidelines

1. Any portion of the Town classified in a S-3 Historic and Cultural District shall also be classified in one (1) or more of other districts established in Division 6 of this Code. The official zoning map shall designate any land classified in a S-3 District by a combination of symbols, e.g. S-3/R-1AA, S-3/R-1A, S-3/R-1B, S-3/R-2, S-3/R-3A, S-3/R-3B, etc.

2. In a S-3 Historic and Cultural District, all the regulations of the underlying Agriculture District, Residential District, Special Public Interest District, Business/Commercial District or Manufacturing District established by Division 6 of this Code shall apply, except insofar as such regulations are in conflict with the special regulations applicable to the S-3 Historic and Cultural District, and in the event of such a conflict, the regulations governing such S-3 District shall apply. All permitted uses or special uses otherwise allowable in the underlying Agriculture District, Residence District, Special Public Interest District, Business District or Manufacturing District shall continue to be allowable uses except as provided in Division 12, SEC. 15.12-1(E) of this Code.

C. Bulk Regulations. The following bulk regulations shall apply to all permitted uses.

1. Lot Regulations. To the extent that existing patterns of platting or lotting contribute to the character of the S-3 Historic and Cultural District, it is the intent of this Section to encourage continuations of such patterns and prevent future fragmentation of land ownership likely to have adverse effects on such character. Therefore, lots or portions of lots existing at the time such lots or portions thereof are classified into the S-3 Historic and Cultural District may be combined but, subject to the general provisions cited in SEC. 15.4-3 of this Code, it shall be unlawful for any such existing lot or combinations of lots of portions thereof in single ownership at the time of such zoning to the S-3 District to be reduced in width, depth, or area without the approval by the Preservation Commission of either a Certificate of Appropriateness in accordance with SEC. 12-1(E)(20) through SEC. 15.12-1(E)(24)(k) of this Code or Certificate of Economic Hardship in accordance with SEC. 15.12-1(E)(25) through SEC. 15.12-1(E)(26) of this code.

2. Yard Regulations. Subject to the general provisions cited in SEC. 15.4-3 of this Code, it shall be unlawful for front yards, side yards, rear yards or portions thereof existing at the time that such yards are classified into the S-3 Historic and Cultural District to be reduced in width, depth, or area without the approval by the Preservation Commission of either a Certificate of Appropriateness in accordance with SEC. 15.12-1(E)(25) through SEC. 15.12-1(E)(26) of this Code.

3. Height Regulations

a. Existing Buildings or Structures – Subject to the general provisions cited in SEC. 15.4-3 of this Code, it shall be unlawful for the height of buildings or structures or portions thereof existing at the time that such buildings or structures or portions thereof are classified into the S-3 Historic and Cultural District to be altered without the approval by the Preservation Commission of either a Certificate of appropriateness in accordance with SEC. 15.12-1(E)(24)(k) of this Code or a Certificate of Economic Hardship in accordance with SEC. 15.12-1(E)(25) through SEC. 15.12-1(E)(26) of this Code.

b. New Buildings or Structures – Subject to the general provisions cited in SEC. 15.4-3 of this Code, it shall be unlawful for any building or structure to be constructed or erected in the S-3 Historic and Cultural District to any height above grade without the approval by the Preservation Commission of either a Certificate of Appropriateness in accordance with SEC. 15.12-1(E)(20) through SEC. 15.12-1(E)(24)(k) of this Code or a Certificate of Economic Hardship in accordance with SEC. 15.12-1(E)(25) through SEC. 15.12-1(E)(26) of this Code.

D. Site Plan Review. No building permit for any building or structure or for any exterior improvement or addition to any building or structure in the S-3 Historic and Cultural District shall be issued by the Zoning Administrator unless and until:

1. The construction plans and specifications for such building or structure or addition thereto have been reviewed by the Preservation Commission and until a Certificate of Appropriateness has been approved by the Preservation Commission as provided by SEC. 15.12-1(E)(20) through SEC. 15.12-1(E)(24)(k) of this Code, or

2. A Certificate of Economic Hardship has been approved by the Preservation Commission in accordance with SEC. 15.12-1(E)(25) through SEC. 15.12-1(E)(26) of this Code.

SEC. 15.6-13 Amended by Ordinance No. 3925, August 20, 1990.

SEC. 15.6-14 C-1 OFFICE DISTRICT.

A. Intent. The intent of this C-1 Office District is to accommodate office buildings primarily. Related retail, service, institution and multiple family uses commonly associated with office use are allowed to a limited extent. This district may be applied as a transitional-use buffer between residential uses and uses which would be incompatible with residential districts. The prime characteristics of this district are the low intensity of land coverage and the absence of such nuisance factors as noise, air pollutant emission, and glare.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the C-1 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration.

1. The degree to which the permitted uses serve as a buffer between uses of lower and higher intensity that if adjacent could prove incompatible.

2. The potential impact existing or permitted uses in the vicinity would have upon the uses authorized in the district and the impact the permitted uses would have upon these uses.

3. The adequacy of public services, including police and fire protection, serving the property and the impact the permitted uses would have upon these services.

4. The capacity of existing and proposed community facilities and utilities, including water, sewer, and transportation systems to serve the permitted uses which might lawfully occur on the property so zoned.

5. The extent to which the permitted uses will promote balanced growth and sound economic development in the community.

6. The impact any natural disasters, including flooding, would have upon the permitted uses.

7. The impact the permitted uses would have upon the environment; including noise, air, and water pollution.

8. The conformance of the proposal to the Comprehensive Plan and Official Map.

C. Permitted Uses. In the C-1 Office District, no building or land may be used except for one or more of the following specified uses, unless provided in this Code.

1. Agriculture
2. Ambulatory Surgical Treatment Center or Surgi-Center (Added 5/15/00 by Ord. No. 4653)
3. Art Gallery, Museum
4. Bank
5. Barber, Beauty Shop when located in an Office Building
6. Birthing Center (Added 6/19/00 by Ord. No. 4657)
7. Book Stationery Store
8. Business School
9. Computer Data-Processing Center
10. Dairy Store when located in an Office Building
11. Day Care Centers
12. Delicatessen when located in an Office Building
13. Diagnostic Imaging Center (Added 6/19/00 by Ord. No. 4657)
14. Diagnostic Laboratory Testing Center (Added 6/19/00 by Ord. No. 4657)
15. Drug Store when located in an Office Building
16. Dry Cleaning pick-up store when located in an Office Building
17. Dwelling Units when located above the first story
18. Health Club
19. Market, Grocery Store when located in an Office Building
20. News Stand when located in an Office Building
21. Nursery School
22. Office Building, Office
23. Post-surgical Recovery Care Center (Added 6/19/00 by Ord. No. 4657)
24. Radio, T.V. Station
25. Restaurant, when located in an Office Building
26. Shoe Repair Shop when located in an Office Building
27. Specialty Food Store when located in an Office Building
28. Specialty School
29. Tobacco Shop, when located in an Office Building
30. Travel Bureau
31. Vocational School
32. Other uses similar to the above, provided such uses are consistent with the purpose of the district.

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. High-rise buildings.
2. Telecommunication Antenna and related telecommunication antenna facilities. (Added 6/16/97 by Ord. No. 4456)

E. Bulk Regulations. The following bulk regulations shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: No minimum.
2. Yards.

   a. Front Yard: Twenty (20) feet minimum.
   b. Side Yards: Two side yards having a combined width of fifteen (15) feet with neither side yard less than five (5) feet in width. In addition to this minimum, one (1) additional foot of side yard must be maintained for each two (2) feet of building height over thirty (30) feet.
   c. Corner Side Yard: A side yard abutting a street shall be a minimum of twenty (20) feet.
   d. Rear Yard: Twenty (20) feet minimum.
   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height: Not to exceed sixty-five (65) feet or six stories, whichever is lower.

4. Floor Area: The total floor area of all buildings on a lot shall not exceed forty (40) percent of the net lot area.

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

H. Development Standards. The provisions set forth in Division 14 shall apply to any proposal for development in the C-1 District. (Added 1/20/04 by Ord. No. 4926)

SEC. 15.6-15 C-2 NEIGHBORHOOD SHOPPING DISTRICT.

A. Intent. The intent of this C-2 Neighborhood Shopping District is to provide establishments, including retail stores and personal service facilities, which serve the frequently recurring needs of a surrounding residential neighborhood. While intended to provide for convenience shopping, certain business types that might tend to be a nuisance to surrounding residential development are excluded. To these ends, the C-2 regulations are designed to further protect adjacent property by: (1) applying specific size standards to permitted uses, and (2) establishing bulk and placement requirements that are comparable to residential district standards. Neighborhood shopping centers should be located at the intersection of two major streets or at the intersection of a major and a collector and designed to serve approximately one square mile of residential development; a neighborhood shopping center is ordinarily built around a supermarket as the principal tenant. The minimum area to be zoned C-2 (1.5 acres) is sufficient in size to prevent spot zoning and still meet the anticipated needs for convenience shopping. The maximum area to be zoned C-2 (7 acres) is intended to prevent the development of a shopping center that serves an area much larger than a neighborhood.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the C-2 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration.

1. A C-2 District at any one location shall not be less than one and one-half (1.5) acres or more than seven (7) acres in size.

2. The relationship of the subject property to the various aspects of the Town's transportation system, including major and collector streets, pedestrian ways, and bicycle paths and the impact the permitted uses would have upon this system.

3. The extent to which surrounding zoning and land usage provides a transition from this more intense use to lower density residential development.

4. The capacity of existing and proposed community facilities and utilities, including water and sewer systems, to serve the permitted uses which might lawfully occur on the property so zoned.

5. The availability of other convenience shopping and service facilities in the anticipated service area and the extent to which the uses authorized in the district fulfill unmet needs for convenience shopping.

6. The impact the permitted uses would have upon the existing or permitted uses in the vicinity and the effect these uses would have upon the uses authorized in the district.

7. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

8. The impact any natural disasters, including flooding, would have upon the permitted uses.

9. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the C-2 Neighborhood Shopping District, no building or land shall be used except for one (1) or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Art & School Supply Store
3. Bakery & Donut Shops (Retail Sales Only)
4. Bank
5. Barber, Beauty Shop
6. Book, Stationery Store
7. Candy & Ice Cream Shops
8. Car Wash (Added by Ord. No. 4141, 5/17/93)
9. Dairy Store
10. Dance Studio
11. Delicatessen
12. Drug Store
13. Dry Cleaners
14. Florist Shop
15. Gift Shop
16. Hardware Store
17. Health Club
18. Hobby, Toy Shop
19. Household Goods, Sales & Repair
20. Laundry
21. Liquor Store
22. Market, Grocery Store .
23. News Stand
24. Office Building, Office
25. Pet Store
26. Photographic Studios
27. Restaurants
28. Shoe Repair Shop
29. Specialty Food Store
30. Tailor, Dress Making Shop
31. Tobacco Shop
32. Travel Bureau
33. Other uses similar to the above, provided such uses are consistent with the purposes of this district.

D. Special Use. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Telecommunication Antenna and related telecommunication antenna facilities. (Added 6/16/97 by Ord. No. 4456)

E. Site Plan Review and Approval by the Town Council. After a legislative public hearing and recommendation by the Normal Planning Commission, in accordance with SEC. 15.8-3 of this Code shall be required for all developments in the district. (Amended by Ord. No. 4142, 5/17/93)(Amended 11/20/95 by Ord. No. 4356)

F. Bulk Regulations. The following bulk requirements shall apply to all permitted uses.

1. Lot Size and Width: No minimum.

2. Yards:

a. Front and Corner Side Yards: Fifty (50) feet except that off-street parking may be permitted to within twenty-five (25) feet of a front or corner side yard lot line.

b. Side and Rear Yards: Fifty (50) feet except that off-street parking may be permitted to within ten (10) feet of a side or rear lot line.

c. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height. Not to exceed two (2) stories or twenty-five (25) feet, whichever is lower.

4. Floor Area: The total floor area of all buildings on a lot shall not exceed thirty (30) percent of the net lot area.

G. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

H. Off-Street Parking and Loading Regulations. All off-street parking and loading must comply with the provisions set forth in Division 14 of this Code. (Amended 1/20/04 by Ord. No. 4926)

I. Development Standards. The following general development standards and the provisions set forth in Division 14 shall apply to any proposal for development in the C-2 District. (Amended 1/20/04 by Ord. No. 4926)

1. One of the following types of screening along the side and rear lot lines abutting areas zoned or developed for residential use shall be provided:

   a. Solid fence or masonry wall with no apertures, running parallel and adjacent to applicable side and rear lot lines, and not less than six (6) feet in height, nor more than ten (10) feet.

   b. Dense evergreen hedge running parallel and adjacent to applicable side and rear lot lines; said hedge shall be at least three (3) feet in height when planted and not less than six (6) feet at mature height.

2. Hours of business shall be limited to 6:00 a.m. to 11:00 p.m. and stated in all rental agreements.

(Subsection I Amended 1/20/04 by Ord. No. 4926)

SEC. 15.6-16 C-3 COMMUNITY/REGIONAL SHOPPING DISTRICT.

A. Intent. The intent of this C-3 Community/Regional Shopping District is to facilitate the development of community and region serving retail trade centers. The development contemplated in this district has such distinguishing characteristics as: (1) unified site planning and development which promotes a safe and conducive atmosphere for large volumes of shoppers, (2) site accessibility such that the high volumes of traffic generated create a minimal congestion and adverse impact upon surrounding land use, (3) unified architectural treatment of buildings rather than an assemblage of separate, conflicting store and structural types, and (4) a trade area that includes the entire community at a minimum and may include the entire county and surrounding areas outside the county. While recognizing the potential monetary benefits accruing from the development of a large shopping center within the Town and the flexibility necessary for such a development, these regulations are intended to insure that a proper location be selected and site planning be performed to better accomplish the purposes of zoning.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property in the C-3 zoning classification, the Planning Commission and the Town Council may apply the following guidelines to the proposal under consideration.

1. A C-3 District at any one location shall not be less than ten (10) acres in size.

2. The relationship of the subject property to the Town's transportation system and the impact the permitted uses would have upon this system. The volumes of traffic generated by development in this district necessitates its location near or adjacent to the intersection of two major streets or a collector street and a major street.

3. The compatibility of uses authorized in the district with existing or permitted uses in the area and the impact the permitted uses would have upon such uses.

4. The extent of which surrounding zoning and land usage provides adequate transition from this intense use to uses of lesser intensity.

5. The capacity of existing and proposed community facilities and utilities, including water and sewer systems, to serve the permitted uses which might lawfully occur on the property so zoned.

6. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

7. The impact any natural disasters, including flooding, would have upon the permitted uses.

8. The conformance of the proposal to the Town's Comprehensive Plan and Official Map.

C. Permitted Uses. In the C-3 Community/Regional Shopping District, no building or land shall be used except for one of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Amusement Center
3. Appliance Repair Shop
4. Appliance Store
5. Art & School Supply Store
6. Art Gallery, Museum
7. Bakery & Donut Shops (Retail Sales Only)
8. Bank
9. Barber, Beauty Shop
10. Book, Stationery Store
11. Bowling, Billiard Center
12. Candy & Ice Cream Shops
13. Clothing Store
14. Dairy Store
15. Dance Studio
16. Delicatessen
17. Department Store
18. Drug Store
19. Dry Cleaners
20. Dry Good Store
21. Florist Shop
22. Fur Store
23. Furniture Repair Store
24. Furniture Store
25. Garden Supply Store
26. Gift Shop
27. Hardware Store
28. Health Club
29. Hobby, Toy Shop
30. Household Goods, Sales & Repair
31. Ice Rink
32. Jewelry Store
33. Laundry
34. Leather Goods Shop
35. Liquor Store
36. Mail Order Store
37. Market, Grocery Store
38. Motel, Hotel
39. Motion Picture Theater
40. Motor Vehicle Parts & Accessory Sales

41. Music Store
42. News Stand
43. Office Building, Office
44. Optical Goods Sales
45. Pet Store
46. Photographic Studios
47. Photographic Supply Sales
48. Restaurants
49. Roller Rink
50. Rug, Floor-Covering Store
51. Shoe Repair Shop
52. Shoe Store
53. Specialty Food Store
54. Sporting Goods Sales
55. Tailor, Dress Making Shop
56. Theater
57. Tobacco Shop
58. Travel Bureau
59. Variety Store
60. Vocational School
61. Wallpaper, Paint Store
62. Other uses similar to the above, provided such uses are consistent with the purpose of this district.

D. Special Use. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. High-Rise Building
2. Telecommunication Antenna and related telecommunication antenna facilities (Added 6/16/97 by Ord. No. 4456)

E. Site Plan Review. In accordance with the requirements and procedures stated in SEC. 15.8-3, public site plan review and approval by the Town Council, after a public hearing and recommendation by the Planning Commission shall be required for all new or expanded development in the C-3 District.

F. Bulk Regulations. The following bulk requirements shall apply to all permitted uses.

1. Lot Size and Width: No minimum.

2. Yards:

a. Front and Corner Side Yards: Fifty (50) feet except that off-street parking is permitted within twenty-five (25) feet of a front lot line.

b. Side and Rear: Twenty-five (25) feet except that parking may be permitted to within ten (10) feet of a side or rear lot line.

c. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height: Not to exceed four (4) stories or forty-five (45) feet, whichever is lower.

4. Floor Area: The total floor area of all buildings on a lot shall not exceed thirty (30) percent of the lot area.

G. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

H. Off-Street Parking and Loading Regulations. All off-street parking and loading must comply with the provisions set forth in Division 14 of this Code. (Amended 1/20/04 by Ord. No. 4926)

I. Development Standards. The provisions set forth in Division 14 of this Code shall apply to any proposal for development in the C-3 District. (Amended 1/20/04 by Ord. No. 4926)

J. The Town Council may waive any portion of the standards, requirements or procedures for this Section of the Code, provided that such waivers are not contrary to the spirit, purpose and intent of this Code and in accordance with all applicable Federal and State Laws.

SEC. 15.6-17 B-1 GENERAL BUSINESS DISTRICT.

A. Intent. The intent of the General Business District is to provide for certain types of commercial activities that have a functional relationship to the major street system, and in some instances, an economic relationship to the central business district or to commercial and regional shopping areas. Such activities will include retail, service, amusement establishments and wholesale suppliers. Customers in this district will generally use an automobile or a form of public transit to reach a desired establishment. Since there is little essential interdependence of activities, each establishment must accommodate customers within its own parking area. The automobile and truck traffic this district generates and the adverse effects from this traffic combine to make these business areas incompatible with residential development; this district should only be used along the fringe of a neighborhood and not within it. The avoidance of undue traffic congestion, the promotion of safe traffic flow, and the protection of surrounding properties from adverse impacts are major considerations in the application of the district.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property in the B-1 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The relationship of the subject property to the Town's transportation system and the impact the permitted uses would have upon these systems; traffic congestion and safety are of primary concern.

2. The potential impact the uses authorized in the district would have upon any existing or permitted uses in the surrounding area.

3. The extent to which the permitted uses contribute to an undesirable pattern of strip commercial development; including the resultant numerous curb cuts and piecemeal development on small lots.

4. The capacity of existing and proposed community facilities and utilities, including water and sewer systems, to serve the permitted uses which lawfully occur on the property to zoned.

5. The adequacy of public service, including police and fire protection, serving the property and the impact the permitted uses would have upon these services.

6. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

7. The impact any natural disasters, including flooding, would have upon the permitted uses.

8. The conformance of the proposal to the Comprehensive Plan and Official Map.

C. Permitted Uses. In the B-1 General Business District, no building or land may be used except for one or more of the following specified uses, unless otherwise provided in this Code:

1. Adult Hotels/Motels (Added 6/17/02 by Ord. No. 4801)
2. Adult Lingerie Modeling Studios (Added 6/17/02 by Ord. No. 4801)
3. Adult Media Stores (Added 6/17/02 by Ord. No. 4801)
4. Adult Modeling Shops (Added 6/17/02 by Ord. No. 4801)
5. Adult Motion Picture Theater (Added 6/17/02 by Ord. No. 4801)
6. Agriculture
7. Agricultural Implement, Sales & Repair
8. Agricultural Supply Store
9. Ambulance Service
10. Amusement Center
11. Appliance Repair Shop
12. Appliance Store
13. Arena, Stadium
14. Art & School Supply Store
15. Art Gallery, Museum
16. Athletic Club, Indoor
17. Auction House
18. Automobile Service Station
19. Automobile, Truck Sales
20. Bakery
21. Bakery & Donut Shops (Retail Sales Only)
22. Ballroom, Dance Hall
23. Bank
24. Barber, Beauty Shop
25. Boat Sales
26. Book, Stationery Store
27. Bowling, Billiard Center
28. Bus Passenger Terminal
29. Business School
30. Candy & Ice Cream Shops
31. Car Wash
32. Churches & Other Places of Public Worship
33. Clothing Store
34. Clubs, Private
35. Computer Data-Processing Center
36. Contractor's Shop except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
37. Dairy Store
38. Dance Studio
39. Day Care Centers
40. Delicatessen
41. Department Store
42. Drug Store
43. Dry Cleaners

44. Dry Good Store
45. Dwelling Units when located above the first story
46. Exhibition Hall, Exposition Hall
47. Florist Shop
48. Food Locker Plants
49. Funeral Parlor
50. Fur Store
51. Furniture Repair Store
52. Furniture Store
53. Garden Supply Store
54. Gift Shop
55. Gymnasium
56. Hardware Store
57. Health Club
58. Hobby, Toy Shop
59. Household Goods, Sales & Repair
60. Ice Rink
61. Indoor Tennis Club
62. Jewelry Store
63. Laundry
64. Leather Goods Shop
65. Liquor Store
66. Lumberyard, Building Materials Storage
67. Mail Order Store
68. Market, Grocery Store
69. Media Shops (Added 6/17/02 by Ord. No. 4801)
70. Miniature Golf Course
71. Mini-warehouse (with or without dwelling unit for superintendent) except such use shall not be permitted in the P1 Corridor (Deleted 9/20/04 by Ord. No. 4967, to be reinstated 5/1/05 unless further action taken prior to 5/1/05)(Date extended to 8/1/05 by Ord. No. 5005)(Amended 6/20/05 by Ord. No. 5013(Amended 6/20/05 by Ord. No. 5013)
72. Mobile Home, Recreational Vehicle Rental and Sales
73. Motel, Hotel
74. Motion Picture Theater
75. Motor Vehicle Parts & Accessory Sales
76. Motor Vehicle Repairs, Paint Shop
77. Motor Vehicle Sales
78. Motor Vehicle Storage
79. Music Store
80. News Stand
81. Newspaper, Magazine Printing & Publishing
82. Night Club
83. Nurseries & Greenhouses
84. Nursery School
85. Office Building, Office
86. Optical Goods Sales
87. Parking Lot
88. Pet Store

89. Photographic Studios
90. Photographic Supply Sales
91. Print Shop
92. Radio, T.V. Station
93. Recreation Center
94. Recreational Vehicle Sales
95. Restaurant Supplies & Services
96. Restaurants
97. Retail Lumber Sales
98. Roller Rink
99. Rug, Floor-Covering Store
100. Sex Shops (Added 6/17/02 by Ord. No. 4801)
101. Sexually Oriented Entertainment Business (Added 6/17/02 by Ord. No. 4801)
102. Shoe Repair Shop
103. Shoe Store
104. Specialty Food Store
105. Specialty School
106. Sporting Goods Sales
107. Supper Club
108. Swimming Facility
109. Tailor, Dress Making Shop
110. Taxidermist Shop (Added 11/20/95 by Ord. No. 4356)
111. Theater
112. Tobacco Shop
113. Trailer Rental and Sales
114. Travel Bureau
115. Truck Freight Terminal except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
116. Truck Stop
117. Truck Terminal except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
118. Variety Store
119. Veterinary Hospitals
120. Video Rental Stores (Added 11/20/95 by Ord. No. 4356)
121. Vocational School
122. Wallpaper, Paint Store
123. Warehouse; Mini (with or without dwelling unit for Superintendent)
124. Wholesale Distributors
125. Other uses similar to the above, provided such uses are consistent with the purpose of this district.

(Renumbered 6/17/02 by Ord. No. 4801)

D. Special Use. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Dwelling, Multiple Family (Added 7/21/03 by Ord. No. 4881)
3. Gun Range, Indoor (Added 6/17/13 by Ord. No. 5495)

4. High-Rise Building
5. Kennels (Added 7/15/02 by Ord. No. 4805)
6. Mobile Home Parks
7. Telecommunication Antenna and related telecommunication antenna facilities (Added 6/16/97 by Ord. No. 4456)
8. Remote Controlled Racetracks (Added 1/17/06 by Ord. No. 5047)
9. Tourist Cabins, Recreational Vehicle & Tourist Camps

E. Site Plan Review.

1. In accordance with the requirements and procedures stated in SEC. 15.8-3, public site plan review and approval by the Town Council after legislative public hearing and recommendation by the Planning Commission shall be required for all development which fulfills one (1) or more of the following criteria.

   a. The development of land consisting of five (5) acres or more.

   b. The development of land which is an expansion of an existing structure or use and which, if a new development, would be permitted only when processed under the site plan review procedures contained herein.

F. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: No minimum.

2. Yards.

   a. Front Yard: Twenty-five (25) feet minimum. (Amended 1/20/04 by Ord. No. 4926)

   b. Side Yards: Two (2) side yards having a combined width of fifteen (15) feet with neither side yard less than five (5) feet.

   c. Corner Side Yard: Twenty-five (25) feet minimum. (Amended 1/20/04 by Ord. No. 4926)

   d. Rear Yard: Twenty (20) feet minimum.

   e. For General Yard Regulations that are applicable, see SEC. 15.4-5 of this Code.

3. Building Height: Not to exceed sixty-five (65) feet or six stories, whichever is lower.

4. Day Care Centers: In accordance with Department of Children and Family Service licensing standards.

G. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

H. Off-Street Parking and Loading Requirements. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

I. Separation Requirements for Sexually Oriented Entertainment Business: No lot line of any lot to be occupied by any Sexually Oriented Entertainment Business Establishment shall be located closer than one thousand (1,000) feet to the lot line of any other lot occupied by a Sexually Oriented Entertainment Business Establishment, and no lot line of any lot to be occupied by any Sexually Oriented Entertainment Business Establishment shall be located closer than thirteen hundred and twenty (1320) feet to the lot line of any other lot used for an amusement center, an amusement park, a day care center, children's home, children's museum, orphanage, agency operated family home, agency operated group home, child care facility, foster care home, hobby shop or toy store, institutional home for the care of children, nursery school or preschool, elementary school, junior high school, senior high school, park, playground, gymnasium, recreation center, a miniature golf course, a place of worship, a religious education facility, a residential dwelling, a hospital, a skating rink or a zoo. (Added 6/17/02 by Ord. No. 4801)

J. Development Standards. The provisions set forth in Division 14 of this Code shall apply to any proposal for development in the B-1 District. (Added 1/20/04 by Ord. No. 4926)

SEC. 15.6-18 B-2 CENTRAL BUSINESS DISTRICT.

A. Intent. The intent of this B-2 Central Business District is to provide for a variety of retail stores and shops, offices and services in the central business area of the Town. This area has historically served the major retail marketing function of the community and at the time of adoption of this Code displays the highest concentration of commercial development. In this district each establishment contributes to the whole shopping area by adding to the variety of goods available and to comparison shopping opportunities. This essential inter-dependence of activities is given precedence over any desire to require automobile parking spaces adjacent to each building although provisions are made for the cooperative development of off-street parking facilities by public and private interests.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property in the B-2 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The relationship of the subject property to the Town's transportation systems and the impact the permitted uses would have upon these systems. Potential conflicts between pedestrians and motorized traffic are of major concern.

2. The extent to which surrounding zoning and land usage provides adequate transition from this intense business use to uses of lesser intensity.

3. The potential impact the uses authorized in the district would have upon any existing or permitted uses, especially residential, in the surrounding area.

4. The extent to which the subject property is a logical extension of the central business area.

5. The capacity of existing and proposed community facilities and utilities, including water and sewer systems, to serve the permitted uses which might lawfully occur on the property so zoned.

6. The adequacy of public services including police and fire protection, serving the property and the impact the permitted uses would have upon these services.

7. The impact any natural disasters, including flooding, would have upon the permitted uses.

8. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

9. The conformance of the proposal to the Comprehensive Plan and Official Map.

C. Permitted Uses. In the B-2 Central Business District, no building or land shall be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Appliance Repair Shop
2. Appliance Store
3. Art & School Supply Store
4. Art Gallery, Museum
5. Athletic Club, Indoor
6. Bakery
7. Bakery & Donut Shops (Retail Sales Only)
8. Ballroom, Dance Hall
9. Bank
10. Barber, Beauty Shop
11. Bicycle Shop
12. Book, Stationery Store
13. Bowling, Billiard Center
14. Candy & Ice Cream Shops
15. Churches & Other Places of Public Worship
16. Clothing Store
17. Clubs, Private
18. Computer Data-Processing Center
19. Dance Studio
20. Day Care Center
21. Delicatessen
22. Department Store
23. Drug Store
24. Dry Cleaners
25. Dwelling Units when located above the first story
26. Educational Facilities
27. Electronic Equipment Sales & Service
28. Exhibition Hall, Exposition Hall
29. Florist Shop
30. Funeral Parlor
31. Fur Store
32. Furniture Repair Store
33. Furniture Store
34. Garden Supply Store
35. Gift Shop
36. Hardware Store
37. Health Club
38. Hobby, Toy Shop
39. Hotel-Motel/Conference Center
40. Household Goods, Sales & Repair
41. Jewelry Store
42. Laundry

43. Leather Goods Shop
44. Library
45. Linen Supply House
46. Liner Housing, including first floor dwelling units or a combination of dwelling units and other permitted uses. (Added 9/19/2011 by Ord. No. 5397)
47. Liquor Store
48. Mail Order Store
49. Market, Grocery Store
50. Motion Picture Theater
51. Music Store
52. News Stand
53. Newspaper, Magazine Printing & Publishing
54. Night Club
55. Nursery School
56. Office Building, Office
57. Optical Goods Sales
58. Parking Lot
59. Pet Store
60. Photographic Studios
61. Photographic Supply Sales
62. Post Office
63. Print Shop
64. Professional Service Office
65. Radio, T.V. Station
66. Recreation Center
67. Restaurants
68. Rug, Floor-Covering Store
69. Salon, Spa
70. Shoe Repair Shop
71. Shoe Store
72. Specialty Food Store
73. Sporting Goods Sales
74. Supper Club
75. Tailor, Dress Making Shop
76. Theater
77. Tobacco Shop
78. Transportation Terminal
79. Travel Bureau
80. Variety Store
81. Video Rental Store
82. Wallpaper, Paint Store
83. Other uses similar to the above, provided such uses are consistent with the purpose of this district.

(Entire Subsection C Amended 2/18/02 by Ord. No. 4772)

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Bed and Breakfast (Added 7/19/99 by Ord. No. 4606)
2. Telecommunication Antenna and related telecommunication antenna facilities (Added 6/16/97 by Ord. No. 4456)
3. Vehicle Fueling Station (Added 2/18/02 by Ord. No. 4772)

E. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements for special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: No minimum.
2. Yards: None required.
3. Building Height: Building height must conform to the requirements contained in Division 17 of this Code, except liner housing which may be constructed at a height equivalent to the adjoining structure. (Amended 4/17/89)(Amended 1/20/04 by Ord. No. 4926)(Amended 9/19/2011 by Ord. No. 5397)

F. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

G. Off-Street Parking and Loading. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

H. Development Standards. All development in the B-2 District must conform to the requirements contained in Division 17 of this Code. (Amended 1/20/04 by Ord. No. 4926)

SEC. 15.6-19 M-1 RESTRICTED MANUFACTURING DISTRICT.

A. Intent. The intent of this M-1 Restricted Manufacturing District is to provide for industrial uses with an absence of objectionable external effects in areas that are suitable for this type of development by reason of topography, relative location, and adequate utility and transportation systems. Compatibility with surrounding districts is further assured by limiting development by reason of topography, relative location, and adequate utility and transportation systems. Compatibility with surrounding districts is further assured by limiting development to low industrial densities. Just as industrial uses are excluded from residential areas to promote public health, safety and welfare, so are residential developments excluded from this district.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property to the M-1 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposed under consideration:

1. The relationship of the subject property to various aspects of the transportation system, including rail, air, highway and street, and pedestrian, and the impact the permitted uses would have upon these systems. Truck traffic and its impact is of major concern generally, as well as the affect on vehicular travel times.

2. The extent to which surrounding zoning and land usage provide an adequate transition from these industrial uses to uses of lesser intensity and the degree to which the uses authorized in the district serve as a buffer between other districts which exhibit more objectionable effects and uses of lower intensity.

3. The capacity of existing and proposed public utilities to the site, including water and sewer systems to serve the permitted uses which might lawfully occur on the property so zoned.

4. The adequacy of public services, including police and fire protection, serving the property in question and the impact the permitted uses would have upon these services.

5. The impact the permitted uses would have upon the environment including noise, air, and water pollution.

6. The impact any natural disasters, including flooding, would have upon the permitted uses.

7. The conformance of the proposal to the Comprehensive Plan and the Official Map.

C. Permitted Uses. In the M-1 Restricted Manufacturing District, no building or land shall be used except for one or more of the following specified uses unless otherwise provided in this Code.

1. Agriculture
2. Agricultural Implement, Sales & Repair
3. Agricultural Supply Store
4. Ambulance Service
5. Auction House
6. Automobile, Truck Sales
7. Bagged Mineral Products
8. Bakery
9. Bicycle Manufacture
10. Boat Manufacture
11. Boat Sales
12. Car Wash
13. Churches and Other Places of Public Worship
14. Clubs, Private
15. Contractor's Shop except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
16. Cordate, Rope, Twine & Net Manufacture
17. Electrical & Electronic Machinery Manufacture
18. Electrical Appliance Manufacture
19. Fleet Fueling Depot (Added 4/17/95 by Ord. No. 4309)
20. Food Locker Plants
21. Footwear Manufacture
22. Furniture, Fixture, Bedding Manufacture
23. Indoor Tennis Club
24. Instrument Manufacture
25. Jewelry Manufacture
26. Kennels, with or without dwelling unit for superintendent (Added 7/15/02 by Ord. No. 4805)(Amended 8/18/03 by Ord. No. 4884)
27. Knitting Mills, all fabrics absent of any dye process
28. Linen Supply House
29. Lumberyard, Building Materials Storage
30. Manufacture of Products from Cork or Wood
31. Manufacture of Products from Plastic
32. Manufacture of Products from Processed Fur
33. Mobile Home, Recreational Vehicle Rental and Sales
34. Motor Vehicle Repairs, Paint Shop
35. Motor Vehicle Sales
36. Motor Vehicle Storage
37. Musical Instrument Manufacture
38. Newspaper, Magazine Printing & Publishing
39. Nurseries & Greenhouses
40. Office Use (Added by Ord. 4099, 12/21/92)
41. Photographic, Optical Goods Manufacture
42. Pottery, China, Earthenware Manufacture

43. Print Shop
44. Radio, Radar Site
45. Recreational Vehicle Sales
46. Retail Lumber Sales
47. Snack Food Manufacture
48. Soft Drink, Carbonated Water Industry
49. Sporting Goods Manufacture
50. Storage, Canned or Bottled Food & Soft Drinks
51. Storage; Fibre Products
52. Storage; Flour, Starch & Sugar
53. Storage; Heavy Machinery & Equipment
54. Storage; Ice
55. Storage; Loose or Bagged Processed Food
56. Storage; Non-Hazardous Chemicals or Plastic Products
57. Storage; Packaged Foodstuff
58. Storage; Packaged Mineral Products
59. Storage; Packaged Tobacco Products
60. Storage; Paper, Paper Products
61. Storage; Rolled Paper
62. Storage; Wood Products, Furniture
63. Taproom in Brewery holding a Class P Liquor License (Added 1/17/2017 by Ord. No. 5677)
64. Taxidermist Shop (Added 11/20/95 by Ord. No. 4356)
65. Textile Manufacture; absent of any dye process
66. Toys, Sporting Goods Manufacture
67. Trailer Rental and Sales
68. Truck Freight Terminal except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
69. Truck Terminal except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
70. Veterinary Clinics (Added 7/15/02 by Ord. No. 4805)
71. Warehouse; General
72. Warehouse; Mini (with or without dwelling unit for Superintendent) except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
73. Watch, Clock Manufacture
74. Wearing Apparel Manufacture
75. Wholesale Distributors
76. Wooden, Cone Containers Manufacture
77. Other uses similar to the above, provided such uses are consistent with the purpose of this district.

(Items 37 through 71 renumbered pursuant to Ord. 4099, 12/21/92)(Items 19 through 72 renumbered pursuant to Ord. No. 4309, 4/17/95)(Items 25 through 75 renumbered pursuant to Ord. No. 4805)(Items 62 through 76 renumbered pursuant to Ord. 5677, 1/17/17)

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Coal Storage
2. Concrete Batch Plant
3. Extraction, Loading, Storage, Washing & Hauling of Sand, Gravel & Topsoil
4. Gun Range, Indoor (Added 6/17/13 by Ord. No. 5495)
5. Remote Controlled Racetracks (Added 1/17/06 by Ord. No. 5047)
6. Telecommunication Antenna and related telecommunication antenna facilities (Added 6/16/97 by Ord. No. 4456)

E. Site Plan Review. Site Plan Review and approval by the Town Council, after a legislative public hearing and recommendation by the Normal Planning Commission, in accordance with SEC. 15.8-3 of this Code shall be required for all development which fulfills one or more of the following criteria:

1. The development of land to be used for a permitted use, any part of which is within five hundred (500) feet of an R-1AA, R-1A, or R-1B residence district boundary line.

2. The development of land which is an expansion of an existing structure or use and which, if new development, would be permitted only when processed under the site plan review procedures contained herein.

(Subsection (E) Amended 11/20/95 by Ord. No. 4356)(Amended 4/15/96 by Ord. No. 4385)

F. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: No minimum.

2. Yards:

a. Front: Twenty-five (25) feet minimum. (Amended 1/20/04 by Ord. No. 4926)

b. Side Yards: Two (2) side yards with a combined width of fifteen (15) feet with neither side yard less than five (5) feet.

c. Corner Side Yard: Twenty-five (25) feet minimum. (Amended 1/20/04 by Ord. No. 4926)

d. Rear: Twenty (20) feet minimum.

e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height: Not to exceed forty-five (45) feet or four (4) stories, whichever is lower. For exemptions from height regulations see SEC.15.4-3(C) of this Code.

G. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

H. Off-Street Parking and Loading Requirements. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

I. If outside accessory storage exists on a lot in an M-1 district which coincides with the lot line of an adjacent residence district or is adjacent to an alley or street which separates such M-1 district and residential district, screening shall be provided with planting of trees and shrubs or a densely planted compact hedge maturing to not less than five (5) feet of such lot line.

J. Development Standards. The provisions set forth in Division14 shall apply to any proposal for development in the M-1 District. (Added 1/20/04 by Ord. No. 4926)

SEC. 15.6-20 M-2 GENERAL MANUFACTURING.

A. Intent. The intent of this M-2 General Manufacturing District is to provide for the more intense types of industrial and manufacturing uses which generally exhibit higher levels of objectionable external effects. This district should not be located adjacent to residential districts, and its contiguity to commercial and business areas should, wherever possible, be avoided. Uses permitted in this district will provide for those basic industries needed to expand employment opportunities within the Town.

B. Zoning Map Amendment Guidelines. In making its legislative determination to zone or rezone property in the M-2 zoning classification, the Planning Commission and Town Council may apply the following guidelines to the proposal under consideration:

1. The relationship of the subject property to various aspects of the transportation system, including rail, air, highway, and street, and pedestrian, and the impact the proposal would have upon these systems. Truck traffic and its impact is of major concern generally, as well as the affect on vehicular travel times.

2. The extent to which surrounding zoning and land usage provides an adequate transition from these industrial uses to uses of lesser intensity and the degree to which the uses authorized in the district serve as a buffer between other districts which exhibit more objectionable effects and uses of lower intensity.

3. The capacity of existing and proposed public utilities to the site, including water and sewer systems to serve the permitted uses which might lawfully occur on the property so zoned.

4. The adequacy of public services, including police and fire protection, serving the property in question and the impact the permitted uses would have upon these services.

5. The impact the permitted uses would have upon the environment, including noise, air, and water pollution.

6. The impact any natural disasters, including flooding, would have upon the permitted uses.

7. The conformance of the proposal to the Comprehensive Plan and the Official Map.

C. Permitted Uses. In the M-2 General Manufacturing District, no building or land may be used except for one or more of the following specified uses, unless otherwise provided in this Code.

1. Agriculture
2. Agricultural Products & Storage
3. Aircraft Manufacture & Assembly
4. Bagged Mineral Products
5. Bakery
6. Bicycle Manufacture
7. Boat Manufacture
8. Concrete Batch Plant
9. Contractor's Shop except such use shall not be permitted in the P1 Corridor (Added 5/17/99 by Ord. No. 4593) (Amended 6/20/05 by Ord. No. 5013)
10. Cordage, Rope, Twine & Net Manufacture
11. Cotton: Spinning & Weaving
12. Dairy Products Manufacture
13. Distilling, Rectifying, Blending Spirits
14. Drugs, Pharmaceutical Manufacture
15. Electrical & Electronic Machinery Manufacture
16. Electrical Appliance Manufacture
17. Food Locker Plants
18. Footwear Manufacture
19. Furniture, Fixture, Bedding Manufacture
20. Glass Manufacture
21. Grain Elevator
22. Health Clubs and Private Recreation (Added 10/20/2014 by Ord. No. 5562)
23. Instrument Manufacture
24. Jewelry Manufacture
25. Kennel, With or Without Dwelling Unit for Superintendent
26. Knitting Mills, all Fibers
27. Lumberyard, Building Materials Storage
28. Machinery Manufacture
29. Manufacture of Grain Mill Products
30. Manufacture of Products from Cork or Wood
31. Manufacture of Products from Processed Fur
32. Manufacture of Products from Processed Leather
33. Manufacture of Transport Equipment, Component Parts Only
34. Metal Products Manufacture
35. Motor Powered Equipment Repair and Sales and Services Shop (Added 2/21/2000 by Ord No. 4640)
36. Motor Vehicle Manufacture & Assembly
37. Motor Vehicle Storage
38. Newspaper, Magazine Printing & Publishing
39. Photographic, Optical Goods Manufacture
40. Plastic & Plastic Products Manufacture
41. Pottery, China, Earthenware Manufacture
42. Radio, Radar Site
43. Rail Terminal

44. Retail Lumber Sales
45. Rubber, Rubber Products Manufacture
46. Snack Food Manufacture
47. Soft Drink, Carbonated Water Industry
48. Sporting Goods Manufacture
49. Storage, Canned of Bottled Food & Soft Drinks
50. Storage; Fibre Products
51. Storage; Flour, Starch & Sugar
52. Storage; Heavy Machinery & Equipment
53. Storage; Ice
54. Storage; Loose or Bagged Agricultural Products
55. Storage; Metal, Metal Products
56. Storage; Non-Hazardous Chemicals or Plastic Products
57. Storage; Packaged Foodstuff
58. Storage; Packaged Mineral Products
59. Storage; Packaged Tobacco Products
60. Storage; Paper, Paper Products
61. Storage; Petroleum Products
62. Storage; Seeds, Beans, Nuts & Silage
63. Storage; Wood, Paper, Products
64. Textile Manufacture; absent of any dye process
65. Toys, Sporting Goods Manufacture
66. Truck Freight Terminal except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
67. Truck Terminal except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
68. Warehouse; General
69. Warehouse; Mini (with or without Dwelling Unit for Superintendent) except such use shall not be permitted in the P1 Corridor (Amended 6/20/05 by Ord. No. 5013)
70. Watch, Clock Manufacture
71. Wearing Apparel Manufacture
72. Wholesale Distributors
73. Wooden, Cone Containers Manufacture
74. Wool, Worsted; Spinning & Weaving
74. Other uses similar to the above, provided such uses are consistent with the purpose of this district.

D. Special Uses. The following special uses may be permitted subject to the conditions and standards stated in Division 10 of this Code.

1. Asphalt Batch Plant
2. Coal Storage
3. Extraction, Loading, Storage, Washing & Hauling of Sand, Gravel & Topsoil
4. Remote Controlled Racetracks (Added 1/17/06 by Ord. No. 5047)
5. Telecommunication Antenna and related telecommunication antenna facilities (Added 6/16/97 by Ord. No. 4456)

E. Site Plan Review.

1. In accordance with the requirements and procedures stated in SEC. 15.8-3 public site plan review and approval by the Town Council after legislative public hearing and recommendation by the Planning Commission shall be required for all development which fulfills one (1) or more of the following criteria.

   a. The development of land for a manufacturing or industrial use where such use involves noise, smoke, particulate matter, toxic or noxious matter, odors, fire, and explosive hazards, or vibration, or glare or heat.

   b. The development of land consisting of twenty (20) acres or more, net site area.

   c. The development of land which is an expansion of an existing structure or use and which, if new development, would be permitted only when processed under the site plan review procedures contained herein.

F. Bulk Regulations. The following bulk requirements shall apply to all permitted uses. Bulk requirements relating to special uses are listed in SEC. 15.10-4 of this Code.

1. Lot Size and Width: No minimum.

2. Yards:

   a. Front: Twenty-five (25) feet minimum. (Amended 1/20/04 by Ord. No. 4926)

   b. Side Yards: Five (5) feet minimum.

   c. Corner Side Yard: Twenty-five (25) feet minimum. (Amended 1/20/04 by Ord. No. 4926)

   d. Rear: Twenty (20) feet minimum.

   e. For General Yard Regulations that are applicable see SEC. 15.4-5 of this Code.

3. Building Height. Not to exceed forty-five (45) feet or four stories, whichever is lower.

G. Signs. All signs shall conform to the requirements contained in Division 13 of this Code.

H. Off-Street Parking and Loading Regulations. All off-street parking and loading shall conform to the requirements contained in Division 7 of this Code.

I. If outside accessory storage exists on a lot in an M-2 district which coincides with the lot line of an adjacent residence district or is adjacent to an alley or street which separates such M-2 district and residential district, screening shall be provided with planting of trees and shrubs or a densely planted compact hedge maturing to not less than five (5) feet in two (2) years, parallel to and within three (3) feet of such lot line.

J. Development Standards. The provisions set forth in Division 14 shall apply to any proposal for development in the M-2 District. (Added 1/20/04 by Ord. No. 4926)

SEC. 15.6-21 – FORM BASED OVERLAY DISTRICT

A. Intent. In addition to those general purposes set forth in Division 2 of this Code, it is the purpose and design of the Form Based Overlay District to foster land development that sets careful and clear controls on building form, public spaces, streetscapes, building architecture, and the relationship of the building on the lot. This Form Based Overlay District shall be applied as an overlay or a combined district. This technique retains the list of uses allowed in the present zoning classification that the Form Based Overlay District overlays unless such uses are modified by the adopting ordinance. The purpose of the Form Based Overlay District is to:

1. regulate how lots and buildings relate to public spaces and the surrounding neighborhood;

2. govern building form and placement of the building in relation to the lot and street;

3. stabilize and improve property values;

4. require certain building elements to enhance public places;

5. encourage architectural character that incorporates the best urban practices;

6. protect and enhance the Town's attractions to residents, home buyers, tourists, and visitors and shoppers, thereby supporting and promoting business, commerce and industry; and

7. strengthen the economy of the Town.

B. Zoning Map Amendment Guidelines

1. Any portion of the Town classified in a FB Form Based Overlay District shall also be classified in one (1) or more of other districts established in Division 6 of this Code. The official zoning map shall designate any land classified in a FB District by a combination of symbols, e.g. FB/R-1AA, FB/R-1A, FB/R-1B, FB/R-2, FB/R-3A, FB/R-3B, etc.

2. In a FB Form Based Overlay District, all the regulations of the underlying Agriculture District, Residential District, Special Public Interest District, Business/Commercial District or Manufacturing District established by Division 6 of this Code shall apply, except insofar as such regulations are in conflict with the special regulations applicable to the FB Form Based Overlay District, and in the event of such a conflict, the regulations governing such FB Form Based Overlay District shall control. All permitted uses or special uses otherwise allowable in the underlying Agriculture District, Residence District, Special Public Interest District, Business

District or Manufacturing District shall continue to be allowable uses except as provided in the Form Based Code developed for the particular FB Overlay District.

C. Form Based Code. Designation of an area as a FB Form Based Overlay District shall include the establishment of a Form Based Code for that district. Such Code shall be incorporated into the designating ordinance by reference and shall be kept on file in the Office of the Town Clerk. Such Code shall include the following elements:

1. A regulating plan which provides specific information on permitted development for each building site and how each lot relates to public spaces and the surrounding neighborhood.

2. Building envelope standards which establish basic parameters governing building form, building placement (in three dimensions) and required or permitted building elements.

3. Architectural standards which govern a building's architectural elements and sets parameters for allowable materials, configurations and construction techniques.

4. Streetscape standards which establish the relationship between public space and buildings and set the parameters for landscaping and other amenities on or near each building site.

D. Site Plan Review. No building permit for any building or structure or for any exterior improvement or addition to any building or structure in the FB Form Based Overlay District shall be issued by the Zoning Administrator unless and until the construction plans and specifications for such building or structure or addition thereto have been reviewed by the Community Design Review Committee in the process set forth in Division 14 of this Code, and found to be in compliance with the Form Based Code applicable to such site.

(Entire SEC. 15.6-21 Added 3/15/04 by Ord. No. 4937)

SEC. 15.6-22 – P-1 OVERLAY CORRIDOR

A. Intent. In addition to those general purposes set forth in Division 2 of this Code, it is the purpose and design of the P-1 Corridor to enhance the visual character and economic value of the Town's major commercial corridors by prohibiting uses that have an industrial appearance. This P-1 Corridor shall be applied as an overlay district. This technique retains the list of uses allowed in the present zoning classification that the P-1 Corridor overlays with the exceptions listed in B below.

B. P-1 Corridor. The P-1 Corridor is a zoning overlay district as depicted on the Town of Normal Zoning Map and pertains to all lots immediately adjacent to the identified roadways. In this corridor, the following uses are prohibited regardless of the underlying zoning classification: Adult Hotels/Motels, Adult Lingerie Modeling Studios, Adult Media Stores, Adult Modeling Shops, Adult Motion Picture Theater, Contractor's Shop, Remote Controlled Racetracks, Sex Shops, Sexually Oriented Entertainment Business, Truck Freight Terminal, Truck Stop, Truck Terminal, and Mini Warehouse. The P-1 Corridor designation does not otherwise affect the regulations of the underlying zoning classification.

(SEC. 15.6-22 Added 6/20/05 by Ord. No. 5013)(Amended 9/19/05 by Ord. No. 5027)(Amended 1/17/06 by Ord. No. 5047)

SEC. 15.6-23 – SOUTH UPTOWN DISTRICT OVERLAY. The South Uptown District Overlay is a zoning overlay district as depicted on the Town of Normal Zoning Map and subject to the Form Based Code for the District as set forth in the designating Ordinance No. 4940, passed and approved on the 15th day of March, 2004. A copy of the regulating Form Based Code is on file in the Office of the Town Clerk. (Added 6/20/11 by Ord. No. 5388)

SEC. 15.6-24 – OPTIONAL MAIN STREET FORM BASED OVERLAY DISTRICT. The Main Street Form Based Overlay District is a zoning overlay district as depicted on the Town Zoning Map. The property within the District may be, but is not required to be used and developed in accordance with the regulating Form Based Code for the District as set forth in the Designating Ordinance No. 5388 passed and approved on the 20th day of June, 2011. A copy of the Regulating Form Based Code is on file in the Office of the Town Clerk. Each property owner may elect to use and develop property within the District subject to the Code. If an owner makes such election the property within the District shall be subject to the Form Based Code regulations rather than zoning regulations of the underlying zoning district, except the sign regulations set forth in Chapter 15 shall continue to apply to property subject to the Form Based Code. By making such election an owner also agrees, for all new construction with more than 7,500 square feet on the ground floor, to achieve enough LEED points to attain at least LEED "Certified" status. As used herein, LEED means the most current version of the Leadership in Energy and Environmental Design rating systems published by the United States Green Building Council. A copy of the most current versions of such publication shall be kept on file in the Office of the Town Clerk. An election pursuant to this Section shall be made by execution of the following form or a form in substantially the following format:

ELECTION TO SUBJECT PROPERTY TO THE NORMAL MAIN STREET FORM BASED ZONING OVERLAY DISTRICT AND OBTAIN LEED CERTIFIED STATUS FOR ANY NEW CONSTRUCTION WITH MORE THAN 7,500 SQUARE FEET ON THE GROUND FLOOR

As Owner(s) of the following described property, I (we) elect to subject such Property to the Normal Main Street Form Based Zoning Overlay District and

Obtain LEED certified status for any new construction with more than 7,500 square feet on the ground floor:

_____

_____

_____

_____

PARCEL NO. _____.

Done this _____ day of _____, _____.

_____
Owner

_____
Owner

STATE OF ILLINOIS)
)ss
COUNTY OF MCLEAN)

I, _____, a Notary Public in And for said County, in the State aforesaid, DO HEREBY CERTIFY that _____ and _____ personally known to me to be the same persons whose names are subscribed to the foregoing instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and seal this _____ day of _____, _____.

_____
Notary Public

(SEC. 15.6-24 Added 6/20/11 by Ord. No. 5388)

SEC. 15.6-25 – PARKING IMPACT ZONE. The Parking Impact Zone is an overlay zoning regulation district as depicted on the Town of Normal Zoning Map and is subject to the regulations provided in SEC. 15.7-4 if this Code. (Added 6/20/11 by Ord. No. 5388)

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July 1, 2018

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Establishment of Facility Assurances

To Whom It May Concern,

Pursuant to 77 111. Admin Code § 1125.640 (a), I hereby certify the following:

By the second year of operation after the project completion, Franciscan Ministries expects to achieve and maintain the occupancy standards specified in Section 1125.210 (c) of the Board's rules for the long term care category of service.

Sincerely,

Judy Amiano
Chief Executive Officer

State of Illinois
County of Cook

Signed before me on this 15th day of August, 2018, by Judy Amiano.

Denise L. Boudreau
Notary Public

OFFICIAL SEAL
DENISE L BOUDREAU
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Feb 7, 2020

		Franciscan Ministries and Affiliates				
		Prior Years			After Adding SNF	Viability Benchmark
PROFITABILITY RATIOS		2015	2016	2017	2022 Proj	
Net Operating Margin Ratio:						
	Net Operating Margin - Resident Service	13,581,558	13,556,030	13,090,020	15,882,337	
Divided by:	Net Resident Service Revenue	114,748,715	116,982,939	118,588,512	142,448,299	
	Net Operating Margin Ratio	**11.8%**	**11.6%**	**11.0%**	**11.1%**	**2.5% or more**

Definition: This ratio looks at the core, sustainable business of a CCRC. It shows the cash generated from revenues and expenses realized solely in the delivery of resident services. The ratio excludes net proceeds from entrance fees.

LIQUIDITY RATIOS						
Days Cash on Hand						
	Total Cash and Unrestricted Investments	106,934,895	116,597,709	125,841,512	129,473,468	
	Operating Expenses*	121,088,081	123,915,854	126,045,717	150,519,749	
	**excludes provision for bad debts*					
Divided by:	Days In Year	365	365	365	365	
	TOTAL	331,748	339,495	345,331	412,383	
	Days Cash on Hand	**322**	**343**	**364**	**314**	**45 or more**

Definition: This ratio measure the number of days of cash that a provider has to cover operating expenses with unrestricted cash and cash equivalent investments. Proceeds from entrance fees can have a positive impact on this ratio if used to build cash reserves.

Cushion Ratio						
	Total Cash and Unrestricted Investments	106,934,895	116,597,709	125,841,512	129,473,468	
vided by:	Annual Debt Service	11,823,072	11,823,072	11,823,072	12,296,274	
	Cushion Ratio	**9.04**	**9.86**	**10.64**	**10.53**	**3.0 or more**

Definition: This ratio measures the provider's strength to pay its annual debt obligation from available cash. The results of this ratio is best analyzed in combination with other ratios to determine the provider's ability to pay future debt service including scheduled principal balloon payments.

Current Ratio						
	Current Assets	32,224,113	30,847,412	32,549,528	38,048,978	
	Current Liabilities	5,528,966	4,234,181	3,997,888	4,723,363	
	Current Ratio	**5.83**	**7.29**	**8.14**	**8.06**	**1.5 or more**

Definition: This ratio measures the ability to pay current liabilities based on the current assets. The higher the ratio, the better the indication that management can pay its short-term obligations.

		Franciscan Ministries and Affiliates				
		Prior Years			After Adding SNF	Viability Benchmark
TAL STRUCTURE RATIOS						
ebt Service Coverage Ratio						
	Funds Available for Debt Service	26,855,100	34,373,504	27,528,952	30,302,771	
	Annual Debt Service	11,823,072	11,823,072	11,823,072	12,296,274	
	Debt Service Coverage Ratio	**2.27**	**2.91**	**2.33**	**2.46**	**1.50 or more**

Definition: This ratio measures the provider's strength to pay its annual debt obligation from remaining revenues after covering resident related expenses. This ratio includes proceeds from entrance fees. Comparing this ratio to the Debt Service Coverage Ratio - Revenue Basis gives an indication of the provider's reliance on entrance fee proceeds to cover debt service obligations.

Long-Term Debt as a % of Total Capital Ratio						
	Long-term Debt	182,897,853	175,007,379	187,347,417	224,498,592	
	Long-term Debt	182,897,853	175,007,379	187,347,417	224,498,592	
Plus	Unrestricted Net Assets	8,709,744	18,653,294	26,336,908	29,395,234	
	TOTAL	191,607,597	193,660,673	213,684,325	253,893,826	
	Long-term Debt as a % of Total Capital Ratio	**95%**	**90%**	**88%**	**88%**	**80% or less**

Definition: This ratio shows to what extent a provider relies on debt instead of net assets earned from operations or contributions. This ratio gives an indication of the provider's ability to handle annual fluctuations from weakened operations while maintaining its ability to pay its long-term debt.

Explanation for non-compliance:

The system is steadily improving this benchmark due to increased net assets and expects this positive trend to continue.

Debt was used for strategic purposes, including campus renovations and improvements, and campus repositioning.

The Village at Mercy Creek
CON Application
Project Ratios

	Clinical	Non-clinical	Combined	CON Benchmark		
1 Preplanning						
Preplanning costs	$ 9,232	$ 5,768	$ 15,000			
Construction contracts	$ 7,040,789	$ 4,399,211	$ 11,440,000			
Contingencies	$ 356,963	$ 223,037	$ 580,000			
Moveable Equipment	$ 573,136	$ 326,864	$ 900,000			
Sub-total	$ 7,970,887	$ 4,949,113	$ 12,920,000			
Preplanning %	**0.1%**	**0.1%**	**0.1%**	**1.8%** or less	met	
2 Site Survey and Preparation						
Site survey costs	$ 11,078	$ 6,922	$ 18,000			
Preparation costs	$ 265,876	$ 166,124	$ 432,000			
Sub-total	$ 276,954	$ 173,046	$ 450,000			
Construction contracts	$ 7,040,789	$ 4,399,211	$ 11,440,000			
Contingencies	$ 356,963	$ 223,037	$ 580,000			
Sub-total	$ 7,397,752	$ 4,622,248	$ 12,020,000			
Site survey/planning %	**3.7%**	**3.7%**	**3.7%**	**5.0%** or less	met	
4 Contingency						
Contingencies	$ 356,963	$ 223,037	$ 580,000			
Construction contracts	$ 7,040,789	$ 4,399,211	$ 11,440,000			
Contingency Percentage	**5.1%**	**5.1%**	**5.1%**	**10.0%** or less	met	schematics ratio target
5 A & E Fees						
Architectural	$ 387,736	$ 242,264	$ 630,000			
Engineering	$ 53,890	$ 32,110	$ 86,000			0.05
Combined	$ 441,626	$ 274,374	$ 716,000			
Construction contracts	$ 7,040,789	$ 4,399,211	$ 11,440,000			
Contingencies	$ 356,963	$ 223,037	$ 580,000			
Sub-total	$ 7,397,752	$ 4,622,248	$ 12,020,000			
A & E %	**6.0%**	**5.2%**	**5.2%**	**5.8%** and	met	
A & E %	**6.0%**	**5.2%**	**5.2%**	**8.7%** or less	met	
6 FFE per unit						
Moveable equipment	$ 573,136	$ 326,864	$ 900,000			
Units	40	16	56			
				$ 8,723.36		
FFE/unit - LTC/unit	$ 14,328	$ 20,429	$ 16,071	$ 6,491.00 or less	not met	

EXPLANATION: The statistic was 10+ years without adding inflation. In addition, small household design concept being implemented.

FRANCISCAN MINISTRIES
Sponsored by the Franciscan Sisters of Chicago

11500 Theresa Drive
Lemont, IL 60439-2727
Phone (331) 318-5200 • Fax (331) 318-5210
www.franciscancommunities.org

Date: 8-15-2018

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2"d floor
Springfield IL 62761

RE: Certificate of Need Application for **(The Village at Mercy Creek):**
reasonableness of financing arrangements

Dear Ms. Avery:

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. 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
2. That the total estimated project costs and related costs will be funded in total or in pal l by borrowing because:
    a. 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 .15 times for LTC facilities; or
    b. 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.

Respectfully,

CEO

Notarization:
Subscribed and sworn to before me
this 15th day of AUGUST, 2018.

Denise L. Boudreau
Signature of Notary
Seal

OFFICIAL SEAL
DENISE L BOUDREAU
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Feb 7, 2020

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Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd floor
Springfield, IL 62761

RE: Certificate of Need Application for **(The Village at Mercy Creek):**
reasonableness of financing arrangements

Dear Ms. Avery:

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That selected form of debt financing for the project will be at the lowest net cost available; or
2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors; or
3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

Respectfully,

Judy Amiano
CEO

Notarization:
Subscribed and sworn to before me
this 15th day of August, 2018.

Denise L. Boudreau
Signature of Notary
Seal

OFFICIAL SEAL
DENISE L BOUDREAU
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Feb 7, 2020

The Village at Mercy Creek
Certificate of Need Application
Economic Feasibility (D) - Projected Operating Costs
Economic Feasibility (E) - Projected Capital Costs
(Initial Stabilized Year in Current Dollars)

Initial Stabilized Year - Census

Medicare	17.70
Medicaid	8.80
Private Pay	8.80
Total census	**35.30**

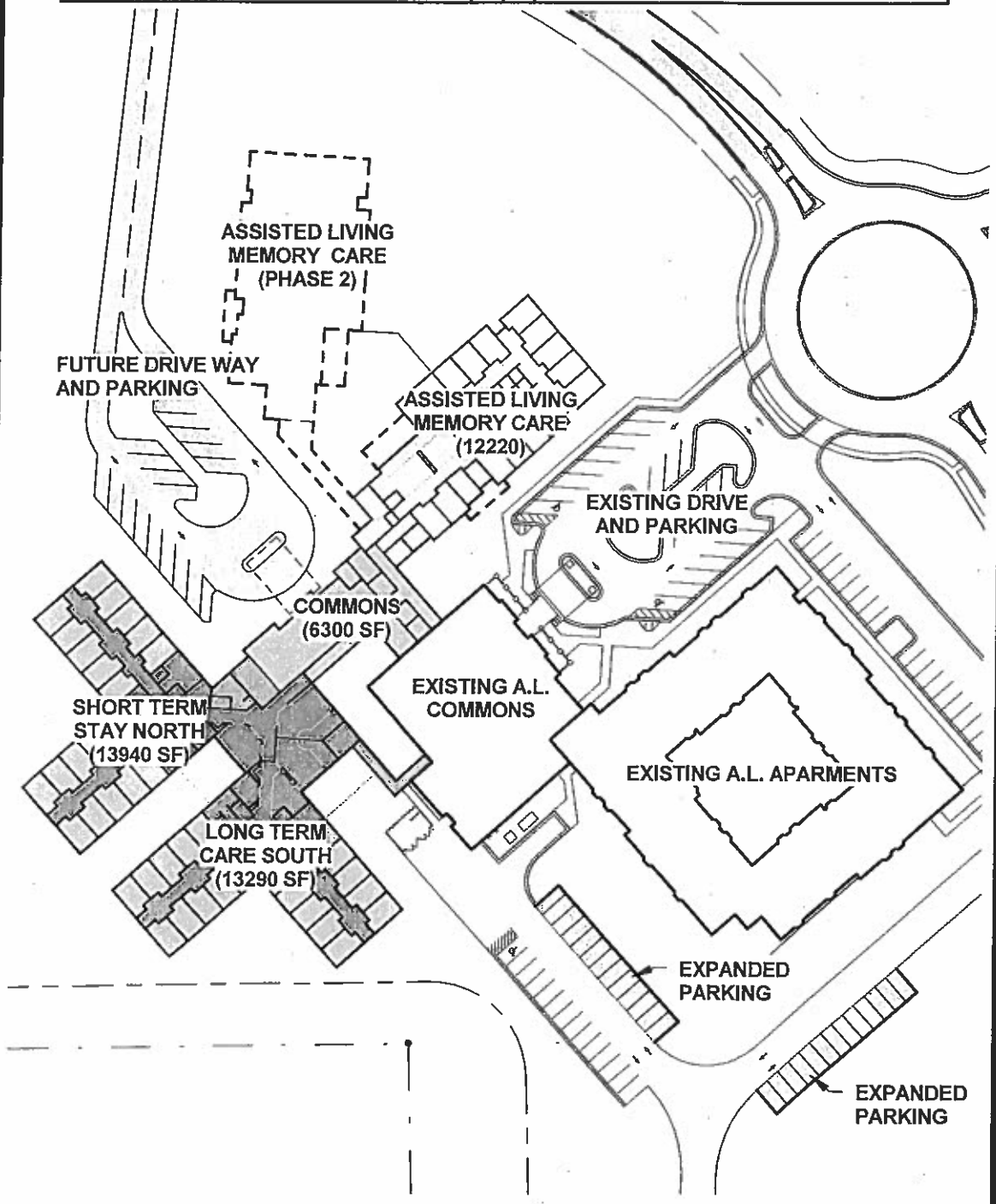
	Skilled Nursing	
Operating Expenses	Current Dollars	PPD
Salaries/Benefits	$ 2,155,128	$ 167.27
Medicare - Therapy	585,628	90.65
Medicaid	2,828	0.09
Purchased Services-Administration	94,738	7.35
Dining	108,475	8.42
Medicare - Pharmacy	233,772	36.18
Medical Supplies	79,195	6.15
Other Drugs/Supplies/Other	78,529	6.09
Administrative	30,687	2.38
Marketing Commissions	3,025	0.23
Marketing	40,709	3.16
Workers Comp	39,006	3.03
Insurance	24,071	1.87
Bad Debts	11,553	0.90
Providers' tax	54,226	4.21
Utilities	65,455	5.08
Management Fees	254,716	19.77
Total Other Operating Expenses Before Interest Exp	**$ 3,861,742**	

Routine Capital Expenditures	**$ 44,424**

Page 000441

PROJECT AREAS	
SHORT TERM NORTH	13940
LONG TERM SOUTH	13290
(+SPA+RR+PT/OT)	927
COMMONS	5373
MEMORY CARE (AL)	12220
TOTAL (BGSF)	45750

SKILLED NURSING AREA	
SHORT TERM NORTH	13940
LONG TERM SOUTH	13290
(+SPA+RR+PT/OT)	927
TOTAL (BGSF)	28157
UTILIZATION (TOTAL/40 BEDS)	704 SF/BED



1 SITE PLAN
1" = 100'-0"

date
10/23/17
revised

drawn by
CML
checked by
SML

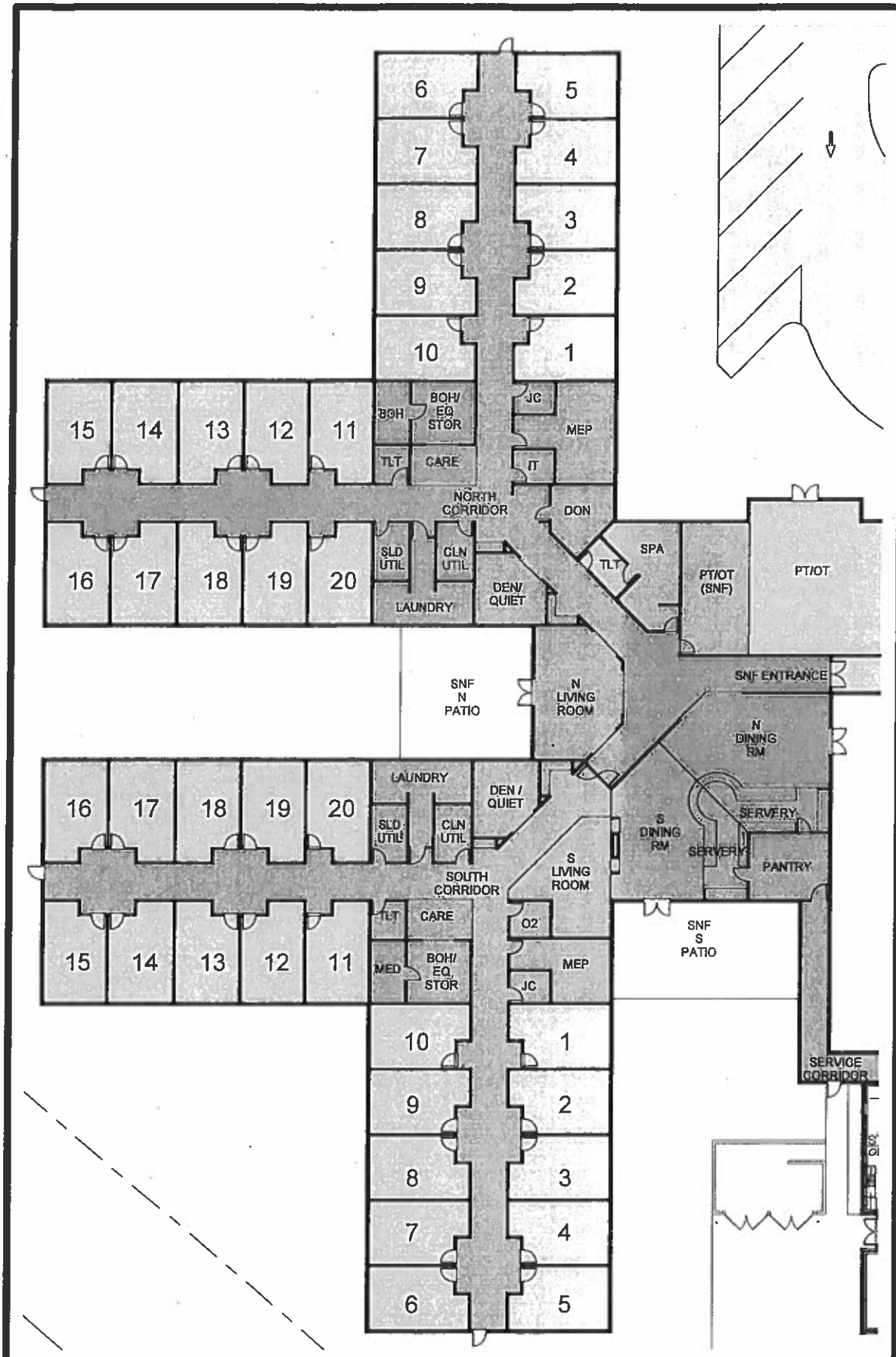
BLDD ARCHITECTS
Design Firm Registration #184-000723

SITE PLAN
MEADOWS AT MERCY CREEK
NORMAL, IL

sheet
AP101

project
174SI15.200

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1 FLOOR PLAN
1/32" = 1'-0"

date
10/24/17
revised

drawn by
CML
checked by
SML

BLDD ARCHITECTS
Design Firm Registration #184-000723

FLOOR PLAN
MEADOWS AT MERCY CREEK
NORMAL, IL

sheet
AP102

project
174SI15.200

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State Licensure Findings **SURVEY DATE: 04/07/2017**
FACILITY: ADDOLORATA VILLA **PROVIDER #: 145724/0045443**

IRI 3-13-17/IL92793

Statement of Licensure Findings 300.610a), 300.1210b), 300.1210d)6), 300.3240a) stating, "the facility failed to supervise while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents."

R1's Fall care plan and care card was reviewed and revised.

Residents who require supervision during toileting have been identified by the Assistant Directors of Nursing and a review of those residents' care plans and the CNA care cards associated with those residents have also been reviewed to ensure the nursing staff is fully aware of each resident's safety needs and supervision requirements.

C.N.A. involved was given one on one education and we have followed our standard practice of performance enhancement for this C.N.A.

Nursing associates will be in-serviced on providing supervision to all residents at high risk for falls during toileting. Included in the in-service is the need to review the care plan and the care card to ensure they appropriately reflect a plan that meet each resident's care, safety and supervision needs when toileting or when assisting with any other ADL.

The Director of Nursing or designee(s) will review fall risk assessments for current residents and with each new admission for the next 60 days to ensure the care plan and care card for each resident has appropriate and necessary safety measures in place and are communicated to staff. Any care plans or care cards that are found to not be complete or appropriate will be corrected immediately.

After the 60 days, a random audit of 5 resident records each week for 4 weeks and then monthly for 2 months will be reviewed to reconcile and evaluate the fall risk assessment and the interventions and safety measures indicated on the care plans and care cards for appropriateness and completeness.

The Director of Nursing or designee(s) will review falls weekly with the Interdisciplinary Team to investigate the circumstances surrounding any fall which occurred and to review the care plan and care card to ensure updating is completed. Any deficient practices contributing to a resident fall will be handled immediately.

The Director of Nursing or designee(s) will report the results of the audits to the QAA committee to determine if further monitoring is warranted.

Completion Date: April 24, 2017

_____ _____
Alpana Patel, Administrator Date

PLAN OF CORRECTION **SURVEY DATE: 04/07/2017**
FACILITY: ADDOLORATA VILLA **PROVIDER #: 145724**

F-323 483.25(d)(1)(2)(n)(1)-(3) FREE OF ACCIDENT HAZARDS /SUPERVISION /DEVICES **SS=G**

The facility must ensure that resident environment remains as free of accident hazards as possible; and each resident receives adequate supervision and assistance devices to prevent accidents.

Corrective actions which will be accomplished for the resident affected by the deficient practice.

CMS 2567 cited 483.25(d)(1)(2)(n)(1)-(3) stating, "the facility failed to supervise while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents."

R1's Fall care plan and care card was reviewed and revised.

How the facility will identify other residents having the potential to be affected by the same deficient practice.

Residents who require supervision during toileting have been identified by the Assistant Directors of Nursing and a review of those residents' care plans and the CNA care cards associated with those residents have also been reviewed to ensure the nursing staff is fully aware of each resident's safety needs and supervision requirements.

Measures the facility will take or systems the facility will alter to ensure that the problem will be corrected and will not recur.

C.N.A. involved was given one on one education and we have followed our standard practice of performance enhancement for this C.N.A.

Nursing associates will be in-serviced on providing supervision to all residents at high risk for falls during toileting. Included in the in-service is the need to review the care plan and the care card to ensure they appropriately reflect a plan that meet each resident's care, safety and supervision needs when toileting or when assisting with any other ADL.

The Director of Nursing or designee(s) will review fall risk assessments for current residents and with each new admission for the next 60 days to ensure the care plan and care card for each resident has appropriate and necessary safety measures in place and are communicated to staff. Any care plans or care cards that are found to not be complete or appropriate will be corrected immediately.

After the 60 days, a random audit of 5 resident records each week for 4 weeks and then monthly for 2 months will be reviewed to reconcile and evaluate the fall risk assessment and the interventions and safety measures indicated on the care plans and care cards for appropriateness and completeness.

F-323 483.25(d)(1)(2)(n)(1)-(3) FREE OF ACCIDENT HAZARDS /SUPERVISION /DEVICES **SS=G**

The Director of Nursing or designee(s) will review falls weekly with the Interdisciplinary Team to investigate the circumstances surrounding any fall which occurred and to review the care plan and care card to ensure updating is completed. Any deficient practices contributing to a resident fall will be handled immediately.

Quality Assurance Plans to monitor facility performance to ensure corrections are achieved and are permanent.

The Director of Nursing or designee(s) will report the results of the audits to the QAA committee to determine if further monitoring is warranted.

Completion Date: April 24, 2017

Alpana Patel, Administrator _____ Date _____

IDPH Licensure Findings **SURVEY DATE: 04/07/2017**
FACILITY: ADDOLORATA VILLA **PROVIDER #: 145724/0045443**

IRI 3-13-17/IL92793 **Type A Violation**

Statement of Licensure Findings 300.610a), 300.1210b), 300.1210d)6), 300.3240a) stating, "the facility failed to provide supervision while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents. This failure resulted in R1 sustaining fractures of the tibia and fibula leading up to hospitalization."

Corrective actions which will be accomplished for the resident affected by the deficient practice.

R1's Fall care plan and care card was reviewed and revised.

How the facility will identify other residents having the potential to be affected by the same deficient practice.

Residents who require supervision during toileting have been identified by the Assistant Directors of Nursing and a review of those residents' care plans and the CNA care cards associated with those residents have also been completed to ensure the nursing staff is fully aware of each resident's safety needs and supervision requirements.

Measures the facility will take or systems the facility will alter to ensure that the problem will be corrected and will not recur.

C.N.A. involved was given one on one education and we have followed our standard practice of performance enhancement for this C.N.A.

Nursing associates were in-serviced on providing supervision to all residents at high risk for falls during toileting. Included in the in-service is the need to review the care plan and the care card to ensure they appropriately reflect a plan that meets each resident's care, safety and supervision needs when toileting or when assisting with any other ADL.

The Director of Nursing or designee(s) has reviewed fall risk assessments for current residents and with each new admission for 60 days after to ensure the care plan and care card for each resident has appropriate and necessary safety measures in place and are communicated to staff. Any care plans or care cards that are found to not be complete or appropriate will be corrected immediately.

After the 60 days, the Director of Nursing or designee(s) will begin a random audit of 5 resident records each week for 4 weeks and then monthly for 2 months will be reviewed to reconcile and evaluate the fall risk assessment and the interventions and safety measures indicated on the care plans and care cards for appropriateness and completeness.

The Director of Nursing or designee(s) will review falls weekly with the Interdisciplinary Team to investigate the circumstances surrounding any fall which occurred and to

review the care plan and care card to ensure updating is completed. Any deficient practices contributing to a resident fall will be handled immediately.

Quality Assurance Plans to monitor facility performance to ensure corrections are achieved and are permanent.

The Director of Nursing or designee(s) will report the results of the audits to the QAA committee to determine if further monitoring is warranted.

Completion Date: April 24, 2017

_____ _____

Alpana Patel, Administrator Date

IDPH
ILLINOIS DEPARTMENT OF PUBLIC HEALTH

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

April 12, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alpana Patel, Administrator
Addolorata Villa
555 McHenry Road
Wheeling, IL 60090

RE: Provider #: 145724/0045443
Survey Date: April 7, 2017
Survey Type: IRI of 3-13-17/IL92793

Dear Administrator:

Pursuant to the Illinois Nursing Home Care Act, a licensure survey was conducted at Addolorata Villa on April 7, 2017 by staff of the Illinois Department of Public Health. The licensure survey was part of a combined survey during which federal certification regulations were also evaluated. As a result of that combined survey, certification deficiencies have been issued to the facility and certification remedies have been proposed, recommended or imposed.

Enclosed with this letter are ***licensure findings*** written as a result of that combined survey. Based on these findings, the Department may issue licensing violations to the facility which may result in a monetary fine, conditional license or other serious licensure penalty. If you wish, you may submit ***comments*** to the findings. Comments may be used by the facility to refute the findings of the surveyors, explain extenuating circumstances that the facility could not have reasonably prevented or inform the Department of methods and timetables to correct the non-compliance. **Please note that while comments may include information on corrective actions taken, an official plan of correction cannot be accepted for licensure at this time because no licensure violation has been cited.**

After a review of the findings, and any comments timely submitted by the facility, the Department will determine whether to issue any licensure violations and licensure penalties. **Any such licensure violations and penalties shall be in addition to any certification deficiencies and remedies already received by the facility.** Should any plan of correction be required, one will be requested in the notice accompanying the licensure violation(s).

After you have reviewed the findings, **please submit the signed state form and any comments to the following email address: DPH.LTCQA.POCHearing@illinois.gov.** If your facility does not have email capabilities then continue to send your signed state form and any comments to the Illinois Department of Public Health, Division of Quality Assurance, Attention: Sammye Geer, 525 West Jefferson Street 5th fl, Springfield, Illinois 62761. Comments must be received by the Department within 10 days of receipt of the findings by the facility. Please allow 3 business days to process the comments or plan of correction.

If you have any questions concerning these findings please contact the Department at (217) 782-5180 or you may contact the department's TTY number (hearing impaired use only) at 1-800-547-0466.

Sincerely,

Sherry Barr 16

Sherry Barr
Division of Quality Assurance
Office of Health Care Regulation

Enclosures
cc:
LIC/FINDINGS/kt

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S 000	Initial Comments Incident investigation of 3-13-17/IL92793	S 000		
S9999	Final Observations Statement of Licensure Findings 300.610a) 300.1210b) 300.1210d)6) 300.3240a) Section 300.610 Resident Care Policies a) The facility shall have written policies and procedures governing all services provided by the facility. The written policies and procedures shall be formulated by a Resident Care Policy Committee consisting of at least the administrator, the advisory physician or the medical advisory committee, and representatives of nursing and other services in the facility. The policies shall comply with the Act and this Part. The written policies shall be followed in operating the facility and shall be reviewed at least annually by this committee, documented by written, signed and dated minutes of the meeting. Section 300.1210 General Requirements for Nursing and Personal Care b) The facility shall provide the necessary care and services to attain or maintain the highest practicable physical, mental, and psychological well-being of the resident, in accordance with each resident's comprehensive resident care plan. Adequate and properly supervised nursing care and personal care shall be provided to each resident to meet the total nursing and personal care needs of the resident. Restorative measures shall include, at a minimum, the following	S9999		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 1 procedures: d) Pursuant to subsection (a), general nursing care shall include, at a minimum, the following and shall be practiced on a 24-hour, seven-day-a-week basis: 6) All necessary precautions shall be taken to assure that the residents' environment remains as free of accident hazards as possible. All nursing personnel shall evaluate residents to see that each resident receives adequate supervision and assistance to prevent accidents. Section 300.3240 Abuse and Neglect a) An owner, licensee, administrator, employee or agent of a facility shall not abuse or neglect a resident. (Section 2-107 of the Act) These requirements were not met as evidenced by: Based on interview and record review, the facility failed to provide supervision while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents. This failure resulted in R1 sustaining fractures of the tibia and fibula leading up to hospitalization. Findings include: R1 is a 90 year old female admitted to the facility 9/20/2008. R1's face sheet diagnosis includes dementia, atrial fibrillation, heart failure and type 2 diabetes mellitus. On 4/6/17 at 10:15am in 2nd floor common area accompanied by E7 (RN-Registered Nurse), R1 was in wheelchair with both legs on the footrests,	S9999		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 2	S9999		

lower right leg in a cast. E7 stated, "The resident is wearing a leg cast for an ankle fracture from a fall. She ambulates in wheel chair and is a 1-2 person assist." R1 is alert and oriented to self only and is hard of hearing.

R1's MDS (Minimum Data Set) dated 2/1/17 indicates the following: BIMS (Brief Interview for Mental Status) - 99 (the resident was unable to complete the interview); Transfer 3/3 (Extensive Assistance/Two persons assist), Toilet use 3/2 (Extensive Assist/one person assist), Mobility Device (Wheelchair).

R1's fall risk screening tool dated 2/3/17 indicates a total score of 16 (Total score of 10 or above represents high risk).

R1's care plan for fall intervention dated 2/20/17 denotes, in part: "....Remind all staff, resident is total supervision with toileting ....Instructions were provided at the start of the shift and as needed."

R1's initial fall incident report to the state agency dated 3/14/17 denotes, in part: ".... On 3/13/2017 around 7:15pm, after dinner assigned CNA (certified Nursing Aide) toileted the resident, after few minutes resident was noted sitting in the bathroom floor facing the toilet ....Resident was sent to ER (Emergency Room) for evaluation and treatment and admitted for right tibia fracture ....Resident's last fall incident was on 7/6/2014."

R1's final incident report to the state agency dated 3/17/17 denotes, in part: "....Investigation revealed that CNA observed another resident who needed assistance immediately while with this resident. CNA stepped out to assist this other resident and asked the resident to wait for her return, CNA returned within a minute or two and

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S9999	Continued From page 3 observed the resident on the floor. Resident continues to be at the hospital ...." R1's hospital record dated 3/17/17 indicates R1 was admitted on 3/14/17, discharged on 3/17/17. Diagnosis: Fracture, tibia and fibula. R1's X ray report dated on 3/15/17 documents, in part: "....Right ankle pain, Status post fall. Frontal and lateral views of the right tibia and fibula were obtained. There is an acute fracture through the proximal shaft of the fibula. There is some cortical irregularity involving the proximal shaft of the tibia below the tibial plateau adjacent to the proximal portion of the intramedullary nail and a non-displaced fracture in this region is not excluded ...." R1's hospital discharge instruction dated 3/17/17 denotes, in part: "....No weight bearing right leg. Plan to keep cast to right leg for 1 month. Follow up with specialty in Orthopedic Surgery in 1 month ...." On 4/5/16 at 12:15pm, E2 (Assistant Director of Nursing) stated: "When a fall occurs, the nurse gathers reports and starts the investigation, the repots go to me and I talk to the witness and the residents. I feel like the CNA should not have left the resident on the toilet by herself because of the resident's low safety awareness and confusion. One-on-one education was given to the CNA after the incident...." On 4/6/17 at 1:05pm, E3 (DON - Director of Nursing) stated, "Because most of the residents on the 2nd floor are high fall risk with a risk score of 10 or more, it is important that fall interventions are in place for the high fall risks because of the residents' confusion, low safety awareness and	S9999		

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S9999	Continued From page 4 impulsivity. Fall intervention is in the residents care plan and is updated quarterly and after significant changes, staff should review care plans to ensure the fall interventions are followed...." Facility's policy entitled: "Falls -Clinical Protocol" documents, in part, "....the staff and physician will identify pertinent interventions to try to prevent subsequent falls ....The staff and physician will monitor and document the response to the interventions intended to reduce falling or the consequence of falling...."	S9999		

IDPH
ILLINOIS DEPARTMENT OF PUBLIC HEALTH

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

April 12, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alpana Patel, Administrator
Addolorata Villa
555 McHenry Road
Wheeling, IL 60090

REFERENCE: Provider #: 145724/0045443
Cycle Date: February 9, 2017
Survey Date: April 7, 2017
Survey Type: IRI of 3-13-17/IL02793
LSC Survey: February 14, 2017

Dear Administrator:

On, February 9, 2017, an inspection was conducted at Addolorata Villa by staff of the Illinois Department of Public Health to determine compliance with federal certification requirements for nursing homes participating in the Medicare/Medicaid programs. Deficiencies were identified and remedies have been proposed, recommended or imposed in an 'Initial Notice' dated February 15, 2017and any amendments thereto. A **revisit** has been conducted at the facility on April 7, 2017 to investigate complaint allegations or incident reports or to conduct an Annual Survey. As a result of the revisit, ADDITIONAL DEFICIENCIES were identified. (See enclosed Statement of Deficiencies, CMS Form 2567L.)

Because the additional deficiencies were rated at a higher scope and severity than deficiencies identified in the 'Initial Notice' dated February 15, 2017 and any amendments thereto, the following revised remedies will be **imposed or recommended for imposition** as a result of the revisit.

Imposed and/or Recommended Remedies for the Survey Cycle of February 9, 2017

The Department, as authorized by CMS Regional V, is notifying you of CMS' **imposition** of the following remedy:

- Denial of payment for New Admissions beginning May 9, 2017. Facility notified in letter dated March 8, 2017.

In addition, the following "Category 2" and/or "Category 3" remedies are being ***recommended for imposition*** by CMS:

- Civil Money Penalty of **$500.00 per day** beginning April 7, 2017 and continuing until compliance has been achieved.

- Termination of Provider agreement, beginning August 8, 2017.

All revised remedies will be effective as indicated above and all time lines established by the initial survey cycle date related to denial of payments for new admissions or termination from continuing participation in the Medicare/Medicaid programs remain unchanged.

Before a revisit will be scheduled, **and no later than 10 days after receipt of this Notice**, the facility must provide to the Department an acceptable POC (See Initial Notice for components of an acceptable POC) for all deficiencies, except level 'A' deficiencies. An acceptable POC will also serve as the facility's 'Allegation of Compliance' thereby signifying that the facility attests that it will be in 'Substantial Compliance' with all federal certification requirements by the correction date stated in the POC. The Department will presume that the facility will be in 'Substantial Compliance' based upon the acceptable POC and a revisit will be conducted to verify compliance.

Informal Dispute Resolution

The facility may request an 'Informal Dispute Resolution' (See Enclosure #3) to challenge any deficiency that renders the facility not in substantial compliance ("D" or above). ***The Informal Dispute Resolution process will not delay the effective date of any enforcement action!*** If the facility requests an Informal Dispute Resolution without submitting an acceptable POC and the Department's decision, as a result of the dispute resolution process does not result in the deletion of the deficiency, please be advised that the Department will then proceed to impose or recommend imposition of the remedies.

Please use the following addresses for any correspondence to the Department:

POC's and IDR's are mailed to:

Allison Fields
Illinois Department of Public Health
Office of Healthcare Regulation
Division of Quality Assurance
525 West Jefferson Street, 5th Floor
Springfield, Illinois 62761-0001

If you have any questions concerning this notice, please contact my staff at the address above or telephone (217) 782-5180. You may also telephone the Department's TTY number for the hearing impaired at 1-800-547-0466.

Sincerely,

Sherry Barr 16

Sherry Barr
Division of Quality Assurance
Office of Health Care Regulation

Encl:
cc: Centers for Medicare and Medicaid Services
Illinois Department of Healthcare & Family Services
Illinois Department on Aging
Guardianship & Advocacy Commission
Division of LTC-FO
CT Corporation System, Registered Agent
G3b/kt

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	145724	A. BUILDING _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD. WHEELING, IL 60090

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F 000	INITIAL COMMENTS Incident investigation of 3-13-17/IL92793	F 000		
F 323 SS=G	483.25(d)(1)(2)(n)(1)-(3) FREE OF ACCIDENT HAZARDS/SUPERVISION/DEVICES (d) Accidents. The facility must ensure that - (1) The resident environment remains as free from accident hazards as is possible; and (2) Each resident receives adequate supervision and assistance devices to prevent accidents. (n) - Bed Rails. The facility must attempt to use appropriate alternatives prior to installing a side or bed rail. If a bed or side rail is used, the facility must ensure correct installation, use, and maintenance of bed rails, including but not limited to the following elements. (1) Assess the resident for risk of entrapment from bed rails prior to installation. (2) Review the risks and benefits of bed rails with the resident or resident representative and obtain informed consent prior to installation. (3) Ensure that the bed's dimensions are appropriate for the resident's size and weight. This REQUIREMENT is not met as evidenced by: Based on interview and record review, the facility failed to provide supervision while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents. This failure resulted in R1 sustaining fractures of	F 323		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE

deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
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F 323	Continued From page 1 the tibia and fibula leading up to hospitalization. Findings include: R1 is a 90 year old female admitted to the facility 9/20/2008. R1's face sheet diagnosis includes dementia, atrial fibrillation, heart failure and type 2 diabetes mellitus. On 4/6/17 at 10:15am in 2nd floor common area accompanied by E7 (RN-Registered Nurse), R1 was in wheelchair with both legs on the footrests, lower right leg in a cast. E7 stated, "The resident is wearing a leg cast for an ankle fracture from a fall. She ambulates in wheel chair and is a 1-2 person assist." R1 is alert and oriented to self only and is hard of hearing. R1's MDS (Minimum Data Set) dated 2/1/17 indicates the following: BIMS (Brief Interview for Mental Status) - 99 (the resident was unable to complete the interview); Transfer 3/3 (Extensive Assistance/Two persons assist), Toilet use 3/2 (Extensive Assist/one person assist), Mobility Device (Wheelchair). R1's fall risk screening tool dated 2/3/17 indicates a total score of 16 (Total score of 10 or above represents high risk). R1's care plan for fall intervention dated 2/20/17 denotes, in part: "....Remind all staff, resident is total supervision with toileting ....Instructions were provided at the start of the shift and as needed." R1's initial fall incident report to the state agency dated 3/14/17 denotes, in part: ".... On 3/13/2017 around 7:15pm, after dinner assigned CNA (certified Nursing Aide) toileted the resident, after	F 323		

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F 323	Continued From page 2 few minutes resident was noted sitting in the bathroom floor facing the toilet ....Resident was sent to ER (Emergency Room) for evaluation and treatment and admitted for right tibia fracture ....Resident's last fall incident was on 7/6/2014." R1's final incident report to the state agency dated 3/17/17 denotes, in part: "....Investigation revealed that CNA observed another resident who needed assistance immediately while with this resident. CNA stepped out to assist this other resident and asked the resident to wait for her return, CNA returned within a minute or two and observed the resident on the floor. Resident continues to be at the hospital ...." R1's hospital record dated 3/17/17 indicates R1 was admitted on 3/14/17, discharged on 3/17/17. Diagnosis: Fracture, tibia and fibula. R1's X ray report dated on 3/15/17 documents, in part: "....Right ankle pain, Status post fall. Frontal and lateral views of the right tibia and fibula were obtained. There is an acute fracture through the proximal shaft of the fibula. There is some cortical irregularity involving the proximal shaft of the tibia below the tibial plateau adjacent to the proximal portion of the intramedullary nail and a non-displaced fracture in this region is not excluded ...." R1's hospital discharge instruction dated 3/17/17 denotes, in part: "....No weight bearing right leg. Plan to keep cast to right leg for 1 month. Follow up with specialty in Orthopedic Surgery in 1 month ...." On 4/5/16 at 12:15pm, E2 (Assistant Director of Nursing) stated: "When a fall occurs, the nurse	F 323		

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NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

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F 323	Continued From page 3 gathers reports and starts the investigation, the repots go to me and I talk to the witness and the residents. I feel like the CNA should not have left the resident on the toilet by herself because of the resident's low safety awareness and confusion. One-on-one education was given to the CNA after the incident...." On 4/6/17 at 1:05pm, E3 (DON - Director of Nursing) stated, "Because most of the residents on the 2nd floor are high fall risk with a risk score of 10 or more, it is important that fall interventions are in place for the high fall risks because of the residents' confusion, low safety awareness and impulsivity. Fall intervention is in the residents care plan and is updated quarterly and after significant changes, staff should review care plans to ensure the fall interventions are followed...." Facility's policy entitled: "Falls -Clinical Protocol" documents, in part, "....the staff and physician will identify pertinent interventions to try to prevent subsequent falls ....The staff and physician will monitor and document the response to the interventions intended to reduce falling or the consequence of falling...."	F 323		

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH STATE OF ILLINOIS Complainant, v. FRANCISCAN COMMUNITIES, INC. D/B/A, ADDOLORATA VILLA Respondent.	)	Docket No. NH 17-S0237

PROOF OF SERVICE

The Conditional License will follow under a separate cover letter.

The undersigned certifies that a true and correct copy of the attached Notice of Type "A" Violation(s) and Order to Abate or Eliminate; Notice of Conditional License; Notice of Fine Assessment; Notice of Placement on Quarterly List of Violators; and Notice of Opportunity for Hearing were sent by certified mail in a sealed envelope, postage prepaid to:

Registered Agent:	CT Corporation System
Licensee Info:	Franciscan Communities, Inc.
Address:	208 South LaSalle Street, Suite 814 Chicago, Illinois 60604

That said documents were deposited in the United States Post Office at Springfield, Illinois, on the 7th day of June, 2017.

Sammye Geer
Administrative Assistant
Long Term Care- Quality Assurance
Office of Health Care Regulations

IDPH
ILLINOIS DEPARTMENT OF PUBLIC HEALTH

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

Informational Notice
April 07, 2017

Administrator
Addolorata Villa
555 McHenry Road
Wheeling, Illinois 60090

Re: Plan of Correction Submission
Skilled Nursing and Intermediate Care Facilities (*77 Illinois Adm. Code 300);*
Sheltered Care Facilities *(77 Illinois Adm. Code 330);*
Illinois Veterans' Home *(77 Illinois Adm. Code 340);*
Intermediate Care for the Developmentally Disabled Facilities *(77 Illinois Adm. Code 350);*
Long Term Care for Under Age 22 Facilities *(77 Illinois Adm. Code 390)*

Dear Administrator:

The Department has determined that your facility shall have 10 days after receipt of this notice of violation in which to prepare and submit a plan of correction. Any previous submissions are considered to be comments to the licensure findings and are not eligible as a plan of correction for the attached notice.

If you have any questions regarding the attached notice of violation, please contact the Quality Assurance Division at 217-782-5180.

Sincerely,
Darlene F. Harney

Darlene F. Harney, RN, CPC
Bureau Chief, Long Term Care
Office of Health Care Regulation

Copy: File
Illinois Department of Healthcare and Family Services
Guardianship & Advocacy Commission
CT Corporation System, Registered Agent

PLAN OF CORRECTION **SURVEY DATE: 04/07/2017**
FACILITY: ADDOLORATA VILLA **PROVIDER #: 145724**

F-323 483.25(d)(1)(2)(n)(1)-(3) FREE OF ACCIDENT HAZARDS /SUPERVISION /DEVICES **SS=G**

The facility must ensure that resident environment remains as free of accident hazards as possible; and each resident receives adequate supervision and assistance devices to prevent accidents.

Corrective actions which will be accomplished for the resident affected by the deficient practice.

CMS 2567 cited 483.25(d)(1)(2)(n)(1)-(3) stating, "the facility failed to supervise while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents."

R1's Fall care plan and care card was reviewed and revised. (Care Plan Attachment A)

How the facility will identify other residents having the potential to be affected by the same deficient practice.

Residents who require supervision during toileting have been identified by the Assistant Directors of Nursing and a review of those residents' care plans and the CNA care cards associated with those residents have also been reviewed to ensure the nursing staff is fully aware of each resident's safety needs and supervision requirements.

Measures the facility will take or systems the facility will alter to ensure that the problem will be corrected and will not recur.

C.N.A. involved was given one on one education and we have followed our standard practice of performance enhancement for this C.N.A.

Nursing associates will be in-serviced on providing supervision to all residents at high risk for falls during toileting. Included in the in-service is the need to review the care plan and the care card to ensure they appropriately plan that each resident's care, safety and supervision needs are met when toileting or when assisting with any other ADL.

The Director of Nursing or designee(s) will review fall risk assessments for current residents and each new admission for the next 60 days to ensure the care plan and care card for each resident has appropriate and necessary safety measures in place and communicated to staff. Any care plans or care cards that are found to not be complete or appropriate will be corrected immediately.

After the 60 days, a random audit of 5 resident records will be reviewed to reconcile and evaluate the fall risk assessment and the interventions and safety measures indicated on the care plans and care cards for appropriateness and completeness.

F-323 483.25(d)(1)(2)(n)(1)-(3) FREE OF ACCIDENT HAZARDS /SUPERVISION /DEVICES **SS=G**

The Director of Nursing or designee(s) will review falls weekly with the Interdisciplinary Team to investigate the circumstances surrounding any fall which occurred and to

review the care plan and care card to ensure updating is completed. Any deficient practices contributing to a resident fall will be handled immediately.

Quality Assurance Plans to monitor facility performance to ensure corrections are achieved and are permanent.

The Director of Nursing or designee(s) will report the results of the audits to the QAA committee to determine if further monitoring is warranted.

Completion Date: April 24, 2017

_____ _____

Alpana Patel, Administrator Date

FRANCISCAN MINISTRIES
Sponsored by the Franciscan Sisters of Chicago

11500 Theresa Drive
Lemont | IL 60439-2727
Phone (331) 318-5200 | Fax (331) 318-5210
www.franciscanministries.org

July 1, 2018

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, Il 62761

Dear Ms. Avery:

I hereby authorize the Health Facilities Planning Board and the Illinois Department of Public Health (IDPH) access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. I further authorize the Illinois Department of Public health to obtain any additional documentation or information that said agency deems necessary for the review of this Application as it pertains to 1125.520. (3).

Sincerely,

Judy Amiano
Chief Executive Officer

LONG-TERM CARE FACILITY UPDATES

1/10/2018

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 4			
Champaign	853	920	(67)
Clark	215	225	(10)
Coles/Cumberland	642	939	(297)
DeWitt	209	190	19
Douglas	187	233	(46)
Edgar	269	299	(30)
Ford	204	434	(230)
Iroquois	400	477	(77)
Livingston	422	518	(96)
McLean	979	1,048	(69)
Macon	899	956	(57)
Moultrie	238	361	(123)
Piatt	144	160	(16)
Shelby	161	259	(98)
Vermilion	604	766	(162)
HEALTH SERVICE AREA 5			
Alexander/Pulaski	88	83	5
Bond	96	90	6
Clay	121	209	(88)
Crawford	165	160	5
Edwards/Wabash	139	129	10
Effingham	348	434	(86)
Fayette	168	261	(93)
Franklin	306	383	(77)
Gallatin/Hamilton/Saline	537	582	(45)
Hardin/Pope	70	62	8
Jackson	264	251	13
Jasper	57	57	0
Jefferson	339	336	3
Johnson/Massac	280	299	(19)
Lawrence	216	340	(124)
Marion	472	509	(37)
Perry	150	210	(60)
Randolph	408	490	(82)
Richland	254	309	(55)
Union	273	293	(20)
Washington	161	148	13
Wayne	132	169	(37)
White	251	351	(100)
Williamson	513	555	(42)
HEALTH SERVICE AREA 6			
Planning Area 6-A	4,523	6,513	(1,990)
Planning Area 6-B	3,020	3,009	11
Planning Area 6-C	4,201	4,586	(385)

is estimated that the Communities at Mercy Creek market area will support **48** additional Private Pay/Other beds by 2019. PMD estimates that the Mercy Creek project could expect to capture 7 of those beds.

Of the total 416 skilled nursing private pay beds 303 beds are in facilities with a Quality Star Rating of less than 3. Our sense is that the Mercy Creek project should be able to take market share from these poorly performing communities.

Table 7-15: Private Pay Skilled Nursing Demand Calculation

SKILLED NURSING PRIVATE PAY/OTHER DEMAND CALCULATION	
	2016 Estimates
	Private Pay/Other
Age 65 and Older Population	21,243
Total Existing Private Pay/Other Beds	416
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)	2.0%
	2019
	Private Pay/Other
Projected Age 65 and Older Population	23,845
PMA Base Use Rate for Population Age 65 * Age 65+ Population	477
Avg Annual Percent Change in SNF Patient Days	-2.13%
Estimate of New Supportable Beds	447
Total Existing Private Pay/Other Competitive Beds	416
Total Planned Private Pay/Other Competitive Beds	0
Total Existing Plus Planned Private Pay/Other Competitive Beds	416
Estimate of Net New Supportable Beds	31
Market Area Draw	65%
Net New Supportable Beds Divided by Market Area Draw = Total Supportable Market Area Beds	48
Net Demand at Project Penetration Rate	
15%	**7**

Table 7-16: Medicare Skilled Nursing Demand Calculation

SKILLED NURSING MEDICARE DEMAND CALCULATION	
	2016 Estimates
	Medicare
Age 65 and Older Population	21,243
Total Existing Medicare Beds	93
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)	0.44%
	2019
	Medicare
Projected Age 65 and Older Population	23,845
PMA Base Use Rate for Population Age 65 * Age 65+ Population	105
Avg Annual Percent Change in SNF Patient Days	-2.13%
Estimate of New Supportable Beds	98
Total Existing Medicare Competitive Beds	93
Total Planned Medicare Competitive Beds	0
Total Existing plus Medicare Competitive Beds	93
Estimate of Net New Supportable Beds	5
Market Area Draw	65%
Net New Supportable Beds Divided by Market Area Draw = Total Supportable Market Area Beds	8
Net Demand at Project Penetration Rate	
15%	1

Findings – Medicare

It is estimated that the proposed Mercy Creek project should be able to capture **1** Medicare bed in 2019 due to population growth in the PMA.

Table 7-17: Medicaid Skilled Nursing Demand Calculation

SKILLED NURSING MEDICAID DEMAND CALCULATION	
	2016 Estimates
	Medicaid
Age 65 and Older Population	21,243
Total Existing Medicaid Beds	457
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)	2.15%
	2019
	Medicaid
Projected Age 65 and Older Population	23,845
PMA Base Use Rate for Population Age 65 * Age 65+ Population	513
Avg Annual Percent Change in SNF Patient Days	-2.13%
Estimate of New Supportable Beds	481
Total Existing Medicaid Competitive Beds	457
Total Planned Medicaid Competitive Beds	0
Total Existing plus Planned Medicaid Competitive Beds	457
Estimate of Net New Supportable Beds	24
Market Area Draw	65%
Net New Supportable Beds Divided by Market Area Draw = Total Supportable Market Area Beds	36
Net Demand at Project Penetration Rate	
15%	5

Findings – Medicaid

It is estimated that the proposed Mercy Creek project should be able to capture 5 Medicaid beds in 2019 due to population growth in the PMA.

Planning Area: McLean

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
APERION CARE COLFAX	COLFAX	McLean County	0	14,038
2/2/2017 Closure — **Facility closed; 60 Nursing Care beds removed from Inventory.**				
ARBA CARE CENTER OF BLOOMINGTON	BLOOMINGTON	McLean County	117	34,725
BLOOMINGTON REHAB HLTHCARE CTR	BLOOMINGTON	McLean County	78	18,450
HEARTLAND OF NORMAL	NORMAL	McLean County	116	31,814
HERITAGE HEALTH - BLOOMINGTON	BLOOMINGTON	McLean County	88	25,456
3/25/2016 Bed Change — **Discontinued 23 Nursing Care beds; facility now has 88 Nursing Care beds.**				
HERITAGE HEALTH - NORMAL	NORMAL	McLean County	141	42,223
3/25/2016 Bed Change — **Discontinued 23 Nursing Care beds; facility now has 141 Nursing Care beds.**				
LEROY MANOR	LEROY	McLean County	102	25,121
LUTHER OAKS	BLOOMINGTON	McLean County	18	
11/7/2016 13-067 — **Facility licensed for operation with 18 Nursing Care beds.**				
MCLEAN COUNTY NURSING HOME	NORMAL	McLean County	150	44,165
MEADOWS MENNONITE HOME	CHENOA	McLean County	130	36,690
ST. JOSEPH'S MEDICAL CENTER	BLOOMINGTON	McLean County	12	2,407
WESTMINSTER VILLAGE	BLOOMINGTON	McLean County	78	24,310
WESTMINSTER VILLAGE (PERMIT)	BLOOMINGTON	McLean County	18	
3/14/2017 16-052 — **permit issued to add 18 nursing care beds to existing long-term care facility; facility will have 96 nursing care beds upon project completion.**				
		Planning Area Totals	**1,048**	**299,399**

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	24,628	151,400	162.7	206.7	551.3	206.7	164,800	34,070			
65-74 Years Old	35,876	11,100	3,232.1	2,453.6	6,542.9	3,232.1	14,500	46,865			
75+ Years Old	238,895	8,900	26,842.1	16,274.4	43,398.3	26,842.1	9,000	241,579			
						Planning Area Totals		**322,514**	**881.2**	**979**	69

Table 4. Population Projections for Illinois Counties by Age and Sex: 2010 to 2025
(as of July 1 of the specified years, except as noted)—Continued

County Sex and Age	Census April 1, 2010[1]	Estimate 2010[1]	Projections 2015	2020	2025
McLean					
Both Sexes Total	169,572	169,838	178,627	188,341	197,855
0-4	10,650	10,580	10,637	12,356	12,937
5-9	10,914	10,838	10,582	10,658	12,393
10-14	10,421	10,359	10,676	10,466	10,590
15-19	14,903	14,861	17,255	17,269	16,803
20-24	20,902	21,704	19,167	20,871	20,275
25-29	12,201	12,172	16,586	14,337	16,255
30-34	11,270	11,275	11,534	15,955	13,834
35-39	10,575	10,449	11,065	11,357	15,771
40-44	10,370	10,312	10,383	11,002	11,316
45-49	11,526	11,409	10,132	10,222	10,862
50-54	11,082	11,036	11,061	9,860	9,983
55-59	9,781	9,786	10,529	10,594	9,487
60-64	7,637	7,658	9,120	9,862	9,972
65-69	5,156	5,181	6,997	8,377	9,101
70-74	3,859	3,876	4,534	6,172	7,447
75-79	3,030	3,025	3,214	3,777	5,167
80-84	2,636	2,639	2,347	2,485	2,911
85+	2,659	2,678	2,808	2,724	2,751
65+	17,340	17,399	19,900	23,533	27,377
Male Total	82,329	82,499	86,563	91,084	95,493
0-4	5,374	5,338	5,440	6,319	6,616
5-9	5,559	5,521	5,347	5,456	6,341
10-14	5,377	5,342	5,383	5,240	5,380
15-19	7,001	6,985	7,882	7,821	7,595
20-24	10,014	10,443	9,397	9,961	9,604
25-29	6,126	6,116	8,206	7,286	7,940
30-34	5,575	5,578	5,639	7,744	6,905
35-39	5,422	5,358	5,447	5,526	7,622
40-44	5,073	5,045	5,330	5,422	5,508
45-49	5,657	5,600	4,962	5,247	5,350
50-54	5,361	5,338	5,461	4,856	5,144
55-59	4,673	4,675	5,019	5,161	4,611
60-64	3,761	3,771	4,262	4,606	4,767
65-69	2,443	2,456	3,375	3,832	4,162
70-74	1,779	1,788	2,119	2,928	3,341
75-79	1,283	1,282	1,442	1,716	2,384
80-84	1,008	1,012	931	1,049	1,251
85+	843	851	920	915	972
65+	7,356	7,389	8,787	10,440	12,109
Female Total	87,243	87,339	92,064	97,257	102,362
0-4	5,276	5,242	5,197	6,037	6,321
5-9	5,355	5,317	5,235	5,202	6,051
10-14	5,044	5,017	5,293	5,226	5,210
15-19	7,902	7,876	9,373	9,448	9,209
20-24	10,888	11,261	9,769	10,910	10,670
25-29	6,075	6,056	8,380	7,051	8,315
30-34	5,695	5,697	5,895	8,211	6,930
35-39	5,153	5,091	5,617	5,831	8,149
40-44	5,297	5,267	5,053	5,581	5,808
45-49	5,869	5,809	5,170	4,976	5,513
50-54	5,721	5,698	5,600	5,003	4,840
55-59	5,108	5,111	5,510	5,433	4,875
60-64	3,876	3,887	4,859	5,256	5,204
65-69	2,713	2,725	3,622	4,545	4,939
70-74	2,080	2,088	2,415	3,244	4,105
75-79	1,747	1,743	1,772	2,060	2,784
80-84	1,628	1,627	1,416	1,436	1,660
85+	1,816	1,827	1,888	1,808	1,778
65+	9,984	10,010	11,113	13,093	15,267

SECTION IV-SEERVICE SPECIFIC REVIEW CRITERIA

Primary Referral Hospitals:

1. Advocate Bromenn Medical Center
2. St. Joseph Medical Center

Referral Trends (2017 Data):

Advocate Bromenn Medical Center

Facility	# of received discharges (admits)
Heartland of Normal	98
Heritage Health – Bloomington	88
Heritage Health – Normal	74
Other (Less than 10 referrals received annually combined facility total	58
McLean County Nursing Home	19
Westminster Village	19
Meadows Mennonite Home	16
Heritage Heath – EL Paso	15
Bloomington Rehabilitation & HCC	12
Leroy Manor	<11
Aperion Care Bloomington	<11
Evenglow Lodge	<11
Fairview Haven	<11
Farmer City Rehab and Healthcare	<11
Pontiac Healthcare and Rehab	<11
Total # of discharges to SNF's	448

St. Joseph Medical Center

Facility	# of received discharges (admits)
Heartland of Normal	120
Heritage Health Bloomington	103
St. Joseph Medical Center	101
Heritage Health Normal	92
Other (Less than 10 referrals received annually combined facility total	83
Manor Court of Clinton	32
Westminster Village	26
Pontiac Healthcare and Rehab	22
Leroy Manor	20
Evenglow Lodge	15
Meadows Mennonite Home	15
Bloomington Rehabilitation & HCC	14
Aperion Care Bloomington	11
Fairview Haven	11

Heritage El Paso	11
Total # of discharges to SNF's	676

Zip Code Statistics & Discharge Totals

Advocate Bromenn Medical Center (2017)

61761	762
61701	642
61704	405
61705	178
61738	122
61752	107
61753	97
61739	92
61727	90
61764	84
Other	1160
Total Discharges	3739

Advocate Bromenn Medical Center (2016): 2721 Total Discharges

Advocate Bromenn Medical Center (2016): 967 Total SNF Discharges

St. Joseph Medical Center

61701	749
61761	452
61704	425
61764	230
61727	174
61705	125
61752	76
61739	74
61745	66
61364	50
Other	1028
Total Discharges	3455

St. Joseph Medical Center (2016): 2526 Total Discharges

St. Joseph Medical Center (2016): 698 Total SNF Discharges

2) Estimated # of prospective resident whom eth referral sources will refer annually to the applicant's facility within a 24-month period after project completion

Timeline Year 1	# of Referral Received	Outcome
June	10	7.5% (3) Occupancy
July	12	12% (5) Occupancy
August	15	17% (7) Occupancy
September	20	22% (9) Occupancy
October	25	30% (12) Occupancy
November	27	37.5% (15) Occupancy
December	30	42% (17.7) Occupancy
January	32	42.5% (17) Occupancy
February	34	42.5% (17) Occupancy
March	36	45% (18) Occupancy
April	38	47.5% (19) Occupancy
May	40	52.5% (21) Occupancy
Annual # of Referrals	319	

Timeline Year 2	# Referrals	Outcome
June	42	57.5% (23) Occupancy
July	45	62.5% (25) Occupancy
August	47	67.5% (27) Occupancy
September	50	72.5% (29) Occupancy
October	52	77.5% (31) Occupancy
November	55	82.5% (33) Occupancy
December	57	88% (35) Occupancy
January	60	90% (36) Occupancy
February	62	92.5% (37) Occupancy
March	65	92.5% (37) Occupancy
April	67	95% (38) Occupancy
May	70	95% (38) Occupancy
Annual # of Referrals	662	

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Aperion Care Bloomington	11
Fairview Haven	11

Heritage El Paso	11
Total # of discharges to SNF's	676

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Annual # of Referrals	662	

Advocate BroMenn Medical Center

1304 Franklin Avenue || Normal, IL 61761 || T 309.454.1400 || advocatehealth.com

August 15, 2018

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Dear Ms. Avery,

I would like to support The Village of Mercy Creek's application for a Certificate of Need to establish a 40-bed long-term care skilled nursing facility to be located west of Towanda Barnes Road and North of East Raab road in Normal Illinois. I believe The Village of Mercy Creek provides a very important service to the Bloomington-Normal area.

Geographically, the location will be ideal for some of the elderly who live in this area. This project will provide outstanding services to residents of this community. I believe The Village of Mercy Creek will fill a needed gap in skilled nursing for the area. Thank you so much for considering The Village of Mercy Creek for the addition of these nursing beds. I wish the best and offer our support in their endeavor.

Respectfully,

Colleen Kannaday, FACHE
President

MEDICAL HILLS INTERNISTS

Internal Medicine
James Swanson, M.D.
Michael Cochran, M.D.
Stephen Kindred, M.D.
William Ray, M.D.
John Poag II, M.D.
Sven Klauss, M.D.
Peter Abadeer, D.O.
Lilla Berck, M.D.
Danielle Francois Kim, D.O.

Internal Medicine/Pediatrics
Eric Farinas, M.D.
Luke Pogue, M.D.
James Hancock, M.D.
Jeffrey Hoschek, M.D.

Rheumatology
Katy Wong, M.D.

Nurse Practitioner
Denise Wilson,
PhD, RN, CS, FNP

Emeritus
Lyle VanNess, M.D.
Paul Sheffler, M.D.
Dan Scott, M.D.
John Krueger, M.D.
James Bilyeu, M.D.

1401 Eastland Drive
Bloomington, Illinois 61701
Phone: 309-663-8311
Fax: 309-663-1810
www.medicalhills.org

Ms. Courtney Avery, Administrator

Illinois Health Facilities and Services Review Board

525 West Jefferson Street

Springfield, IL 62761

Dear Ms. Avery,

I would like to express my support for the Villages of Mercy Creek's application for a Certificate of Need to establish a 40 bed long-term care skilled nursing facility to be located west of Towanda Barnes Road and North of East Raab road in Normal Illinois.

The Villages of Mercy Creek is very important to the Bloomington-Normal area. This project will not only provide progressive services to the senior population, but it will also bring new jobs to the community.

Geographically, the location will be ideal for some of the elderly who live in this area. This area is not currently served by a long-term skilled nursing facility. I have no doubt that this project will provide outstanding service to residents of this community. I believe that this new Villages of Mercy Creek facility will provide excellent, supportive, and compassionate care for their clients.

Thank you for considering this request.

Respectfully,

William J. Ray (ds)

William J. Ray, MD

Subscribed and sworn to before me this 15th day of August 2018.

Denise L. Boudreau

OFFICIAL SEAL
DENISE L BOUDREAU
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Feb 7, 2020

Applications Deemed Complete

2013

13-058 - Warren G. Murray Developmental Center, Centralia
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Warren-G.-Murray-Developmental-Center,-Centralia.aspx)

2017

17-013 - Geneva Crossing Dialysis, Carol Stream
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Geneva-Crossing-Dialysis,-Carol-Stream--17-013.aspx)

17-015 - Stone Quarry Dialysis, Hodgkins
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Stone-Quarry-Dialysis,-Hodgkins--17-015.aspx)

17-029 - Melrose Village Dialysis, Melrose Park
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Melrose-Village-Dialysis,-Melrose-Park--17-029.aspx)

17-043 - DaVita Romeoville Dialysis, Romeoville
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Romeoville-Dialysis,-Romeoville--17-043.aspx)

17-060 - Fresenius Kidney Care Waukegan Park, Waukegan
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Kidney-Care-Waukegan-Park,-Waukegan--17-060.aspx)

17-066 - DaVita North Dunes Dialysis, Waukegan
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-North-Dunes-Dialysis,-Waukegan--17-066.aspx)

17-068 - DaVita Oak Meadows Dialysis, Oak Lawn
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Oak-Meadows-Dialysis,-Oak-Lawn--17-068.aspx)

17-070 - Dialysis Care Center Rockford, Rockford
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Dialysis-Care-Center-Rockford,-Rockford--17-070.aspx)

17-071 - Dialysis Care Center Hazel Crest, Hazel Crest
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Dialysis-Care-Center-Hazel-Crest,-Hazel-Crest--17-071.aspx)

17-073 - Illinois Back & Neck Institute, Elmhurst (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Illinois-Back-and-Neck-Institute,-Elmhurst--17-073.aspx)

2018

18-002 - Retina Surgery Center, Niles (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Retina-Surgery-Center,-Niles--18-002.aspx)

18-006 - Fresenius Kidney Care Madison County, Granite City (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Kidney-Care-Madison-County,-Granite-City--18-006.aspx)

18-007 - Dialysis Care Center Hickory Hills, Hickory Hills (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Dialysis-Care-Center-Hickory-Hills,-Hickory-Hills--18-007.aspx)

18-011 - Vermilion County Dialysis, Danville (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Vermilion-County-Dialysis,-Danville--18-011.aspx)

18-012 - Beacon Hill, Lombard (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Beacon-Hill,-Lombard--18-012.aspx)

18-013 - Blessing Hospital, Quincy (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Blessing-Hospital,-Quincy--18-013.aspx)

18-014 - Carle Surgicenter Danville, Danville (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Carle-Surgicenter-Danville,-Danville--18-014.aspx)

18-015 - Edward Hospital, Naperville (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Edward-Hospital,-Naperville--18-015.aspx)

18-016 - Transformative Health of McHenry, McHenry (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Transformative-Health-of-McHenry,-McHenry--18-016.aspx)

18-017 - Marshall Square Dialysis, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Marshall-Square-Dialysis,-Chicago--18-017.aspx)

18-018 - North Suburban Pain and Spine Center, Des Plaines (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/North-Suburban-Pain-and-Spine-Center,-Des-Plaines--18-018.aspx)

18-019 - Dialysis Care Center Evergreen Park, Evergreen Park (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Dialysis-Care-Center-Evergreen-Park,-Evergreen-Park--18-019.aspx)

Exemptions

2018

E-035-18 - Palos Health Surgery Center, Orland Park (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Palos-Health-Surgery-Center,-Orland-Park--E-035-18.aspx)

E-036-18 - Silver Cross Hospital and Medical Clinics, New Lenox (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Silver-Cross-Hospital-and-Medical-Clinics,-New-Lenox--E-036-18.aspx)

E-037-18 - Edgemont Dialysis, East St. Louis (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Edgemont-Dialysis,-East-St--Louis--E-037-18.aspx)

E-038-18 - Northgrove Dialysis, Highland Park (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Northgrove-Dialysis,-Higland-Park--E-038-18.aspx)

E-039-18 - Oak Lawn Endoscopy Center, Oak Lawn (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Oak-Lawn-Endoscopy-Center,-Oak-Lawn--E-039-18.aspx)

E-040-18 - North Shore Endoscopy Center, Lake Bluff (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/North-Shore-Endoscopy-Center,-Lake-Bluff--E-040-18.aspx)

E-041-18 - Glen Endoscopy Center, LLC, Glenview (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Glen-Endoscopy-Center,-LLC,-Glenview--E-041-18.aspx)

Applications Acted On (/sites/hfsrb/Projects/Pages/AppsActOn.aspx)

2018 (/sites/hfsrb/Projects/Pages/Acted-Upon-2018.aspx)

2017 (/sites/hfsrb/Projects/Pages/Acted-Upon-2017.aspx)

2016 (/sites/hfsrb/Projects/Pages/Acted-Upon-2016.aspx)

2015 (/sites/hfsrb/Projects/Pages/Acted-Upon-2015.aspx)

2014 (/sites/hfsrb/Projects/Pages/Acted-Upon-2014.aspx)

2013 (/sites/hfsrb/Projects/Pages/Acted-Upon-2013.aspx)

2012 (/sites/hfsrb/Projects/Pages/Acted-Upon-2012.aspx)

Older Applications (/sites/hfsrb/Projects/Pages/Older-Applications-Acted-On.aspx)

Exemptions (/sites/hfsrb/Projects/Pages/Acted-On-Exemptions.aspx)

Applications Deemed Complete (/sites/hfsrb/Projects/Pages/CompApps.aspx)

Results of Meetings (/sites/hfsrb/Projects/Pages/VoteTally.aspx)

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2018

18-001 - DaVita Garfield Kidney Center, Chicago
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Garfield-Kidney-Center,-Chicago--18-001.aspx)

18-003 - Taylorville Memorial Hospital, Taylorville
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Taylorville-Memorial-Hospital,-Taylorville--18-003.aspx)

18-004 - Fresenius Medical Care Elgin, Elgin
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care-Elgin,-Elgin--18-004.aspx)

18-005 - DeKalb County Rehab & Nursing Center, DeKalb
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DeKalb-County-Rehab--Nursing-Center,-DeKalb--18-005.aspx)

18-008 - Kildeer Ambulatory Care Center, Kildeer
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Kildeer-Ambulatory-Care-Center,-Kildeer--18-008.aspx)

18-009 - Alden Estates/Courts of New Lenox, New Lenox
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Alden-Estates-Courts-of-New-Lenox,-New-Lenox--18-009.aspx)

18-010 - Blessing Hospital Medical Office Building, Quincy
(https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Blessing-Hospital-Medical-Office-Building,-Quincy--18-010.aspx)

Applications Acted On (/sites/hfsrb/Projects/Pages/AppsActOn.aspx)
2018 (/sites/hfsrb/Projects/Pages/Acted-Upon-2018.aspx)
2017 (/sites/hfsrb/Projects/Pages/Acted-Upon-2017.aspx)
2016 (/sites/hfsrb/Projects/Pages/Acted-Upon-2016.aspx)
2015 (/sites/hfsrb/Projects/Pages/Acted-Upon-2015.aspx)
2014 (/sites/hfsrb/Projects/Pages/Acted-Upon-2014.aspx)
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2017

17-001 - Mercy Health Hospital and Medical Center Crystal Lake Medical Office Building, Crystal Lake (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Mercy-Health-Hospital-Crystal-Lake-Medical-Office-Building,-Crystal-Lake--17-001.aspx)

17-002 - Mercy Health Hospital and Medical Center Crystal Lake, Crystal Lake (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Mercy-Health-Hospital-Crystal-Lake,-Crystal-Lake--17-002.aspx)

17-003 - Fresenius Medical Care Gurnee, Gurnee (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care-Gurnee,-Gurnee--17-003.aspx)

17-004 - Fresenius Kidney Care Mount Prospect, Mount Prospect (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Kidney-Care-Mount-Prospect,-Mount-Prospect--17-004.aspx)

17-005 - Chicago Vascular ASC, Westmont (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Chicago-Vascular-ASC,-Westmont--17-005.aspx)

17-006 - NorthShore University HealthSystem, Round Lake Beach Medical Clinics Building, Round Lake Beach (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/NorthShore-University-HealthSystem,-Round-Lake-Beach-Medical-Clinics-Building,-Round-Lake-Beach--17-006.aspx)

17-007 - Pana Community Hospital, Pana (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Pana-Community-Hospital,-Pana--17-007.aspx)

17-008 - OSF Center for Health-Streator, Streator (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/OSF-Center-for-Health-Streator,-Streator--17-008.aspx)

17-009 - Silver Oaks Hospital, New Lenox (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Silver-Oaks-Hospital,-New-Lenox--17-009.aspx)

17-010 - Mercy Circle, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Mercy-Circle,-Chicago--17-010.aspx)

17-011 - Carle-Staley Road Medical Office Development, Champaign (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Carle-Stalety-Road-Medical-Office-Building,-Champaign--17-011.aspx)

17-012 - Meadowbrook Manor of Geneva, Geneva (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Meadowbrook-Manor-of-Geneva,-Geneva--17-012.aspx)

17-014 - Rutgers Park Dialysis, Woodridge (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Rutgers-Park-Dialysis,-Woodridge--17-014.aspx)

17-016 - Salt Creek Dialysis, Villa Park (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Salt-Creek-Dialysis,-Villa-Park--17-016.aspx)

17-017 - Provident Hospital of Cook County, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Provident-Hospital-of-Cook-County,-Chicago--17-017.aspx)

17-018 - DuPage Vascular Care, Woodridge (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DuPage-Vascular-Care,-Woodridge--17-018.aspx)

17-019 - SwedishAmerican Hospital, Rockford (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/SwedishAmerican-Hospital,-Rockford--17-019.aspx)

17-020 - AMITA Health Bartlett Medical Clinic Building, Bartlett (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/AMITA-Health-Bartlett-Medical-Clinic-Building,-Bartlett--17-020.aspx)

17-021 - AMITA Health Woodridge Medical Clinic Building, Woodridge (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/AMITA-Health-Woodridge-Medical-Clinic-Building,-Woodridge--17-021.aspx)

17-022 - St. Anthony's Memorial Hospital Ambulatory Care Center, Effingham (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/St.-Anthony's-Memorial-Ambulatory-Care-Center,-Effingham--17-022.aspx)

17-023 - Fresenius Medical Care Oswego, Oswego (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care-Oswego,-Oswego--17-023.aspx)

17-024 - Fresenius Kidney Care Springfield East, Springfield (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Kidney-Care-Springfield-East,-Springfield--17-024.aspx)

17-025 - Fresenius Medical Care Crestwood, Crestwood (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care-Crestwood,-Crestwood--17-025.aspx)

17-026 - Elmhurst Foot & Ankle Surgery Center, Elmhurst (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Elmhurst-Foot-Ankle-Surgery-Center,-Elmhurst--17-026.aspx)

17-027 - Fresenius Medical Care, Sandwich (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care,-Sandwich--17-027.aspx)

17-028 - AMITA Health Adventist Medical Center LaGrange, LaGrange (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/AMITA-Health-Adventist-Medical-Center-LaGrange,-LaGrange--17-028.aspx)

17-030 - SwedishAmerican Hospital Northeast Medical Clinic, Rockford (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/SwedishAmerican-Hospital-Northeast-Medical-Clinic,-Rockford--17-030.aspx)

17-031 - Fresenius Kidney Care Peoria Heights, Peoria (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Kidney-Care-Peoria-Heights,-Peoria--17-031.aspx)

17-032 - Illini Renal Dialysis, Champaign (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Illini-Renal-Dialysis,-Champaign--17-032.aspx)

17-033 - Fresenius Medical Care Palatine, Palatine (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care-Palatine,-Palatine--17-033.aspx)

17-034 - Fresenius Medical Care Naperbrook, Naperville (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care-Naperbrook,-Naperville--17-034.aspx)

17-035 - Manor Court of Rochelle, Rochelle (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Manor-Court-of-Rochelle,-Rochelle--17-035.aspx)

17-036 - Centegra Hospital-Woodstock, Woodstock (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Centegra-Hospital-Woodstock,-Woodstock-17-036.aspx)

17-037 - Centegra Hospital-Huntley, Huntley (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Centegra-Hospital-Huntley,-Huntley--17-037.aspx)

17-038 - Fresenius Kidney Care South Elgin, South Elgin (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Kidney-Care-South-Elgin,-South-Elgin--17-038.aspx)

17-039 - DaVita Alpine Dialysis, Rockford (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Alpine-Dialysis,-Rockford--17-039.aspx)

17-040 - DaVita Edgemont Dialysis, East St. Louis (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Edgemont-Dialysis,-East-St.-Louis--17-040.aspx)

17-041 - Palos Hills Surgery Center, Palos Hills (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Palos-Hills-Surgery-Center,-Palos-Hills--17-041.aspx)

17-042 - Memorial Hospital-East Medical Clinics Building-Phase II, Shiloh (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Memorial-Hospital-East-Medical-Clinics-Building-Phase-II,-Shiloh--17-042.aspx)

17-044 - Smith Crossing, Orland Park (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Smith-Crossing,-Orland-Park--17-044.aspx)

17-045 - Proctor Community Hospital, Peoria (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Proctor-Community-Hospital,-Peoria--17-045.aspx)

17-046 - AMITA Health St. Alexius Medical Center, Hoffman Estates (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/AMITA-Health-St.-Alexius-Medical-Center,-Hoffman-Estates--17-046.aspx)

17-047 - Vascular Access Centers of Illinois, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Vascular-Access-Centers-of-Illinois,-Chicago--17-047.aspx)

17-048 - Lake Behavioral Hospital, Waukegan (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Lake-Behavioral-Hospital,-Waukegan--17-048.aspx)

17-049 - DaVita Northgrove Dialysis, Highland (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Northgrove-Dialysis,-Highland--17-049.aspx)

17-050 - OSF St. Joseph Medical Center, Bloomington (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/OSF-St.-Joseph-Medical-Center,-Bloomington--17-050.aspx)

17-051 - OSF St. Anthony Health Center, Alton (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/OSF-St.-Anthony-Health-Center,-Alton--17-051.aspx)

17-052 - Dialysis Care Center Beverly, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Dialysis-Care-Center-Beverly,-Chicago-17-052.aspx)

17-053 - DaVita Ford City Dialysis, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Ford-City-Dialysis,-Chicago--17-053.aspx)

17-054 - Ann & Robert H. Lurie Childrens Hospital, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Lurie-Childrens-Hospital,-Chicago--17-054.aspx)

17-055 - Northwestern Medicine Delnor Hospital, Geneva (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Northwestern-Medicine-Delnor-Hospital,-Geneva--17-055.aspx)

17-056 - Fresenius Medical Care Galesburg, Galesburg (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Medical-Care-Galesburg,-Galesburg--17-056.aspx)

17-057 - Valley Ambulatory Surgery Center, St. Charles (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Valley-Ambulatory-Surgery-Center,-St.-Charles--17-057.aspx)

17-058 - Premier Cardiac Surgery Center, Merrionette Park (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Premier-Cardiac-Surgery-Center,-Merrionette-Park--17-058.aspx)

17-059 - Deerpath Orthopedic Surgical Center, LLC, Morris (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Deerpath-Orthopedic-Surgical-Center,-LLC,-Morris--17-059.aspx)

17-061 - Dialysis Care Center Elgin, Elgin (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Dialysis-Care-Center-Elgin,-Elgin---17-061.aspx)

17-062 - DaVita Auburn Park Dialysis, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Auburn-Park-Dialysis,-Chicago--17-062.aspx)

17-063 - DaVita Hickory Creek Dialysis, Joliet (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Hickory-Creek-Dialysis,-Joliet--17-063.aspx)

17-064 - DaVita Brickyard Dialysis, Chicago (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/DaVita-Brickyard-Dialysis,-Chicago--17-064.aspx)

17-065 - Fresenius Kidney Care New Lenox, New Lenox (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Fresenius-Kidney-Care-New-Lenox,-New-Lenox--17-065.aspx)

17-067 - HSHS St. John's Hospital, Springfield (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/HSHS-St.-John's-Hospital,-Springfield--17-067.aspx)

17-069 - Memorial Hospital-East Medical Clinics Building-Phase II, Shiloh (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Memorial-Hospital-East-Medical-Clinics-Building,-Shiloh--17-069.aspx)

17-072 - Illinois Vascular Care, Schaumburg (https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Illinois-Vascular-Care,-Schaumburg--17-072.aspx)

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Meadows Mercy SNF Comps in 30 Mile Zips

Community	Street Address	City	State	Zip	# of Beds
APERION CARE BLOOMINGTON	1509 NORTH CALHOUN STREET	BLOOMINGTON	IL	61701	117
BLOOMINGTON REHABILITATION&HCC	1925 SOUTH MAIN STREET	BLOOMINGTON	IL	61701	78
EL PASO HEALTH CARE CENTER	850 EAST SECOND STREET	EL PASO	IL	61738	123
EVENGLOW LODGE	215 EAST WASHINGTON	PONTIAC	IL	61764	73
FAIRVIEW HAVEN	605 NORTH 4TH ST	FAIRBURY	IL	61739	63
FLANAGAN REHABILITATION & HCC	201 EAST FALCON HIGHWAY	FLANAGAN	IL	61740	43
GOOD SAMARITAN - FLANAGAN	205 NORTH ADAMS STREET	FLANAGAN	IL	61740	60
GOOD SAMARITAN-PONTIAC	1225 S EWING DRIVE	PONTIAC	IL	61764	90
HEARTLAND OF NORMAL	510 BROADWAY	NORMAL	IL	61761	116
HERITAGE HEALTH-BLOOMINGTON	700 E. WALNUT STREET	BLOOMINGTON	IL	61701	88
HERITAGE HEALTH-EL PASO	555 E. CLAY	EL PASO	IL	61738	65
HERITAGE HEALTH-NORMAL	509 N. ADELAIDE	NORMAL	IL	61761	141
LEROY MANOR	509 SOUTH BUCK ROAD,P.O.BOX	LEROY	IL	61752	102
LUTHER OAKS	601 LUTZ ROAD	BLOOMINGTON	IL	61704	18
MCLEAN COUNTY NURSING HOME	901 NORTH MAIN	NORMAL	IL	61761	150
MEADOWS MENNONITE HOME	24588 CHURCH STREET	CHENOA	IL	61726	116
PONTIAC HEALTHCARE AND REHAB	300 WEST LOWELL	PONTIAC	IL	61764	97
ST JOSEPH'S MEDICAL CENTER	2200 EAST WASHINGTON STREET	BLOOMINGTON	IL	61701	12
WESTMINSTER VILLAGE	2025 EAST LINCOLN STREET	BLOOMINGTON	IL	61701	78

Planning Area: McLean

Facility Name	City	County/Area	General Nursing Care Beds	General Nursing Care 2015 Patient Days
APERION CARE COLFAX	COLFAX	McLean County	0	14,038
2/2/2017 Closure — Facility closed; 60 Nursing Care beds removed from Inventory.				
ARBA CARE CENTER OF BLOOMINGTON	BLOOMINGTON	McLean County	117	34,725
BLOOMINGTON REHAB HLTHCARE CTR	BLOOMINGTON	McLean County	78	18,450
HEARTLAND OF NORMAL	NORMAL	McLean County	116	31,814
HERITAGE HEALTH - BLOOMINGTON	BLOOMINGTON	McLean County	88	25,456
3/25/2016 Bed Change — Discontinued 23 Nursing Care beds; facility now has 88 Nursing Care beds.				
HERITAGE HEALTH - NORMAL	NORMAL	McLean County	141	42,223
3/25/2016 Bed Change — Discontinued 23 Nursing Care beds; facility now has 141 Nursing Care beds.				
LEROY MANOR	LEROY	McLean County	102	25,121
LUTHER OAKS	BLOOMINGTON	McLean County	18	
11/7/2016 13-067 — Facility licensed for operation with 18 Nursing Care beds.				
MCLEAN COUNTY NURSING HOME	NORMAL	McLean County	150	44,165
MEADOWS MENNONITE HOME	CHENOA	McLean County	130	36,690
ST. JOSEPH'S MEDICAL CENTER	BLOOMINGTON	McLean County	12	2,407
WESTMINSTER VILLAGE	BLOOMINGTON	McLean County	78	24,310
WESTMINSTER VILLAGE (PERMIT)	BLOOMINGTON	McLean County	18	
3/14/2017 16-052 — permit issued to add 18 nursing care beds to existing long-term care facility; facility will have 96 nursing care beds upon project completion.				
		Planning Area Totals	1,048	299,399

HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)	2015 Minimum Use Rates	2015 Maximum Use Rates
004	0-64 Years Old	242,433	703,600	344.6	206.7	551.3
	65-74 Years Old	285,843	69,900	4,089.3	2,453.6	6,542.9
	75+ Years Old	1,562,338	57,600	27,123.9	16,274.4	43,398.3

	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	24,628	151,400	162.7	206.7	551.3	206.7	164,800	34,070			
65-74 Years Old	35,876	11,100	3,232.1	2,453.6	6,542.9	3,232.1	14,500	46,865			
75+ Years Old	238,895	8,900	26,842.1	16,274.4	43,398.3	26,842.1	9,000	241,579			
						Planning Area Totals		322,514	881.2	979	69

Table A-1. Total Fertility Rates* for Illinois, Chicago and Illinois Counties: 2010-15, 2015-20, and 2020-25 (Continued)

County/Area	*1990*	*2000*	*2010*	*2010-2015*	*2015-2020*	*2020-2025*
Iroquois	2.00766	2.21373	2.06743	2.06567	2.06567	2.06567
Jackson	1.26901	1.36088	1.51781	1.51702	1.51702	1.51702
Jasper	2.16812	1.86800	2.30976	2.23649	2.23649	2.23649
Jefferson	2.19033	2.06756	2.20799	2.06792	2.20799	2.20799
Jersey	1.62125	1.72003	1.75198	1.62992	1.62992	1.62992
Jo Daviess	1.78691	2.14147	1.29269	1.60289	1.60289	1.60289
Johnson	2.07488	2.31074	2.18312	2.18312	2.18312	2.18312
Kane	2.42778	2.72418	2.18735	2.18735	2.44597	2.44597
Kankakee	2.32920	2.17440	2.05308	1.92782	1.92782	1.92782
Kendall	2.03252	2.31303	2.09772	2.09723	2.10000	1.90000
Knox	1.81891	1.90281	1.93895	1.77298	1.77298	1.77298
Lake	2.27136	2.43371	2.04285	2.02563	2.10000	1.90000
LaSalle	2.00406	2.23529	1.98235	1.97869	1.97869	1.97869
Lawrence	1.97589	1.89352	2.03014	2.03014	2.03014	2.03014
Lee	2.05916	1.80601	1.98553	1.97513	1.97656	1.97656
Livingston	1.91950	2.13532	2.32933	1.99138	2.32933	2.32933
Logan	1.80805	1.60291	2.05104	1.62478	1.89428	1.89428
McDonough	1.17273	1.30109	1.52185	1.35047	1.52185	1.52185
McHenry	2.18398	2.29790	1.97417	1.97232	1.97232	1.97232
McLean	1.49121	1.63028	1.75303	1.63729	1.75076	1.75076
Macon	2.10079	1.95741	2.11110	1.97801	1.97801	1.97801
Macoupin	1.84645	1.96078	1.82661	1.90133	1.90133	1.90133
Madison	1.95671	1.85807	1.82422	1.80607	1.80607	1.80607
Marion	2.24749	2.17451	2.23351	2.22797	2.10000	2.00000
Marshall	1.96298	1.92684	1.97126	1.97126	1.97126	1.97126
Mason	2.10006	2.00197	2.03992	2.03590	2.00000	2.00000
Massac	1.93092	2.06385	2.06553	2.06553	2.00000	2.00000
Menard	1.94007	1.97818	1.91982	1.91868	1.91868	1.91868
Mercer	1.84382	2.15807	1.89759	1.89653	1.89653	1.89653
Monroe	1.88572	2.05373	1.87456	1.87456	1.87456	1.87456
Montgomery	2.04125	2.13123	2.00510	2.00308	2.00510	2.00510
Morgan	1.73902	1.83880	1.92016	1.95121	1.95121	1.95121
Moultrie	2.13192	2.48663	2.08307	2.08055	2.08055	2.08055
Ogle	2.16772	2.05321	1.92711	1.92300	1.92300	1.92300
Peoria	2.01950	2.04383	2.14698	2.07370	2.04383	2.04383
Perry	2.08664	1.86440	1.87623	1.87397	1.87623	1.87623
Piatt	1.82618	1.96242	1.93211	1.93211	1.93211	1.93211

Table A-4. Projected Number of Deaths for Illinois, Chicago and Illinois Counties: 2010-15, 2015-20, and 2020-25 (Continued)

County/Area	2010-2015	2015-2020	2020-2025
Iroquois	1,892	1,909	1,951
Jackson	2,396	2,593	2,788
Jasper	503	512	534
Jefferson	2,188	2,322	2,491
Jersey	1,217	1,312	1,418
Jo Daviess	1,246	1,373	1,527
Johnson	602	664	726
Kane	15,116	17,427	20,360
Kankakee	5,358	5,714	6,163
Kendall	2,585	3,114	3,839
Knox	3,319	3,411	3,491
Lake	21,905	25,004	29,010
LaSalle	6,442	6,517	6,765
Lawrence	1,044	1,039	1,046
Lee	1,778	1,898	2,023
Livingston	2,122	2,216	2,348
Logan	1,536	1,605	1,681
McDonough	1,552	1,607	1,657
McHenry	11,469	13,091	15,216
McLean	6,718	7,234	7,943
Macon	7,057	7,078	7,172
Macoupin	2,778	2,860	2,969
Madison	14,341	15,002	15,786
Marion	2,588	2,702	2,798
Marshall	752	752	771
Mason	851	783	768
Massac	843	899	967
Menard	634	684	768
Mercer	841	916	993
Monroe	1,435	1,613	1,804
Montgomery	1,765	1,807	1,882
Morgan	1,930	1,997	2,111
Moultrie	911	902	933
Ogle	2,428	2,670	2,961
Peoria	8,945	9,107	9,505
Perry	1,175	1,217	1,284
Piatt	833	844	897
Pike	1,012	1,005	1,025
Pope	266	257	265

Table 4. Population Projections for Illinois Counties by Age and Sex: 2010 to 2025
(as of July 1 of the specified years, except as noted)—Continued

County Sex and Age	Census April 1, 2010[1]	Estimate 2010[1]	Projections 2015	 2020	 2025
McLean					
Both Sexes Total	169,572	169,838	178,627	188,341	197,855
0-4	10,650	10,580	10,637	12,356	12,937
5-9	10,914	10,838	10,582	10,658	12,393
10-14	10,421	10,359	10,676	10,466	10,590
15-19	14,903	14,861	17,255	17,269	16,803
20-24	20,902	21,704	19,167	20,871	20,275
25-29	12,201	12,172	16,586	14,337	16,255
30-34	11,270	11,275	11,534	15,955	13,834
35-39	10,575	10,449	11,065	11,357	15,771
40-44	10,370	10,312	10,383	11,002	11,316
45-49	11,526	11,409	10,132	10,222	10,862
50-54	11,082	11,036	11,061	9,860	9,983
55-59	9,781	9,786	10,529	10,594	9,487
60-64	7,637	7,658	9,120	9,862	9,972
65-69	5,156	5,181	6,997	8,377	9,101
70-74	3,859	3,876	4,534	6,172	7,447
75-79	3,030	3,025	3,214	3,777	5,167
80-84	2,636	2,639	2,347	2,485	2,911
85+	2,659	2,678	2,808	2,724	2,751
65+	17,340	17,399	19,900	23,533	27,377
Male Total	82,329	82,499	86,563	91,084	95,493
0-4	5,374	5,338	5,440	6,319	6,616
5-9	5,559	5,521	5,347	5,456	6,341
10-14	5,377	5,342	5,383	5,240	5,380
15-19	7,001	6,985	7,882	7,821	7,595
20-24	10,014	10,443	9,397	9,961	9,604
25-29	6,126	6,116	8,206	7,286	7,940
30-34	5,575	5,578	5,639	7,744	6,905
35-39	5,422	5,358	5,447	5,526	7,622
40-44	5,073	5,045	5,330	5,422	5,508
45-49	5,657	5,600	4,962	5,247	5,350
50-54	5,361	5,338	5,461	4,856	5,144
55-59	4,673	4,675	5,019	5,161	4,611
60-64	3,761	3,771	4,262	4,606	4,767
65-69	2,443	2,456	3,375	3,832	4,162
70-74	1,779	1,788	2,119	2,928	3,341
75-79	1,283	1,282	1,442	1,716	2,384
80-84	1,008	1,012	931	1,049	1,251
85+	843	851	920	915	972
65+	7,356	7,389	8,787	10,440	12,109
Female Total	87,243	87,339	92,064	97,257	102,362
0-4	5,276	5,242	5,197	6,037	6,321
5-9	5,355	5,317	5,235	5,202	6,051
10-14	5,044	5,017	5,293	5,226	5,210
15-19	7,902	7,876	9,373	9,448	9,209
20-24	10,888	11,261	9,769	10,910	10,670
25-29	6,075	6,056	8,380	7,051	8,315
30-34	5,695	5,697	5,895	8,211	6,930
35-39	5,153	5,091	5,617	5,831	8,149
40-44	5,297	5,267	5,053	5,581	5,808
45-49	5,869	5,809	5,170	4,976	5,513
50-54	5,721	5,698	5,600	5,003	4,840
55-59	5,108	5,111	5,510	5,433	4,875
60-64	3,876	3,887	4,859	5,256	5,204
65-69	2,713	2,725	3,622	4,545	4,939
70-74	2,080	2,088	2,415	3,244	4,105
75-79	1,747	1,743	1,772	2,060	2,784
80-84	1,628	1,627	1,416	1,436	1,660
85+	1,816	1,827	1,888	1,808	1,778
65+	9,984	10,010	11,113	13,093	15,267

Table 3. Population Projections for Illinois Counties: 2010 to 2025
(as of July 1 of the specified years, except as noted)

State/County	Census April 1, 2010[1]	Estimate 2010[1]	Projections 2015	2020	2025
Illinois	***12,830,632***	***12,841,980***	***12,978,800***	***13,129,233***	***13,263,662***
Adams	67,103	67,141	65,717	64,741	63,924
Alexander	8,238	8,228	7,911	7,606	7,307
Bond	17,768	17,777	18,005	18,357	18,689
Boone	54,165	54,176	57,712	61,503	65,315
Brown	6,937	6,915	7,269	7,576	7,845
Bureau	34,978	34,921	34,251	33,682	33,144
Calhoun	5,089	5,093	4,989	4,920	4,856
Carroll	15,387	15,358	14,735	14,169	13,601
Cass	13,642	13,633	13,297	13,019	12,739
Champaign	201,081	201,370	209,055	217,735	225,626
Christian	34,800	34,804	34,015	33,152	32,345
Clark	16,335	16,300	15,817	15,396	14,976
Clay	13,815	13,809	13,448	13,172	12,929
Clinton	37,762	37,838	38,212	38,696	39,130
Coles	53,873	53,945	55,207	56,851	58,405
Cook	5,194,675	5,199,971	5,173,864	5,132,412	5,078,297
Crawford	19,817	19,832	19,471	19,185	18,887
Cumberland	11,048	11,046	10,894	10,782	10,670
DeKalb	105,160	105,186	112,129	119,701	126,927
De Witt	16,561	16,583	16,172	15,832	15,495
Douglas	19,980	19,976	19,862	19,767	19,709
DuPage	916,924	917,942	927,150	939,015	950,948
Edgar	18,576	18,533	17,682	16,904	16,138
Edwards	6,721	6,732	6,540	6,390	6,249
Effingham	34,242	34,226	33,784	33,463	33,179
Fayette	22,140	22,136	22,481	22,840	23,130
Ford	14,081	14,074	13,709	13,450	13,244
Franklin	39,561	39,570	38,953	38,470	37,958
Fulton	37,069	37,061	36,330	35,761	35,221
Gallatin	5,589	5,588	5,263	4,953	4,650
Greene	13,886	13,875	13,343	12,881	12,429
Grundy	50,063	50,127	53,015	55,970	58,944
Hamilton	8,457	8,461	8,405	8,361	8,316
Hancock	19,104	19,114	18,154	17,353	16,579
Hardin	4,320	4,311	4,124	3,948	3,762
Henderson	7,331	7,331	7,048	6,792	6,526
Henry	50,486	50,443	49,243	48,234	47,250
Iroquois	29,718	29,657	28,592	27,687	26,816
Jackson	60,218	60,355	61,025	62,031	62,818
Jasper	9,698	9,697	9,151	8,698	8,304
Jefferson	38,827	38,787	38,964	39,227	39,331
Jersey	22,985	22,963	23,227	23,578	23,885
Jo Daviess	22,678	22,677	22,408	22,138	21,805
Johnson	12,582	12,611	13,039	13,489	13,889
Kane	515,269	516,378	547,942	583,386	619,296
Kankakee	113,449	113,511	115,128	117,167	119,073
Kendall	114,736	115,239	129,201	142,818	156,190
Knox	52,919	52,943	51,625	50,492	49,329
Lake	703,462	704,492	732,633	764,397	794,076
LaSalle	113,924	113,843	112,881	112,417	112,034
Lawrence	16,833	16,833	16,633	16,493	16,368
Lee	36,031	35,943	35,972	36,065	36,119
Livingston	38,950	38,882	39,050	39,390	39,596
Logan	30,305	30,272	30,273	30,380	30,441
McDonough	32,612	32,614	33,089	33,824	34,565
McHenry	308,760	309,229	326,691	345,056	363,311
McLean	169,572	169,838	178,627	188,341	197,855
Macon	110,768	110,757	107,814	105,401	103,126
Macoupin	47,765	47,791	46,811	45,987	45,162
Madison	269,282	269,314	270,121	271,688	272,987
Marion	39,437	39,439	38,337	37,323	36,283

Community Name	Medicare %	Medicare Beds	Medicaid %	Medicaid Beds	Private Pay/ Other %	Private Pay/ Other Beds	Five Star Overall Rating	# of Beds
Aperion Care (was Asta Care)*	0%	0	0%	0	0%	0	1	117
Aperion Care Colfax/Arba Care Center	14%	9	86%	51	0%	0	1	60
Bloomington Rehabilitation & HCC	6%	4	79%	51	15%	10	1	65
Heartland of Normal	20%	20	39%	38	41%	40	4	97
Heritage Health Bloomington	13%	11	35%	30	52%	44	4	85
Heritage Health El Paso	4%	3	59%	38	37%	24	3	65
Heritage Health Normal	12%	17	38%	54	50%	71	2	141
Leroy Manor	6%	6	44%	45	50%	50	1	101
McLean County Nursing Home	3%	4	70%	105	27%	41	1	150
Meadows Mennonite Retirement	7%	8	40%	45	53%	61	2	114
St. Joseph's Medical Center	51%	6	0%	0	49%	5	4	11
Westminster Village	9%	7	0%	0	91%	71	2	78
Average/Total	**8%**	**93**	**53%**	**457**	**39%**	**416**	**2**	**1084**

Meadows Mercy SNF Comps in 30 Mile Zips

Community	Street Address	City	State	Zip	# of Beds
APERION CARE BLOOMINGTON	1509 NORTH CALHOUN STREET	BLOOMINGTON	IL	61701	117
BLOOMINGTON REHABILITATION&HCC	1925 SOUTH MAIN STREET	BLOOMINGTON	IL	61701	78
EL PASO HEALTH CARE CENTER	850 EAST SECOND STREET	EL PASO	IL	61738	123
EVENGLOW LODGE	215 EAST WASHINGTON	PONTIAC	IL	61764	73
FAIRVIEW HAVEN	605 NORTH 4TH ST	FAIRBURY	IL	61739	63
FLANAGAN REHABILITATION & HCC	201 EAST FALCON HIGHWAY	FLANAGAN	IL	61740	43
GOOD SAMARITAN - FLANAGAN	205 NORTH ADAMS STREET	FLANAGAN	IL	61740	60
GOOD SAMARITAN-PONTIAC	1225 S EWING DRIVE	PONTIAC	IL	61764	90
HEARTLAND OF NORMAL	510 BROADWAY	NORMAL	IL	61761	116
HERITAGE HEALTH-BLOOMINGTON	700 E. WALNUT STREET	BLOOMINGTON	IL	61701	88
HERITAGE HEALTH-EL PASO	555 E. CLAY	EL PASO	IL	61738	65
HERITAGE HEALTH-NORMAL	509 N. ADELAIDE	NORMAL	IL	61761	141
LEROY MANOR	509 SOUTH BUCK ROAD,P.O.BOX	LEROY	IL	61752	102
LUTHER OAKS	601 LUTZ ROAD	BLOOMINGTON	IL	61704	18
MCLEAN COUNTY NURSING HOME	901 NORTH MAIN	NORMAL	IL	61761	150
MEADOWS MENNONITE HOME	24588 CHURCH STREET	CHENOA	IL	61726	116
PONTIAC HEALTHCARE AND REHAB	300 WEST LOWELL	PONTIAC	IL	61764	97
ST JOSEPH'S MEDICAL CENTER	2200 EAST WASHINGTON STREET	BLOOMINGTON	IL	61701	12
WESTMINSTER VILLAGE	2025 EAST LINCOLN STREET	BLOOMINGTON	IL	61701	78

BLOOMINGTON REHAB HLTHCARE CTR
1925 SOUTH MAIN STREET
BLOOMINGTON, IL. 61704

Reference Numbers

Facility ID	6000996	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Janice Kindred

Contact Person and Telephone
Marikay Snyder
3096918113

Registered Agent Information
Marikay Snyder
830 West Trailcreek Drive

Date Questionnaire Completed 3/15/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
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	1
No Restrictions	0

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	45
Total Admissions 2016	72
Total Discharges 2016	65
Residents on 12/31/2016	52

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	3
Blood Disorders	1
*Nervous System Non Alzheimer	8
Alzheimer Disease	1
Mental Illness	0
Developmental Disability	0
Circulatory System	13
Respiratory System	2
Digestive System	2
Genitourinary System Disorders	0
Skin Disorders	4
Musculo-skeletal Disorders	16
Injuries and Poisonings	0
Other Medical Conditions	1
Non-Medical Conditions	0
TOTALS	52

Total Residents Diagnosed as Mentally Ill 13

Total Residents Reported as Identified Offenders 4

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	78	78	58	78	52	26	26	78
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	78	78	58	78	52	26	26	78

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	1083	11.4%	15710	55.0%	0	0	2055	0	18848	66.0%	66.0%
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	1083	11.4%	15710	55.0%	0	0	2055	0	18848	66.0%	66.0%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	5	4	0	0	0	0	0	0	5	4	9
60 to 64	3	3	0	0	0	0	0	0	3	3	6
65 to 74	7	6	0	0	0	0	0	0	7	6	13
75 to 84	4	9	0	0	0	0	0	0	4	9	13
85+	2	9	0	0	0	0	0	0	2	9	11
TOTALS	21	31	0	0	0	0	0	0	21	31	52

BLOOMINGTON REHAB HLTHCARE CTR
1925 SOUTH MAIN STREET
BLOOMINGTON, IL. 61704

Classification Numbers

Facility ID	6000996	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	2	46	0	0	4	0	52
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	2	46	0	0	4	0	52

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	165	150
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	9	0	0	0	9
Hawaiian/Pacific Isl.	0	0	0	0	0
White	42	0	0	0	42
Race Unknown	1	0	0	0	1
Total	52	0	0	0	52

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	1	0	0	0	1
Non-Hispanic	51	0	0	0	51
Ethnicity Unknown	0	0	0	0	0
Total	52	0	0	0	52

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	7.00
LPN's	5.00
Certified Aides	19.00
Other Health Staff	1.00
Non-Health Staff	18.00
Totals	52.00

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
4.7%	83.4%	0.0%	1.0%	10.9%	100.0%		
128,909	2,286,863	0	26,502	300,278	2,742,552	0	0.0%

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

HEARTLAND OF NORMAL
510 BROADWAY
NORMAL, IL. 61761

Reference Numbers

Facility ID	6000244	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Douglas Rutter

Contact Person and Telephone
Adam Swartz
419-254-5189

Registered Agent Information
CT Corporation System
208 South LaSalle St, Ste 814

Date Questionnaire Completed 3/22/2017

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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	88
Total Admissions 2016	502
Total Discharges 2016	502
Residents on 12/31/2016	88

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	1
Blood Disorders	1
*Nervous System Non Alzheimer	12
Alzheimer Disease	0
Mental Illness	4
Developmental Disability	0
Circulatory System	11
Respiratory System	9
Digestive System	2
Genitourinary System Disorders	4
Skin Disorders	6
Musculo-skeletal Disorders	11
Injuries and Poisonings	14
Other Medical Conditions	12
Non-Medical Conditions	0
TOTALS	88

Total Residents Diagnosed as Mentally Ill 67

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	116	109	94	97	88	28	116	50
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	116	109	94	97	88	28	116	50

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	5123	12.1%	15481	84.6%	0	3360	5397	0	29361	69.2%	73.6%
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	5123	12.1%	15481	84.6%	0	3360	5397	0	29361	69.2%	73.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	5	0	0	0	0	0	0	0	5	5
60 to 64	4	3	0	0	0	0	0	0	4	3	7
65 to 74	6	16	0	0	0	0	0	0	6	16	22
75 to 84	13	19	0	0	0	0	0	0	13	19	32
85+	6	16	0	0	0	0	0	0	6	16	22
TOTALS	29	59	0	0	0	0	0	0	29	59	88

HEARTLAND OF NORMAL
510 BROADWAY
NORMAL, IL. 61761

Classification Numbers

Facility ID	6000244	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	20	43	0	10	15	0	88
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	20	43	0	10	15	0	88

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	345	259
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	0	0	0	0	0
Black	9	0	0	0	9
Hawaiian/Pacific Isl.	0	0	0	0	0
White	77	0	0	0	77
Race Unknown	0	0	0	0	0
Total	88	0	0	0	88

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	88	0	0	0	88
Ethnicity Unknown	0	0	0	0	0
Total	88	0	0	0	88

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	10.00
LPN's	9.00
Certified Aides	28.00
Other Health Staff	8.00
Non-Health Staff	24.00
Totals	81.00

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
33.0%	24.1%	0.0%	16.5%	26.3%	100.0%		
2,801,004	2,045,259	0	1,396,895	2,233,152	8,476,310	0	0.0%

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

HERITAGE HEALTH - BLOOMINGTON
700 EAST WALNUT
BLOOMINGTON, IL. 61701

Reference Numbers

Facility ID	6004261	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Susan Holifield

Contact Person and Telephone
Rabecca Howard
308-828-4361

Registered Agent Information
Ben Hart
115 W Jefferson St., Suite 401

Date Questionnaire Completed 3/21/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	66
Total Admissions 2016	389
Total Discharges 2016	388
Residents on 12/31/2016	67

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	5
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	11
Alzheimer Disease	0
Mental Illness	10
Developmental Disability	0
Circulatory System	9
Respiratory System	2
Digestive System	0
Genitourinary System Disorders	1
Skin Disorders	1
Musculo-skeletal Disorders	7
Injuries and Poisonings	4
Other Medical Conditions	17
Non-Medical Conditions	0
TOTALS	67

Total Residents Diagnosed as Mentally Ill 10

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	88	85	85	85	67	21	88	30
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	88	85	85	85	67	21	88	30

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	3759	11.7%	7893	71.9%	0	0	12381	0	24033	74.6%	77.3%
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	3759	11.7%	7893	71.9%	0	0	12381	0	24033	74.6%	77.3%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	1	0	0	0	0	0	0	1	1	2
60 to 64	1	0	0	0	0	0	0	0	1	0	1
65 to 74	6	4	0	0	0	0	0	0	6	4	10
75 to 84	11	13	0	0	0	0	0	0	11	13	24
85+	7	23	0	0	0	0	0	0	7	23	30
TOTALS	26	41	0	0	0	0	0	0	26	41	67

HERITAGE HEALTH - BLOOMINGTON
700 EAST WALNUT
BLOOMINGTON, IL. 61701

Classification Numbers

Facility ID	6004261	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	10	23	0	0	34	0	67
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	10	23	0	0	34	0	67

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	250	205
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	0	0	0	0	0
American Indian	1	0	0	0	1
Black	2	0	0	0	2
Hawaiian/Pacific Isl.	0	0	0	0	0
White	64	0	0	0	64
Race Unknown	0	0	0	0	0
Total	67	0	0	0	67

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	67	0	0	0	67
Ethnicity Unknown	0	0	0	0	0
Total	67	0	0	0	67

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	9.00
Certified Aides	27.00
Other Health Staff	0.00
Non-Health Staff	17.00
Totals	64.00

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
30.3%	16.2%	0.0%	0.0%	53.5%	100.0%		
2,217,144	1,182,115	0	0	3,915,565	7,314,824	0	0.0%

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

FACILITY NOTES

3/25/2016 Discontinued 23 Nursing Care beds; facility now has 88 Nursing Care beds.

HERITAGE HEALTH - NORMAL
509 NORTH ADELAIDE
NORMAL, IL. 61761

Reference Numbers

Facility ID	6008510	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Dianne Cochran

Contact Person and Telephone
Rabecca Howard
309-823-7139

Registered Agent Information
Ben Hart
115 W Jefferson Street Suite 401

Date Questionnaire Completed 3/23/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	0
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	110
Total Admissions 2016	343
Total Discharges 2016	339
Residents on 12/31/2016	114

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	4
Alzheimer Disease	4
Mental Illness	61
Developmental Disability	0
Circulatory System	21
Respiratory System	2
Digestive System	3
Genitourinary System Disorders	1
Skin Disorders	3
Musculo-skeletal Disorders	5
Injuries and Poisonings	8
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	114

Total Residents Diagnosed as Mentally Ill 89

Total Residents Reported as Identified Offenders 1

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	141	124	124	114	114	27	118	91
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	141	124	124	114	114	27	118	91

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	3324	7.7%	15674	47.1%	0	0	22443	0	41441	80.3%	91.3%
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	3324	7.7%	15674	47.1%	0	0	22443	0	41441	80.3%	91.3%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	1	1	0	0	0	0	0	0	1	1	2
65 to 74	6	4	0	0	0	0	0	0	6	4	10
75 to 84	5	13	0	0	0	0	0	0	5	13	18
85+	19	64	0	0	0	0	0	0	19	64	83
TOTALS	32	82	0	0	0	0	0	0	32	82	114

HERITAGE HEALTH - NORMAL
509 NORTH ADELAIDE
NORMAL, IL. 61761

Classification Numbers

Facility ID	6008510	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	10	39	0	0	65	0	114
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	10	39	0	0	65	0	114

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	0	0
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	2	0	0	0	2
Hawaiian/Pacific Isl.	0	0	0	0	0
White	112	0	0	0	112
Race Unknown	0	0	0	0	0
Total	114	0	0	0	114

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	114	0	0	0	114
Ethnicity Unknown	0	0	0	0	0
Total	114	0	0	0	114

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	20.00
LPN's	100.00
Certified Aides	142.00
Other Health Staff	0.00
Non-Health Staff	2772.00
Totals	3036.00

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
19.5%	21.5%	0.0%	0.0%	59.0%	100.0%		
2,043,439	2,257,176	0	0	6,182,308	10,482,923	0	0.0%

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

FACILITY NOTES

3/25/2016 Discontinued 23 Nursing Care beds; facility now has 141 Nursing Care beds.

LEROY MANOR
509 S BUCK ROAD P.O. BOX 149
LEROY, IL. 61752

Reference Numbers

Facility ID	6012157	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Karrie Polen

Contact Person and Telephone
Karrie Polen
309-962-5000

Registered Agent Information
J. Michael Bibo
285 S Farnham St.

Date Questionnaire Completed 3/12/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	0
Drug Addiction	0
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	0
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	1

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	72
Total Admissions 2016	53
Total Discharges 2016	60
Residents on 12/31/2016	65

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	2
Blood Disorders	0
*Nervous System Non Alzheimer	16
Alzheimer Disease	4
Mental Illness	0
Developmental Disability	0
Circulatory System	10
Respiratory System	2
Digestive System	4
Genitourinary System Disorders	2
Skin Disorders	2
Musculo-skeletal Disorders	14
Injuries and Poisonings	0
Other Medical Conditions	10
Non-Medical Conditions	0
TOTALS	66

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	102	102	73	102	65	37	102	102
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	102	102	73	102	65	37	102	102

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	1696	4.5%	16576	44.4%	130	0	5582	0	23984	64.2%	64.2%
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	1696	4.5%	16576	44.4%	130	0	5582	0	23984	64.2%	64.2%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	1	0	0	0	0	0	0	1	1	2
60 to 64	1	0	0	0	0	0	0	0	1	0	1
65 to 74	2	6	0	0	0	0	0	0	2	6	8
75 to 84	3	18	0	0	0	0	0	0	3	18	21
85+	6	27	0	0	0	0	0	0	6	27	33
TOTALS	13	52	0	0	0	0	0	0	13	52	65

LEROY MANOR
509 S BUCK ROAD P.O. BOX 149
LEROY, IL. 61752

Classification Numbers

Facility ID	6012157	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	2	42	0	21	0	0	65
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	2	42	0	21	0	0	65

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	205	175
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	1	0	0	0	1
Hawaiian/Pacific Isl.	0	0	0	0	0
White	64	0	0	0	64
Race Unknown	0	0	0	0	0
Total	65	0	0	0	65

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	1	0	0	0	1
Non-Hispanic	64	0	0	0	64
Ethnicity Unknown	0	0	0	0	0
Total	65	0	0	0	65

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	5.00
LPN's	8.00
Certified Aides	30.00
Other Health Staff	7.00
Non-Health Staff	39.00
Totals	91.00

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
18.1%	50.7%	1.0%	1.8%	28.5%	100.0%		
775,590	2,171,685	43,483	75,177	1,219,474	4,285,409	0	0.0%

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

LUTHER OAKS, BLOOMINGTON
601 LUTZ ROAD
BLOOMINGTON, IL. 61704

Reference Numbers

Facility ID	6016943	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Tim Kmetz

Contact Person and Telephone
Tim Kmetz
309-557-8003

Registered Agent Information
Andrew P. Tecson
30 South Wacker Drive Suite 2600

Date Questionnaire Completed 5/30/2017

Continuing Care Retirement Community

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	0
Developmentally Disabled	1
Drug Addiction	0
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	0
Infectious Disease w/ Isolation	0
Other Restrictions	1
No Restrictions	0

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	0
Total Admissions 2016	19
Total Discharges 2016	1
Residents on 12/31/2016	18

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	1
Blood Disorders	0
*Nervous System Non Alzheimer	0
Alzheimer Disease	9
Mental Illness	0
Developmental Disability	0
Circulatory System	4
Respiratory System	2
Digestive System	0
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	1
Injuries and Poisonings	0
Other Medical Conditions	1
Non-Medical Conditions	0
TOTALS	18

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	18	18	18	18	18	0	0	0
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	18	18	18	18	18	0	0	0

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	0	0.0%	0	0.0%	0	0	558	0	558	8.5%	8.5%
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	0	0.0%	0	0.0%	0	0	558	0	558	8.5%	8.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	0	0	0	0	0	0	0	0	0	0
75 to 84	2	3	0	0	0	0	0	0	2	3	5
85+	2	11	0	0	0	0	0	0	2	11	13
TOTALS	4	14	0	0	0	0	0	0	4	14	18

LUTHER OAKS, BLOOMINGTON
601 LUTZ ROAD
BLOOMINGTON, IL. 61704

Classification Numbers

Facility ID	6016943	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	0	0	0	0	18	0	18
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	0	0	0	0	18	0	18

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	310	0
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	18	0	0	0	18
Race Unknown	0	0	0	0	0
Total	18	0	0	0	18

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	18	0	0	0	18
Ethnicity Unknown	0	0	0	0	0
Total	18	0	0	0	18

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	2.00
LPN's	2.00
Certified Aides	8.00
Other Health Staff	1.00
Non-Health Staff	6.00
Totals	21.00

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
0.0%	0.0%	0.0%	0.0%	100.0%	100.0%		
0	0	0	0	185,737	185,737	0	0.0%

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

MCLEAN COUNTY NURSING HOME
901 NORTH MAIN
NORMAL, IL. 61761

Classification Numbers

Facility ID	6005946	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	2	65	1	0	33	0	101
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	2	65	1	0	33	0	101

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	185	200
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	1	0	0	0	1
American Indian	0	0	0	0	0
Black	5	0	0	0	5
Hawaiian/Pacific Isl.	0	0	0	0	0
White	95	0	0	0	95
Race Unknown	0	0	0	0	0
Total	101	0	0	0	101

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	101	0	0	0	101
Ethnicity Unknown	0	0	0	0	0
Total	101	0	0	0	101

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	11.00
Certified Aides	40.00
Other Health Staff	0.00
Non-Health Staff	55.00
Totals	117.00

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
8.1%	58.4%	1.0%	0.0%	32.6%	100.0%		
537,733	3,878,645	64,695	0	2,165,215	6,646,288	0	0.0%

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

MEADOWS MENNONITE RETIREMENT COMMUNI
24588 CHURCH STREET
CHENOA, IL. 61726

Classification Numbers

Facility ID	6006001	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	4	36	0	0	55	0	95
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	4	36	0	0	55	0	95

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	255	225
Skilled Under 22	0	0
Intermediate DD	0	0
Sheltered Care	85	85

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Asian	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	95	0	0	0	95
Race Unknown	0	0	0	0	0
Total	95	0	0	0	95

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	95	0	0	0	95
Ethnicity Unknown	0	0	0	0	0
Total	95	0	0	0	95

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	2.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	12.00
LPN's	15.00
Certified Aides	81.00
Other Health Staff	6.00
Non-Health Staff	93.00
Totals	210.00

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
18.1%	29.1%	0.0%	2.3%	50.5%	100.0%		
1,545,521	2,487,156	0	198,674	4,315,405	8,546,756	1,500,996	17.6%

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

ST. JOSEPH'S MEDICAL CENTER
2200 EAST WASHINGTON STREET
BLOOMINGTON, IL. 61701

Classification Numbers

Facility ID	6011407	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	3	3	0	1	0	0	7
Skilled Under 22	0	0	0		0	0	
Intermediate D		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	3	3	0		0	0	

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	0	668
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	7	0	0	0	7
Race Unknown	0	0	0	0	0
Total	7	0	0	0	7

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	7	0	0	0	7
Non-Hispanic	0	0	0	0	0
Ethnicity Unknown	0	0	0	0	0
Total	7	0	0	0	7

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	0.10
Physicians	0.05
Director of Nursing	0.50
Registered Nurses	4.80
LPN's	0.90
Certified Aides	3.90
Other Health Staff	0.00
Non-Health Staff	1.00
Totals	11.25

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
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
0	0	0	0	0	0	0	0.0%

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

WESTMINSTER VILLAGE
2025 EAST LINCOLN STREET
BLOOMINGTON, IL. 61701

Reference Numbers

Facility ID	6009922	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

Administrator
Susan Post

Contact Person and Telephone
Susan Post
309-663-6474

Registered Agent Information
Barb Nathan
2025 E Lincoln

Date Questionnaire Completed 3/13/2017

Continuing Care Retirement Community
Life Care Facility

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	1
Medicare Recipient	0
Mental Illness	1
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	67
Total Admissions 2016	78
Total Discharges 2016	75
Residents on 12/31/2016	70

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	5
Blood Disorders	1
*Nervous System Non Alzheimer	17
Alzheimer Disease	1
Mental Illness	0
Developmental Disability	0
Circulatory System	24
Respiratory System	3
Digestive System	1
Genitourinary System Disorders	2
Skin Disorders	0
Musculo-skeletal Disorders	10
Injuries and Poisonings	0
Other Medical Conditions	5
Non-Medical Conditions	0
TOTALS	70

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	78	78	70	78	70	8	39	0
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	78	78	70	78	70	8	39	0

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	2059	14.4%	0	0.0%	0	0	21502	0	23561	82.5%	82.5%
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	2059	14.4%	0	0.0%	0	0	21502	0	23561	82.5%	82.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	2	0	0	0	0	0	0	0	2	2
75 to 84	4	4	0	0	0	0	0	0	4	4	8
85+	17	43	0	0	0	0	0	0	17	43	60
TOTALS	21	49	0	0	0	0	0	0	21	49	70

WESTMINSTER VILLAGE
2025 EAST LINCOLN STREET
BLOOMINGTON, IL. 61701

Classification Numbers

Facility ID	6009922	
Health Service Area	004	
Planning Service Area	113	McLean
County	113	McLean County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	11	0	0	0	59	0	70
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	11	0	0	0	59	0	70

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	314	223
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	70	0	0	0	70
Race Unknown	0	0	0	0	0
Total	70	0	0	0	70

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	70	0	0	0	70
Ethnicity Unknown	0	0	0	0	0
Total	70	0	0	0	70

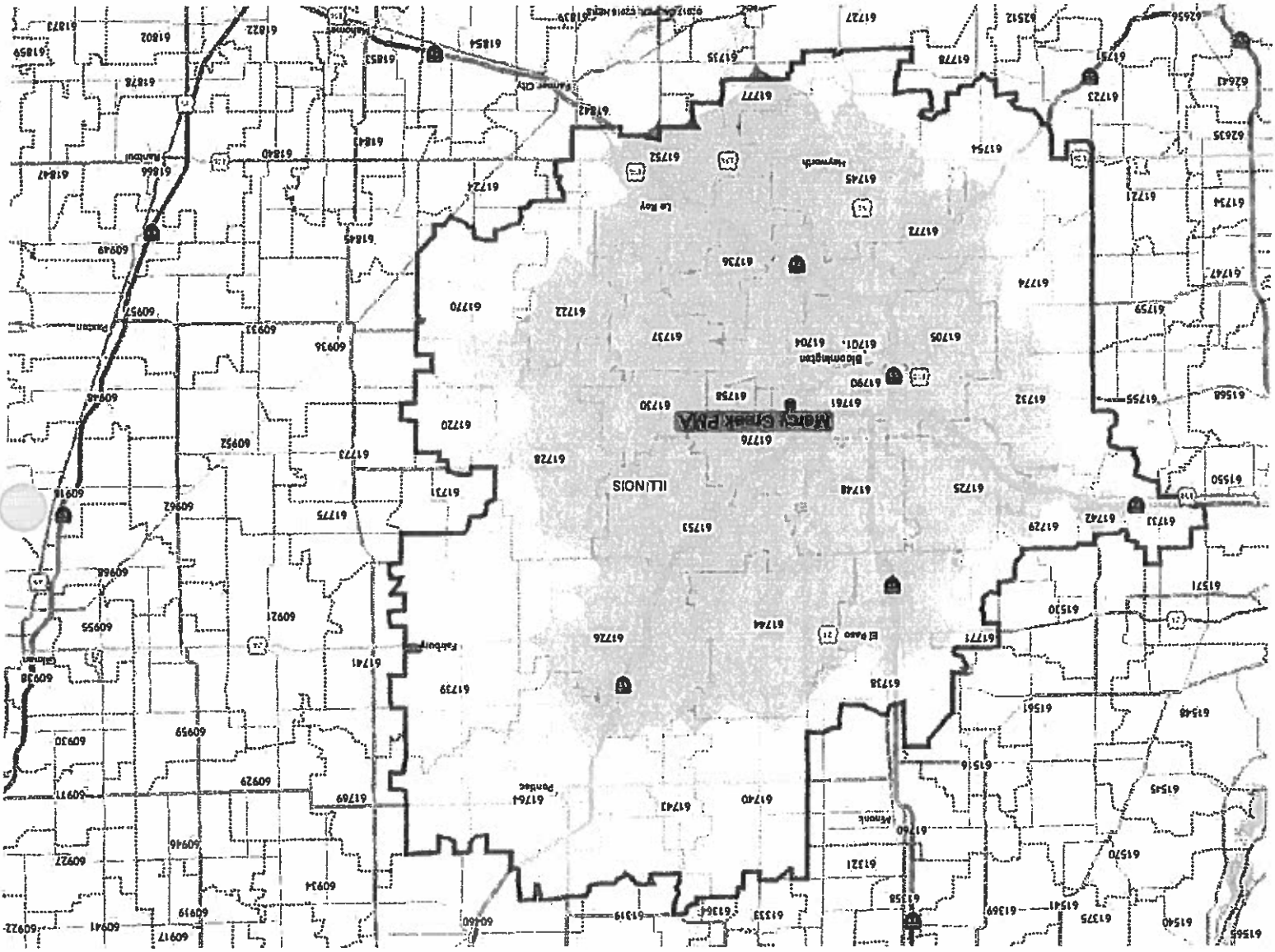
FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	2.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	9.00
LPN's	8.00
Certified Aides	32.00
Other Health Staff	2.00
Non-Health Staff	7.00
Totals	61.00

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
15.5%	0.0%	0.0%	0.0%	84.5%	100.0%		
896,644	0	0	0	4,886,206	5,782,850	0	0.0%

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

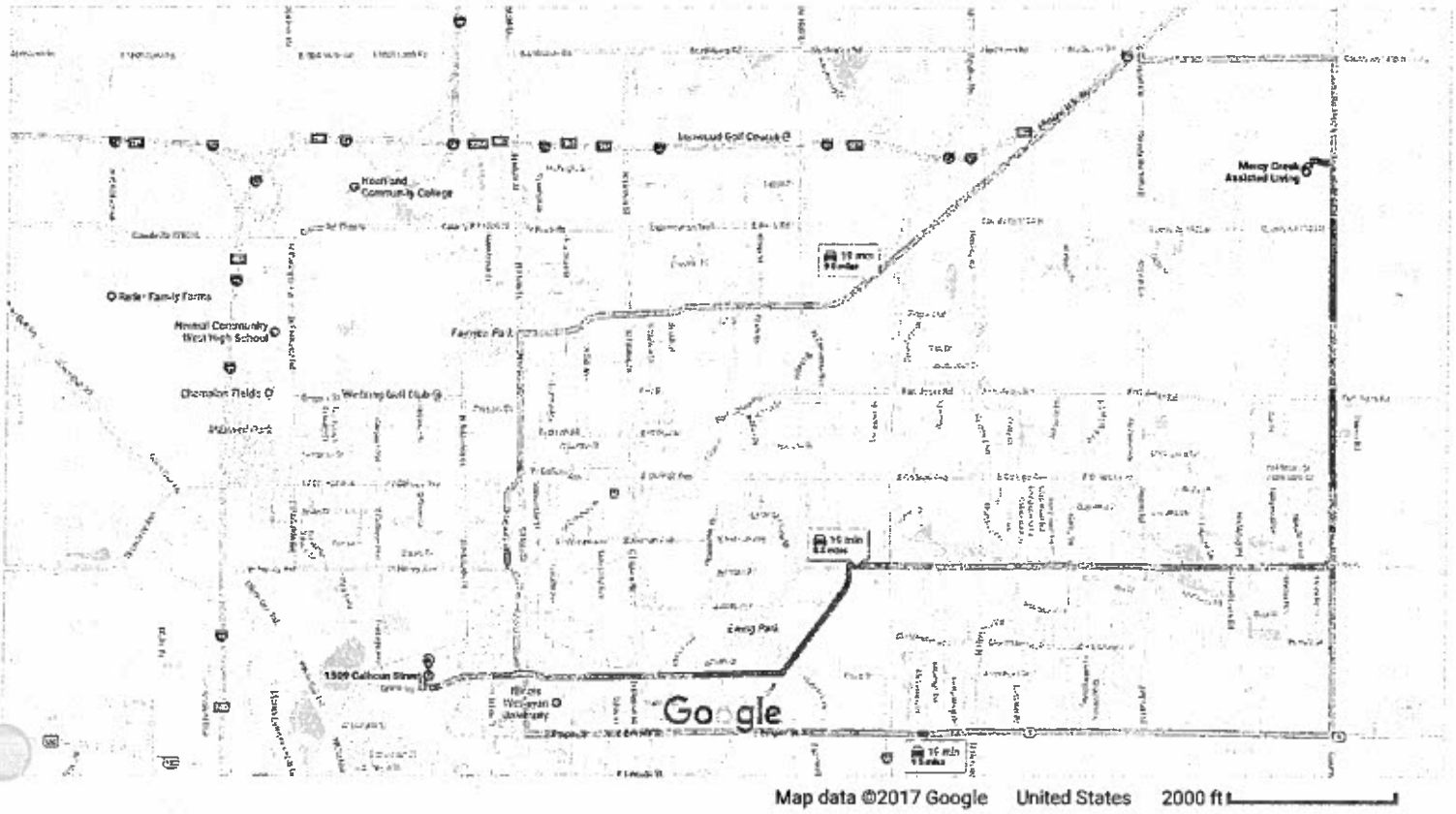

Mark Twain PWA
ILLINOIS
Bloomington
Normal
El Paso
Fairbury
Pontiac
Lexington
Chatsworth
Ashkum
Kankakee
Manteno
Momence
Watseka
Onarga
Gilman
Paxton
Rantoul
Champaign
Urbana
Danville
Hoopeston
Iroquois
Kentland
Rensselaer
Monticello
Lafayette
Crawfordsville
Attica
Covington
Clinton
Terre Haute
Brazil
Greencastle
Rockville
Danville
Martinsville
Mooresville
Indianapolis
Shelbyville
Greenfield
Connersville
Richmond
Hagerstown
Centerville
Cambridge City
Knightstown
Greensburg
Rushville
Shelbyville
Batesville
Lawrenceburg
Aurora
Versailles
Osgood
Madison
Vevay
Rising Sun
Milan
Sunman
Dillsboro
Lawrenceburg
Aurora
Greendale
Lawrenceburg
Harrison
Cincinnati
Fairfield
Hamilton
Middletown
Oxford
Eaton
Richmond
Connersville
Greensburg
Batesville
Osgood
Versailles
Madison
Vevay
Rising Sun
Milan
Sunman
Dillsboro
Aurora
Greendale
Harrison
Cincinnati
Fairfield
Hamilton
Middletown
Oxford
Eaton

Google Maps

Mercy Creek Assisted Living to 1509 Calhoun Street, Bloomington, IL

Drive 8.5 miles, 19 min

Aperion Care Bloomington



via County Rd 1900 E/Towanda-Barnes Rd and General Electric Rd — 19 min
Best route — 8.5 miles

via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 19 min
9.5 miles

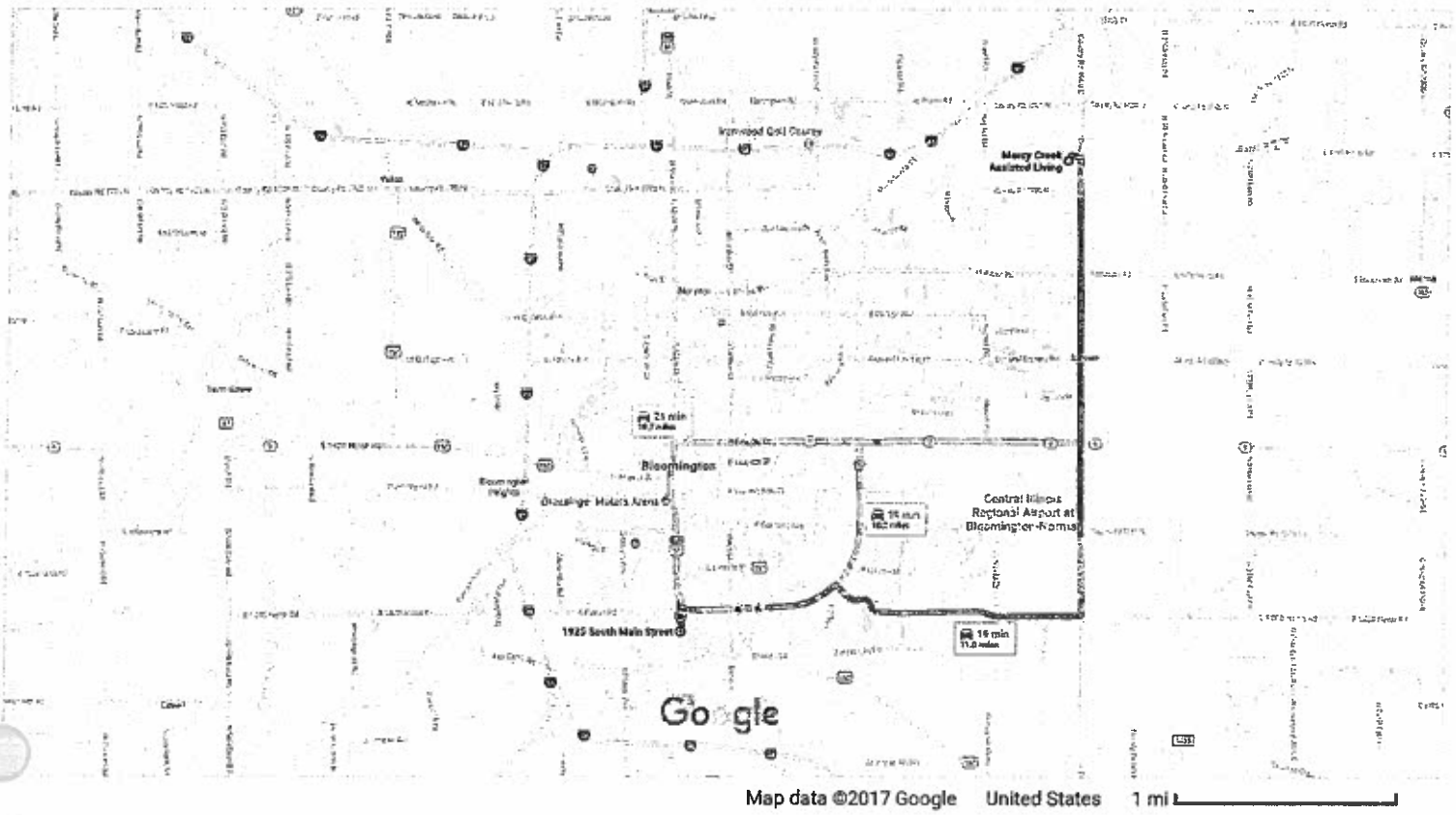
via Old U.S. Rte 66 — 19 min
9.0 miles

Google Maps

Mercy Creek Assisted Living to 1925 S Main St, Bloomington, IL 61704

Drive 11.0 miles, 19 min

Bloomington Rehabilitation & HCC



via County Rd 1900 E/Towanda-Barnes Rd and Ireland Grove Rd — 19 min
Best route — 11.0 miles

via County Rd 1900 E/Towanda-Barnes Rd and E Empire St — 19 min
10.2 miles

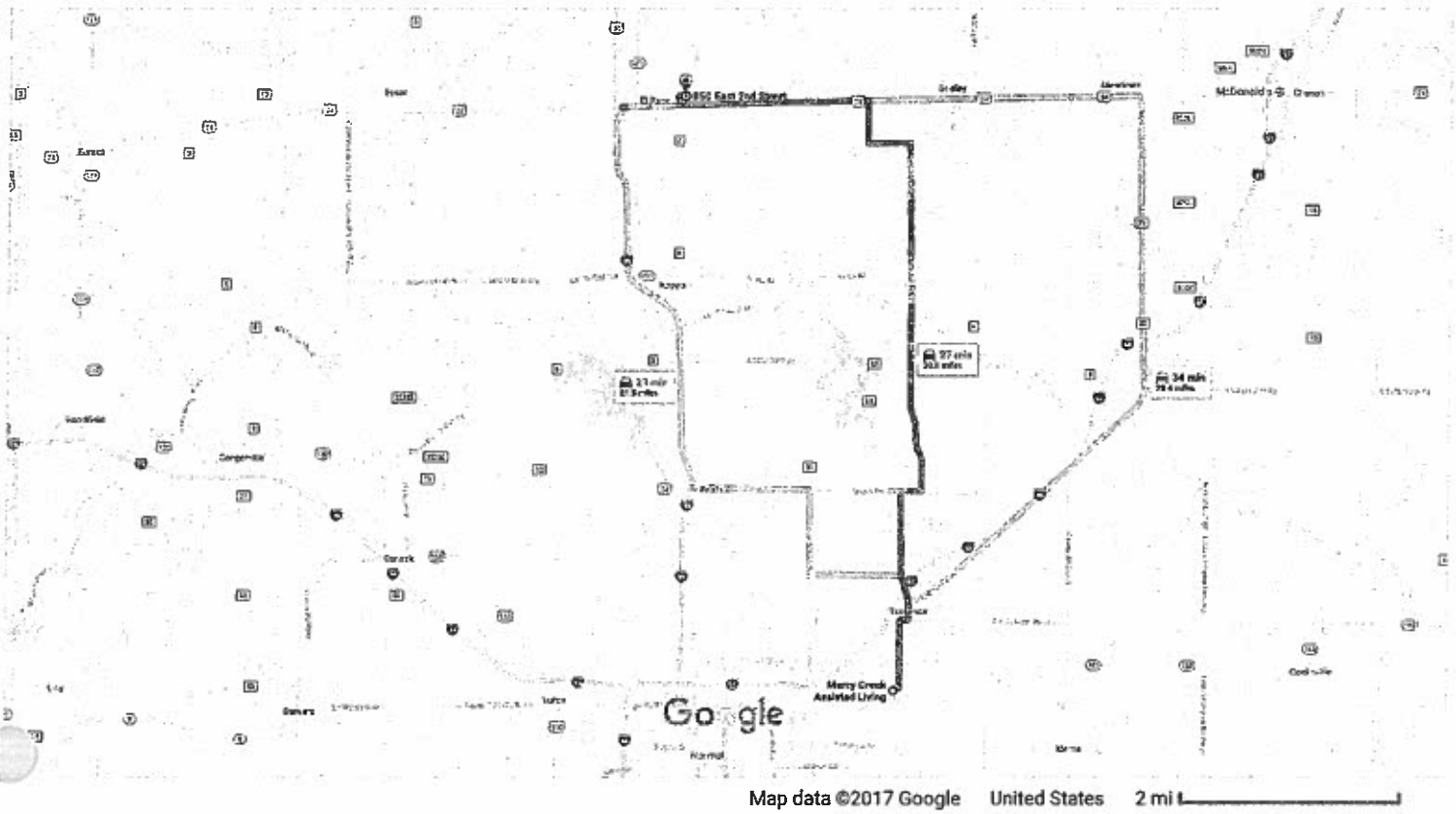
via County Rd 1900 E/Towanda-Barnes Rd, E Empire St and S Center St — 21 min
10.7 miles

Google Maps

Mercy Creek Assisted Living to 850 E 2nd St, El Paso, IL 61738

Drive 20.8 miles, 27 min

El Paso Health Care Center



via N 1925 East Rd
Fastest route, the usual traffic
27 min
20.8 miles

via I-39 N
29 min
21.5 miles

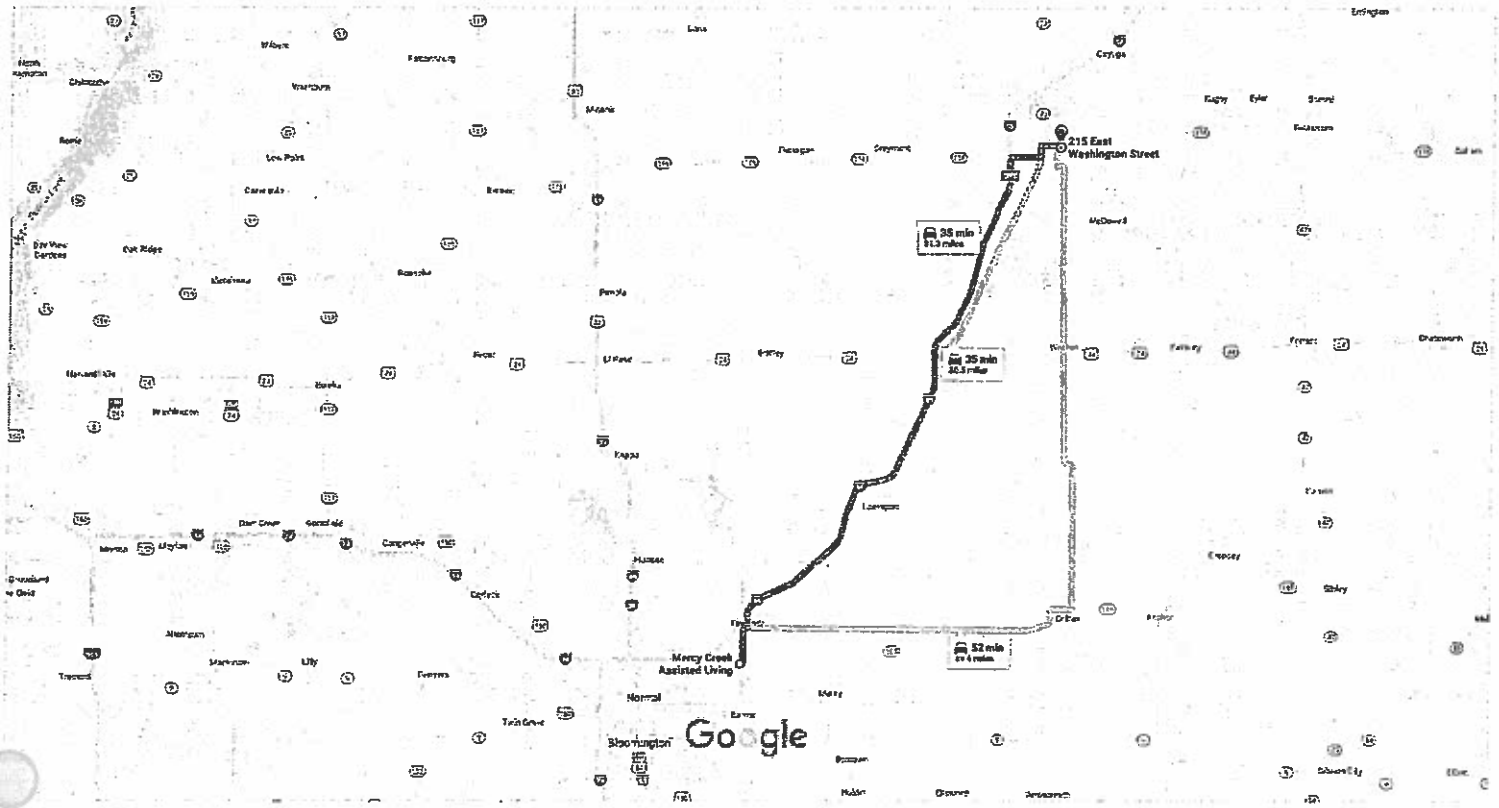
via Historic U.S. 66 E and US-24 W
34 min
28.4 miles

Google Maps

Mercy Creek Assisted Living to 215 E Washington St, Pontiac, IL

Drive 31.3 miles, 35 min

Evenglow Lodge



via I-55 N — 35 min
35 min without traffic — 31.3 miles

via I-55 N and Historic U.S. 66 E — 35 min
35 min without traffic — 30.5 miles

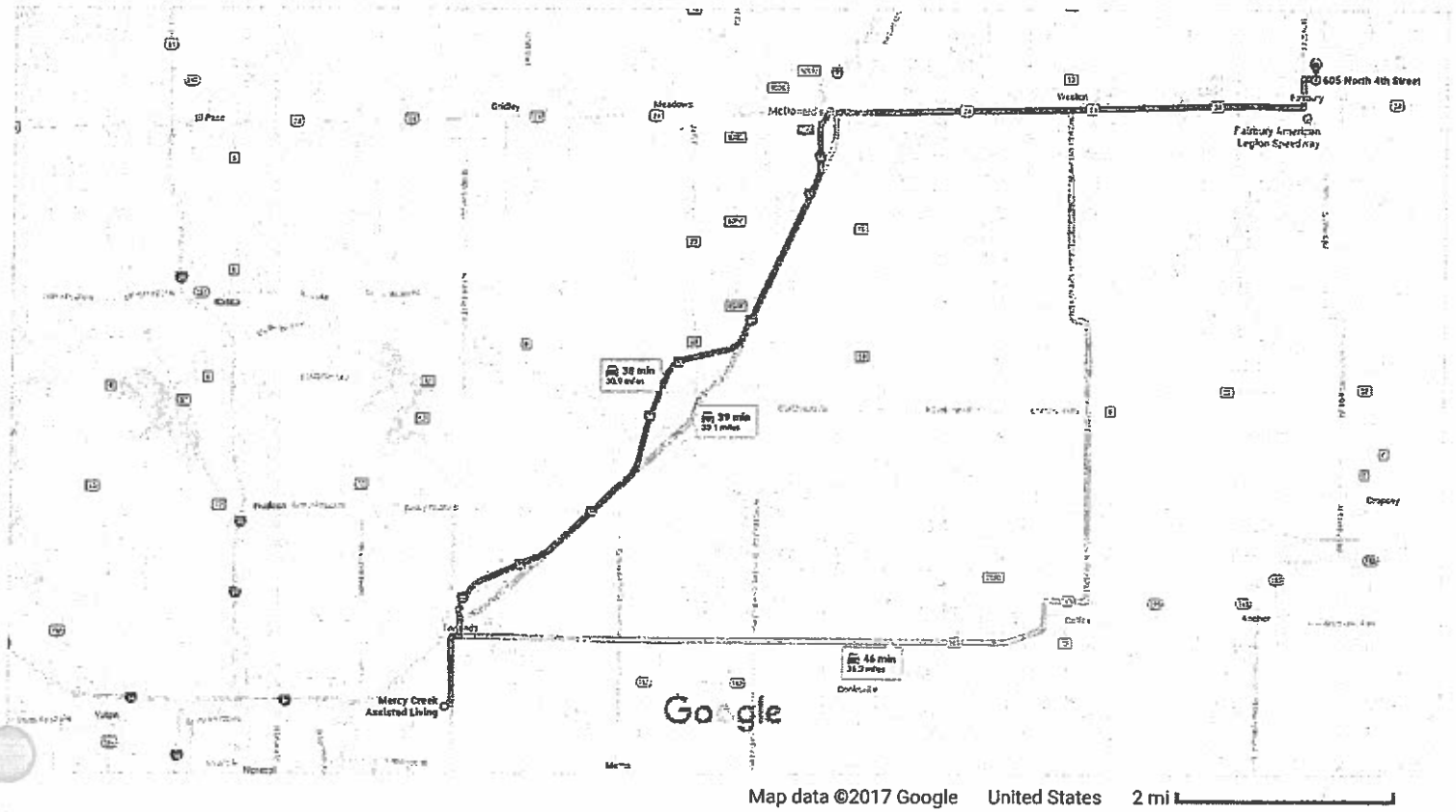
via E 1900 North Rd — 52 min
52 min without traffic — 39.6 miles

Google Maps

Mercy Creek Assisted Living to 605 N 4th St, Fairbury, IL

Drive 30.9 miles, 38 min

Fairview Haven



via I-55 N and US-24 E
38 min without traffic
38 min
30.9 miles

via Historic U.S. 66 E and US-24 E
39 min without traffic
39 min
30.1 miles

via E 1900 North Rd
46 min without traffic
46 min
36.3 miles

Bickford Bloomington
IL/AL/DC
Address: 14 Heartland Dr., Bloomington, IL 61704
Phone Number: 309-661-0094
Year Opened: 1999
Sponsor/Profit Status: Bickford Retirement/For Profit



Independent Living						
Type	# of Units	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	Second Person
Apartments	**16**	**100%**				
Pine Studio			389	$5,000	$2,738	$791
Spruce Studio			512	$5,000	$3,315	$791
Maple One-Bedroom			551	$5,000	$3,741	$791
Walnut One-Bedroom			646	$5,000	$4,380	$791
Oak One-Bedroom			699	$5,000	$4,623	$791
Sycamore One-Bedroom			890	$5,000	$5,049	$791
Birch Two-Bedroom			772	$5,000	$5,505	$791
Poplar Two-Bedroom			839	$5,000	$5,901	$791
Alder Two-Bedroom			942	$5,000	$6,996	$791
Beech Two-Bedroom			1,124	$5,000	$7,700	$791

Assisted Living							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Apartments	**49**	**100%**					
Pine Studio			389	$5,000	$2,738	See Below	$791
Spruce Studio			512	$5,000	$3,315	See Below	$791
Maple One-Bedroom			551	$5,000	$3,741	See Below	$791
Walnut One-Bedroom			646	$5,000	$4,380	See Below	$791
Oak One-Bedroom			699	$5,000	$4,623	See Below	$791
Sycamore One-Bedroom			890	$5,000	$5,049	See Below	$791
Birch Two-Bedroom			772	$5,000	$5,505	See Below	$791
Poplar Two-Bedroom			839	$5,000	$5,901	See Below	$791
Alder Two-Bedroom			942	$5,000	$6,996	See Below	$791
Beech Two-Bedroom			1,124	$5,000	$7,700	See Below	$791
Levels of Care							
Level 1						$913	
Level 2						$1,673	
Level 3						$2,433	
Level 4						$3,194	
Level 5						$3,954	

Dementia Care							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Apartments	**16**	**WNP**					
Spruce Studio			512	$5,000	$3,315	$3,376	None

WNP - Would not Provide Presales Figures

Bickford of Bloomington Continued	
Services:	**Amenities:**
24-Hour Emergency Response System	Activities Area
Activities	Beauty Salon
Direct TV	Billiards
Housekeeping Weekly	Bistro
Licensed Nurse Available	Dining Area
Linen Service Weekly	Family Areas
Maintenance	Outdoor Patio
Scheduled Transportation	Private Dining Room
Three Meals Daily	Whirlpool Spa Room
Utilities (Except Phone)	

Blair House
IL
Address: 1200 E. College Ave., Normal, IL 61761
Phone Number: 309-319-7578
Year Opened: 1989
Sponsor/Profit Status: Holiday Retirement/For Profit



Independent Living

Type	# of Units	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	Second Person
Apartments	**110**	**90%**				
Studio			410-500	$3,050-$6,550	$2,400-$3,150	$730
One-Bedroom			486-767	$3,050-$6,550	$2,900-$4,100	$730
Two-Bedroom			860-901	$3,050-$6,550	$4,500-$5,800	$730

Services:
24-Hour Emergency Response
24-Hour Onsite Management Staff
Activities
Cable TV
Housekeeping Weekly
Linen Service Weekly
Maintenance
Scheduled Transportation
Three Meals Daily
Utilities (Except Phone)

Amenities:
Activity/Exercise Room
Beauty/Barber Salon
Billiard Lounge
Chapel
Dining Room
Free Laundry Facilities
Game Room
Large screen TV lounge
Library
Private Dining Room
Resident Kitchen

Bloomington Rehab & HCC
SNF
Address: 1925 South Main Street, Bloomington, IL 61701
Phone Number: 309-829-4348
Year Opened: 1970's
Sponsor/Profit Status: Petersen Health Operations, LLC/For Profit



Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC
Beds	**65**	**85%**				
Semi-Private			WNP	None	$150	All-Inclusive
Private			WNP	None	$165	All-Inclusive

WNP - Would not Provide

Services:
24-Hour Care
Activities
Assistance w/ADL's
Laundry Services
Local Transportation
Medication Management
Three Meals Daily

Amenities:
Activity/Game Room
Beauty Shop
Dining Room
Gardens
Sunroom

Evergreen Place Assisted Living
AL
Address: 801 Gregory St., Normal, IL 61761
Phone Number: 309-451-9355
Year Opened: 2001
Sponsor/Profit Status: Heritage Health/For Profit



Assisted Living

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Apartments	**60**	**98%**					
Studio			331	None	$3,375-$3,670	$495-$1,000	$800
One-Bedroom/One-Bath			387	None	$3,875-$4,165	$500-$1,020	$800
Two-Bedroom/One-Bath			672	None	$4,980	$465-$920	$800
Two-Bedroom/One 1/2 Bath			672	None	$4,980	$465-$920	$800

Services:
Activities
Cable
Emergency Response System
Housekeeping Weekly
Linen Service Weekly
Maintenance
Scheduled Transportation
Three Meals Daily
Utilities (Except Phone)
Wi-Fi

Amenities:
Activity Room
Beauty/Barber Shop
Bistro
Chapel
Club Room
Community Center
Country Store
Family Room
Fitness Center
Library
Private Dining Room
Resident Kitchen
TV Lounge

Heartland of Normal
SNF
Address: 510 Broadway, Normal, IL 61761
Phone Number: 309-452-4406
Year Opened: 1970
Sponsor/Profit Status: Heartland of Normal IL LLC/For Profit

Heartland | ManorCare

Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC
Beds	**97**	**77%**				
Semi-Private LTC			WNP	None	$263	All-Inclusive
Private LTC			WNP	None	$302	All-Inclusive
Semi-Private STC			WNP	None	$175	All-Inclusive
Private STC			WNP	None	$250	All-Inclusive

Services:
24-Hour Nursing Care
Activities
Assistance w/ADL's
Laundry & Linen Service
Medication Management
Snacks
Three Meals Daily
Wi-Fi

Amenities:
Activities
Dining room
Internet café
Lounges

Heritage Health Bloomington
SNF
Address: 700 E. Walnut, Bloomington, IL 61701
Phone Number: 309-825-1409
Year Opened: 1964
Sponsor/Profit Status: Heritage Manor-Bloomington LLC/For Profit



Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Rate	LOC
Beds	**85**	**97%**				
Semi-Private			WNP	None	$218	All-Inclusive
Large Semi-Private			WNP	None	$235	All-Inclusive
Private			WNP	None	$269	All-Inclusive
Private Suite/Semi-Private to Private			WNP	None	$292	All-Inclusive
Private Suite/Semi-Private to Private Large			WNP	None	$372	All-Inclusive

WNP - Would not Provide

Services:
24-Hour Nursing Care
Activities
Assistance w/ADL's
Laundry & Linen Service
Medication Management
Snacks
Three Meals Daily

Amenities:
Activity Area
Dining Room
Family Lounge
Private Dining Room
Rehab Gym

Heritage Health El Paso
SNF
Address: 555 Clay Street, El Paso, IL 61738
Phone Number: 309-527-6240
Year Opened: 1997
Sponsor: Heritage Enterprises/For Profit

HERITAGE™ HEALTH
Therapy & Senior Care

Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Fees	LOC
Rooms	**65**	**85%**				
Private			WNP	None	$233-$293	All-Inclusive
Semi-Private			WNP	None	$214	All-Inclusive

WNP - Would not Provide

Services
24-Hour Care
Activities
Assistance w/ADL's
Housekeeping Daily
Laundry Daily
Linen Service as Needed
Medication Management
Three Meals Daily

Amenities
Beauty/Barber Shop
Dining Room
Gardens
Library
Outside Exercise Trails
Sitting Rooms

Heritage Health Normal
SNF
Address: 509 N. Adelaide St., Normal, IL 61761
Phone Number: 309-825-1409
Year Opened: 1980's
Sponsor/Profit Status: Heritage Manor-Bloomington LLC/For Profit



Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Rate	LOC	Second Person
Beds	**141**	**98%**					
Semi-Private			WNP	None	$213-$218	All-Inclusive	None
Private			WNP	None	$262-$292	All-Inclusive	None
Semi-Private Legacy Care (ALZ)			WNP	None	$235	All-Inclusive	None
Private Legacy Care (ALZ)			WNP	None	$271-$372	All-Inclusive	None

WNP - Would not Provide

Services:
24-Hour Nursing Care
Activities
Assistance with ADL's
Flat Screen TV w/Cable
Medication Management
Three Meals Daily
Wi-Fi

Amenities:
Beauty Shop
Dining Room
Family Lounge
Private Dining Room
State-of-art therapy Center

Leroy Manor
SNF
Address: 509 South Buck Rd., Leroy, IL 61752
Phone Number: 309-962-5000
Year Opened: 1989
Sponsor/Profit Status: Unlimited Development/Non Profit

Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Rate	LOC
Beds	**101**	**62%**				
Semi-Private			WNP	None	WNP	All-Inclusive
Private			WNP	None	WNP	All-Inclusive

WNP - Would not Provide

Services:
24-Hour Nursing Care
Activities
Assistance w/ADL's
Housekeeping Daily
Laundry
Medication Management
Three Meals Daily

Amenities:
Activities Area
Beauty Shop
Landscaped Grounds

Luther Oaks
CCRC EF
Address: 601 Lutz Rd., Bloomington, IL 61704
Phone Number: 309-664-5940
Year Opened: 2007
Sponsor/Profit Status: Lutheran Life/Non Profit

Independent Living							
Type	# of Units	% Occ.	Sq. Ft.	90% Refund EF	Monthly Fee 90% Refund	75% Refund EF	Monthly Fee 75% Refund
Apartments - Rental Plan	90	92%					
One-Bedroom Standard	16		695	$144,000	$2,530	$122,400	$2,277
One-Bedroom Traditional	8		755	$159,000	$2,770	$135,150	$2,493
One-Bedroom Deluxe Patio	8		771	$172,000	$2,870	$150,000	$2,580
One-Bedroom Deluxe Sunroom	12		814	$185,000	$3,010	$157,250	$2,650
Two-Bedroom Traditional	10		989	$205,000	$3,180	$188,000	$2,750
Two-Bedroom Classic Sunroom	8		1,034	$222,000	$3,320	$198,000	$2,800
Two-Bedroom Deluxe Patio	4		1,141	$244,000	$3,570	$207,400	$3,213
Two-Bedroom Deluxe Sunroom	8		1,193	$262,000	$3,740	$222,700	$3,366
Two-Bedroom Grand Patio	4		1,283	$280,000	$4,010	$238,000	$3,609
Two-Bedroom Grand Sunroom	12		1,344	$285,000	$4,180	$242,250	$3,762
Second Person Monthly Fee					$860		$860

Assisted Living							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Beds	38	100%					
One-Bedroom			473	None	$4,740	Incs Level 1	$950
One-Bedroom			523	None	$5,020	Incs Level 1	$950
Two-Bedroom			854	None	$6,600	Incs Level 1	$950
Enhanced LOC						$440	

Dementia Care						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC
Beds	18	100%				
Private Suite			WNP	None	WNP	WNP

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily	LOC
Beds	18	83%				
Private Suite			WNP	None	WNP	All-Inclusive

WNP - Would not Provide

Luther Oaks Continued

Services:

24-Hour Emergency Call
32 Meals Monthly Lunch or Dinner (Three Daily AL/DC/SNF)
Activities
Assistance w/ADL's (Level 1 AL/All in DC and SNF)
Daily Bed Making (DC Only)
Discounted Healthcare
Expanded Cable
Flat Linens Bi-Weekly (Weekly AL/DC)
Housekeeping Bi-Weekly (Weekly AL/DC)
Internet
Maintenance
Medication Management (DC/SNF Only)
Overnight checks
Personal Laundry (AL/DC/SNF Only)
Transportation
Utilities (Except Phone)

Amenities:

Beauty/Barber Shop
Chapel
Club Room with Internet
Community Room
Convenience Store
Dining Rooms - Two
Fitness Center
Library
Lounge Area
Outdoor Patios/Landscaped Grounds
Private Dining Room

McLean County Nursing Home
SNF
Address: 901 North Main, Normal IL 61761
Phone Number: 309-888-5380
Year Opened: 1970's
Sponsor/Profit Status: County of McLean/Non Profit



Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Fee	LOC
Beds	**150**	**71%**				
Semi-Private			WNP	None	$185	All-Inclusive
Private			WNP	None	$200	All-Inclusive

WNP - Would not Provide

Services:
24-Hour Care
Activities
Assistance w/ADL's
Housekeeping
Laundry
Medication Management
Three Meals Daily

Amenities:
Activity Area
Dining Room
Exercise Area
Movies

Meadows Chenoa
IL/SNF
Address: 24588 Church Street, Chenoa, IL 61726
Phone Number: 309-268-1501
Year Opened: 1923
Sponsor/Profit Status: Meadows Mennonite Retirement

Independent Living

Type	# of Units	% Occ.	Sq. Ft.	Deposit*	Monthly Fee**	Second Person
Duplexes**	**44**	**91%**				
Burt Quad One-Bedroom/One-Bath	4		613	$1,500	$675	None
Oak Ct Two-Bedroom/One-Bath	2		856	$1,500	$850	None
Maple Ct Two-Bedroom/One-Bath	4		960	$1,500	$850	None
Burt Two-Bedroom/1.5 Bath/Porch	4		985	$1,500	$850	None
Burt Two-Bedroom/1.5 Bath/Porch	14		1,000	$1,500	$850	None
Oak Ct Two-Bedroom/One-Bath	4		1,000	$1,500	$850	None
Evergreen Ct Two-Bedroom/One-Bath	2		1,050	$1,500	$850	None
Evergreen Ct Two-Bedroom/One-Bath	4		1,120	$1,500	$850	None
North Ct Two-Bedroom/One-Bath	2		1,124	$1,500	$850	None
North Ct Two-Bedroom/One-Bath	2		1,150	$1,500	$850	None
North Ct Two-Bedroom/One-Bath	2		1,333	$1,500	$850	None

*$1,200 is refundable
**Upgraded villas are $1,100

Skilled Nursing

Type	# of Beds	% Occ.	Sq. Ft.*	Community Fee	Daily Fee	LOC
Beds	**114**	**93%**				
Semi-Private Memory Care	67**		325	None	$235	All-Inclusive
Private Memory Care			250	None	$255	All-Inclusive
Semi-Private LTC	47**		325	None	$225	All-Inclusive
Private LTC			250	None	$245	All-Inclusive

*Mid-Stage Dementia are large rooms **Total type memory care and LTC/Not Private or Semi-Private

IL Services
24-Hour Emergency Call Alert
Cable
Insurance
Landscaping
Maintenance
Priority Admission to SNF
Property Taxes
Sewer
Snow Removal
Trash Removal
Twice Monthly Transportation
Water

SNF Services:
24-Hour Nursing Care
Activities
Assistance w/ADL's
Coordination of Appointments
Emergency Call System
Medication Management
Onsite Chaplain
Regular Housekeeping Services
Regular Laundry Services
Rehabilitation
Security
Three Meals Daily
Utilities (Except Phone)
Wi-Fi

Amenities:
Aviaries (SNF)
Beauty/Barber Salon
Campus Center
Chapel
Dining Room (in SNF)
Fitness Center
Full-Service Kitchen
Horseshoe Pits
Multi-Purpose Room
Shuffleboard Courts

St. Joseph's Medical Center
SNF
Address: 2200 East Washington Street Bloomington IL 61701
Phone Number: 309-662-3311
Year Opened: N/A
Sponsor/Profit Status: Church Related/Non Profit

Skilled Nursing						
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Fee	LOC
Beds	**11**	**36%**				
Semi Private			WNP	None	WNP	All-Inclusive

WNP - Would not Provide

Services:	Amenities:
24/7 RN Staff	Activities
Housekeeping	Chapel
Phone	Family Lounge
Three Meals Daily	Gift Shop
TV	Meals Delivered to Room
Valet Parking	
Wi-Fi	

Sugar Creek Alzheimer's Special Care
DC
Address: 505 E. Vernon Ave., Normal, IL 61761
Phone Number: 309-451-3000
Year Opened: 2008
Sponsor/Profit Status: JEA Senior Living/For Profit



Dementia Care

Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Monthly Fee	LOC	Second Person
Rooms	**66**	**92%**					
Shared Level I			188	$1,000	$4,600	All-Inclusive	None
Shared Level II			188	$1,000	$4,900	All-Inclusive	None
Shared Level III			188	$1,000	$5,200	All-Inclusive	None
Shared Level IV			188	$1,000	$5,500	All-Inclusive	None
Shared Level V			188	$1,000	$5,800	All-Inclusive	None
Add'l for Private Room			276	$1,000	$1,500	All-Inclusive	None

Services:
24-Hour Care
Assistance w/ADL's
Furnished Linens
Furnished Room
Laundry
Medication Management
Routine Housekeeping
Specially Trained Staff
Three Meals/Snacks Daily

Amenities:
Dining Room
Fireplace
Game Room
Landscaped Secured Courtyards
Living Room
Private Dining Room
Security System
TV Room
Walking Paths

Westminster Village
CCRC EF
Address: 2025 East Lincoln Street, Bloomington, IL 61701
Phone Number: 309-663-6474
Year Opened: 1979
Sponsor/Profit Status: Westminster Village/Non Profit

Independent Living								
Type	# of Units	% Occ.	Sq. Ft.	Life Occ. EF 36 Months	Return on Equity EF 75% Refundable	Rental Deposit	Monthly Fee EF/Rental	Second Person EF/Rental Monthly Fee
Apartments	**176**	**100%**						
Studio			439	$58,630	$85,000	$2,358	$1,986/$2,358	N/A
One-Bedroom			523	$68,640	$115,000	$2,900-$3,800	$2,075/$2,900	$872/$900
Two-Bedroom			765	$97,240	$150,000	$3,585-$4,485	$2,262/$3,585	$905/$900
Two-Bedroom Expanded			860	$120,120	$175,000	$3,892-$4,792	$2,345/$3,892	$937/$900
Two-Bedroom Expanded Corner			860	$120,120	$175,000	$3,892-$4,792	$2,345/$3,892	$937/$900
Two-Bedroom Deluxe I			1,046	$141,570	$210,000	$4,062-$4,962	$2,501/$4,062	$981/$900
Two-Bedroom Deluxe II			1,288	$159,445	$230,000	$4,294-$5,194	$2,659/$4,294	$982/$900
Duplexes	**22**	**100%**		**Life Lease**	**90% Return Monthly Fee**	**85% Return Monthly Fee**	**80% Return Monthly Fee**	
The Sassafras			1,440	$150,000*	$601	$534	$466	
The Maple			1,675	$150,000*	$601	$534	$466	
The Linden			1,780	$150,000*	$601	$534	$466	
*Starting Prices - based on resale								

Westminster Village Continued

Assisted Living							
Type	# of Units	% Occ.	Sq. Ft.	Deposit	Monthly Fee	LOC	Second Person
Apartments	**54**	**100%**					
Efficiency			250	One Month	$2,881	Level 1 Inc Level 2 $425 Level 3 $850	$875
Studio			439	One Month	$4,077	Level 1 Inc Level 2 $425 Level 3 $850	$875
One-Bedroom			523	One Month	$4,326	Level 1 Inc Level 2 $425 Level 3 $850	$875
Two-Bedroom			765+	One Month	$4,659	Level 1 Inc Level 2 $425 Level 3 $850	$875

Skilled Nursing							
Type	# of Beds	% Occ.	Sq. Ft.	Community Fee	Daily Fee	LOC	Second Person Fee
Rooms	**78**	**100%**					
Private			WNP	None	$314-$446	All-Inclusive	None
Semi-private Level One			WNP	None	$223	All-Inclusive	None
Semi-private Level Two			WNP	None	$236	All-Inclusive	None

WNP - Would not Provide

Services IL:
24-Hour Staff
Activities
Cable
Does Not Include Real Estate Taxes
Emergency Response System
Housekeeping Bi-Weekly
Linen/Flat Service Bi-Weekly
Maintenance
One Meal Daily
Priority Healthcare Access
Scheduled Transportation
Utilities (Except Phone)

AL/SNF Services
24-Hour Staff
Activities
Emergency Response System
Housekeeping
Level of Care 1
Linen Service Weekly
Maintenance
Scheduled Transportation
Three Meals Daily
Utilities (Except Phone)

Add'l for SNF
24-Hour Care
Assistance w/ADL's
Medication Management

Amenities:
Activity/exercise room
Bank
Beauty/barber salon
Billiard lounge
Chapel
Convenience Store
Dining room
Fitness room
Free laundry facilities
Game room
Large screen TV lounge
Library
Private dining room
Resident kitchen
Walking Path

Mercy Creek PMA
Assisted Living Spend Down Analysis

Typical Owner Household Resident Spend Down Profile

Month	Actual AL Monthly Fee	Medical & Other Personal Costs	Total Monthly Cost	Monthly Income	Monthly Short Fall	Accum Assets Required to be Drawn	Age 75+ Median Net Worth $217,408	Interest Proceeds 1.0%
1	$4,869	$1,000	$5,869	$2,917	$2,952	$2,952	$214,456	$179
2	$4,869	$1,000	$5,869	$2,917	$2,952	$5,905	$211,682	$176
3	$4,869	$1,000	$5,869	$2,917	$2,952	$8,857	$208,907	$174
4	$4,869	$1,000	$5,869	$2,917	$2,952	$11,809	$206,128	$172
5	$4,869	$1,000	$5,869	$2,917	$2,952	$14,762	$203,348	$169
6	$4,869	$1,000	$5,869	$2,917	$2,952	$17,714	$200,565	$167
7	$4,869	$1,000	$5,869	$2,917	$2,952	$20,666	$197,780	$165
8	$4,869	$1,000	$5,869	$2,917	$2,952	$23,619	$194,992	$162
9	$4,869	$1,000	$5,869	$2,917	$2,952	$26,571	$192,202	$160
10	$4,869	$1,000	$5,869	$2,917	$2,952	$29,523	$189,410	$158
11	$4,869	$1,000	$5,869	$2,917	$2,952	$32,476	$186,616	$156
12	$4,869	$1,000	$5,869	$2,917	$2,952	$35,428	$183,819	$153
13	$5,112	$1,050	$6,162	$3,019	$3,144	$38,572	$180,828	$151
14	$5,112	$1,050	$6,162	$3,019	$3,144	$41,715	$177,835	$148
15	$5,112	$1,050	$6,162	$3,019	$3,144	$44,859	$174,840	$146
16	$5,112	$1,050	$6,162	$3,019	$3,144	$48,003	$171,842	$143
17	$5,112	$1,050	$6,162	$3,019	$3,144	$51,147	$168,841	$141
18	$5,112	$1,050	$6,162	$3,019	$3,144	$54,290	$165,838	$138
19	$5,112	$1,050	$6,162	$3,019	$3,144	$57,434	$162,833	$136
20	$5,112	$1,050	$6,162	$3,019	$3,144	$60,578	$159,825	$133
21	$5,112	$1,050	$6,162	$3,019	$3,144	$63,721	$156,814	$131
22	$5,112	$1,050	$6,162	$3,019	$3,144	$66,865	$153,801	$128
23	$5,112	$1,050	$6,162	$3,019	$3,144	$70,009	$150,786	$126
24	$5,112	$1,050	$6,162	$3,019	$3,144	$73,152	$147,768	$123
25	$5,368	$1,103	$6,471	$3,124	$3,346	$76,499	$144,545	$120
26	$5,368	$1,103	$6,471	$3,124	$3,346	$79,845	$141,319	$118
27	$5,368	$1,103	$6,471	$3,124	$3,346	$83,191	$138,091	$115
28	$5,368	$1,103	$6,471	$3,124	$3,346	$86,537	$134,859	$112
29	$5,368	$1,103	$6,471	$3,124	$3,346	$89,883	$131,626	$110
30	$5,368	$1,103	$6,471	$3,124	$3,346	$93,229	$128,389	$107
31	$5,368	$1,103	$6,471	$3,124	$3,346	$96,576	$125,150	$104
32	$5,368	$1,103	$6,471	$3,124	$3,346	$99,922	$121,908	$102
33	$5,368	$1,103	$6,471	$3,124	$3,346	$103,268	$118,664	$99
34	$5,368	$1,103	$6,471	$3,124	$3,346	$106,614	$115,416	$96
35	$5,368	$1,103	$6,471	$3,124	$3,346	$109,960	$112,166	$93
36	$5,368	$1,103	$6,471	$3,124	$3,346	$113,306	$108,914	$91
37	$5,636	$1,158	$6,794	$3,234	$3,560	$116,867	$105,444	$88
38	$5,636	$1,158	$6,794	$3,234	$3,560	$120,427	$101,972	$85
39	$5,636	$1,158	$6,794	$3,234	$3,560	$123,987	$98,496	$82
40	$5,636	$1,158	$6,794	$3,234	$3,560	$127,548	$95,018	$79
41	$5,636	$1,158	$6,794	$3,234	$3,560	$131,108	$91,537	$76
42	$5,636	$1,158	$6,794	$3,234	$3,560	$134,668	$88,053	$73
43	$5,636	$1,158	$6,794	$3,234	$3,560	$138,229	$84,566	$70
44	$5,636	$1,158	$6,794	$3,234	$3,560	$141,789	$81,076	$68
45	$5,636	$1,158	$6,794	$3,234	$3,560	$145,349	$77,583	$65
46	$5,636	$1,158	$6,794	$3,234	$3,560	$148,910	$74,087	$62
47	$5,636	$1,158	$6,794	$3,234	$3,560	$152,470	$70,589	$59
48	$5,636	$1,158	$6,794	$3,234	$3,560	$156,030	$67,087	$56
49	$5,918	$1,216	$7,134	$3,347	$3,787	$159,817	$63,356	$53
50	$5,918	$1,216	$7,134	$3,347	$3,787	$163,604	$59,622	$50
51	$5,918	$1,216	$7,134	$3,347	$3,787	$167,391	$55,885	$47
52	$5,918	$1,216	$7,134	$3,347	$3,787	$171,178	$52,145	$43
53	$5,918	$1,216	$7,134	$3,347	$3,787	$174,965	$48,401	$40
54	$5,918	$1,216	$7,134	$3,347	$3,787	$178,752	$44,655	$37
55	$5,918	$1,216	$7,134	$3,347	$3,787	$182,539	$40,905	$34
56	$5,918	$1,216	$7,134	$3,347	$3,787	$186,325	$37,152	$31
57	$5,918	$1,216	$7,134	$3,347	$3,787	$190,112	$33,396	$28
58	$5,918	$1,216	$7,134	$3,347	$3,787	$193,899	$29,637	$25
59	$5,918	$1,216	$7,134	$3,347	$3,787	$197,686	$25,875	$22
60	$5,918	$1,216	$7,134	$3,347	$3,787	$201,473	$22,110	$18

Spend Down Model Inputs	
5.00%	Annual Monthly Fee and Personal Expense Increase
$35,000	Annual Household Income Minimum Threshold
3.50%	Annual Income Increase

Note: The State of Seniors Housing 2016 report states the average length of stay in assisted living at 20.8 months

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Mercy Creek PMA
Dementia Care Spend Down Analysis

Typical Owner Household Resident Spend Down Profile

Month	Actual DC Monthly Fee	Medical & Other Personal Costs	Total Monthly Cost	Monthly Income	Monthly Short Fall	Accum Assets Required to be Drawn	Age 75+ Median Net Worth $217,408	Interest Proceeds 1.0%
1	$7,313	$1,000	$8,313	$4,167	$4,146	$4,146	$213,262	$178
2	$7,313	$1,000	$8,313	$4,167	$4,146	$8,293	$209,293	$174
3	$7,313	$1,000	$8,313	$4,167	$4,146	$12,439	$205,322	$171
4	$7,313	$1,000	$8,313	$4,167	$4,146	$16,585	$201,346	$168
5	$7,313	$1,000	$8,313	$4,167	$4,146	$20,732	$197,368	$164
6	$7,313	$1,000	$8,313	$4,167	$4,146	$24,878	$193,386	$161
7	$7,313	$1,000	$8,313	$4,167	$4,146	$29,024	$189,401	$158
8	$7,313	$1,000	$8,313	$4,167	$4,146	$33,171	$185,412	$155
9	$7,313	$1,000	$8,313	$4,167	$4,146	$37,317	$181,420	$151
10	$7,313	$1,000	$8,313	$4,167	$4,146	$41,463	$177,425	$148
11	$7,313	$1,000	$8,313	$4,167	$4,146	$45,610	$173,427	$145
12	$7,313	$1,000	$8,313	$4,167	$4,146	$49,756	$169,425	$141
13	$7,679	$1,050	$8,729	$4,313	$4,416	$54,172	$165,150	$138
14	$7,679	$1,050	$8,729	$4,313	$4,416	$58,588	$160,871	$134
15	$7,679	$1,050	$8,729	$4,313	$4,416	$63,004	$156,589	$130
16	$7,679	$1,050	$8,729	$4,313	$4,416	$67,421	$152,304	$127
17	$7,679	$1,050	$8,729	$4,313	$4,416	$71,837	$148,014	$123
18	$7,679	$1,050	$8,729	$4,313	$4,416	$76,253	$143,722	$120
19	$7,679	$1,050	$8,729	$4,313	$4,416	$80,669	$139,425	$116
20	$7,679	$1,050	$8,729	$4,313	$4,416	$85,085	$135,125	$113
21	$7,679	$1,050	$8,729	$4,313	$4,416	$89,501	$130,822	$109
22	$7,679	$1,050	$8,729	$4,313	$4,416	$93,918	$126,515	$105
23	$7,679	$1,050	$8,729	$4,313	$4,416	$98,334	$122,204	$102
24	$7,679	$1,050	$8,729	$4,313	$4,416	$102,750	$117,890	$98
25	$8,063	$1,103	$9,165	$4,463	$4,702	$107,451	$113,286	$94
26	$8,063	$1,103	$9,165	$4,463	$4,702	$112,153	$108,679	$91
27	$8,063	$1,103	$9,165	$4,463	$4,702	$116,855	$104,068	$87
28	$8,063	$1,103	$9,165	$4,463	$4,702	$121,556	$99,453	$83
29	$8,063	$1,103	$9,165	$4,463	$4,702	$126,258	$94,834	$79
30	$8,063	$1,103	$9,165	$4,463	$4,702	$130,960	$90,212	$75
31	$8,063	$1,103	$9,165	$4,463	$4,702	$135,661	$85,585	$71
32	$8,063	$1,103	$9,165	$4,463	$4,702	$140,363	$80,955	$67
33	$8,063	$1,103	$9,165	$4,463	$4,702	$145,065	$76,321	$64
34	$8,063	$1,103	$9,165	$4,463	$4,702	$149,766	$71,683	$60
35	$8,063	$1,103	$9,165	$4,463	$4,702	$154,468	$67,041	$56
36	$8,063	$1,103	$9,165	$4,463	$4,702	$159,170	$62,395	$52
37	$8,466	$1,158	$9,623	$4,620	$5,004	$164,173	$57,443	$48
38	$8,466	$1,158	$9,623	$4,620	$5,004	$169,177	$52,487	$44
39	$8,466	$1,158	$9,623	$4,620	$5,004	$174,181	$47,527	$40
40	$8,466	$1,158	$9,623	$4,620	$5,004	$179,184	$42,563	$35
41	$8,466	$1,158	$9,623	$4,620	$5,004	$184,188	$37,595	$31
42	$8,466	$1,158	$9,623	$4,620	$5,004	$189,192	$32,623	$27
43	$8,466	$1,158	$9,623	$4,620	$5,004	$194,195	$27,646	$23
44	$8,466	$1,158	$9,623	$4,620	$5,004	$199,199	$22,666	$19
45	$8,466	$1,158	$9,623	$4,620	$5,004	$204,203	$17,681	$15
46	$8,466	$1,158	$9,623	$4,620	$5,004	$209,206	$12,692	$11
47	$8,466	$1,158	$9,623	$4,620	$5,004	$214,210	$7,699	$6
48	$8,466	$1,158	$9,623	$4,620	$5,004	$219,214	$2,702	$2
49	$8,889	$1,216	$10,105	$4,781	$5,323	$224,537	-$2,619	-$2
50	$8,889	$1,216	$10,105	$4,781	$5,323	$229,860	-$7,945	-$7
51	$8,889	$1,216	$10,105	$4,781	$5,323	$235,183	-$13,274	-$11
52	$8,889	$1,216	$10,105	$4,781	$5,323	$240,506	-$18,609	-$16
53	$8,889	$1,216	$10,105	$4,781	$5,323	$245,829	-$23,947	-$20
54	$8,889	$1,216	$10,105	$4,781	$5,323	$251,153	-$29,290	-$24
55	$8,889	$1,216	$10,105	$4,781	$5,323	$256,476	-$34,638	-$29
56	$8,889	$1,216	$10,105	$4,781	$5,323	$261,799	-$39,990	-$33
57	$8,889	$1,216	$10,105	$4,781	$5,323	$267,122	-$45,347	-$38
58	$8,889	$1,216	$10,105	$4,781	$5,323	$272,445	-$50,707	-$42
59	$8,889	$1,216	$10,105	$4,781	$5,323	$277,768	-$56,073	-$47
60	$8,889	$1,216	$10,105	$4,781	$5,323	$283,092	-$61,443	-$51

Spend Down Model Inputs	
5.00%	Annual Monthly Fee and Personal Expense Increase
$50,000	Annual Household Income Minimum Threshold
3.50%	Annual Income Increase

Note: The State of Seniors Housing 2016 report states the average length of stay in assisted living at 21.9 months.

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pmd advisory services
1139 Riverwalk Court
Hebron, KY 41048
(859) 689-9420
www.pmdas.com

Turning mature market data into management decisions.®



Nursing Homes in Illinois

Facility Information

ADDOLORATA VILLA

555 MCHENRY ROAD
WHEELING IL 60090

ADMINISTRATOR: ALPANA PATEL
TELEPHONE: 847-403-5567

Licensee ID	: 0045443
Facility ID	**: 6000046**
Skilled beds	:88
Intermediate beds	**: 10**
Icf-dd beds	: 0
Shelter Care beds	**: 43**
Community Living beds	: 0
Under 22 beds	**: 0**
Medicare beds	: 58
Medicare/Medicaid beds	**: 32**
Medicaid beds	: 0
Fax	**: 847-808-6240**
County	: Cook
Medicare Certification Number	**: 14-5724**
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

ADDOLORATA VILLA
555 MCHENRY ROAD
WHEELING, IL. 60090

Reference Numbers

Facility ID	6000046	
Health Service Area	007	
Planning Service Area	701	Planning Area 7-A
County	031	Wheeling Township

Administrator
Alpana Patel

Contact Person and Telephone
Alpana Patel
847-403-5567

Registered Agent Information
CT Corporation
208 South Laselle Street

Date Questionnaire Completed 3/21/2017

Continuing Care Retirement Community

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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	100
Total Admissions 2016	163
Total Discharges 2016	171
Residents on 12/31/2016	92

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	3
Blood Disorders	1
*Nervous System Non Alzheimer	13
Alzheimer Disease	8
Mental Illness	0
Developmental Disability	0
Circulatory System	25
Respiratory System	7
Digestive System	1
Genitourinary System Disorders	9
Skin Disorders	2
Musculo-skeletal Disorders	9
Injuries and Poisonings	11
Other Medical Conditions	3
Non-Medical Conditions	0
TOTALS	92

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	98	98	89	98	79	19	88	30
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	31	15	31	13	-13		
TOTAL BEDS	98	129	104	129	92	6	88	30

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	4159	12.9%	5871	53.5%	0	569	15983	365	26947	75.1%	75.1%
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	7330	1156	8486	0.0%	74.8%
TOTALS	4159	12.9%	5871	53.5%	0	569	23313	1521	35433	98.8%	75.0%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	2	2	0	0	0	0	0	0	2	2	4
75 to 84	3	10	0	0	0	0	2	2	5	12	17
85+	14	48	0	0	0	0	2	7	16	55	71
TOTALS	19	60	0	0	0	0	4	9	23	69	92

ADDOLORATA VILLA
555 MCHENRY ROAD
WHEELING, IL. 60090

Classification Numbers

Facility ID	6000046	
Health Service Area	007	
Planning Service Area	701	Planning Area 7-A
County	031	Wheeling Township

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	10	12	0	1	55	1	79
Skilled Under 22	0	0	0	0	0	0	0
Intermediate D		0	0	0	0	0	0
Sheltered Care			0	0	9	4	13
TOTALS	10	12	0	1	64	5	92

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	352	311
Skilled Under 22	0	0
Intermediate DD	0	0
Sheltered Care	171	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	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	77	0	0	13	90
Race Unknown	0	0	0	0	0
Total	79	0	0	13	92

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	1	0	0	1	2
Non-Hispanic	78	0	0	12	90
Ethnicity Unknown	0	0	0	0	0
Total	79	0	0	13	92

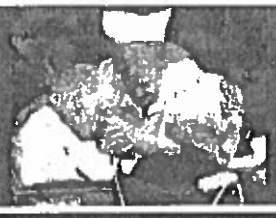
FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	11.00
LPN's	4.00
Certified Aides	29.00
Other Health Staff	5.00
Non-Health Staff	2.00
Totals	53.00

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
25.4%	7.3%	0.0%	1.9%	65.4%	100.0%		
2,531,620	727,335	0	187,654	6,515,140	9,961,749	212,020	2.1%

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



Nursing Homes in Illinois

Facility Information

FRANCISCAN VILLAGE

1270 FRANCISCAN DRIVE
LEMONT IL 60439

ADMINISTRATOR: SYLVIA CZERWINSKI
TELEPHONE: 630-243-3400

Licensee ID	: 0045419
Facility ID	: **6012413**
Skilled beds	:127
Intermediate beds	: **0**
Icf-dd beds	: 0
Shelter Care beds	: **0**
Community Living beds	: 0
Under 22 beds	: **0**
Medicare beds	: 38
Medicare/Medicaid beds	: **0**
Medicaid beds	: 31
Fax	: **630-257-5823**
County	: Cook
Medicare Certification Number	: **14-6029**
Medicare Skilled Certification Number	: 14A447
Medicaid ICF/DD Certification Number	: **14E261**
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

FRANCISCAN VILLAGE
1260 FRANCISCAN DRIVE
LEMONT, IL. 60439

Classification Numbers

Facility ID	6012413	
Health Service Area	007	
Planning Service Area	705	Planning Area 7-E
County	031	Lemont Township

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	27	21	0	2	55	0	105
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	27	21	0	2	55	0	105

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	330	300
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	105	0	0	0	105
Race Unknown	0	0	0	0	0
Total	105	0	0	0	105

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	105	0	0	0	105
Ethnicity Unknown	0	0	0	0	0
Total	105	0	0	0	105

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.30
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	24.23
LPN's	14.62
Certified Aides	47.80
Other Health Staff	2.00
Non-Health Staff	37.44
Totals	128.39

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
34.9%	8.3%	0.0%	4.3%	52.5%	100.0%		
4,449,551	1,054,485	0	550,786	6,682,811	12,737,633	0	0.0%

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



ILLINOIS DEPARTMENT OF PUBLIC HEALTH

Nursing Homes in Illinois

Bruce Rauner, Governor

Who Regulates Nursing Homes?

A Listing of Illinois Nursing Homes

How to Select a Nursing Home

Centers for Medicare and Medicaid Services Nursing Home Compare Website

Quarterly Reports of Nursing Home Violation

Illinois Law on Advance Directives

Nursing Homes with No Certification Deficiencies

Nursing Home Care Act

Illinois Health Care Worker Registry

Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Facility Information

ST JOSEPH VILLAGE OF CHICAGO

4021 WEST BELMONT AVENUE
CHICAGO IL 60641

ADMINISTRATOR: BRIAN CELERIO
TELEPHONE: 773-328-5500

Licensee ID	: 0046581
Facility ID	**: 6008957**
Skilled beds	:54
Intermediate beds	**: 0**
Icf-dd beds	: 0
Shelter Care beds	**: 0**
Community Living beds	: 0
Under 22 beds	**: 0**
Medicare beds	: 43
Medicare/Medicaid beds	**: 11**
Medicaid beds	: 0
Fax	**: 773-328-5502**
County	: Cook
Medicare Certification Number	**: 14-5637**
Medicare Skilled Certification Number	: 14A371
Medicaid ICF/DD Certification Number	**: 14E166**
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

General
Facility Information
Ownership information

Surveys

Administration
Staffing
Admission Restrictions
Admissions & Discharges
Licensed Beds / Beds in use

Residents
Primary Diagnosis
Age Gender & Level of Care
Racial / Ethnic Groups

Patient Days
Level of Care
Payment Source
Private Payment Rates

idph online home nursing homes in illinois

ST. JOSEPH VILLAGE
4021 WEST BELMONT AVENUE
CHICAGO, IL. 60641

Classification Numbers

Facility ID	6008957	
Health Service Area	006	
Planning Service Area	601	Planning Area 6-A
County	031	Area 21 - Avondale

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	19	7	0	5	18	0	49
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	19	7	0	5	18	0	49

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	360	320
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	2	0	0	0	2
Hawaiian/Pacific Isl.	0	0	0	0	0
White	47	0	0	0	47
Race Unknown	0	0	0	0	0
Total	49	0	0	0	49

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	9	0	0	0	9
Non-Hispanic	40	0	0	0	40
Ethnicity Unknown	0	0	0	0	0
Total	49	0	0	0	49

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	1.00
Director of Nursing	1.00
Registered Nurses	12.00
LPN's	1.00
Certified Aides	21.00
Other Health Staff	1.00
Non-Health Staff	31.00
Totals	69.00

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
41.6%	5.5%	0.0%	11.7%	41.2%	100.0%		
2,847,024	377,862	0	798,054	2,815,000	6,837,940	0	0.0%

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

ST. JOSEPH'S HOME FOR AGED
3306 SOUTH 6TH STREET ROAD
SPRINGFIELD, IL. 62703

Reference Numbers

Facility ID	6008965	
Health Service Area	003	
Planning Service Area	167	Sangamon
County	167	Sangamon County

Administrator
Sister M. Lenore Highland

Contact Person and Telephone
SISTER M. LENORE HIGHLAND
217-529-5596

Registered Agent Information
Sister Paula Vasquez
2408 West Heading Avenue

Date Questionnaire Completed 3/14/2017

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	1
Medicare Recipient	1
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	78
Total Admissions 2016	39
Total Discharges 2016	50
Residents on 12/31/2016	67

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	1
Blood Disorders	0
*Nervous System Non Alzheimer	6
Alzheimer Disease	16
Mental Illness	32
Developmental Disability	0
Circulatory System	6
Respiratory System	3
Digestive System	1
Genitourinary System Disorders	0
Skin Disorders	0
Musculo-skeletal Disorders	6
Injuries and Poisonings	0
Other Medical Conditions	5
Non-Medical Conditions	0
TOTALS	78

Total Residents Diagnosed as Mentally Ill 27

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	73	73	73	67	67	6	0	0
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	11	11	11	11	11	0		
TOTAL BEDS	84	84	84	78	78	6	0	0

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	0	0.0%	0	0.0%	0	0	21805	2620	24425	91.4%	91.4%
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	2542	855	3397	84.4%	84.4%
TOTALS	0	0.0%	0	0.0%	0	0	24347	3475	27822	90.5%	90.5%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	1	3	0	0	0	0	0	1	1	4	5
75 to 84	10	6	0	0	0	0	1	1	11	7	18
85+	8	39	0	0	0	0	2	6	10	45	55
TOTALS	19	48	0	0	0	0	3	8	22	56	78



Facility Information

VILLAGE AT VICTORY LAKES,THE

1055 EAST GRAND AVENUE
LINDENHURST IL 60046
ADMINISTRATOR: JEANNE HEID-GRUBMAN
TELEPHONE: 847-356-5900

Licensee ID	: 0048256
Facility ID	: 6011332
Skilled beds	:120
Intermediate beds	: 0
Icf-dd beds	: 0
Shelter Care beds	: 0
Community Living beds	: 0
Under 22 beds	: 0
Medicare beds	: 96
Medicare/Medicaid beds	: 24
Medicaid beds	: 0
Fax	: 847-356-4599
County	: Lake
Medicare Certification Number	: 14-5602
Medicare Skilled Certification Number	:
Medicaid ICF/DD Certification Number	:
Medicaid DD Certification Number	:
Medicaid Swing Bed Certification Number	:

THE VILLAGE AT VICTORY LAKES
1055 EAST GRAND AVENUE
LINDENHURST, IL. 60046

Classification Numbers

Facility ID	6011332	
Health Service Area	008	
Planning Service Area	097	Lake
County	097	Lake County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	23	17	0	7	32	1	80
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	23	17	0	7	32	1	80

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	312	408
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	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	81	0	0	0	81
Race Unknown	0	0	0	0	0
Total	81	0	0	0	81

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	81	0	0	0	81
Ethnicity Unknown	0	0	0	0	0
Total	81	0	0	0	81

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	27.00
LPN's	12.00
Certified Aides	54.00
Other Health Staff	0.00
Non-Health Staff	30.00
Totals	125.00

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
54.1%	9.3%	0.0%	8.3%	28.3%	100.0%		
6,663,453	1,146,928	0	1,016,891	3,480,635	12,307,907	1,149	0.0%

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

THE VILLAGE AT VICTORY LAKES
1055 EAST GRAND AVENUE
LINDENHURST, IL. 60046

Reference Numbers

Facility ID	6011332	
Health Service Area	008	
Planning Service Area	097	Lake
County	097	Lake County

Administrator
Jeanne Heid-Grubman

Contact Person and Telephone
Jeanne Heid-Grubman
847-356-5900

Registered Agent Information

Date Questionnaire Completed 3/23/2017

Continuing Care Retirement Community

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	0
Drug Addiction	1
Medicaid Recipient	0
Medicare Recipient	0
Mental Illness	1
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 restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	82
Total Admissions 2016	801
Total Discharges 2016	804
Residents on 12/31/2016	79

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	15
Alzheimer Disease	0
Mental Illness	19
Developmental Disability	0
Circulatory System	17
Respiratory System	6
Digestive System	2
Genitourinary System Disorders	3
Skin Disorders	1
Musculo-skeletal Disorders	1
Injuries and Poisonings	8
Other Medical Conditions	6
Non-Medical Conditions	0
TOTALS	79

Total Residents Diagnosed as Mentally Ill 19

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	120	118	99	118	79	41	120	24
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	120	118	99	118	79	41	120	24

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	11577	26.4%	6678	76.0%	0	2059	10932	4	31250	71.2%	72.4%
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	11577	26.4%	6678	76.0%	0	2059	10932	4	31250	71.2%	72.4%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
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	0	1	0	0	0	0	0	0	0	1	1
60 to 64	2	2	0	0	0	0	0	0	2	2	4
65 to 74	4	8	0	0	0	0	0	0	4	8	12
75 to 84	7	11	0	0	0	0	0	0	7	11	18
85+	8	38	0	0	0	0	0	0	8	38	46
TOTALS	21	60	0	0	0	0	0	0	21	60	81

Source:Long-Term Care Facility Questionnaire for 2016, Illinois Department of Public Health, Health Systems Development 9/20/2017

Illinois

St. Joseph Village of Chicago

Facility State License Number
0046581

Tax ID Number
35-1124441

Medicaid Provider Number
35-1124441003

Medicare Provider Number
14-5637

Star Quality Rating
5 Stars

Addolorata Villa

Facility State License Number
0045443

Tax ID Number
35-1124441

Medicaid Provider Number
35-1124441005

Medicare Provider Number
14-5724

Star Quality Rating
5 Stars

Franciscan Village

Facility State License Number
004519

Tax ID Number
35-1124441

Medicaid Provider Number
35-1124441006

Medicare Provider Number
14-6029

Star Quality Rating
5 Stars

The Village at Victory Lakes

Facility State License Number
0048256

Tax ID Number
35-1124441

Medicaid Provider Number
35-11244411007

Medicare Provider Number
14-5602

Star Quality Rating
5 Stars

Indiana

Hancock Regional Hospital d/b/a
St. Anthony Home- Crown Point

Facility State License Number
18-000120-1

Tax ID Number
35-1124441

Medicaid Provider Number
100274780

Medicare Provider Number
15-5214

Star Quality Rating
2 Stars

University Place

Facility State License Number
18-003673

Tax ID Number
35-2058981

Medicaid Provider Number
200450890A

Medicare Provider Number
15-5725

Star Quality Rating
4 Stars

OHIO

Mt. Alverna Village

Facility State License Number
0902R

Tax ID Number
35-1124441

Medicaid Provider Number
26-02044

Medicare Provider Number
36-6071

Star Ratings
5 Stars

State of Illinois
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

NIRAV D. SHAH, M.D., J.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	I.D. NUMBER
07/12/2018	0046581

LONG TERM CARE LICENSE CATEGORY BGBE
SKILLED 54

UNRESTRICTED 54 TOTAL BEDS

BUSINESS ADDRESS
LICENSEE

FRANCISCAN COMMUNITIES, INC.

ST JOSEPH VILLAGE OF CHICAGO
4021 WEST BELMONT AVENUE
CHICAGO IL 60641
EFFECTIVE DATE: 07/13/16

The face of this license has a colored background. Printed by Authority of the State of Illinois • 5/16

DISPLAY THIS PART IN A CONSPICUOUS PLACE

State of Illinois
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

NIRAV D. SHAH, M.D., J.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	I.D. NUMBER
04/30/2019	0045443

LONG TERM CARE LICENSE		CATEGORY	BGBE
SKILLED	88	INTERMEDIATE	10
SHELTERED	43		
UNRESTRICTED	141 TOTAL BEDS		

BUSINESS ADDRESS
LICENSEE

FRANCISCAN COMMUNITIES, INC.

ADDOLORATA VILLA
555 MCHENRY ROAD
WHEELING IL 60090
EFFECTIVE DATE: 05/01/18

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REGION 9 03/15/18

ADDOLORATA VILLA
555 MCHENRY ROAD
WHEELING IL 60090

DISPLAY THIS PART IN A CONSPICUOUS PLACE

State of Illinois
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

NIRAV D. SHAH, M.D., J.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	I.D. NUMBER
11/03/2019	0045419

LONG TERM CARE LICENSE CATEGORY BGBE
SKILLED 127

UNRESTRICTED 127 TOTAL BEDS

BUSINESS ADDRESS
LICENSEE

FRANCISCAN COMMUNITIES, INC.

FRANCISCAN VILLAGE
1270 FRANCISCAN DRIVE
LEMONT IL 60439
EFFECTIVE DATE: 11/04/17

The face of this license has a colored background. Printed by Authority of the State of Illinois • 5/16

REGION 9 10/26/17

FRANCISCAN VILLAGE
1270 FRANCISCAN DRIVE
LEMONT IL 60439

State of Illinois
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

NIRAV D. SHAH, M.D., J.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	I.D. NUMBER
05/16/2019	0048256

LONG TERM CARE LICENSE CATEGORY BGBE
SKILLED 120

UNRESTRICTED 120 TOTAL BEDS

BUSINESS ADDRESS
LICENSEE

FRANCISCAN COMMUNITIES, INC.

VILLAGE AT VICTORY LAKES, THE
1055 EAST GRAND AVENUE
LINDENHURST IL 60046
EFFECTIVE DATE: 05/17/17

The face of this license has a colored background. Printed by Authority of the State of Illinois • 5/16

Indiana State Department of Health

Comprehensive Care License

This is to certify that:

HANCOCK REGIONAL HOSPITAL d/b/a

ST ANTHONY HOME - CROWN POINT

203 FRANCISCAN DR

CROWN POINT, IN

a 192 bed Comprehensive Care Facility, has fulfilled the requirements for licensure and is subject to provisions of IC 16-28 and the rules of the Indiana State Department of Health issued thereunder.

This license shall not be assignable or transferable, and shall be subject to revocation, replacement, or reduction at any time by the Indiana State Department of Health for failure to comply with the laws of the State of Indiana or the rules of the Indiana State Department of Health issued thereunder.

License number 18-000120-1 is effective March 1, 2018 and expires February 28, 2019.

SEAL OF THE STATE OF INDIANA 1816

MATTHEW FOSTER
DIRECTOR, LONG TERM CARE DIVISION
PH 317/233-7289 FAX: 317/233-7322

SDH 25-028
State Form 44876 (R3/5-05)
HBA FACI/CERT

Indiana State Department of Health

Comprehensive & Residential Care License

This is to certify that:

UNIVERSITY PLACE, INC. d/b/a

UNIVERSITY PLACE HEALTH CENTER AND ASSISTED LIVING

1750 LINDBERG RD

WEST LAFAYETTE, IN

a 30 bed Comprehensive Care, 48 bed Residential Care Facility, has fulfilled the requirements for licensure and is subject to provisions of IC 16-28 and the rules of the Indiana State Department of Health issued thereunder.

This license shall not be assignable or transferable, and shall be subject to revocation, replacement, or reduction at any time by the Indiana State Department of Health for failure to comply with the laws of the State of Indiana or the rules of the Indiana State Department of Health issued thereunder.

License number 18-003673-1 is effective May 1, 2018 and expires April 30, 2019.



MATTHEW FOSTER
DIRECTOR, LONG TERM CARE DIVISION
PH 317/233-7289 FAX: 317/233-7322

SDH 25-028
State Form 44876 (R3/5-05)
HEA FACI/CERT

STATE OF OHIO
OHIO DEPARTMENT OF HEALTH

RESIDENTIAL CARE FACILITY LICENSE

Hereby issued in accordance with Chapter 3721. of the Ohio Revised Code and Chapter 3701-17 of the Ohio Administrative Code to:

MOUNT ALVERNA VILLAGE
6765 STATE ROAD
PARMA, OH

Facility ID #: 0902R

Capacity: 45 Residents

Effective Date: September 22, 2005

Operator: FRANCISCAN COMMUNITIES

In witness thereof,

J. Nick Baird, MD
Director of Health

This is a non-transferable license and must be posted in a conspicuous place in the facility.

FRANCISCAN MINISTRIES
Sponsored by the Franciscan Sisters of Chicago

11500 Theresa Drive
Lemont, IL 60439-2727
Phone (331) 318-5200 • Fax (331) 318-5210
www.franciscancommunities.org

July 1, 2018

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

To whom it may concern,

Please be advised of the following adverse action as defined under 1125.140 that has been taken against the applicant in the past 3 years is as follows:

Addolorata Villa - Date: 2-9-2017, and 4-7-2017

IDPH issued Type A violation, Conditional License and $25,000 fine. Federal CMP assessed at $3,097.00 both fines reduced using all legal remedies available.

Survey cycle opened 2-9-2017 and remained open until 6-1-2017. CMP's stemmed from a self-reported incident/accident with injury to a resident. Requested IDPH hearing and with assistance from our attorney Conditional License was withdrawn and IDPH fine was reduced to $16,250.00 through Consent Agreement. Federal hearing waived for reduction of CMP by 35% to $2,013.05.

Franciscan Village - Date: 1-16-2018

Complaint Surveys – No federal deficiencies cited. 4 State tags cited constituting a Type B violation. CMP was $2,200.00. Waived hearing and received a 35% reduction in fine and penalties to $1,430.00.

These are the total adverse actions taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application

Sincerely,

Judy Amiano

Judy Amiano
Chief Executive Officer

IDPH
ILLINOIS DEPARTMENT OF PUBLIC HEALTH

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

01/31/2018

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Ms.Sylvia Czerwinski, Administrator
Franciscan Village
1270 Franciscan Drive
Lemont, IL 60439

Provider #: 146029/ 0045419
Survey Date: January 18, 2018
Survey Type: FRI of 12/22/17/IL99388
FRI of 12/22/17/IL 99345

Dear Administrator:

On January 18, 2018 an inspection was conducted at Franciscan Village by staff of the Illinois Department of Public Health to determine compliance with federal certification requirements for nursing homes participating in the Medicare/Medicaid programs. As a result of that inspection, no deficiencies were identified (See Enclosure #1, CMS Form 2567L.)

If you have any questions concerning this notice, please contact my staff at (217) 782-5180. You may also telephone the Department's TTY number for the hearing impaired at 1-800-547-0466.

Sincerely,

Sherry Barr
Division of Quality Assurance
Office of Health Care Regulations

Encl:
cc:
Illinois Department on Aging
Division of LTC-FO
CT Corporation System, Registered Agent
a2/Current-No Cycle/mw

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STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	146029	A. BUILDING _____ B. WING _____	C 01/18/2018

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
FRANCISCAN VILLAGE	1270 FRANCISCAN DRIVE LEMONT, IL 60439

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
F 000	INITIAL COMMENTS FRI of 12/22/17/IL99388 FRI of 12/22/17/IL 99345 Franciscan Village is in compliance with 42 CFR part 483, Requirements for Long Term Care facilities for this survey	F 000		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

CT Corporation

Service of Process Transmittal

03/30/2018
CT Log Number 533067320

FV

TO: Helene Galuszka
Franciscan Sisters of Chicago Service Corporation
11500 Theresa Dr
Lemont, IL 60439-2727

RE: **Process Served in Illinois**

FOR: Franciscan Communities, Inc. (Domestic State: IN)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION:	THE DEPARTMENT OF PUBLIC HEALTH STATE OF ILLINOIS, Plt.f vs. FRANCISCAN VILLAGE, Dft. // To: Franciscan Communities, Inc.
DOCUMENT(S) SERVED:	Notice(s), Proof, Statement
COURT/AGENCY:	None Specified Case # NH18S0086
NATURE OF ACTION:	Code Violation / Code Enforcement - Violation of Section 3-303(b) of the Act and Section 300.278 of the Code,
ON WHOM PROCESS WAS SERVED:	C T Corporation System, Chicago, IL
DATE AND HOUR OF SERVICE:	By Certified Mail on 03/30/2018 postmarked on 03/27/2018
JURISDICTION SERVED :	Illinois
APPEARANCE OR ANSWER DUE:	Within 10 days after receipt
ATTORNEY(S) / SENDER(S):	Sammye Geer DEPARTMENT OF PUBLIC HEALTH - STATE OF ILLINOIS 525-535 West Jefferson Street Springfield, IL 62761-0001
ACTION ITEMS:	SOP Papers with Transmittal, via UPS Next Day Air , 1ZX212780104337963
SIGNED:	C T Corporation System
ADDRESS:	208 South LaSalle Street Suite 814 Chicago, IL 60604
TELEPHONE:	312-345-4336

Information displayed on this transmittal is for CT Corporation's record keeping purposes only and is provided to the recipient for quick reference. This information does not constitute a legal opinion as to the nature of action, the amount of damages, the answer date, or any information contained in the documents themselves. Recipient is responsible for interpreting said documents and for taking appropriate action. Signatures on certified mail receipts confirm receipt of package only, not contents.

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH STATE OF ILLINOIS, Complainant, v. FRANCISCAN VILLAGE, Respondent.	))))))))	Docket No. NH18-S0086

NOTICE OF TYPE "B" VIOLATION(S); NOTICE OF PLAN OF CORRECTION REQUIRED; NOTICE OF FINE ASSESSMENT; NOTICE OF PLACEMENT ON QUARTERLY LIST OF VIOLATORS;
NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to the authority granted by the Nursing Home Care Act (210 ILCS 45/1-101 et seq.) (hereinafter, the "Act"), NOTICE IS HEREBY GIVEN:

NOTICE OF TYPE "B" VIOLATION(S)

It is the determination of the Illinois Department of Public Health, State of Illinois, (hereinafter, the "Department") that there has been a failure by Respondent to comply with the Act. This determination is subsequent to a Licensure Investigation conducted by the Department on January 18, 2018, at Franciscan Village, 1270 Franciscan Drive, Lemont, Illinois 60439. On March 16, 2018, the Department determined that such violations constitute one or more Type "B" violations of the Act and the Skilled Nursing and Intermediate Care Facilities Code, 77 Ill. Adm. Code 300 (hereinafter, the "Code"). The nature of each such violation and sections of the Code that were violated are further described in the Summary of Licensure Violation which is attached hereto and incorporated herein as Attachment A and made a part hereof.

A Type "B" violation may affect your eligibility to receive or maintain a two-year license, as prescribed in Sec. 3-110 of the Act.

NOTICE OF PLAN OF CORRECTION REQUIRED

Pursuant to Section 3-303(b) of the Act and Section 300.278 of the Code, the facility shall have 10 days after receipt of notice of violation in which to prepare and submit a plan of correction. Any previous submissions are considered to be comments to the licensure findings and are not eligible as a plan of correction for this notice.

Each plan of correction shall be based on an assessment by the facility of the conditions or occurrences that are the basis of the violation and an evaluation of the practices, policies, and procedures that have caused or contributed to the conditions or occurrences. Evidence of such assessment and evaluation shall be maintained by the facility. Each plan of correction shall include:

1) A description of the specific corrective action the facility is taking, or plans to take, to abate, eliminate, or correct the violation cited in the notice.
2) A description of the steps that will be taken to avoid future occurrences of the same and similar violations.

3) A specific date by which the corrective action will be completed.

If a facility fails to submit a plan of correction within the prescribed time period, The Department will impose an approved plan of correction.

NOTICE OF FINE ASSESSMENT

Pursuant to Section 3-305 of the Act the Department hereby assesses against Respondent a monetary penalty of **$2,200.00**, as follows:

Type B violation of an occurrence for violating one or more of the following sections of the Code: 300.610a), 300.1210b)5), 300.1210d)6) and 300.3240a). The fine was doubled in this instance in accordance with 300.282i) and j) of the Code due to the violation of the sections of the Code with a high risk designation: 300.1210b), 300.1210d)6) and 300.3240a).

Section 3-310 of the Act provides that all penalties shall be paid to the Department within ten (10) days of receipt of notice of assessment by mailing a check (note Docket # on the check) made payable to the Illinois Department of Public Health to the following address:

Illinois Department of Public Health
P.O. Box 4263
Springfield, Illinois 62708

If the penalty is contested under Section 3-309, the penalty shall be paid within ten (10) days of receipt of the final decision, unless the decision is appealed and stayed by court order under Section 3-713 of the Act.

A penalty assessed under this Act shall be collected by the Department. If the person or facility against whom a penalty has been assessed does not comply with a written demand for payment within thirty (30) days, the Director shall issue an order to do any of the following:

(A) Direct the State Treasurer to deduct the amounts otherwise due from the State for the penalty and remit that amount to the Department.

(B) Add the amount of the penalty to the facility's licensing fee; if the licensee refuses to make the payment at the time of application for renewal of its license; the license shall not be renewed; or

(C) Bring an action in circuit court to recover the amount of the penalty.

NOTICE OF PLACEMENT ON QUARTERLY LIST OF VIOLATORS

In accordance with Section 3-304 of the Act, the Department shall place the Facility on the Quarterly List of Violators.

NOTICE OF OPPORTUNITY FOR A HEARING

Pursuant to Sections 3-301, 3-303(e), 3-309, 3-313, 3-315, and 3-703 of the Act, the licensee shall have a right to a hearing to contest this Notice of "B" Violation(s); Notice of Fine Assessment; and Notice of Placement on Quarterly List of Violators. In order to obtain a hearing, the licensee must send a written request for hearing no later than ten (10) days after receipt by the licensee of these Notices.

FAILURE TO REQUEST A HEARING WITHIN TEN DAYS OF RECEIPT OF THIS NOTICE WILL CONSTITUTE A WAIVER OF THE RIGHT TO SUCH HEARING.

FINE REDUCTION IF HEARING WAIVED

Pursuant to Sections 3-309 and 3-310 of the Act, a licensee may waive its right to a hearing in exchange for a 35% reduction in the fine. In order to obtain the 35% reduction in the fine, the licensee must send a written waiver of its right to a hearing along with payment totaling 65% of the original fine amount within 10 business days after receipt of the notice of violation. (Please refer to the Notice of Fine Assessment section on where to send your fine Payment).

Plan of Correction, Hearing Requests and Waivers can be emailed to the following email address: DPH.LTCQA.POCHearing@illinois.gov. If your facility does not have email capabilities then mail it to the attention of: Sammye Geer, Illinois Department of Public Health, Long Term Care – Quality Assurance, 525 West Jefferson, Springfield, IL 62761.

Darlene F. Harney

Darlene F. Harney, RN, CPC
Bureau Chief, Long Term Care
Designee of the Director
Office of Health Care Regulation

Dated this 26th day of March, 2017.

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH STATE OF ILLINOIS Complainant, v. FRANCISCAN VILLAGE, Respondent.	)))))))))	Docket No. NH 18-S0086

PROOF OF SERVICE

The undersigned certifies that a true and correct copy of the attached Notice of Type "B" Violation(s); Notice of Plan of Correction Required; Notice of Fine Assessment; Notice of Placement on Quarterly List of Violators; and Notice of Opportunity for Hearing were sent by certified mail in a sealed envelope, postage prepaid to:

Registered Agent:	C T Corporation System
Licensee Info:	Franciscan Communities, Inc.
Address:	208 South Lasalle Street, Suite 814 Chicago, Illinois 60604

That said documents were deposited in the United States Post Office at Springfield, Illinois, on the 26th day of March, 2017.

Sammye Geer

Sammye Geer
Administrative Assistant I
Long Term Care – Quality Assurance
Office of Health Care Regulations

BF300/18-S0086/Franciscan Village/January 18, 2018/JL

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6012413	A. BUILDING: _____ B. WING _____	C 01/18/2018

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
FRANCISCAN VILLAGE	1270 FRANCISCAN DRIVE LEMONT, IL 60439

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S 000	Initial Comments Facilty Reported Incidents of 12/22/17/IL99388, Facilty Reported Incidents of 12/22/17/IL99345	S 000		
S9999	Final Observations Statement of Licensure Violations: 300.610a) 300.1210b)5) 300.1210d)6) 300.3240a) Section 300.610 Resident Care Policies a) The facility shall have written policies and procedures, governing all services provided by the facility which shall be formulated by a Resident Care Policy Committee consisting of at least the administrator, the advisory physician or the medical advisory committee and representatives of nursing and other services in the facility. These policies shall be in compliance with the Act and all rules promulgated thereunder. These written policies shall be followed in operating the facility and shall be reviewed at least annually by this committee, as evidenced by written, signed and dated minutes of such a meeting. Section 300.1210 General Requirements for Nursing and Personal Care b) The facility shall provide the necessary care and services to attain or maintain the highest practicable physical, mental, and psychological well-being of the resident, in accordance with	S9999	**Attachment A** **Statement of Licensure Violations**	

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
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FRANCISCAN VILLAGE	1270 FRANCISCAN DRIVE LEMONT, IL 60439

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S9999	Continued From page 1 each resident's comprehensive resident care plan. Adequate and properly supervised nursing care and personal care shall be provided to each resident to meet the total nursing and personal care needs of the resident. Restorative measures shall include, at a minimum, the following procedures: 5) All nursing personnel shall assist and encourage residents with ambulation and safe transfer activities as often as necessary in an effort to help them retain or maintain their highest practicable level of functioning. d) Pursuant to subsection (a), general nursing care shall include, at a minimum, the following and shall be practiced on a 24-hour, seven-day-a-week basis: 6) All necessary precautions shall be taken to assure that the residents' environment remains as free of accident hazards as possible. All nursing personnel shall evaluate residents to see that each resident receives adequate supervision and assistance to prevent accidents. Section 300.3240 Abuse and Neglect a) An owner, licensee, administrator, employee or agent of a facility shall not abuse or neglect a resident. (Section 2-107 of the Act) These Regulations were not met as evidenced by: Based on observation, interviews, and record review the facility failed to ensure safe transfers for 2 residents (R1 and R4) of residents reviewed for use of gait belts during transfers. This failure	S9999		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6012413	A. BUILDING: _____ B. WING _____	C 01/18/2018

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
FRANCISCAN VILLAGE	1270 FRANCISCAN DRIVE LEMONT, IL 60439

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 2 resulted in a fractured right arm for R1, after a transfer/fall without a gait belt Findings Include: On 1/17/18 at 1 PM, V4 (1st floor AM Supervisor) stated "I did not see the incident personally. I was called to R1's room after being informed that R1 was on the floor in the bathroom. When I went to the room, I noted that R1 was on the floorway of the bathroom and her bedroom. V5 (Certified Nursing Assistant / CNA) stated "I was taking R1 off the toilet and her knees buckled. I immediately grabbed hold of her and lowered her to the floor." V4 stated "I assessed R1 for pain or any injuries. I had V6 (RN) come to the room and she also assessed R1. R1 had no complaints regarding pain or limited range of motion besides her baseline abilities. I went to get the patient lift to lift R1 off the floor but V5 and V7 (CNAs) were already lifting her into her wheelchair. After R1 was placed in her wheelchair, R1 began to complain of right arm pain. I called the physician and received an order to get an x-ray. The x-ray noted a fracture of the right arm. We applied an ice pack and provided pain medication. We called the physician and received an order to transfer R1 to the emergency room for treatment. R1 was in the hospital for about 48 hours until the orthopedic physician decided that R1 was not a candidate for surgery. R1 was returned to the facility with a splint and orders to remain in bed. R1 was to follow up with the orthopedic in two weeks." V4 was asked about the use of a gait belt when R1 was examined. V4 stated "I did not see a gait belt on R1 nor did V5 and V7 use a gait belt when they lifted R1 back into her wheelchair." On 1/18/17 at 9:30 AM, V6 (RN) stated "V5 was	S9999		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6012413	A. BUILDING: _____ B. WING _____	C 01/18/2018

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
FRANCISCAN VILLAGE	1270 FRANCISCAN DRIVE LEMONT, IL 60439

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S9999	Continued From page 3	S9999		

assisting R1 to the toilet and obtain a urine specimen. After using the toilet, V5 was assisting R1 back into her wheelchair. V4 (Supervisor) called me to R1's room. I assessed R1 on the floor and noted that she had no visible injuries, pain, or bleeding. R1 was able to move her extremities. The CNA (V5 and V7) placed R1 back into her wheelchair." V6 was asked about a gait belt being used. V6 stated "There was no gait belt that I can remember being used to transfer R1. When I interviewed R1's CNA, she did not mention anything about using a gait belt."

On 1/18/18 at 1:50 PM, V5 (CNA) stated "I placed R1 onto the toilet to get a urine specimen. After tolleting, R1 stood up holding the grab bars and I noticed her knees where buckling. I immediately grabbed her around the waist and lowered her to the floor. The nurses came in and assessed her for any injuries. I (E5) and E7 assisted R1 back into her wheelchair. Only after that did R1 state that she had pain in her right arm. When I placed R1 onto the toilet I did not have a gait belt. When V7 and I placed R1 back into her wheelchair, we did not use a gait belt. We transferred R1 under her arms and grabbed her waist of her pants." V5 was asked about R1's client care card and the instructions to use a sit to stand for R1 when transferring. V5 stated "R1 and her family are against the use of a sit to stand transfer device. We have let management know that R1 refuses the sit to stand and have not done anything about it. In addition, after the fall, management started implementing the use of gait belts last Monday."

On 1/18/18 at 2 PM, V3 (RN / Second Floor Supervisor) stated."Actually the use of gait belts has been inserviced and reinserviced a number of times. We had another gait belt inservice which started last Mouday, which may be the

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6012413	A. BUILDING: _____ B. WING _____	C 01/18/2018

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
FRANCISCAN VILLAGE	1270 FRANCISCAN DRIVE LEMONT, IL 60439

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S9999	Continued From page 4 situation that staff are referring to." On 1/17/18 at 3 PM, V1 (Administrator) and V2 (Director of Nursing) were asked about the falls committee discussion after R1's fall regarding the use of gait belts. V1 and V2 stated "Actually gait belts were never discussed during the fall review of R1." On 1/18/18 at 2 PM, a review of the chart was conducted. The Client Care Card was noted for assessment date 11/30/17 "Sit to Stand Mechanical" use for transfers for Resident R1. On 1/18/18 at 2 PM, a review of the chart noted R1's Care Plan. The care plan notes "Transfers: R1 will complete transfers with the assistance of 1 to 2 as needed. Pivot Transfer with gait belt x 1-2 assists as needed: may use transfer device as indicated x 2 staff." This is post fall. Prior to R1's incident, R1 was sit to stand. 1 person assist with gait belt. On 1/17/18 at 11:35 AM, V8 (Registered Nurse / RN) was transferring R4 from her bed to her wheelchair preparing to go the dining room for lunch. V8 transferred R4 by supporting her under her arms to a stand and pivot position onto the wheelchair. V8 was not using a gait belt during the transfer to ensure a safe transfer. V2 (Director of Nursing) stated "All transfers should be accomplished with the use of a transfer device and/or gait belt." On 1/18/18 at 10 AM, V1 (Administrator) and V2 (Director of Nursing) provided the policy and procedure for Gait Belts (dated October 1, 2012). The policy notes "It is the policy of the community to use gait belts to transfer residents who require partial weight bearing assistance. To safely	S9999		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6012413	A. BUILDING: _____ B. WING _____	C 01/18/2018

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
FRANCISCAN VILLAGE	1270 FRANCISCAN DRIVE LEMONT, IL 60439

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 5 transfer a resident while providing increased leverage for the resident assistant. This policy is implemented by the Director of Nursing/designee and monitored by the nurse...," (B)	S9999		

300.610

Resident Care

A resident care committee will be formed and will consist of Medical Director, Director of Nursing, Assistant Director of Nursing and members of the Interdisciplinary Team. This team will meet annually in June.

By June 30, 2018 the committee will review and update as needed any resident care policy and procedures.

Resident care staff members will receive a review on the current care policies and procedure by June 1, 2018.

A copy will be kept at each nurse's station. In-services to all staff regarding any updates or new policies will be conducted subsequent to the review and update and as needed throughout the year.

The Director of Nursing will report to the QAPI Committee on a quarterly basis any update to policies that need to be made.

300.2010(5b)

General Requirements for Nurses and Personnel

Nursing personnel will be in-serviced on safe transfers, ambulation and use of gait belt by May 1st, 2018.

The Director of Nursing or designee will audit to ensure each staff member has a gait belt for use. Daily monitoring of gait belt use will be conducted by the Director of Nursing or designee by randomly observing staff to ensure they have the gait belt with them and also observing 3 transfers per day/5 days per week on varying shifts. Any deficient practice will be corrected immediately. The Director of Nursing will report audit findings to the QAPI Committee on a monthly basis and the Committee will determine if further monitoring is warranted.

Completion date: May 1, 2018

300.2010 (6b)

Client care cards and care plans will reflect the transfer status of each resident-by May 1st 2018.Care cards and care plans will be updated as residents' needs or order changes.

An audit will be conducted by Director of Nursing or Designee of 15 care cards and care plans weekly x12 weeks and then quarterly for 15 records for 3 quarters. Any discrepancies will be corrected immediately.

The Director of Nursing will report to the QAPI Committee on a monthly then quarterly basis the audit findings and the Committee will determine if further or more frequent monitoring is warranted.

Completion date: May 1, 2018

300.3240

Abuse and Neglect

An in-service on gait belt and safe transfers will be completed for nursing personnel by May 1, 2018.

The Director of Nursing or designee will audit to ensure each staff member has a gait belt for use. Daily monitoring of gait belt use will be conducted by the Director of Nursing or designee by randomly observing staff to ensure they have the gait belt with them and also observing 3 transfers per day/5 days per week on varying shifts. Any deficient practice will be corrected immediately,

The Director of Nursing will report audit findings to the QAPI Committee on a monthly basis and the Committee will determine if further monitoring is warranted.

Completion date: May 1, 2018

FRANCISCAN COMMUNITIES
Sponsored by the Franciscan Sisters of Chicago

11500 Theresa Drive
Lemont, IL 60439-2727
Phone (331) 318-5200 • Fax (331) 318-5210
www.franciscancommunities.org

April 4, 2018

Illinois Department of Public Health
525-535 West Jefferson Street
P.O. Box 4263
Springfield, Illinois 62761-0001

SENT OVERNIGHT VIA FEDEX

Docket No.: NH18-S0086
CMS Certification Number: 146029
Date of Survey: 01/18/2018
Complaint Survey

Dear Sir or Madam:

In the above referenced matter concerning Franciscan Communities, Inc., d/b/a Franciscan Village, Lemont, Illinois, please accept this letter as our formal written request to waive a hearing in this matter. In accordance with the opportunity for waiving the hearing, we submit the enclosed check in the amount of $1.430.00 representing a 35% reduction in the Civil Money Penalty assessed related to the Type "B" violations cited for the above survey listed. This request, the enclosed check and the required acceptance of the Plan of Correction that has been submitted are expected to provide final and complete resolution to this matter.

We look forward to a prompt and timely resolution.

Should you have any questions or if any further information is required, please contact my office at (331) 318-5120.

Sincerely,

Sylvia Czerwinski
Administrator
Franciscan Village

FRANCISCAN COMMUNITIES
Sponsored by the Franciscan Sisters of Chicago

11500 THERESA DRIVE
LEMONT, IL 60439-2727
PHONE (331) 318-5200 • FAX (331) 318-5210
www.franciscancommunities.org

September 29, 2017

Illinois Department of Public Health
P.O. Box 4623
Springfield, Illinois 62708

SENT CERTIFIED VIA USPS

CMS Certification Number: 145724
Start Date for this Cycle: 2/9/2017
Docket number: NH 17-S0237

Dear Sir or Madam:

In the above referenced matter concerning Franciscan Communities, Inc., d/b/a Addolorata Villa, 555 McHenry Road, Wheeling, Illinois, please accept this letter and the enclosed check as payment in full of the imposed Fine Assessment associated with the above Docket number. A copy of the Final Order is enclosed along with the check in the amount of $16,250.00.

Should you have any questions or if any further information is required, please contact my office at (331) 318-5120

Sincerely,

Kathleen Kelly
Vice President of Clinical Services

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH, STATE OF ILLINOIS, Complainant, vs. FRANCISCAN COMMUNITIES, INC., D/B/A ADDOLORATA VILLA, Respondent.	)))))))))	Docket No. NH 17-S0237

PROOF OF SERVICE

The undersigned certifies that she caused a true and correct copy of the attached Final Order to be served by certified mail in a sealed envelope, postage prepaid, to:

Sara Pugh
Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606

That said document was deposited in the United States Post Office at Chicago, Illinois, on the 2nd day of September, 2017.

Rebecca Gold
Assistant General Counsel
Illinois Department of Public Health

cc: Maura Shapiro, A.L.J.
Darlene Harney [IDPH]
Andrew Symmonds [IDPH]
Melissa Cheffy [Springfield Final Order File]
~~Sammye Geer~~ [IDPH] Jessica Leroy
Lisa Scott [IDPH]

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH, STATE OF ILLINOIS, Complainant, vs. FRANCISCAN COMMUNITIES, INC., D/B/A ADDOLORATA VILLA, Respondent.	)	Docket No. NH 17-S0237

FINAL ORDER

The attached Consent Agreement of the parties is approved, and IT IS HEREBY ORDERED that this matter is dismissed pursuant to the terms contained herein. The Department's rules do not require any motion or request for reconsideration.

Complainant's Attorney:
Rebecca Gold, Assistant General Counsel
Illinois Department of Public Health
122 S. Michigan Avenue, 7th Floor
Chicago, Illinois 60603

Respondent's Attorney:
Sara Pugh
Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

By: _____ 9/18/2017
Nirav D. Shah, M.D., J.D. Date
Director
Illinois Department of Public Health
69 W. Washington Street, 35th Floor
Chicago, Illinois 60602

...nois Department of Public Health

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 1	S9999		

procedures:

d) Pursuant to subsection (a), general nursing care shall include, at a minimum, the following and shall be practiced on a 24-hour, seven-day-a-week basis:

6) All necessary precautions shall be taken to assure that the residents' environment remains as free of accident hazards as possible. All nursing personnel shall evaluate residents to see that each resident receives adequate supervision and assistance to prevent accidents.

Section 300.3240 Abuse and Neglect
a) An owner, licensee, administrator, employee or agent of a facility shall not abuse or neglect a resident. (Section 2-107 of the Act)

These requirements were not met as evidenced by:

Based on interview and record review, the facility failed to provide supervision while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents. This failure resulted in R1 sustaining fractures of the tibia and fibula leading up to hospitalization.

Findings include:

R1 is a 90 year old female admitted to the facility 9/20/2008. R1's face sheet diagnosis includes dementia, atrial fibrillation, heart failure and type 2 diabetes mellitus.

On 4/6/17 at 10:15am in 2nd floor common area accompanied by E7 (RN-Registered Nurse), R1 was in wheelchair with both legs on the footrests,

inois Department of Public Health

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
DDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 2	S9999		

lower right leg in a cast. E7 stated, "The resident is wearing a leg cast for an ankle fracture from a fall. She ambulates in wheel chair and is a 1-2 person assist." R1 is alert and oriented to self only and is hard of hearing.

R1's MDS (Minimum Data Set) dated 2/1/17 indicates the following: BIMS (Brief Interview for Mental Status) - 99 (the resident was unable to complete the interview); Transfer 3/3 (Extensive Assistance/Two persons assist), Toilet use 3/2 (Extensive Assist/one person assist), Mobility Device (Wheelchair).

R1's fall risk screening tool dated 2/3/17 indicates a total score of 16 (Total score of 10 or above represents high risk).

R1's care plan for fall intervention dated 2/20/17 denotes, in part: "....Remind all staff, resident is total supervision with toileting ....Instructions were provided at the start of the shift and as needed."

R1's initial fall incident report to the state agency dated 3/14/17 denotes, in part: ".... On 3/13/2017 around 7:15pm, after dinner assigned CNA (certified Nursing Aide) toileted the resident, after few minutes resident was noted sitting in the bathroom floor facing the toilet ....Resident was sent to ER (Emergency Room) for evaluation and treatment and admitted for right tibia fracture ....Resident's last fall incident was on 7/6/2014."

R1's final incident report to the state agency dated 3/17/17 denotes, in part: "....Investigation revealed that CNA observed another resident who needed assistance immediately while with this resident. CNA stepped out to assist this other resident and asked the resident to wait for her return, CNA returned within a minute or two and

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 3	S9999		

observed the resident on the floor. Resident continues to be at the hospital ...."

R1's hospital record dated 3/17/17 indicates R1 was admitted on 3/14/17, discharged on 3/17/17. Diagnosis: Fracture, tibia and fibula.

R1's X ray report dated on 3/15/17 documents, in part: "....Right ankle pain, Status post fall. Frontal and lateral views of the right tibia and fibula were obtained. There is an acute fracture through the proximal shaft of the fibula. There is some cortical irregularity involving the proximal shaft of the tibia below the tibial plateau adjacent to the proximal portion of the intramedullary nail and a non-displaced fracture in this region is not excluded ...."

R1's hospital discharge instruction dated 3/17/17 denotes, in part: "....No weight bearing right leg. Plan to keep cast to right leg for 1 month. Follow up with specialty in Orthopedic Surgery in 1 month ...."

On 4/5/16 at 12:15pm, E2 (Assistant Director of Nursing) stated: "When a fall occurs, the nurse gathers reports and starts the investigation, the repots go to me and I talk to the witness and the residents. I feel like the CNA should not have left the resident on the toilet by herself because of the resident's low safety awareness and confusion. One-on-one education was given to the CNA after the incident...."

On 4/6/17 at 1:05pm, E3 (DON - Director of Nursing) stated, "Because most of the residents on the 2nd floor are high fall risk with a risk score of 10 or more, it is important that fall interventions are in place for the high fall risks because of the residents' confusion, low safety awareness and

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S9999	Continued From page 4	S9999		

Impulsivity. Fall intervention is in the residents care plan and is updated quarterly and after significant changes, staff should review care plans to ensure the fall interventions are followed...."

Facility's policy entitled: "Falls -Clinical Protocol" documents, in part, "....the staff and physician will identify pertinent interventions to try to prevent subsequent falls ....The staff and physician will monitor and document the response to the interventions intended to reduce falling or the consequence of falling...."

(A)

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH, STATE OF ILLINOIS, Complainant, vs. FRANCISCAN COMMUNITIES, INC., D/B/A ADDOLORATA VILLA, Respondent.	)	Docket No. NH 17-S0237

CONSENT AGREEMENT AND REQUEST FOR FINAL ORDER

NOW COME the Complainant and the Respondent, by and through their attorneys, and request the Director of the Illinois Department of Public Health to issue a Final Order in the above-captioned matter consistent with the following:

RECITALS

1. The Illinois Department of Public Health ("Department") is designated as the State Agency to administer the provisions of the Nursing Home Care Act (210 ILCS 45/1-101 *et seq*) ("Act").

2. Franciscan Communities, Inc. d/b/a Addolorata Villa ("Respondent"), was, at all pertinent times, licensed by the Department to operate a facility located at 555 McHenry Road, Wheeling, Illinois 60090.

3. On or about April 7, 2017, employees of the Department conducted an investigation of Respondent's facility, which resulted in the issuance of a Notice of Type "A" Violation(s) and Order to Abate or Eliminate; Notice of Conditional License and Imposed Plan of Correction; Notice of Fine Assessment; Notice of Placement on Quarterly List of Violators; and Notice of Opportunity for Hearing ("Notice") as more fully set forth in Exhibit A incorporated herein. The basis for the Department's decision is set forth in the Statement of Violations also contained in Exhibit A.

4. Respondent timely requested a hearing to contest the Department's allegations, determinations, and notices set forth in Paragraph 3 above.

5. The Department and Respondent have agreed, in order to resolve this matter, that Respondent be permitted to enter into this Consent Agreement and Request for Final Order ("Consent Agreement") with the Department, providing for the imposition of certain provisions that are consistent with the best interests of the People of the State of Illinois, subject to the entering of a Final Order dismissing this matter.

6. This Consent Agreement is a compromise and settlement of violations alleged in Docket Number NH 17-S0237. This Consent Agreement shall not be used in determining liability in any action brought by a third party not a signatory to this Consent Agreement against Respondent. Nothing herein shall be considered an admission of fault of any kind by Respondent as to any action brought by a third party, nor shall anything herein be considered a reflection of any weakness of proof by the Department. The parties agree that this Consent Agreement is entered into solely for the purpose of settlement and, except for future actions between the Department and Respondent, does not constitute an admission of any liability or wrongdoing by the Respondent, its parent, subsidiaries or other related entities, or each of its directors, officers, employees, agents, successors, assigns and attorneys. Nothing in this paragraph shall prevent the Department from using violations imposed herein in any other matter before the Department, as set forth in Paragraph 1.2 below.

NOW, THEREFORE, in consideration of the aforesaid Recitals and representations, the mutual covenants and provisions hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged by the parties, the parties hereby agree as follows:

ARTICLE I
Respondent's Consideration

1.1 Respondent hereby withdraws its request for a hearing in this matter, thereby expressly waiving its right to contest the Statement of Violations as described in Paragraph 3 of the Recitals, as amended by this Consent Agreement.

1.2 The Respondent agrees not to contest the imposition of a Type "A" Violation in the present matter for the following sections of the Skilled Nursing and Intermediate Care Facilities Code ("Code") (77 Ill. Adm. Code 300 *et seq.*): 300.610(a), 300.1210(b), and 300.1210(d)(6), or contest that they were imposed in any other matter before the Department, including but not limited to, any license denial, license revocation, license nonrenewal, or license suspension proceeding. Therefore, the Type "A" Violation is imposed against the Respondent and Respondent agrees to pay the Fine Assessment pursuant to the terms set forth in Paragraph 1.3 below.

1.3 Within 30 (thirty) days of receipt of this Final Order, Respondent shall deliver to the Department $16,250 (Sixteen Thousand Two Hundred Fifty Dollars) ("Agreed Fine Amount"). The check for the Agreed Fine Amount shall be made out to the Illinois Department of Public Health, and delivered to the Illinois Department of Public Health, P.O. Box 4263, Springfield, Illinois 62708.

1.4 The Agreed Fine Amount will be in full satisfaction of all matters in controversy for which this action was brought by the Department against Respondent in this matter. Should the payment described in Paragraph 1.3 above not be made on a timely basis, the Department shall re-institute this action against Respondent, regardless of whether Respondent still exists as a legal entity.

1.5 Respondent shall comply with the Imposed Plan of Correction contained in Exhibit A.

ARTICLE II
Department's Consideration

2.1 The Department hereby amends the Notice, *nunc pro tunc*, deleting Code section 300.3240(a) and reducing the fine assessment from $25,000 (Twenty-Five Thousand Dollars) to the Agreed Fine Amount, taking into consideration the facts of this incident and the additional information presented by Respondent.

2.2 The Department agrees that if Respondent is cited with any other violation of the Code Sections for which this Type "A" Violation is imposed, the determination as to whether the new citation constitutes a repeat violation shall be based upon the following definition within Section 300.330 of the Code:

> *for purposes of assessing fines under Section 3-305* of the Act, *a violation that has been cited during one inspection of the facility for which* a subsequent inspection indicates that *an accepted plan of correction was not complied with,* within a period of not more than 12 months from the issuance of the initial violation. *A repeat violation shall not be a new citation of the same rule, unless the licensee is not substantially addressing the issue routinely throughout the facility.* (Section 3-305(7) of the Act).

2.3 The Department withdraws the Conditional License and reinstates Respondent's unrestricted license, *nunc pro tunc*.

ARTICLE III
General Provisions

3.1 This Consent Agreement shall become binding on, and shall inure to the benefit of, the parties hereto, their successors, or assignees immediately upon the execution of this Consent Agreement by the Director of Public Health, or his designee, dismissing the above-captioned matter with prejudice.

3.2 The provisions of this Consent Agreement shall apply notwithstanding any transfer of facility ownership or interest. Should Respondent fail to comply with any provisions of this Consent Agreement, the Department may reinstate this action against Respondent, and if Respondent no longer exists as a legal entity, said action shall proceed against any person having five percent (5%) or more interest in Respondent.

3.3 In the event that any of the provisions of Article I are not complied with within the times specified therein, this Consent Agreement will be held for naught, except for the provisions referred to in Paragraph 1.1 wherein Respondent has withdrawn its request for hearing to contest this matter.

3.4 It is hereby agreed that this matter be dismissed with prejudice, all matters in controversy for which this matter was brought having been fully settled, compromised, and adjourned.

3.5 This Consent Agreement constitutes the entire agreement of the parties, and no other understandings, agreements, or representations (oral or otherwise) exist or have been made by or among the parties. The parties hereto acknowledge that they, and each of them, have read and understood this Consent Agreement in all respects.

Illinois Department of Public Health

By: Rebecca Gold
Assistant General Counsel
Illinois Department of Public Health

9/11/17
Date

Franciscan Communities, Inc. d/b/a Addolorata Villa

Sara Pugh

By: Sara Pugh
Attorney on behalf of Respondent

September 8, 2017
Date

FRANCISCAN COMMUNITIES
Sponsored by the Franciscan Sisters of Chicago

11500 THERESA DRIVE
LEMONT, IL 60439-2727
PHONE (331) 318-5200 • FAX (331) 318-5210
www.franciscancommunities.org

August 30, 2017

Centers for Medicare & Medicaid Service
Division of Premium Billing & Collections
Mail Stop C3-11-03
7500 Security Boulevard
Baltimore, Maryland 21244

SENT OVERNIGHT VIA FEDEX

CMS Certification Number: 145724
Start Date for this Cycle: 2/9/2017
CMP case number: 2017-05-LTC-725

Dear Sir or Madam:

In the above referenced matter concerning Franciscan Communities, Inc., d/b/a Addolorata Villa, 555 McHenry Road, Wheeling, Illinois, please accept this letter and the enclosed check as payment in full of the imposed Civil Monetary Penalty associated with the above CMP case number. A written request to waive a hearing in this matter was sent and acknowledged by CMS and is referenced in the attached letter from CMS.

In accordance with the opportunity for waiving the hearing, the submitted check is in the amount of $2013.05 representing a 35% reduction in the CMP assessed, which was $3097.00.

We look forward to a prompt and timely resolution to this matter.

Should you have any questions or if any further information is required, please contact my office at (331) 318-5120

Sincerely,

Kathleen Kelly
Vice President of Clinical Services

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Midwest Division of Survey and Certification
Chicago Regional Office
233 North Michigan Avenue, Suite 600
Chicago, IL 60601-5519

CMS Certification Number (CCN): 145724

August 22, 2017
(By FAX Only)

Administrator
Addolorata Villa
555 McHenry Road
Wheeling, IL 60090

Dear Administrator:

Subject: Civil Money Penalty Case Number 2017-05-LTC-725
Cycle Start Date: February 9, 2017

By letter dated June 20, 2017, and in accordance with the statutory provisions of Sections 1819(h) and/or 1919(h) of the Social Security Act and the regulations at 42 CFR §§ 488.430 to 488.444, we advised you that the Centers for Medicare & Medicaid Services had imposed a civil money penalty (CMP) on Addolorata Villa for not meeting the Federal requirements for nursing homes participating in the Medicare and Medicaid programs. This notice is to inform you that the CMP imposed as noted below is due and payable on September 16, 2017.

The total amount due is based on imposition as follows:

- Federal Civil Money Penalty of $3,097.00 per instance for the instance of noncompliance at F0323 (S/S: G) identified in the CMS 2567 for the survey ending on April 7, 2017

The total amount due is $2013.05. This total amount due reflects a thirty-five percent (35%) reduction in the CMP, since you waived your right to a hearing on the noncompliance as specified at 42 CFR § 488.436.

You should pay the full amount due by check or electronic transfer of funds. Please note that, in accordance with the regulations at 42 CFR § 488.442, CMS will assess interest on any unpaid balance of the penalty beginning on the due date. The rate of interest is 10 %.

To ensure proper crediting of your payment, you must include the CMP case number and your CMS Certification Number (CCN) on your check and on all correspondence relating to the CMP.

The CMP case number is: 2017-05-LTC-725
Your CMS Certification Number (CCN) is: 145724

Make the check payable to the Centers for Medicare & Medicaid Services and send the check to:

Centers for Medicare & Medicaid Services
Division of Premium Billing & Collections
Mail Stop C3-11-03
Post Office Box 7520
Baltimore, MD 21207

If you use a delivery service, such as Federal Express, **use the following address only:**

Centers for Medicare & Medicaid Services
Division of Premium Billing & Collections
Mail Stop C3-11-03
7500 Security Boulevard
Baltimore, MD 21244

Do not send your original CMP payment check to the Chicago Regional Office. Otherwise, your payment will be considered late and offset may be initiated and/or interest may be charged.

To pay by electronic transfer of funds to CMS:

Subtype/Type Code:	**10 00**
Amount:	**$2013.05**
Sending Bank Routing Number:	***(insert the sending bank routing number)***
ABA Number of Receiving Institution (EFT/ACH):	**051 036 706**
ABA Number of Receiving Institution (Wire Transfer):	**021 030 004**
Receiver Name:	**Treasury NYC**
Receiving Institution Name:	**Federal Reserve Bank of New York**
Receiving Institution Address:	**33 Liberty Street, New York, NY 10045**
Beneficiary Account Number:	**875050080000**
Beneficiary Name:	**Centers for Medicare & Medicaid Services (CMS)**
Beneficiary Physical Address:	**7500 Security Blvd., Baltimore, MD 21244**
CMS Tax ID Number:	**52-0883104**
Credit Gateway Customer Care Number	**1 (877) 815-1206**
Remarks:	**Civil Money Penalty; 145724 2017-05-LTC-725**

If CMS does not receive a check or electronic transfer of funds for the full amount by the payment due date, both the CMP and any interest accrued after the payment due date will be deducted from sums owed to you **without any further notification from this office.**

CONTACT INFORMATION

If you have any questions regarding this matter, please contact me at (312) 886-5216 or Tasha Fisher, Management Analyst, at (312) 353-7362. Information may also be faxed to (443) 380-6627.

Sincerely,

Steven Delich
Principal Program Representative
Long Term Care Certification
& Enforcement Branch

cc: Illinois Department of Public Health
Illinois Department of Healthcare and Family Services

To: Centers For Medicare And Mei CENTE001 Date: 08/28/2017

Invoice Number	Date	Account Description	Distribution Reference	Voucher Amount	Paid Amour
145724	08/06/2017	Addolorata Villa		$2,013.05	$2,013.0

TOTAL: $2,013.0

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

FRANCISCAN COMMUNITIES
Sponsored by the Franciscan Sisters of Chicago

Franciscan Communities Inc.
11500 Theresa Drive
Lemont, IL 60439

Huntington National Bank
Columbus, OH 43218

237146
044000024

DATE	AMOUNT
Aug 28, 2017	$2,013.05

Two Thousand Thirteen Dollars and 05 Cents

Pay to the Order of:

Centers For Medicare And Medicaid
Division Of Accounting Operations
Mail Stop C3-11-03 - 7500 Security Blvd.
BALTIMORE, MD 21244

Void after 180 days

⑈237146⑈ ⑆044000024⑆ 0189289403⑧⑈

FRANCISCAN COMMUNITIES
Sponsored by the Franciscan Sisters of Chicago

11500 THERESA DRIVE
LEMONT, IL 60439-2727
PHONE (331) 318-5200 • FAX (331) 318-5210
www.franciscancommunities.org

August 10, 2017

ATTN: Hearing Waivers
Centers for Medicare and Medicaid Services
Division of Survey and Certification
Chicago Regional Office
233 North Michigan Ave, Suite 600
Chicago, Illinois 60601-5519

SENT VIA EMAIL

CMS Certification Number: 145724
Start Date for this Cycle: 2/9/2017

Dear Sir or Madam:

In the above referenced matter concerning Franciscan Communities, Inc., d/b/a Addolorata Villa, Wheeling, Illinois, please accept this letter as our formal written request to waive a hearing in this matter. In accordance with the opportunity for waiving the hearing, we request a 35% reduction in the Civil Money Penalty of $3,097.00 which has been assessed. Upon notification of the waiver approval and CMP reduction, a check will be prepared and sent overnight to CMS as requested.

We look forward to a prompt and timely resolution to this matter.

Should you have any questions or if any further information is required, please contact my office at (331) 318-5120.

Sincerely,

Kathleen Kelly
Vice President of Clinical Services
Franciscan Ministries

ENT OF HEALTH & HUMAN SERVICES
r Medicare & Medicaid Services
. Division of Survey and Certification
o Regional Office
orth Michigan Avenue, Suite 600
ago, IL 60601-5519

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

MS Certification Number (CCN): 145724

June 29, 2017
By Certified Mail

Addolorata Villa
Attention Administrator
555 McHenry Road
Wheeling, IL 60090

Dear Administrator:

SUBJECT: SURVEY FINDINGS AND IMPOSITION OF REMEDIES
Cycle Start Date: 2/9/17

SURVEY RESULTS
On February 9, 2017, February 14, 2017, April 7, 2017, Health surveys were completed at Addolorata Villa by the Illinois Department of Public Health (IDPH) to determine if your facility was in compliance with the Federal requirements for nursing homes participating in the Medicare and Medicaid programs. The surveys found that your facility was not in substantial compliance, with the most serious deficiency at scope and severity (S/S) level G, cited as follows:

- F323 -- S/S: G -- 483.25(d)(1)(2)(n)(1)-(3) -- Free of Accident Hazards/supervision/devices.

The State agency advised you of the deficiencies that led to this determination and provided you with a copy of the survey report (CMS-2567).

SUMMARY OF ENFORCEMENT REMEDIES
As a result of the survey findings, and as authorized by the Centers for Medicare & Medicaid Services (CMS), the IDPH notified you of the imposition of the following remedy, as well as your appeal rights:

- Mandatory Three Month Denial of Payment for New Admissions effective May 9, 2017

Based on the survey findings, the IDPH notified you they were recommending that the CMS impose an additional remedy, as follows:

- Civil Money Penalty effective April 7, 2017

However, the IDPH conducted a revisit to your facility on June 1, 2017, and conducted an in office review of documentation you submitted to verify compliance, and found that your ility was in substantial compliance as of April 24, 2017. As a result, the following remedies will not go into effect:

- Mandatory Six Month Termination
- Mandatory Three Month Denial of Payment for New Admissions

However, based on the period of time your facility was not in substantial compliance, the following remedy has gone into effect:

- Civil Money Penalty effective April 7, 2017

The authority for the imposition of remedies is contained in §§ 1819(h) and 1919(h) of the Social Security Act ("Act") and Federal regulations at 42 CFR § 488 Subpart F, Enforcement of Compliance for Long-Term Care Facilities with Deficiencies.

CIVIL MONEY PENALTY

On September 6, 2016 the Department of Health and Human Services (HHS) published an Interim Final Rule in the Federal Register which adjusts for inflation CMP amounts authorized under the Social Security Act. ***See*** **45 CFR Part 102.** In determining the amount of the Civil Money Penalty (CMP) that we are imposing, we have considered your facility's history, including any repeated deficiencies; its financial condition; and the factors specified in the Federal requirement at 42 CFR §488.404. We are imposing the following CMP:

- Federal Civil Money Penalty of $3,097.00 per instance for the instance of noncompliance at F0323 (S/S: G) identified in the CMS-2567 for the survey ending April 7, 2017.

If you believe that you have documented evidence that should be considered in establishing the amount of the CMP, the following documents should be submitted electronically to Steven Delich at Steven.Delich@cms.hhs.gov within fifteen (15) days from the receipt of this notice:

- Written, dated request specifying the reason financial hardship is alleged
- List of the supporting documents submitted
- Current balance sheet
- Current income statements
- Current cash flow statements
- Most recent full year audited financial statements prepared by an independent accounting firm, including footnotes
- Most recent full year audited financial statements of the home office and/or related entities, prepared by an independent accounting firm, including footnotes
- Disclosure of expenses and amounts paid/accrued to the home office and/or related entities
- Schedule showing amounts due to/from related companies or individuals included in the balance sheets. The schedule should list the names of related organizations or persons and indicate where the amounts appear on the balance sheet (e.g., Accounts Receivable, Notes Receivable, etc.)
- If the nursing home requests an extended payment schedule of more than twelve (12) months duration, the provider must submit a letter from a financial institution denying the provider's loan request for the amount of the CMP

The CMP is due and payable and may be placed in an escrow account fifteen days after one of the following, whichever occurs first:

- The date on which an Independent IDR process is completed, if applicable or
- The date which is 90 calendar days after the date of the notice of imposition of the civil money penalty.

CMP REDUCED IF HEARING WAIVED

If you waive your right to a hearing, **in writing**, within 60 calendar days from receipt of this notice, the amount of your CMP will be reduced by thirty-five percent (35%). To receive this reduction, the written waiver should be sent to the Centers for Medicare & Medicaid Services, Division of Survey and Certification at RO5LTCHearingWaivers@cms.hhs.gov. **Please include your CCN and the Cycle Start Date in the subject line of your email.**

The failure to request a hearing within 60 calendar days from your receipt of this notice does not constitute a waiver of your right to a hearing for purposes of the 35% reduction.

CMP CASE NUMBER

A CMP case number will be assigned to your case only when the final CMP is due and payable. At that time you will receive a notice from this office with the CMP case number and payment instructions. Prior to the assignment of a CMP case number, you must ensure that your facility's name, CMS Certification Number (CCN), and the enforcement cycle start date appear on any correspondence pertaining to this CMP.

- Your CMS Certification Number (CCN) is 145724.
- The start date for this cycle is 2/9/17.

CMP PAYMENT

When due, the CMP is payable by check to CMS at the following address:

Centers for Medicare & Medicaid Services
Division of Accounting Operations
Mail Stop C3-11-03
Post Office Box 7520
Baltimore, MD 21207

If you use a delivery service, such as Federal Express, **use the following address only**:

Centers for Medicare & Medicaid Services
Division of Accounting Operations
Mail Stop C3-11-03
7500 Security Boulevard
Baltimore, MD 21244

Note that your check must be sent to one of the above addresses--not to the Chicago Regional Office. If the total amount of the CMP is not received by the due date, interest will be assessed in accordance with the regulations at 42 CFR § 488.442 on the unpaid balance of the penalty beginning on the due date. The Federal rate of interest is 10%. The CMP, and any interest accrued after the due date, will be deducted from sums owing to you **without any further notification from this office.**

APPEAL RIGHTS
This formal notice imposed:

- Civil Money Penalty effective April 7, 2017

If you disagree with the findings of noncompliance which resulted in this imposition, you or your legal representative may request a hearing before an administrative law judge of the Department of Health and Human Services, Departmental Appeals Board (DAB). Procedures governing this process are set out in Federal regulations at 42 CFR §498.40, et. seq.

You are required to file your appeal electronically at the Departmental Appeals Board Electronic Filing System Web site (DAB E-File) at https://dab.efile.hhs.gov/. To file a new appeal using DAB E-File, you first need to register a new account by: (1) clicking Register on the DAB E-File home page; (2) entering the information requested on the "Register New Account" form; and (3) clicking Register Account at the bottom of the form. If you have more than one representative, each representative must register separately to use DAB E-File on your behalf.

The e-mail address and password provided during registration must be entered on the login screen at https://dab.efile.hhs.gov/user_sessions/new to access DAB E-File. A registered user's access to DAB E-File is restricted to the appeals for which he is a party or authorized representative. Once registered, you may file your appeal by:

- Clicking the **File New Appeal** link on the Manage Existing Appeals screen, then clicking **Civil Remedies Division** on the File New Appeal screen.
- Entering and uploading the requested information and documents on the "File New Appeal-Civil Remedies Division" form.

At minimum, the Civil Remedies Division (CRD) requires a party to file a signed request for hearing and the underlying notice letter from CMS that sets forth the action taken and the party's appeal rights. A request for a hearing should identify the specific issues and the findings of fact and conclusions of law with which you disagree, including a finding of substandard quality of care, if applicable. It should also specify the basis for contending that the findings and conclusions are incorrect. The DAB will set the location for the hearing. Counsel may represent you at a hearing at your own expense.

All documents must be submitted in Portable Document Format ("PDF"). Any document, including a request for hearing, will be deemed to have been filed on a given day, if it is uploaded to DAB E-File on or before 11:59 p.m. ET of that day. A party that files a request for hearing via DAB E-File will be deemed to have consented to accept electronic service of appeal-related documents that CMS files, or CRD issues on behalf of the Administrative Law Judge, via DAB E-File. Correspondingly, CMS will also be deemed to have consented to electronic service. More detailed instructions for using DAB E-File in cases before the DAB's Civil Remedies Division can be found by clicking the button marked **E-Filing Instructions** after logging-in to DAB E-File.

For questions regarding the E-Filing system, please contact E-File System Support at **OSDABImmediateOffice@hhs.gov**.

Please note that **all** hearing requests must be filed electronically unless you have no access to the internet or a computer. In those circumstances, you will need to provide an explanation as to why you are unable to file electronically and request a waiver from e-filing with your written request. Such a request should be made to:

Department of Health and Human Services
Departmental Appeals Board, MS 6132
Civil Remedies Division
Attention: Nancy K. Rubenstein, Director
330 Independence Avenue, SW
Cohen Building, Room G-644
Washington, D.C. 20201

A request for a hearing must be filed no later than 60 days from the date of receipt of this notice.

INFORMAL DISPUTE RESOLUTION
The State agency offered you an opportunity for informal dispute resolution (IDR) following its survey visits. A request for IDR will not delay the effective date of any enforcement action. However, IDR results will be considered when applicable.

INDEPENDENT INFORMAL DISPUTE RESOLUTION (INDEPENDENT IDR)
In accordance with §488.431, when a civil money penalty subject to being collected and placed in an escrow account is imposed, you have one opportunity to question cited deficiencies through an Independent IDR process. You may also contest scope and severity assessments for deficiencies which resulted in a finding of SQC or immediate jeopardy. To be given such an opportunity, you are required to send your written request, along with the specific deficiencies being disputed, and an explanation of why you are disputing those deficiencies (or why you are disputing the scope and severity assessments of deficiencies which have been found to constitute SQC or immediate jeopardy) to:

Allison Fields
Illinois Department of Public Health
525 West Jefferson Street, 5th Floor
Springfield, IL 62761
Phone: 217-558-3800 Fax: 217-785-4200
Email: allison.fields@illinois.gov

This request must be sent within 10 calendar days of receipt of this offer. An incomplete Independent IDR process will not delay the effective date of any enforcement action.

CONTACT INFORMATION
If you have any questions regarding this matter, please contact Steven Delich, Program Representative, at (312) 886-5216. Information may also be faxed to (443) 380-6627.

Sincerely,

Tamika J. Brown
Acting Branch Manager
Long Term Care Certification
& Enforcement Branch

cc: Illinois Department of Public Health
Illinois Department of Healthcare and Family Services
Illinois Long Term Care Ombudsman
Telligen
U.S. Department of Justice, Northern District of Illinois

IDPH
ILLINOIS DEPARTMENT OF PUBLIC HEALTH

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 14, 2017

Alpana Patel, Administrator
Addolorata Villa
555 McHenry Road
Wheeling, Illinois 60090

Dear Administrator:

On June 07, 2017 the department issued your facility a Notice of "A" Violation with the assigned Docket Number of 17-S0237. The notice stated that the conditional license would follow under separate cover. Contained within is the said license. This license is to be posted according to the instructions given in the notice.

Sincerely,

Sherry Barr

Sherry Barr
Division Chief of Quality Assurance
Office of Health Care Regulations

Cc: CT Corporation System, Registered Agent
Addolorata Villa/04-07-2017/17-S0237/S.Geer

DISPLAY THIS PART IN A CONSPICUOUS PLACE

State of Illinois
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm of corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

NIRAV D. SHAH, M.D., J.D.
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	I.D. NUMBER
01/01/2018	0045443

LONG TERM CARE LICENSE CATEGORY BGBE
SKILLED 88 INTERMEDIATE 10
SHELTERED 43
CONDITIONAL 141 TOTAL BEDS

BUSINESS ADDRESS
LICENSEE

FRANCISCAN COMMUNITIES, INC.

ADDOLORATA VILLA
555 MCHENRY ROAD
WHEELING IL 60090
EFFECTIVE DATE: 07/02/17

The face of this license has a colored background. Printed by Authority of the State of Illinois • 5/16

REGION 9 06/09/17

ADDOLORATA VILLA
555 MCHENRY ROAD
WHEELING

412

EXHIBIT A

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH STATE OF ILLINOIS, Complainant, v. FRANCISCAN COMMUNITIES, INC., D/B/A, ADDOLORATA VILLA Respondent.	)))))))))	Docket No. NH 17-S0237

NOTICE OF TYPE "A" VIOLATION(S) AND ORDER TO ABATE OR ELIMINATE; NOTICE OF PLAN OF CORRECTION REQUIRED; NOTICE OF CONDITIONAL LICENSE; NOTICE OF FINE ASSESSMENT; NOTICE OF PLACEMENT ON QUARTERLY LIST OF VIOLATORS; NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to the authority granted by the Nursing Home Care Act (210 ILCS 45/1-101 et seq.) (hereinafter, the "Act"), NOTICE IS HEREBY GIVEN:

NOTICE OF TYPE "A" VIOLATION(S) AND ORDER TO ABATE OR ELIMINATE

It is the determination of the Illinois Department of Public Health, State of Illinois, (hereinafter, the "Department") that there has been a failure by Respondent to comply with the Act. This determination is subsequent to a Licensure Investigation conducted by the Department on April 07, 2017, at Addolorata Villa, 555 McHenry Road, Wheeling, Illinois 60090. On May 30, 2017, the Department determined that such violations constitute one or more Type "A" violations of the Act and the Skilled and Intermediate Care Code, 77 Ill. Adm. Code 300 (hereinafter, the "Code"). The nature of each such violation and sections of the Code that were violated are further described in The Statement of Licensure Violations which is attached hereto and incorporated herein as Attachment A and made a part hereof.

Pursuant to Section 3-303 of the Act, the above-referenced facility is hereby ordered to abate and/or eliminate the above violation(s) immediately.

A Type "A" violation may affect your eligibility to receive or maintain a two-year license, as prescribed in Sec. 3-110 of the Act.

NOTICE OF PLAN OF CORRECTION REQUIRED

Pursuant to Section 3-303(b) of the Act and Section 300.278 of the Code, the facility shall have 10 days after receipt of notice of violation in which to prepare and submit a plan of correction. Any previous submissions are considered to be comments to the licensure findings and are not eligible as a plan of correction for this notice.

Each plan of correction shall be based on an assessment by the facility of the conditions or occurrences that are the basis of the violation and an evaluation of the practices, policies, and procedures that have caused or contributed to the conditions or occurrences. Evidence of such assessment and evaluation shall be maintained by the facility. Each plan of correction shall include:

1) A description of the specific corrective action the facility is taking, or plans to take, to abate, eliminate, or correct the violation cited in the notice.
2) A description of the steps that will be taken to avoid future occurrences of the same and similar violations.
3) A specific date by which the corrective action will be completed.

If a facility fails to submit a plan of correction within the prescribed time period, The Department will impose an approved plan of correction.

NOTICE OF CONDITIONAL LICENSE

In accordance with Sections 3-305 and 3-311 of the Act, the Department hereby issues a Conditional License for the operation of the Facility. This license replaces the unrestricted license issued to Addolorata Villa, 555 McHenry Road, Wheeling, Illinois 60090 on May 01, 2016. The Facility's current license number is 0045443. The term of the conditional license shall be from July 02, 2017 to January 01, 2018. THE CONDITIONAL LICENSE SHALL FOLLOW UNDER A SEPARATE COVER LETTER. THE CONDITIONAL LICENSE SHALL BE CONSPICUOUSLY POSTED IN THE FACILITY BEGINNING ON JULY 02, 2017.

The Conditional License will be withdrawn and an unrestricted license will be issued to Respondent upon the expiration of the term of the Conditional License.

During the term of the Conditional License, Respondent will retain its status as a certified provider of Medicaid services so long as Respondent's facility complies with the applicable federal regulations.

If the Respondent timely requests a hearing to protest the basis for the issuance of the Conditional License, the terms of the Conditional License shall be stayed pending the issuance of the Final Order at the conclusion of the hearing and the facility may operate in the same manner as with an unrestricted license.

NOTICE OF FINE ASSESSMENT

Pursuant to Section 3-305 of the Act the Department hereby assesses against Respondent a monetary penalty of **$25,000.00**, as follows:

Type A violation of an occurrence for violating one or more of the following sections of the Code: 300.610a), 300.1210b), 300.1210d)6), and 300.3240a). The fine was doubled in this instance in accordance with 300.282i) and j) of the Code due to the violation of the sections of the Code with a high risk designation: 300.1210b), 300.1210d)6) and 300.3240a).

Section 3-310 of the Act provides that all penalties shall be paid to the Department within ten (10) days of receipt of notice of assessment by mailing a check (note Docket # on the check) made payable to the Illinois Department of Public Health to the following address:

Illinois Department of Public Health
P.O. Box 4263
Springfield, Illinois 62708

If the penalty is contested under Section 3-309, the penalty shall be paid within ten (10) days of receipt of the final decision, unless the decision is appealed and stayed by court order under Section 3-713 of the Act.

A penalty assessed under this Act shall be collected by the Department. If the person or facility against whom a penalty has been assessed does not comply with a written demand for payment within thirty (30) days, the Director shall issue an order to do any of the following:

(A) Direct the State Treasurer to deduct the amounts otherwise due from the State for the penalty and remit that amount to the Department;

(B) Add the amount of the penalty to the facility's licensing fee; if the licensee refuses to make the payment at the time of application for renewal of its license, the license shall not be renewed; or

(C) Bring an action in circuit court to recover the amount of the penalty.

NOTICE OF PLACEMENT ON QUARTERLY LIST OF VIOLATORS

In accordance with Section 3-304 of the Act, the Department shall place the Facility on the Quarterly List of Violators.

NOTICE OF OPPORTUNITY FOR A HEARING

Pursuant to Sections 3-301, 3-303(e), 3-309, 3-313, 3-315, and 3-703 of the Act, the licensee shall have a right to a hearing to contest this Notice of Type "A" Violation(s) and Order to Abate or Eliminate; Notice of Conditional License; Notice of Fine Assessment; and Notice of Placement on Quarterly List of Violators. In order to obtain a hearing, the licensee must send a written request for hearing no later than ten (10) days after receipt by the licensee of these Notices.

FAILURE TO REQUEST A HEARING WITHIN TEN DAYS OF RECEIPT OF THIS NOTICE WILL CONSTITUTE A WAIVER OF THE RIGHT TO SUCH HEARING.

FINE REDUCTION IF HEARING WAIVED.

Pursuant to Sections 3-309 and 3-310 of the Act, a licensee may waive its right to a hearing in exchange for a 35% reduction in the fine. In order to obtain the 35% reduction in the fine, the licensee must send a written waiver of its right to a hearing along with payment totaling 65% of the original fine amount within 10 business days after receipt of the notice of violation.

Plans of Correction, Hearing and Waiver Requests can be emailed to the following email address: DPH.LTCQA.POCHearing@illinois.gov. If your facility does not have email capabilities then mail it to the attention of: Sammye Geer, Illinois Department of Public Health, Long Term Care – Quality Assurance, 525 West Jefferson, Springfield, IL 62761.

Darlene F. Harney

Darlene F. Harney, RN, CPC
Bureau Chief, Long Term Care
Office of Health Care Regulation

Dated this 7th day of June, 2017.

IDPH Licensure Findings **SURVEY DATE: 04/07/2017**
FACILITY: ADDOLORATA VILLA **PROVIDER #: 145724/0045443**

IRI 3-13-17/IL92793 **Type A Violation**

Statement of Licensure Findings 300.610a), 300.1210b), 300.1210d)6), 300.3240a) stating, "the facility failed to provide supervision while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents. This failure resulted in R1 sustaining fractures of the tibia and fibula leading up to hospitalization."

Corrective actions which will be accomplished for the resident affected by the deficient practice.

R1's Fall care plan and care card was reviewed and revised.

How the facility will identify other residents having the potential to be affected by the same deficient practice.

Residents who require supervision during toileting have been identified by the Assistant Directors of Nursing and a review of those residents' care plans and the CNA care cards associated with those residents have also been completed to ensure the nursing staff is fully aware of each resident's safety needs and supervision requirements.

Measures the facility will take or systems the facility will alter to ensure that the problem will be corrected and will not recur.

C.N.A. involved was given one on one education and we have followed our standard practice of performance enhancement for this C.N.A.

Nursing associates were in-serviced on providing supervision to all residents at high risk for falls during toileting. Included in the in-service is the need to review the care plan and the care card to ensure they appropriately reflect a plan that meets each resident's care, safety and supervision needs when toileting or when assisting with any other ADL.

The Director of Nursing or designee(s) has reviewed fall risk assessments for current residents and with each new admission for 60 days after to ensure the care plan and care card for each resident has appropriate and necessary safety measures in place and are communicated to staff. Any care plans or care cards that are found to not be complete or appropriate will be corrected immediately.

After the 60 days, the Director of Nursing or designee(s) will begin a random audit of 5 resident records each week for 4 weeks and then monthly for 2 months will be reviewed to reconcile and evaluate the fall risk assessment and the interventions and safety measures indicated on the care plans and care cards for appropriateness and completeness.

The Director of Nursing or designee(s) will review falls weekly with the Interdisciplinary Team to investigate the circumstances surrounding any fall which occurred and to

review the care plan and care card to ensure updating is completed. Any deficient practices contributing to a resident fall will be handled immediately.

Quality Assurance Plans to monitor facility performance to ensure corrections are achieved and are permanent.

The Director of Nursing or designee(s) will report the results of the audits to the QAA committee to determine if further monitoring is warranted.

Completion Date: April 24, 2017

_____ _____

Alpana Patel, Administrator Date

nois Department of Public Health

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S 000I	Initial Comments Incident investigation of 3-13-17/IL92793	S 000		
S9999I	Final Observations Statement of Licensure Violations 300.610a) 300.1210b) 300.1210d)6) 300.3240a) Section 300.610 Resident Care Policies a) The facility shall have written policies and procedures governing all services provided by the facility. The written policies and procedures shall be formulated by a Resident Care Policy Committee consisting of at least the administrator, the advisory physician or the medical advisory committee, and representatives of nursing and other services in the facility. The policies shall comply with the Act and this Part. The written policies shall be followed in operating the facility and shall be reviewed at least annually by this committee, documented by written, signed and dated minutes of the meeting. Section 300.1210 General Requirements for Nursing and Personal Care b) The facility shall provide the necessary care and services to attain or maintain the highest practicable physical, mental, and psychological well-being of the resident, in accordance with each resident's comprehensive resident care plan. Adequate and properly supervised nursing care and personal care shall be provided to each resident to meet the total nursing and personal care needs of the resident. Restorative measures shall include, at a minimum, the following	S9999	Attachment A Statement of Licensure Violations	

Department of Public Health
ORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE 04/21/17

FRANCISCAN
COMMUNITIES
ADDOLORATA VILLA

June 23, 2017

Sammye Geer
Illinois Department of Public Health
Long Term Care - Quality Assurance
525 W. Jefferson Street,
Springfield, IL 62761

Email: DPH.LTCQA.POCHearing@illinois.gov

Re: Addolorata Villa
Provider #: 145724/0045443
Docket No. NH 17-S0237

Survey Date: 04/07/2017
Type of Survey: IRI of 3-13-17/IL02793

Dear Sammye Geer,

Addolorata Villa ("the Provider") submits this Plan of Correction ("POC") in accordance with specific regulatory requirements. It shall not be construed as an admission of any alleged deficiency cited. The Provider submits this POC with the intention that it be inadmissible by any third party in any civil or criminal action against the Provider of any employee, agent, office, director or shareholder of the Provider. The Provider hereby reserves the right to challenge the findings of this survey if at any time the Provider determines that the disputed findings: (1) are relied upon to adversely influence or serve as a basis, in any way, for the selection and/or imposition of future remedies, or for any increase in future remedies, whether such remedies are imposed by the Centers for Medicare and Medicaid Services, ("CMS"), the state of Illinois or any other entity; or (2) serve, in any way, to facilitate or promote action by any third party against the Provider. Any changes to Provider policy or procedures should be considered to be subsequent remedial measures as that concept is employed in Rule 407 of the Federal Rules of Evidence and should be inadmissible in any proceedings on that basis.

Should you have any questions regarding the attached information, please feel free to contact me at (847) 403-5567 or via fax (847) 808-6240.

Sincerely,

LNHA

Alpana Patel, LNHA
Administrator
Addolorata Villa
555 McHenry Road
Wheeling, IL 60090

IRI 3-13-17/IL92793

Type A Violation

Statement of Licensure Findings 300.610a), 300.1210b), 300.1210d)6), 300.3240a) stating, "the facility failed to provide supervision while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents. This failure resulted in R1 sustaining fractures of the tibia and fibula leading up to hospitalization."

Corrective actions which will be accomplished for the resident affected by the deficient practice.

R1's Fall care plan and care card was reviewed and revised.

How the facility will identify other residents having the potential to be affected by the same deficient practice.

Residents who require supervision during toileting have been identified by the Assistant Directors of Nursing and a review of those residents' care plans and the CNA care cards associated with those residents have also been completed to ensure the nursing staff is fully aware of each resident's safety needs and supervision requirements.

Measures the facility will take or systems the facility will alter to ensure that the problem will be corrected and will not recur.

C.N.A. involved was given one on one education and we have followed our standard practice of performance enhancement for this C.N.A.

Nursing associates were in-serviced on providing supervision to all residents at high risk for falls during toileting. Included in the in-service is the need to review the care plan and the care card to ensure they appropriately reflect a plan that meets each resident's care, safety and supervision needs when toileting or when assisting with any other ADL.

The Director of Nursing or designee(s) has reviewed fall risk assessments for current residents and for each new admission for 60 days to ensure the care plan and care card for each resident has appropriate and necessary safety measures in place and that they are communicated to the staff. Any care plans or care cards that are found to be incomplete or inappropriate will be corrected immediately and communicated to the staff.

After the 60 days, the Director of Nursing or designee(s) will begin a random audit of 5 resident records each week for 4 weeks and monthly thereafter for 2 months. The record will be reviewed to reconcile and evaluate the fall risk assessment and the interventions and safety measures indicated on the care plans and care cards for appropriateness, completeness and consistency.

IRI 3-13-17/IL92793 **Type A Violation**

The Director of Nursing or designee(s) will review falls weekly with the Interdisciplinary Team to investigate the circumstances surrounding any fall which occurred and to

review the care plan and care card to ensure updating is completed. Any deficient practices contributing to a resident fall will be handled immediately and if necessary staff will be held accountable consistent with the established Performance Enhancement process..

Quality Assurance Plans to monitor facility performance to ensure corrections are achieved and are permanent.

The Director of Nursing or designee(s) will report the results of the audits to the QAA committee monthly to determine if further monitoring is warranted.

Completion Date: June 2, 2017

LNHA
Alpana Patel, Administrator

6/23/17
Date

IDPH
ILLINOIS DEPARTMENT OF PUBLIC HEALTH

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.Illinois.gov

June 8, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Alpana Patel, Administrator
Addolorata Villa
555 McHenry Road
Wheeling, IL 60090

Reference:
Provider ID: 145724 0045443
Cycle Date: February 9, 2017
Survey Date: June 1, 2017
Survey Type: Revisit to IRI of 3-13-17/IL92793
LSC Survey: February 14, 2017

Dear Administrator:

On February 9, 2017 an inspection was conducted at Addolorata Villa by staff of the Illinois Department of Public Health to determine compliance with federal certification requirements for nursing homes participating in the Medicare/Medicaid programs. As a result of that inspection, the facility was determined to not be in "Substantial Compliance" with regulatory requirements as found in Title 42, Code of Federal Regulations. Written Deficiencies and proposed, recommended or imposed remedies were sent to the facility in an "Initial Notice" and any amendments thereto dated February 15, 2017. Following a revisit to the facility on April 7, 2017, it was determined that the facility continued to not be in "Substantial Compliance" with the regulations and remedies were imposed and recommended to the Centers for Medicare and Medicaid Services (CMS) for imposition. (See Revisit Notice dated April 12, 2017.)

As a result of the re-inspection of the facility on June 1, 2017, the facility is now considered to be in substantial compliance with this enforcement cycle and eligible for continuing participation in the Medicare/Medicaid programs. (See enclosed "Post Certification revisit Report", CMS form 2567B.) The Department will recommend to CMS that all imposed remedies including Civil Money Penalties and Denial of Payments for New Admissions be discontinued effective April 24, 2017. The facility will be notified directly by CMS of the final total amount of the Civil Money Penalties and the date due as well as the facility's hearing rights.

If you have any questions concerning this notice, please contact my staff at (217) 782-5180. You may also telephone the Department's TTY number for the hearing impaired at 1-800-547-0466.

Sincerely,

Sherry Barr 16

Sherry Barr
Division of Quality Assurance
Office of Health Care Regulation

Encls:
cc: Centers for Medicare and Medicaid Services
Illinois Department of Healthcare & Family Services
Illinois Department on Aging
Division of Financial Services
CT Corporation System, Registered Agent
LTC/FO
B14d/kt

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

POST-CERTIFICATION REVISIT REPORT

PROVIDER / SUPPLIER / CLIA / IDENTIFICATION NUMBER	MULTIPLE CONSTRUCTION	DATE OF REVISIT
145724 Y1	A. Building B. Wing Y2	6/1/2017 Y3

NAME OF FACILITY	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

This report is completed by a qualified State surveyor for the Medicare, Medicaid and/or Clinical Laboratory Improvement Amendments program, to show those deficiencies previously reported on the CMS-2567, Statement of Deficiencies and Plan of Correction, that have been corrected and the date such corrective action was accomplished. Each deficiency should be fully identified using either the regulation or LSC provision number and the identification prefix code previously shown on the CMS-2567 (prefix codes shown to the left of each requirement on the survey report form).

ITEM Y4	DATE Y5	ITEM Y4	DATE Y5	ITEM Y4	DATE Y5
ID Prefix F0323	Correction	ID Prefix	Correction	ID Prefix	Correction
Reg. # 483.25(d)(1)(2)(n)(1)-(3)	Completed	Reg. #	Completed	Reg. #	Completed
LSC	04/24/2017	LSC		LSC	
Prefix	Correction	ID Prefix	Correction	ID Prefix	Correction
Reg. #	Completed	Reg. #	Completed	Reg. #	Completed
LSC		LSC		LSC	
ID Prefix	Correction	ID Prefix	Correction	ID Prefix	Correction
Reg. #	Completed	Reg. #	Completed	Reg. #	Completed
LSC		LSC		LSC	
ID Prefix	Correction	ID Prefix	Correction	ID Prefix	Correction
Reg. #	Completed	Reg. #	Completed	Reg. #	Completed
LSC		LSC		LSC	
ID Prefix	Correction	ID Prefix	Correction	ID Prefix	Correction
Reg. #	Completed	Reg. #	Completed	Reg. #	Completed
LSC		LSC		LSC	

REVIEWED BY STATE AGENCY ☐	REVIEWED BY (INITIALS)	DATE	SIGNATURE OF SURVEYOR	DATE
REVIEWED BY CMS RO ☐	REVIEWED BY (INITIALS)	DATE	TITLE	DATE

FOLLOWUP TO SURVEY COMPLETED ON 4/7/2017

☐ CHECK FOR ANY UNCORRECTED DEFICIENCIES. WAS A SUMMARY OF UNCORRECTED DEFICIENCIES (CMS-2567) SENT TO THE FACILITY? ☐ YES ☐ NO

IDPH
ILLINOIS DEPARTMENT OF PUBLIC HEALTH

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

June 8, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alpana Patel, Administrator
Addolorata Villa
555 McHenry Road
Wheeling, IL 60090

REFERENCE:
Provider #: 145724/0045443
Cycle Date: February 9, 2017
Survey Date: February 9, 2017
Survey Type: Annual Health Survey
LSC Survey: February 14, 2017

Dear Administrator:

On February 9, 2017, an 'Annual Inspection' was conducted at Addolorata Villa by staff of the Illinois Department of Public Health to determine compliance with federal certification requirements for nursing homes participating in the Medicare/Medicaid programs. As a result of that inspection and any required revisits, the Department is recommending to the Centers for Medicare and Medicaid Services and the Illinois Department of Healthcare & Family Services that the facility be certified for continuing participation in the Medicare (Title 18) and Medicaid (Title 19) programs.

If you have any questions concerning this notice, please contact my staff at (217) 782-5180. You may also telephone the Department's TTY number for the hearing impaired at 1-800 547-0466.

Sincerely,

Sherry Barr 16

Sherry Barr
Division of Quality Assurance
Office of Health Care Regulation

cc: Illinois Department of Healthcare & Family Services
Illinois Department on Aging
CT Corporation System, Registered Agent
F1/kt

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH STATE OF ILLINOIS, Complainant, v. FRANCISCAN COMMUNITIES, INC., D/B/A, ADDOLORATA VILLA Respondent.	)))))))))	Docket No. NH 17-S0237

NOTICE OF TYPE "A" VIOLATION(S) AND ORDER TO ABATE OR ELIMINATE; NOTICE OF PLAN OF CORRECTION REQUIRED; NOTICE OF CONDITIONAL LICENSE; NOTICE OF FINE ASSESSMENT; NOTICE OF PLACEMENT ON QUARTERLY LIST OF VIOLATORS; NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to the authority granted by the Nursing Home Care Act (210 ILCS 45/1-101 et seq.) (hereinafter, the "Act"), NOTICE IS HEREBY GIVEN:

NOTICE OF TYPE "A" VIOLATION(S) AND ORDER TO ABATE OR ELIMINATE

It is the determination of the Illinois Department of Public Health, State of Illinois, (hereinafter, the "Department") that there has been a failure by Respondent to comply with the Act. This determination is subsequent to a Licensure Investigation conducted by the Department on April 07, 2017, at Addolorata Villa, 555 McHenry Road, Wheeling, Illinois 60090. On May 30, 2017, the Department determined that such violations constitute one or more Type "A" violations of the Act and the Skilled and Intermediate Care Code, 77 Ill. Adm. Code 300 (hereinafter, the "Code"). The nature of each such violation and sections of the Code that were violated are further described in The Statement of Licensure Violations which is attached hereto and incorporated herein as Attachment A and made a part hereof.

Pursuant to Section 3-303 of the Act, the above-referenced facility is hereby ordered to abate and/or eliminate the above violation(s) immediately.

A Type "A" violation may affect your eligibility to receive or maintain a two-year license, as prescribed in Sec. 3-110 of the Act.

NOTICE OF PLAN OF CORRECTION REQUIRED

Pursuant to Section 3-303(b) of the Act and Section 300.278 of the Code, the facility shall have 10 days after receipt of notice of violation in which to prepare and submit a plan of correction. Any previous submissions are considered to be comments to the licensure findings and are not eligible as a plan of correction for this notice.

Each plan of correction shall be based on an assessment by the facility of the conditions or occurrences that are the basis of the violation and an evaluation of the practices, policies, and procedures that have caused or contributed to the conditions or occurrences. Evidence of such assessment and evaluation shall be maintained by the facility. Each plan of correction shall include:

1) A description of the specific corrective action the facility is taking, or plans to take, to abate, eliminate, or correct the violation cited in the notice.
2) A description of the steps that will be taken to avoid future occurrences of the same and similar violations.
3) A specific date by which the corrective action will be completed.

If a facility fails to submit a plan of correction within the prescribed time period, The Department will impose an approved plan of correction.

NOTICE OF CONDITIONAL LICENSE

In accordance with Sections 3-305 and 3-311 of the Act, the Department hereby issues a Conditional License for the operation of the Facility. This license replaces the unrestricted license issued to Addolorata Villa, 555 McHenry Road, Wheeling, Illinois 60090 on May 01, 2016. The Facility's current license number is 0045443. The term of the conditional license shall be from July 02, 2017 to January 01, 2018. THE CONDITIONAL LICENSE SHALL FOLLOW UNDER A SEPARATE COVER LETTER. THE CONDITIONAL LICENSE SHALL BE CONSPICUOUSLY POSTED IN THE FACILITY BEGINNING ON JULY 02, 2017.

The Conditional License will be withdrawn and an unrestricted license will be issued to Respondent upon the expiration of the term of the Conditional License.

During the term of the Conditional License, Respondent will retain its status as a certified provider of Medicaid services so long as Respondent's facility complies with the applicable federal regulations.

If the Respondent timely requests a hearing to protest the basis for the issuance of the Conditional License, the terms of the Conditional License shall be stayed pending the issuance of the Final Order at the conclusion of the hearing and the facility may operate in the same manner as with an unrestricted license.

NOTICE OF FINE ASSESSMENT

Pursuant to Section 3-305 of the Act the Department hereby assesses against Respondent a monetary penalty of **$25,000.00**, as follows:

Type A violation of an occurrence for violating one or more of the following sections of the Code: 300.610a), 300.1210b), 300.1210d)6), and 300.3240a). The fine was doubled in this instance in accordance with 300.282i) and j) of the Code due to the violation of the sections of the Code with a high risk designation: 300.1210b), 300.1210d)6) and 300.3240a).

Section 3-310 of the Act provides that all penalties shall be paid to the Department within ten (10) days of receipt of notice of assessment by mailing a check (note Docket # on the check) made payable to the Illinois Department of Public Health to the following address:

Illinois Department of Public Health
P.O. Box 4263
Springfield, Illinois 62708

If the penalty is contested under Section 3-309, the penalty shall be paid within ten (10) days of receipt of the final decision, unless the decision is appealed and stayed by court order under Section 3-713 of the Act.

A penalty assessed under this Act shall be collected by the Department. If the person or facility against whom a penalty has been assessed does not comply with a written demand for payment within thirty (30) days, the Director shall issue an order to do any of the following:

(A) Direct the State Treasurer to deduct the amounts otherwise due from the State for the penalty and remit that amount to the Department;

(B) Add the amount of the penalty to the facility's licensing fee; if the licensee refuses to make the payment at the time of application for renewal of its license, the license shall not be renewed; or

(C) Bring an action in circuit court to recover the amount of the penalty.

NOTICE OF PLACEMENT ON QUARTERLY LIST OF VIOLATORS

In accordance with Section 3-304 of the Act, the Department shall place the Facility on the Quarterly List of Violators.

NOTICE OF OPPORTUNITY FOR A HEARING

Pursuant to Sections 3-301, 3-303(e), 3-309, 3-313, 3-315, and 3-703 of the Act, the licensee shall have a right to a hearing to contest this Notice of Type "A" Violation(s) and Order to Abate or Eliminate; Notice of Conditional License; Notice of Fine Assessment; and Notice of Placement on Quarterly List of Violators. In order to obtain a hearing, the licensee must send a written request for hearing no later than ten (10) days after receipt by the licensee of these Notices.

FAILURE TO REQUEST A HEARING WITHIN TEN DAYS OF RECEIPT OF THIS NOTICE WILL CONSTITUTE A WAIVER OF THE RIGHT TO SUCH HEARING.

FINE REDUCTION IF HEARING WAIVED.

Pursuant to Sections 3-309 and 3-310 of the Act, a licensee may waive its right to a hearing in exchange for a 35% reduction in the fine. In order to obtain the 35% reduction in the fine, the licensee must send a written waiver of its right to a hearing along with payment totaling 65% of the original fine amount within 10 business days after receipt of the notice of violation.

Plans of Correction, Hearing and Waiver Requests can be emailed to the following email address: DPH.LTCQA.POCHearing@illinois.gov. If your facility does not have email capabilities then mail it to the attention of: Sammye Geer, Illinois Department of Public Health, Long Term Care – Quality Assurance, 525 West Jefferson, Springfield, IL 62761.

Darlene F. Harney

Darlene F. Harney, RN, CPC
Bureau Chief, Long Term Care
Office of Health Care Regulation

Dated this 7th day of June, 2017.

Illinois Department of Public Health

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	IL6000046	A. BUILDING: _____ B. WING _____	C 04/07/2017

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
ADDOLORATA VILLA	555 MCHENRY ROAD WHEELING, IL 60090

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
S 000	Initial Comments Incident investigation of 3-13-17/IL92793	S 000		
S9999	Final Observations Statement of Licensure Violations 300.610a) 300.1210b) 300.1210d)6) 300.3240a) Section 300.610 Resident Care Policies a) The facility shall have written policies and procedures governing all services provided by the facility. The written policies and procedures shall be formulated by a Resident Care Policy Committee consisting of at least the administrator, the advisory physician or the medical advisory committee, and representatives of nursing and other services in the facility. The policies shall comply with the Act and this Part. The written policies shall be followed in operating the facility and shall be reviewed at least annually by this committee, documented by written, signed and dated minutes of the meeting. Section 300.1210 General Requirements for Nursing and Personal Care b) The facility shall provide the necessary care and services to attain or maintain the highest practicable physical, mental, and psychological well-being of the resident, in accordance with each resident's comprehensive resident care plan. Adequate and properly supervised nursing care and personal care shall be provided to each resident to meet the total nursing and personal care needs of the resident. Restorative measures shall include, at a minimum, the following	S9999	Attachment A Statement of Licensure Violations	

Illinois Department of Public Health
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE 04/21/17

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
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NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
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S9999	Continued From page 1 procedures: d) Pursuant to subsection (a), general nursing care shall include, at a minimum, the following and shall be practiced on a 24-hour, seven-day-a-week basis: 6) All necessary precautions shall be taken to assure that the residents' environment remains as free of accident hazards as possible. All nursing personnel shall evaluate residents to see that each resident receives adequate supervision and assistance to prevent accidents. Section 300.3240 Abuse and Neglect a) An owner, licensee, administrator, employee or agent of a facility shall not abuse or neglect a resident. (Section 2-107 of the Act) These requirements were not met as evidenced by: Based on interview and record review, the facility failed to provide supervision while the resident was on the toilet and failed to follow care plan fall interventions for one of three residents (R1) reviewed for falls in a sample of three residents. This failure resulted in R1 sustaining fractures of the tibia and fibula leading up to hospitalization. Findings include: R1 is a 90 year old female admitted to the facility 9/20/2008. R1's face sheet diagnosis includes dementia, atrial fibrillation, heart failure and type 2 diabetes mellitus. On 4/6/17 at 10:15am in 2nd floor common area accompanied by E7 (RN-Registered Nurse), R1 was in wheelchair with both legs on the footrests,	S9999		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
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S9999	Continued From page 2	S9999		

lower right leg in a cast. E7 stated, "The resident is wearing a leg cast for an ankle fracture from a fall. She ambulates in wheel chair and is a 1-2 person assist." R1 is alert and oriented to self only and is hard of hearing.

R1's MDS (Minimum Data Set) dated 2/1/17 indicates the following: BIMS (Brief Interview for Mental Status) - 99 (the resident was unable to complete the interview); Transfer 3/3 (Extensive Assistance/Two persons assist), Toilet use 3/2 (Extensive Assist/one person assist), Mobility Device (Wheelchair).

R1's fall risk screening tool dated 2/3/17 indicates a total score of 16 (Total score of 10 or above represents high risk).

R1's care plan for fall intervention dated 2/20/17 denotes, in part: "....Remind all staff, resident is total supervision with toileting ....Instructions were provided at the start of the shift and as needed."

R1's initial fall incident report to the state agency dated 3/14/17 denotes, in part: ".... On 3/13/2017 around 7:15pm, after dinner assigned CNA (certified Nursing Aide) toileted the resident, after few minutes resident was noted sitting in the bathroom floor facing the toilet ....Resident was sent to ER (Emergency Room) for evaluation and treatment and admitted for right tibia fracture ....Resident's last fall incident was on 7/6/2014."

R1's final incident report to the state agency dated 3/17/17 denotes, in part: "....Investigation revealed that CNA observed another resident who needed assistance immediately while with this resident. CNA stepped out to assist this other resident and asked the resident to wait for her return, CNA returned within a minute or two and

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
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S9999	Continued From page 3 observed the resident on the floor. Resident continues to be at the hospital ...." R1's hospital record dated 3/17/17 indicates R1 was admitted on 3/14/17, discharged on 3/17/17. Diagnosis: Fracture, tibia and fibula. R1's X ray report dated on 3/15/17 documents, in part: "....Right ankle pain, Status post fall. Frontal and lateral views of the right tibia and fibula were obtained. There is an acute fracture through the proximal shaft of the fibula. There is some cortical irregularity involving the proximal shaft of the tibia below the tibial plateau adjacent to the proximal portion of the intramedullary nail and a non-displaced fracture in this region is not excluded ...." R1's hospital discharge instruction dated 3/17/17 denotes, in part: "....No weight bearing right leg. Plan to keep cast to right leg for 1 month. Follow up with specialty in Orthopedic Surgery in 1 month ...." On 4/5/16 at 12:15pm, E2 (Assistant Director of Nursing) stated: "When a fall occurs, the nurse gathers reports and starts the investigation, the repots go to me and I talk to the witness and the residents. I feel like the CNA should not have left the resident on the toilet by herself because of the resident's low safety awareness and confusion. One-on-one education was given to the CNA after the incident...." On 4/6/17 at 1:05pm, E3 (DON - Director of Nursing) stated, "Because most of the residents on the 2nd floor are high fall risk with a risk score of 10 or more, it is important that fall interventions are in place for the high fall risks because of the residents' confusion, low safety awareness and	S9999		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
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S9999	Continued From page 4 Impulsivity. Fall intervention is in the residents care plan and is updated quarterly and after significant changes, staff should review care plans to ensure the fall interventions are followed...." Facility's policy entitled: "Falls -Clinical Protocol" documents, in part, "....the staff and physician will identify pertinent interventions to try to prevent subsequent falls ....The staff and physician will monitor and document the response to the interventions intended to reduce falling or the consequence of falling...." (A)	S9999		

DEPARTMENT OF PUBLIC HEALTH
STATE OF ILLINOIS

THE DEPARTMENT OF PUBLIC HEALTH STATE OF ILLINOIS Complainant, v. FRANCISCAN COMMUNITIES, INC. D/B/A, ADDOLORATA VILLA Respondent.	)	Docket No. NH 17-S0237

PROOF OF SERVICE

The Conditional License will follow under a separate cover letter.

The undersigned certifies that a true and correct copy of the attached Notice of Type "A" Violation(s) and Order to Abate or Eliminate; Notice of Conditional License; Notice of Fine Assessment; Notice of Placement on Quarterly List of Violators; and Notice of Opportunity for Hearing were sent by certified mail in a sealed envelope, postage prepaid to:

Registered Agent:	CT Corporation System
Licensee Info:	Franciscan Communities, Inc.
Address:	208 South LaSalle Street, Suite 814 Chicago, Illinois 60604

That said documents were deposited in the United States Post Office at Springfield, Illinois, on the 7th day of June, 2017.

Sammye Geer
Administrative Assistant
Long Term Care- Quality Assurance
Office of Health Care Regulations

RECEIVED
MAR 27 2019
HEALTH FACILITIES &
SERVICES REVIEW BOARD

Date: 2-25-2019

To: State Board Staff

From: John D. Glover, Chief Operating Officer, Franciscan Ministries

Re: CON Application #18-028, Village at Mercy Creek - **REVISED**

The following represent responses to your preliminary findings for the above mentioned CON application:

1. To clarify, our proposal is for one 40-bed skilled nursing facility. The building will be divided into two neighborhoods but is one facility with one address. Please see ADDENDUM 1 for a modified drawing of the proposed site.

2. We have modified Page 2 of the application, indicating that both the Franciscan Sisters of Chicago Service Corporation and the Village at Mercy Creek are Co-Applicants. As such, ADDENDUM 2 includes a modified Page 2 and an attestation by Judy Amiano, the CEO and President of Franciscan Ministries, that FSCSC will guarantee the loan for the proposed project. ADDENDUM 3 includes the audited financial statements for the Franciscan Sisters of Chicago Service Corporation (FSCSC) for the three most recent fiscal years as well as the FSCSC pro forma with the Village at Mercy Creek, projecting the first full year after achieving stabilized occupancy of the project.

3. Included as ADDENDUM 4 is a Certificate of Good Standing for the Village at Mercy Creek. ADDENDUM 5 provides projected information for the Village at Mercy Creek for the first year after project completion. As the skilled nursing facility has not been built yet, historic financial information for the proposed site is not available.

4. To further expand on the Purpose of the Project section of the application, a skilled nursing facility is being proposed in this HSA due to current need. Following is a list of problems/issues the proposed project will address:

Problem 1: Within the PMA, there is a substantial deficit in access to quality healthcare. The market as it stands has 1,227 operational skilled beds in service. Of the 1,227 skilled beds, 81% (approximately 994 beds) are housed in skilled facilities that operate at or below a 2-star CMS rating.

Problem 2: Within the PMA, 99% of all beds in service exist in facilities in excess of 35 years of age.

Facility Name	Distance	Facility Age	Star Rating	# of Beds	% of Market Share
Aperion Care	2.1	40	1	117	10%
Bloomington Rehab	3.5	48	1	78	6%
Heartland of Normal	0.7	48	2	116	9%
Heritage of Bloomington	2.4	54	5	111	9%
Heritage of El Paso	19	45	5	65	5%
Heritage of Normal	0.7	38	2	141	11%
Leroy Manor	20.5	38	2	102	8%
Luther Oaks	6.1	11	NR	18	1%
McClean County	0.8	48	3	150	12%
Meadows Mennonite	23.4	95	2	116	9%
St. Joseph Medical Center	3.6	5	5	12	0%
Westminster Village	4.5	40	4	78	6%
El Paso Health Care Center	19.6	40	2	123	10%

Problem 3: Within the PMA, both of the primary referring hospitals experience readmission rates (20.28%) in excess of their targeted range in the seven diagnoses monitored by CMS.

Problem 4: Within the PMA, the target demographic (ages 75-85+) is expected to experience population growth by 1.2% by 2020 and 4.7% by 2030.

Population by Age

Age	2015	2020	2025	2030	2035
65-69	6,863	8,664	9,479	9,462	8,482
70-74	4,753	6,357	7,813	8,525	8,484
75-79	3,369	4,144	5,700	6,995	7,629
80-84	2,476	2,617	3,248	4,460	5,489
85+	2,911	2,931	3,113	3,635	4,489

Projected Population Average Annual Rate of Change

Age/Year	2015-2020	2020-2025	2025-2030	2030-2035
65-69	5.2%	1.9%	0.0%	-2.1%
70-74	6.7%	4.6%	1.8%	-0.1%
75-79	4.6%	7.5%	4.5%	1.8%
80-84	1.1%	4.8%	7.5%	4.6%
85+	0.1%	1.2%	3.4%	4.7%

The combination of these four conditions has not created a medically driven financial or healthcare crisis yet; however, as the trend increases of patients admitting to healthcare centers with more complex diagnoses and co-morbidities, along with a projected increase in the population (target demographic), the potential for a crisis to surface is likely.

5. a. A joint venture with the Mennonite Meadows Retirement Communities was not considered because this entity had no interest in future involvement or partnership.

   b. Utilizing other providers was not considered because Franciscan Ministries has the financial bench strength to operate the proposed project on its own. That being said, the skilled nursing facility will be pursuing other partners to assist in providing the highest quality care possible to its patients, both during their stay and following discharge. These partners will include various home and community-based services, hospice providers, palliative care programs and/or community health centers.

   c. The reasons why this alternative was chosen were delineated in the original application narrative. They include:

   - Few private beds exist in in the identified skilled nursing competitors in this market area. The proposed project would address this shortage by providing its patients with all private rooms which would enhance resident dignity.
   - Few skilled nursing competitors in this market area have a CMS star rating of four stars and above. The proposed project would offer a state-of-the-art nursing facility that provides an overall quality-driven patient experience. (Please note that every skilled nursing facility that Franciscan Ministries owns in Illinois has a CMS star rating of five stars.)
   - The proposed health care center would be designed as a transitional unit for the consumer looking for a short-term stay, whether it be rehab to home or remediation of medically complex issues, such as CHF (chronic heart failure), pneumonia or COPD (chronic obstructive pulmonary disorder). The facility would

appeal to both residents already living on campus as well as the senior population from the surrounding community.

- The proposed project would be a faith-based ministry and as such, would continue to promote and support the mission of the legacy sponsor, the Mennonite Retirement Communities. Franciscan Ministries, a Catholic organization, would work to enmesh its values with those of the Mennonites to provide a Christian environment with a strong spiritual base. It should be noted that currently, very few skilled providers with religious affiliations exist in the defined market area.

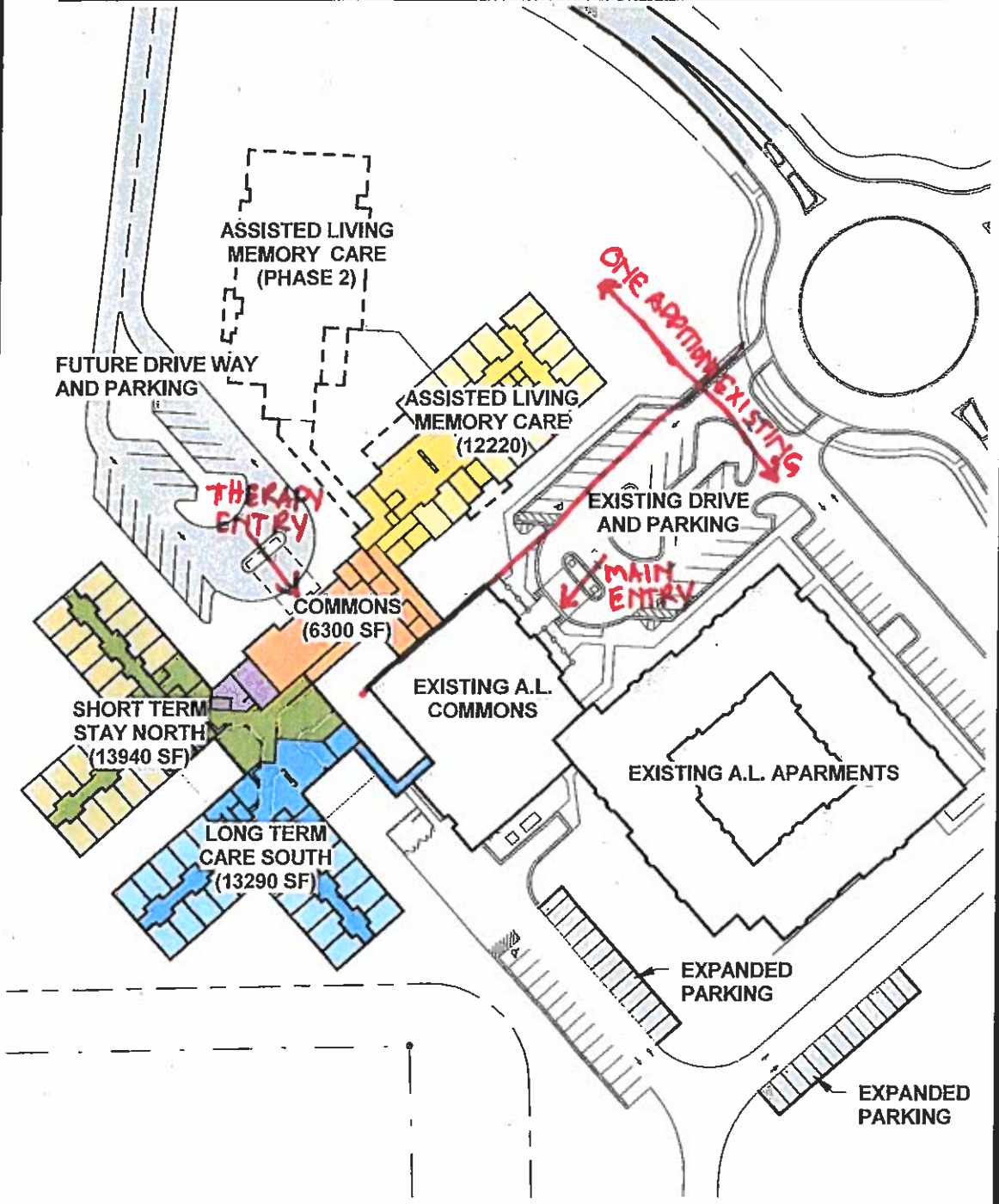
6. ADDENDUM 6 is a new cost/space chart in the format requested.

7. ADDENDUM 7 includes a referral letter from a primary referring hospital in the market area and a letter of support from the Chairman of the Board of the Mennonite Meadows Retirement Communities. Although physician letters are not included here, they will be sent electronically under separate cover. Pages 463-468 indicate the number of referrals to other facilities for skilled nursing admits from the local referring hospitals in response to Question #1 of Criterion 1125.540 Service Demand – Establishment of General Long Term Care. Unfortunately, we discovered that pages 466-468 were simply a duplication of pages 463-465, so please disregard.

8. By including a current list of all approved Certificate of Need applications that were deemed complete (pages 470-481), we were attempting to show verification that prospective resident referrals were not used to support another pending Certificate of Need (CON) application, as none of the applications included in ATTACHMENT 14C of the original application were in the market area for the proposed project.

PROJECT AREAS	
SHORT TERM NORTH	13940
LONG TERM SOUTH	13290
(+SPA+RR+PT/OT)	927
COMMONS	5373
MEMORY CARE (AL)	12220
TOTAL (BGSF)	45750

SKILLED NURSING AREA	
SHORT TERM NORTH	13940
LONG TERM SOUTH	13290
(+SPA+RR+PT/OT)	927
TOTAL (BGSF)	28157
UTILIZATION (TOTAL/40 BEDS)	704 SF/BED



1 SITE PLAN
1" = 100'-0"

date
10/23/17
revised

drawn by
CML
checked by
SML

BLDD ARCHITECTS
Design Firm Registration #184-000723

SITE PLAN
MEADOWS AT MERCY CREEK
NORMAL, IL

sheet
AP101

project
174SI15.200

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Facility/Project Identification

Facility Name: The Village at Mercy Creek
Street Address:1501 Mercy Creek Drive
City and Zip Code: Normal, Il 61761
County: McLean Health Service Area: 4 Health Planning Area: McLean

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Co-Applicant
Exact Legal Name: Franciscan Sisters of Chicago Service Corporation
Address: 11500 Theresa Dr, Lemont, Il 60439
Name of Registered Agent: CT Corporation
Chief Executive Officer: Judy Amiano
CEO Address: 11500 Theresa Dr. Lemont, Il 60439
Telephone Number: 866-286-8430

Type of Ownership (Applicant/Co-Applicants)

x	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

Appended as **ATTACHMENT 1** shows the Certificate of Good Standing. Franciscan Ministries, as sponsored by The Franciscan Sisters of Chicago, will be the Owner of the proposed site and building.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries)

Name: Deborah Brown
Title: Health Care Consultant
Company Name: Franciscan Advisory Services, Inc.
Address: 11500 Theresa Lane
Telephone Number: 331-318-5191
E-mail Address: dlbrown@franciscanministries.org
Fax Number: 331-318-5120

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: John D Glover
Title: Chief Operating Officer
Company Franciscan Ministries
Address:11500 Theresa Dr.
Telephone Number: 331 318 5115
E-mail Address: jglover@franciscanministries.org
Fax Number: 331 318 5120

Should the Illinois Health Facilities and Services Review Board approve the proposed project, and based upon the signature of the Chief Executive Officer of FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION at page 6 of the Application for Permit #18-028 the debt financing for the establishment of a 40-bed skilled care facility at The Village of Mercy Creek will be guaranteed by the FRANCISCAN SISTERS OF CHICAGO SERVICE CORPORATION.

Judy Amiano, President & CEO

File Number 6772-131-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

THE VILLAGE AT MERCY CREEK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 09, 2011, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* AUGUST *A.D.* 2018 .

Authentication #: 1824002582 verifiable until 08/28/2019
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

The Village at Mercy Creek
CON Application
Appendix D

		Costs	Gross Square Footage Existing	Gross Square Footage Proposed	Amount of Gross Square Feet that is New Construction	Amount of Gross Square Feet that is Modernization	Amount of Gross Square Feet that is As-Is
Reviewable							
Resident Rooms	$	4,547,889		18,186	18,186	NA	NA
Nursing Stations/Common	$	478,800		1,915	1,915	NA	NA
Living/Dining/Activity	$	1,158,500		4,634	4,634	NA	NA
Kitchen/Food Service	$	75,500		302	302	NA	NA
PT/OT	$	139,800		559	559	NA	NA
Laundry	$	177,500		710	710	NA	NA
Janitor Closets	$	52,000		208	208	NA	NA
Cleaned/Soiled Utility	$	155,000		620	620	NA	NA
Beauty/Barber	$	255,800		1,023	1,023	NA	NA
Total Reviewable	**$**	**7,040,789**	**-**	**28,157**	**28,157**		
Non-Reviewable							
Resident Rooms	$	3,448,211		13,790	13,790	NA	NA
Office/Admin	$	181,800		727	727	NA	NA
Employee Lounge	$	40,300		161	161	NA	NA
Locker room/Training	$	50,300		201	201	NA	NA
Mechanical/Electrical	$	219,800		879	879	NA	NA
Lobby	$	146,300		585	585	NA	NA
Storage/Maintenance	$	29,500		118	118	NA	NA
Corridor/Public Toilets	$	283,000		1,132	1,132	NA	NA
Stair/Elevators	$	-		-	-	NA	NA
Total Non-reviewable	**$**	**4,399,211**	**-**	**17,593**	**17,593**		
Combined Total	**$**	**11,440,000**	**-**	**45,750**	**45,750**		

Consolidated Financial Statements

Franciscan Sisters of Chicago Service Corporation
and Subsidiaries
(d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago)
Years Ended June 30, 2015 and 2014
With Report of Independent Auditors

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Financial Statements

Years Ended June 30, 2015 and 2014

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Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Financial Statements

Years Ended June 30, 2015 and 2014

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Independent Auditor's Report

To the Board of Directors
Franciscan Sisters of Chicago Service Corporation and Subsidiaries

We have audited the accompanying consolidated financial statements of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries, sponsored by the Franciscan Sisters of Chicago) (Franciscan Ministries), which comprise the consolidated balance sheets as of June 30, 2015 and 2014 and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries, sponsored by the Franciscan Sisters of Chicago) as of June 30, 2015 and 2014, and the results of their operations and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

November 6, 2015

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2015	**2014**
Assets		
Current assets:		
Cash and cash equivalents	**$ 20,136,208**	$ 20,982,008
Assets limited as to use - externally designated under debt agreements	**939,675**	776,661
Accounts receivable, less allowances for uncollectible accounts of $2,528,630 and $2,191,994 in 2015 and 2014, respectively	**6,740,878**	7,879,148
Due from affiliates	**86,124**	83,495
Due from third-party payors	**227,777**	254,556
Prepaid expenses and other	**4,093,451**	4,770,129
Total current assets	**32,224,113**	34,745,997
Assets limited as to use, net of amounts required to meet current obligations:		
Internally designated for capital improvements	**86,798,687**	78,629,852
Externally designated under debt agreements and letters of credit	**22,711,508**	25,327,018
	109,510,195	103,956,870
Deferred bond issuance costs	**4,712,008**	4,871,696
Long-term investments	**1,003,826**	1,022,973
Other long-term assets	**2,090,883**	2,367,807
Property and equipment, net	**162,664,520**	160,142,991
Total assets	**$ 312,205,545**	$ 307,108,334

See accompanying notes to consolidated financial statements.

ADDENDUM 3

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Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	$ 20,136,208	$ 20,982,008
Assets limited as to use - externally designated under debt agreements	939,675	776,661
Accounts receivable, less allowances for uncollectible accounts of $2,528,630 and $2,191,994 in 2015 and 2014, respectively	6,740,878	7,879,148
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Total assets	$ 312,205,545	$ 307,108,334

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets (Continued)

	June 30	
	2015	2014
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 16,216,221	$ 16,117,457
Accrued salaries and employee benefits	6,943,889	6,888,050
Due to affiliates	485,857	-
Due to third-party payors	977,699	965,582
Current maturities of long-term debt	2,061,242	2,031,394
Current maturities of note payable to affiliate	217,384	207,477
Refundable resident deposits and entrance fees	5,658,681	5,891,566
Total current liabilities	32,560,973	32,101,526
Noncurrent liabilities:		
Long-term debt, less current maturities	177,910,146	181,568,535
Note payable to affiliate, less current maturities	4,987,707	5,205,149
Section 1602 deferred grant revenue	3,609,211	3,766,133
Refundable resident deposits and refundable and nonrefundable entrance fees	71,310,609	69,895,860
Asset retirement obligations and other	1,674,807	1,681,620
	259,492,480	262,117,297
Total liabilities	292,053,453	294,218,823
Net assets:		
Noncontrolling interests in subsidiaries	3,106,139	3,761,331
Net assets:		
Unrestricted	8,709,744	6,819,255
Temporarily restricted	7,606,000	1,578,716
Permanently restricted	730,209	730,209
	17,045,953	9,128,180
Total net assets	20,152,092	12,889,511
Total liabilities and net assets	$ 312,205,545	$ 307,108,334

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended June 30	
	2015	2014
Unrestricted revenues, gains, and other support		
Net resident service revenue, including amortization of entrance fees of $1,646,312 in 2015 and $1,618,083 in 2014	$ 114,748,715	$ 119,462,637
Contracted labor revenue	9,503,703	3,132,214
Lease revenue	1,702,974	1,240,824
Management services fee revenue	974,537	839,010
Other operating revenue	4,578,671	4,154,726
Total unrestricted revenues, gains, and other support	131,508,600	128,829,411
Expenses		
Salaries and wages	55,798,310	53,988,365
Employee benefits	10,976,116	10,521,836
Agency	142,599	261,835
Purchased services - resident	6,849,296	8,151,897
Purchased services - general	10,610,412	11,304,651
Drugs, food, supplies, and other	10,846,580	11,497,020
Administrative, utilities, and insurance	14,262,663	14,312,704
Provision for uncollectible accounts	1,184,884	944,696
Interest	8,906,527	8,973,716
Depreciation and amortization	12,199,281	12,023,681
Total operating expenses	131,776,668	131,980,401
Loss from continuing operations	(268,068)	(3,150,990)
Nonoperating		
Realized investment income	3,844,426	5,632,810
Net change in unrealized gains/losses on investments - trading portfolio	(1,031,661)	1,105,641
Loss on refinancing of long-term debt	(65,073)	–
Litigation settlements	(724,066)	–
Contribution revenue and other	123,918	526,259
Total nonoperating	2,147,544	7,264,710
Revenues in excess of expenses from continuing operations	1,879,476	4,113,720
Discontinued operations:		
Revenues in excess of expenses from discontinued operations	–	237,214
Revenues in excess of expenses	1,879,476	4,350,934
Revenues in excess of expenses allocated to noncontrolling interests	655,192	437,889
Revenues in excess of expenses allocated to Franciscan Sisters of Chicago Service Corporation	2,534,668	4,788,823

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended June 30	
	2015	2014
Unrestricted revenues, gains, and other support		
Net resident service revenue, including amortization of entrance fees of $1,646,312 in 2015 and $1,618,083 in 2014	$ 114,748,715	$ 119,462,637
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Revenues in excess of expenses allocated to noncontrolling interests	655,192	437,889
Revenues in excess of expenses allocated to Franciscan Sisters of Chicago Service Corporation	2,534,668	4,788,823

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Years Ended June 30	
	2015	2014
Other changes in unrestricted net assets		
Net change in unrealized losses on investments – other-than-trading portfolio	$ (205,129)	$ (253,973)
Net assets released from restrictions used for capital purposes	60,950	65,492
Transfers to affiliates	(500,000)	–
Total other changes in unrestricted net assets	(644,179)	(188,481)
Increase in unrestricted net assets	1,890,489	4,600,342
Temporarily restricted net assets		
Contributions for specific programs and asset purchases	1,049,470	865,200
Contributions of land lease rights - Net	5,481,540	–
Net assets released from restrictions	(503,726)	(354,272)
Increase in temporarily restricted net assets	6,027,284	510,928
Permanently restricted net assets		
Investment income	6,671	38,104
Transfers to unrestricted net assets	(6,671)	(38,104)
Change in permanently restricted net assets	–	–
Increase in net assets	7,917,773	5,111,270
Changes in net assets of noncontrolling interest		
Net loss of noncontrolling interests in subsidiaries	(655,192)	(437,889)
Decrease in net assets of noncontrolling interests	(655,192)	(437,889)
Net increase in total net assets	7,262,581	4,673,381
Net assets at beginning of year	12,889,511	8,216,130
Net assets at end of year	$ 20,152,092	$ 12,889,511

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended June 30	
	2015	2014
Operating activities		
Increase in net assets	$ 7,262,581	$ 4,673,381
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,199,281	12,023,681
Amortization of entrance fees	(1,646,312)	(1,618,083)
Amortization of Section 1602 grants	(156,922)	(156,922)
Loss on refinancing of long-term debt	65,075	–
Loss on disposal of assets	18,665	79,144
Provision for uncollectible accounts	1,184,884	944,696
Restricted contributions, net of assets released from restrictions used for operations	(545,744)	(510,928)
Contribution of land lease rights - Net	(5,481,540)	–
Net change in unrealized losses and (gains) on investments	1,236,790	(851,668)
Transfer to affiliate	500,000	–
Changes in operating assets and liabilities:		
Accounts receivable and due to/from third-party payors	(7,718)	274,286
Accounts payable, accrued salaries, prepaid expenses, deferred marketing costs, and other	1,045,124	(2,793,815)
Nonrefundable entrance fees	1,904,869	1,327,738
Due to (from) affiliate	483,228	(73,645)
Net cash provided by operating activities	18,062,261	13,317,865
Investing activities		
Purchases of property and equipment, net, and other	(8,838,002)	(11,068,240)
Proceeds from sale of assets	736	200
Purchase of assets limited as to use and other investments - trading portfolio, net	(7,381,846)	(5,737,208)
Sales of assets limited as to use and other investments - other-than-trading portfolio, net	447,864	1,392,803
Net cash used in investing activities	(15,771,248)	(15,412,445)
Financing activities		
Retirement of long-term debt	(1,466,280)	–
Payments of long-term debt	(2,162,261)	(2,157,451)
Payments on note payable to affiliate	(207,535)	(193,096)
Payment of bond issuance costs	(86,003)	(22,428)
Transfers to affiliates	(500,000)	–
Proceeds from refundable resident deposits	10,731,733	9,421,026
Refunds of resident deposits	(9,992,211)	(7,435,003)
Proceeds from restricted contributions and gains on investments, net of assets released from restrictions	545,744	510,928
Net cash (used in) provided by financing activities	(3,136,813)	123,976
Decrease in cash and cash equivalents	(845,800)	(1,970,604)
Cash and cash equivalents at beginning of year	20,982,008	22,952,612
Cash and cash equivalents at end of year	$ 20,136,208	$ 20,982,008

See accompanying notes to consolidated financial statements.

ADDENDUM 3

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Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended June 30	
	2015	2014
Operating activities		
Increase in net assets	$ 7,262,581	$ 4,673,381
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Cash and cash equivalents at beginning of year	20,982,008	22,952,612
Cash and cash equivalents at end of year	$ 20,136,208	$ 20,982,008

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2015 and 2014

1. Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Franciscan Sisters of Chicago Service Corporation and Subsidiaries, which is sponsored by the Franciscan Sisters of Chicago (the Sisters), is an Illinois not-for-profit corporation, which coordinates all of the Sisters' sponsored facilities and assists the Sisters in extending their charitable mission in health care and educational foundations in the Chicago metropolitan area, northern Indiana, Ohio, and Kentucky. Effective February 2015, Franciscan Sisters of Chicago Service Corporation began doing business as Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago (Franciscan Ministries).

The consolidated financial statements include the accounts and transactions of Franciscan Ministries (Service Corporation), Franciscan Communities, Inc. Obligated Group (Obligated Group), SAMC, Inc. (Medical Center), St. Joseph Senior Housing (St. Joseph Housing), Franciscan Community Services, Inc. (Community Services), Franciscan Community Benefit Services, Inc. (CBS), and Franciscan Advisory Services, Inc. (FAS). The operating divisions of CBS include Madonna Foundation and St. Jude House, Inc. The operating divisions of St. Joseph Housing include Crete Senior Housing I, LLC, Crete Senior Housing Phase II, LLC, and Louisville Senior Housing, LLC. The portion of Crete Senior Housing Phase II, LLC and Louisville Senior Housing, LLC not owned by St. Joseph Housing is reported as noncontrolling interest in the consolidated financial statements.

The members of the Obligated Group include Franciscan Communities, Inc. (Franciscan Communities) and University Place, Inc. Franciscan Communities includes the following operating divisions: Addolorata Villa, Franciscan Village, Marian Village, Mount Alverna Village (Mount Alverna), St. Anthony Home (St. Anthony), St. Anthony Management Services (Management Services), St. Joseph Village of Chicago (St. Joseph), and The Village at Victory Lakes (Victory Lakes). Franciscan Communities also includes the operations of the following operating divisions, discontinued effective February 28, 2009: Franciscan Healthcare Center (Franciscan), George Davis Manor (George Davis), St. Clare Healthcare Center (St. Clare), St. Elizabeth Healthcare Center (St. Elizabeth), St. James Manor and Villas (St. James), and St. Mary Healthcare Center (St. Mary).

1. Organization and Summary of Significant Accounting Policies (continued)

Franciscan Ministries, the Obligated Group, Community Services, Medical Center, and CBS are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the "Code") and are not private foundations within the meaning of Section 509(a) of the Code. St. Joseph Housing is a tax-exempt organization under Section 501(c)(4) of the Code and is not a private foundation within the meaning of Section 509(a) of the Code.

A for-profit subsidiary of the Franciscan Ministries, FAS was incorporated on June 16, 2011 with the purpose of managing certain ministries of the Sisters that did not meet the definition of the exempt purpose of Franciscan Ministries.

All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ.

Cash Equivalents

It is Franciscan Ministries' policy to reflect all investments that are not limited as to use and that have a maturity of three months or less at the time of acquisition as cash equivalents.

Cash Concentration

Franciscan Ministries has cash on deposit with financial institutions which at times may be in excess of federally insured limits.

1. Organization and Summary of Significant Accounting Policies (continued)

Franciscan Ministries, the Obligated Group, Community Services, Medical Center, and CBS are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the "Code") and are not private foundations within the meaning of Section 509(a) of the Code. St. Joseph Housing is a tax-exempt organization under Section 501(c)(4) of the Code and is not a private foundation within the meaning of Section 509(a) of the Code.

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Cash Concentration

Franciscan Ministries has cash on deposit with financial institutions which at times may be in excess of federally insured limits.

1. Organization and Summary of Significant Accounting Policies (continued)

Assets Limited as to Use and Other Investments

Assets limited as to use consist of investments set aside by the Board of Directors for future capital improvements, over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes. In addition, assets limited as to use include, investments held by trustees under debt agreements and amounts as collateral for workers' compensation letters of credit.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses in the value of other-than-trading portfolio investments are recognized as changes in unrestricted net assets, while the unrealized gains and losses in the value of the trading portfolio investments are recognized as a non-operating gain or loss.

Effective November 1, 2002, Franciscan Ministries established an investment pool. Investments of Franciscan Ministries held in the investment pool amounted to $82,734,701 and $73,912,872 at June 30, 2015 and 2014, respectively, and are included in assets limited as to use, internally designated for capital improvements.

Franciscan Ministries' investments are exposed to various risks, such as interest rate, market and, credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated balance sheets.

Accounts Receivable

Accounts receivable for residents, insurance companies, and governmental agencies are based on net charges. Franciscan Ministries evaluates the collectibility of its accounts receivable based on the length of time the receivable is outstanding, payor class, and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged to the allowance for uncollectible accounts when they are deemed uncollectible. Franciscan Ministries does not require collateral.

1. Organization and Summary of Significant Accounting Policies (continued)

Deferred Bond Issuance Costs

Expenses incurred in connection with the issuance of bonds are deferred and amortized over the life of the bonds. Deferred bond issuance costs are stated net of accumulated amortization of $907,598 and $726,982 at June 30, 2015 and 2014, respectively.

Property and Equipment

Property and equipment are stated on the basis of cost or, if donated to Franciscan Ministries, at fair value on the date of acquisition. Provisions for depreciation are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years.

Costs directly related to the acquisition, development, and improvement of real estate are capitalized, including interest and other costs incurred during the construction period. Costs incurred for significant repairs and maintenance that extend the usable life of the asset or have a determinable useful life are capitalized. Ordinary repairs and maintenance are expensed as incurred.

Land Lease Rights

Franciscan Ministries has rights to lease from related party 30.8 acres of land at Franciscan Village and 80.0 acres of land at Marian Village through June 30, 2050. Each of these leases call for annual payments of $1 throughout the term of the lease agreements. Franciscan Ministries has determined that the required lease payments are less than fair value and therefore has recorded the estimated fair value of future lease payments as land lease rights in property and equipment on the combined balance sheet and a contribution of land lease rights as a change in temporarily restricted net assets both totaling $5,481,540. Both balances are amortized as lease expense and an unrestricted contribution over the terms of the leases.

Asset Retirement Obligations

Asset retirement obligations represent an obligation to dispose of assets that are legally required to be removed at a future date. Such obligations are recorded at the net present value using a risk-free interest rate and inflationary rate. As of June 30, 2015 and 2014, the asset retirement obligation for Franciscan Ministries was $492,315 and $477,976, respectively, and is included in asset retirement obligations and other in the consolidated balance sheets.

1. Organization and Summary of Significant Accounting Policies (continued)

Deferred Bond Issuance Costs

Expenses incurred in connection with the issuance of bonds are deferred and amortized over the life of the bonds. Deferred bond issuance costs are stated net of accumulated amortization of $907,598 and $726,982 at June 30, 2015 and 2014, respectively.

Property and Equipment

Property and equipment are stated on the basis of cost or, if donated to Franciscan Ministries, at fair value on the date of acquisition. Provisions for depreciation are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years.

Costs directly related to the acquisition, development, and improvement of real estate are capitalized, including interest and other costs incurred during the construction period. Costs incurred for significant repairs and maintenance that extend the usable life of the asset or have a determinable useful life are capitalized. Ordinary repairs and maintenance are expensed as incurred.

Land Lease Rights

Franciscan Ministries has rights to lease from related party 30.8 acres of land at Franciscan Village and 80.0 acres of land at Marian Village through June 30, 2050. Each of these leases call for annual payments of $1 throughout the term of the lease agreements. Franciscan Ministries has determined that the required lease payments are less than fair value and therefore has recorded the estimated fair value of future lease payments as land lease rights in property and equipment on the combined balance sheet and a contribution of land lease rights as a change in temporarily restricted net assets both totaling $5,481,540. Both balances are amortized as lease expense and an unrestricted contribution over the terms of the leases.

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1. Organization and Summary of Significant Accounting Policies (continued)

Refundable Resident Deposits and Entrance Fees

Franciscan Ministries offers various independent living residency agreement options including rental agreements and entrance fees with variable contract options, which include 90% refundable, 50% refundable, and fully amortizable programs.

Refundable resident deposits represent amounts received from prospective independent living residents, placing them on a priority list and making them eligible, once qualified, to receive certain resident benefits upon occupancy. A deposit of 10% of the entrance fee for the unit selected under the residency agreement makes the residents eligible to receive certain other benefits.

Upon a residents' occupancy, an entrance fee is reported as refundable to the extent the entrance fee is refundable to the resident according to the residency agreement. Nonrefundable entrance fees are reported as nonrefundable entrance fees. Nonrefundable entrance fees are amortized into revenue using the straight-line method based on the estimated life of the resident or contract term, if shorter. Franciscan Ministries may require entrance fees from assisted living residents. The entrance fees are refundable, in varying amounts, to the residents upon termination of the residency agreements. Total entrance fee amortization reported as net resident service revenue amounted to $1,646,312 and $1,618,083 for the years ended June 30, 2015 and 2014, respectively.

Franciscan Ministries offers various entrance fee plans to prospective residents. Based upon the type of plan, Franciscan Ministries may have a financial obligation to provide future healthcare benefits to the residents. Management calculated the future service obligation at June 30, 2015 and 2014, and concluded that there is no liability as of June 30, 2015 and 2014.

1. Organization and Summary of Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include assets whose use has been limited by donors to a specific time period or purpose and contributed land lease rights. Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries and its related companies in perpetuity. Assets released from restrictions that are used for capital purposes are reported in the consolidated statements of operations and changes in net assets as additions to unrestricted net assets. Assets released from restrictions that are used for operating purposes are reported in the consolidated statements of operations and changes in net assets as other operating revenue. Earnings on restricted net assets are recorded as temporarily restricted net assets until amounts are expended in accordance with donors' specifications.

Contributions

Contributions are reported at fair value at the date of the contribution. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets.

Community Commitment

Franciscan Ministries provides care to residents who meet certain criteria without charge or at amounts less than established rates. Services to residents are classified as charity care in accordance with established criteria. Charity care represents services rendered for which partial payment is less than cost or no payment is expected and, as such, is not included in the net resident service revenue in the consolidated statements of operations and changes in net assets.

1. Organization and Summary of Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include assets whose use has been limited by donors to a specific time period or purpose and contributed land lease rights. Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries and its related companies in perpetuity. Assets released from restrictions that are used for capital purposes are reported in the consolidated statements of operations and changes in net assets as additions to unrestricted net assets. Assets released from restrictions that are used for operating purposes are reported in the consolidated statements of operations and changes in net assets as other operating revenue. Earnings on restricted net assets are recorded as temporarily restricted net assets until amounts are expended in accordance with donors' specifications.

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1. Organization and Summary of Significant Accounting Policies (continued)

Net Resident Service Revenue

Franciscan Ministries has agreements with third-party payors that provide for payments to Franciscan Ministries at amounts different from its established rates. Payment arrangements include prospectively determined rates, discounted charges, and per diem payments. Net resident service revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered.

Impairment of Long-Lived Assets

Franciscan Ministries considers whether indicators of impairment are present and performs the necessary tests in accordance with generally accepted accounting principles to determine if the carrying value of the asset is impaired. Impairment is recognized when estimated undiscounted operating income before depreciation and amortization is less than the carrying value of the property. To the extent that impairment has occurred, the excess of carrying value of the property over its estimated fair value is charged to operations. Impairment write-downs, if any, are reflected in loss from continuing operations. There was no impairment for the years ended June 30, 2015 and 2014.

Revenues in Excess of Expenses

The consolidated statements of operations and changes in net assets include revenues in excess of expenses. Changes in unrestricted net assets, which are excluded from revenues in excess of expenses, include changes in the unrealized gains and losses on other-than-trading portfolio investments, transfers to affiliates, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction, were to be used for the purpose of acquiring such assets).

1. Organization and Summary of Significant Accounting Policies (continued)

Federal Income Tax

Franciscan Ministries has analyzed the tax positions taken in its filings with the Internal Revenue Service ("IRS") and state jurisdictions where it operates. Franciscan Ministries believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Franciscan Ministries' financial condition, results of operations, or cash flows. Accordingly, Franciscan Ministries has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2015 and 2014.

Accounting Standards Update

During May 2014, the Financial Accounting Standards Board released Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606).* The amendments in the ASU clarify the principles for recognizing revenue and develop a common revenue standard for generally accepted accounting principles that removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, provides more useful information to users of financial statements through improved disclosure requirements, and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. Franciscan Ministries will be required to adopt and implement this accounting update as of and for the year ending June 30, 2019. Management has not yet assessed the effect of this accounting standards update on the consolidated financial statements.

2. Contractual Arrangements with Third-Party Payors

Franciscan Ministries provides care to certain residents under payment arrangements with Medicare, Medicaid, and various health maintenance and preferred provider organizations. Services provided under these arrangements are paid at predetermined rates and/or per diem rates, as defined. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation, and as a result, there is a possibility that recorded estimates may change.

1. Organization and Summary of Significant Accounting Policies (continued)

Federal Income Tax

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2. Contractual Arrangements with Third-Party Payors (continued)

Amounts received under Medicare and Medicaid payment arrangements accounted for 34% and 37% of Franciscan Ministries' net resident service revenue in 2015 and 2014, respectively. Medicare and Medicaid accounts receivable accounted for 62% of Franciscan Ministries' net accounts receivable at June 30, 2015 and 2014.

Provision has been made in the consolidated financial statements for estimated contractual adjustments, recorded in net resident revenue in the consolidated statements of operations and changes in net assets, representing the difference between Franciscan Ministries' standard charges for services and the estimated ultimate payment from various third-party payors.

3. Entrance Fees and Deposits

Franciscan Ministries may require security deposits of various amounts from private pay residents at the time of admission for nursing care. The security deposits are fully refundable to the residents upon discharge from a community. The security deposits are included in current liabilities and reported as refundable resident deposits and entrance fees. The security deposits amounted to $638,382 and $599,930 at June 30, 2015 and 2014, respectively.

Franciscan Ministries requires entrance fees from assisted living residents. The refundable portion of the entrance fees varies by community and is refundable to the resident upon discharge from the community. The refundable portion of the entrance fees is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion of the entrance fee is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $911,162 and $860,369 at June 30, 2015 and 2014, respectively. The nonrefundable portion of these entrance fees amounted to $281,702 and $168,846 at June 30, 2015 and 2014, respectively.

Franciscan Ministries also requires entrance fees, in varying amounts, under other independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination, reoccupancy of the vacated unit, and leaving the community before amounts are required to be refunded. The refundable and nonrefundable portions of the entrance fees are included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $64,982,232 and $63,758,231 at June 30, 2015 and 2014, respectively. The nonrefundable portion of these entrance fees amounted to $5,709,113 and $5,686,064 at June 30, 2015 and 2014, respectively.

3. Entrance Fees and Deposits (continued)

Prospective independent living residents are subject to reservation deposits up to a maximum of 10% of the entrance fee for the unit selected under the residency agreements, making the residents eligible to receive certain other benefits. Upon occupancy, the resident is charged the remaining 90% of the entrance fee. The reservation deposits are fully refundable if the contract is terminated prior to occupancy, and they are included in current liabilities and reported as refundable resident deposits and entrance fees. Reservation deposits amounted to $222,751 and $199,523 at June 30, 2015 and 2014, respectively.

Franciscan Ministries requires entrance fees, in varying amounts, in certain independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portions varies and is refundable upon termination of the residency agreements. The refundable portion of the entrance fee is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $3,886,385 and $4,128,221 at June 30, 2015 and 2014, respectively. The nonrefundable portion of these entrance fees amounted to $337,563 and $282,719 at June 30, 2015 and 2014, respectively.

4. Investments and Other Financial Instruments

Total investment return for the years ended June 30 is summarized as follows:

	2015	2014
Dividend and interest income	**$ 1,809,264**	$ 1,823,842
Realized gains	**2,492,928**	4,144,449
Investment fees	**(350,451)**	(271,225)
Unrealized gains/losses	**(1,236,790)**	851,668
	$ 2,714,951	$ 6,548,734

3. Entrance Fees and Deposits (continued)

Prospective independent living residents are subject to reservation deposits up to a maximum of 10% of the entrance fee for the unit selected under the residency agreements, making the residents eligible to receive certain other benefits. Upon occupancy, the resident is charged the remaining 90% of the entrance fee. The reservation deposits are fully refundable if the contract is terminated prior to occupancy, and they are included in current liabilities and reported as refundable resident deposits and entrance fees. Reservation deposits amounted to $222,751 and $199,523 at June 30, 2015 and 2014, respectively.

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Unrealized gains/losses	**(1,236,790)**	851,668
	$ 2,714,951	$ 6,548,734

4. Investments and Other Financial Instruments (continued)

As reported:

	2015	2014
Other operating revenue	$ 107,315	$ 64,256
Nonoperating:		
Net investment income	3,844,426	5,632,810
Net change in unrealized gains/losses on investments - trading portfolio	(1,031,661)	1,105,641
Other changes in unrestricted net assets -		
Net change in unrealized gains/losses on investments - other-than-trading portfolio	(205,129)	(253,973)
	$ 2,714,951	$ 6,548,734

5. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures,* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of input that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

5. Fair Value Measurements (continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Internally designated investments:				
Franciscan Ministries Investment Pool:				
Equities – domestic	$ 31,453,316	$ 7,576,432	$ -	$ 39,029,748
Equities – international	1,020,393	-	-	1,020,393
Equities – mutual funds	5,068,357	-	-	5,068,357
Mutual fund - fixed income	30,492,062	3,896	-	30,495,958
Cash and cash equivalents	7,120,245	-	-	7,120,245
Total Franciscan Ministries Investment Pool	75,154,373	7,580,328	-	82,734,701
Fixed income	4,063,986	-	-	4,063,986
Total internally designated investments	79,218,359	7,580,328	-	86,798,687
Externally designated investments:				
Fixed income	-	11,736,537	-	11,736,537
Cash and cash equivalents	11,914,646	-	-	11,914,646
Total externally designated investments	11,914,646	11,736,537	-	23,651,183
Long-term investments:				
Pooled equity funds	1,003,826	-	-	1,003,826
	$ 92,136,831	$ 19,316,865	$ -	$ 111,453,696

5. Fair Value Measurements (continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

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Equities – mutual funds	5,068,357	-	-	5,068,357
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Total internally designated investments	79,218,359	7,580,328	-	86,798,687
Externally designated investments:				
Fixed income	-	11,736,537	-	11,736,537
Cash and cash equivalents	11,914,646	-	-	11,914,646
Total externally designated investments	11,914,646	11,736,537	-	23,651,183
Long-term investments:				
Pooled equity funds	1,003,826	-	-	1,003,826
	$ 92,136,831	$ 19,316,865	$ -	$ 111,453,696

5. Fair Value Measurements (continued)

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2014:

	Level 1	Level 2	Level 3	Total
Internally designated investments:				
Franciscan Ministries Investment Pool:				
Equities – domestic	$ 25,207,932	$ 6,244,399	$ -	$ 31,452,331
Equities – international	1,153,679	-	-	1,153,679
Equities – mutual funds	5,168,439	-	-	5,168,439
Mutual fund - fixed income	25,528,639	4,692	-	25,533,331
Cash and cash equivalents	10,605,093	-	-	10,605,093
Total Franciscan Ministries Investment Pool	67,663,782	6,249,091	-	73,912,873
Fixed income	4,716,979	-	-	4,716,979
Total internally designated investments	72,380,761	6,249,091	-	78,629,852
Externally designated investments:				
Fixed income	-	3,415,910	-	3,415,910
Cash and cash equivalents	22,687,769	-	-	22,687,769
Total externally designated investments	22,687,769	3,415,910	-	26,103,679
Long-term investments:				
Pooled equity funds	1,022,973	-	-	1,022,973
	$ 96,091,503	$ 9,665,001	$ -	$ 105,756,504

Fair value for Level 1 assets is based on quoted market prices. Level 2 investments are valued by pricing services utilized by Franciscan Ministries' investment managers in which quoted market prices for similar instruments in active markets are used to determine fair value.

As of June 30, 2015 and 2014, there are no liabilities measured at fair value on a recurring basis.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses are reasonable estimates of their fair values due to the short-term nature of those financial instruments. The carrying values of certain retirement liabilities related to deferred compensation plans are reasonable estimates of their fair value as they equate the fair value of the assets held within the deferred compensation plan.

5. Fair Value Measurements (continued)

It is not practicable to estimate the fair values of amounts due to/from affiliates, as timing of future cash flows is uncertain and/or the debtors' ability to borrow with similar terms from an unrelated party cannot be determined.

Franciscan Ministries' policy is to recognize transfers in and transfers out of Levels 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no transfers between levels at June 30, 2015 and 2014.

Franciscan Ministries invests in an equity fund held within the investment pool that does not have a readily determinable market value. Therefore, the fair value is based on net asset value per share and is classified as Level 2. The investment has a fair value of $7,576,432 and $6,244,399 at June 30, 2015 and 2014, respectively. The investment shares are not transferable and may only be redeemed through the fund. Redemption can occur based on the fair value of net assets held on no more than a monthly basis and requires a 30-day notice. The fund's primary strategy is to invest in a diversified portfolio of non-U.S. stocks.

6. Property and Equipment

Property and equipment are as follows at June 30:

	2015	2014
Land and improvements	$ 41,473,172	$ 40,121,598
Land lease rights	5,481,540	-
Buildings and improvements	246,994,107	243,501,537
Furniture and movable equipment	34,195,856	32,328,255
Construction-in-progress	2,411,846	721,044
	330,556,521	316,672,434
Less accumulated depreciation	167,892,001	156,529,443
	$ 162,664,520	$ 160,142,991
Depreciation expense	$ 11,778,943	$ 11,596,820

5. Fair Value Measurements (continued)

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Less accumulated depreciation	**167,892,001**	156,529,443
	$ 162,664,520	$ 160,142,991
Depreciation expense	**$ 11,778,943**	$ 11,596,820

7. Long-Term Debt

Long-term debt consisted of the following at June 30:

	2015	2014
Illinois Finance Authority Revenue Bonds:		
Series 2004B, principal payable in varying annual installments from 2026 through 2034; interest rate 6.50%, rate change date May 15, 2034	**$ 3,060,000**	$ 3,060,000
Series 2007A, principal payable in varying annual installments from 2013 through 2037; interest rates ranging from 5.25% to 5.50%	**40,140,000**	40,160,000
Series 2013A, principal payable in varying annual installments from 2014 through 2047; interest rate ranging from 2.15% to 5.25%	**97,330,000**	98,830,000
Series 2013B, principal payable in varying monthly installments from 2013 through 2043; interest rates vary monthly based on prevailing market conditions (2.10% and 2.08% at June 30, 2015 and 2014, respectively)	**10,700,101**	10,930,695
The Huntington National Bank:		
Series 2013C, principal payable in varying monthly installments from 2013 through 2043; interest rates vary monthly based on prevailing market conditions (2.74% and 2.70% at June 30, 2015 and 2014, respectively)	**15,634,773**	15,998,745
County of Cuyahoga, Ohio Healthcare Facilities Revenue Bonds:		
Series 2004C, principal payable in varying annual installments from 2028 through 2032; interest rate 6.25%	**5,255,000**	5,255,000
Series 2004D, principal payable in varying annual installments from 2033 through 2034; interest rate 6.50%, rate change date May 15, 2034	**2,745,000**	2,745,000
US Bank National Association Mortgage Note, interest at 6.97%	**-**	1,466,279
Illinois Housing Development Authority Mortgage Note, interest at 3.75%, principal due 2049; interest paid monthly	**2,363,208**	2,394,702

7. Long-Term Debt (continued)

	2015	2014
Illinois Housing Development Authority Mortgage Note, interest-only payments through 2017, principal due 2047; interest paid monthly; interest rate 1.0%	**$ 1,111,000**	$ 1,111,000
Illinois Housing Development Authority Mortgage Note, principal due 2047; interest rate 6.08%	**1,632,306**	1,648,508
	179,971,388	183,599,929
Less current maturities of long-term debt	**2,061,242**	2,031,394
	$177,910,146	$181,568,535

Annual maturities of long-term debt and sinking fund requirements as of June 30, 2015, for each of the next five years, are as follows:

2016	$ 2,061,242
2017	3,004,337
2018	3,074,171
2019	3,200,147
2020	3,355,249
Thereafter	165,276,242

The Obligated Group was formed on August 1, 1994. The original participants included St. Anthony, St. Joseph, and Mount Alverna. Franciscan Village became a participant in the Obligated Group effective August 15, 1996. Addolorata Villa became a participant in the Obligated Group effective November 14, 1996. Effective November 1, 1998, St. Clare, St. Elizabeth, St. Mary, and George Davis became participants in the Obligated Group. Effective January 1, 2001, Franciscan became a participant in the Obligated Group. Effective July 1, 2001, Marian Village and St. James became participants Obligated Group. Effective July 12, 2006, Victory Lakes became a participant in the Obligated Group. Effective March 13, 2013, University Place, Inc. became a participant in the Obligated Group.

7. Long-Term Debt (continued)

	2015	2014
Illinois Housing Development Authority Mortgage Note, interest-only payments through 2017, principal due 2047; interest paid monthly; interest rate 1.0%	**$ 1,111,000**	$ 1,111,000
Illinois Housing Development Authority Mortgage Note, principal due 2047; interest rate 6.08%	**1,632,306**	1,648,508
	179,971,388	183,599,929
Less current maturities of long-term debt	**2,061,242**	2,031,394
	$177,910,146	$181,568,535

Annual maturities of long-term debt and sinking fund requirements as of June 30, 2015, for each of the next five years, are as follows:

2016	$ 2,061,242
2017	3,004,337
2018	3,074,171
2019	3,200,147
2020	3,355,249
Thereafter	165,276,242

The Obligated Group was formed on August 1, 1994. The original participants included St. Anthony, St. Joseph, and Mount Alverna. Franciscan Village became a participant in the Obligated Group effective August 15, 1996. Addolorata Villa became a participant in the Obligated Group effective November 14, 1996. Effective November 1, 1998, St. Clare, St. Elizabeth, St. Mary, and George Davis became participants in the Obligated Group. Effective January 1, 2001, Franciscan became a participant in the Obligated Group. Effective July 1, 2001, Marian Village and St. James became participants Obligated Group. Effective July 12, 2006, Victory Lakes became a participant in the Obligated Group. Effective March 13, 2013, University Place, Inc. became a participant in the Obligated Group.

7. Long-Term Debt (continued)

The maturity of the Series 2013B Bonds will be May 15, 2043, and the stated due date of the Taxable Term Loan is January 5, 2023. Despite the nominal maturity date of the Series 2013B Bonds, the commitment of the holder of the Series 2013 B bonds expires on January 5, 2023, at which time the Series 2013B Bonds may be subject to mandatory purchase by the Obligated Group. In addition, if the Obligated Group defaults under the Taxable Term Loan, The Huntington National Bank (the "Bank") may elect to accelerate the maturity of the Taxable Term Loan. If such events occur, the Obligated Group would be required to refinance such indebtedness at that time.

Under the terms of the long-term debt arrangements, various amounts are on deposit with trustees, and certain specified payments are required for bond redemption and interest payments. The terms of certain long-term debt agreements also grant a security interest in the Obligated Group's gross revenues. In addition, the indenture restricts the Obligated Group from encumbering substantially all of its property, limits additional indebtedness, and requires maintenance of various financial ratios. The Obligated Group has Mortgage and Security Agreements and Leasehold Mortgage and Security Agreements, dated March 13, 2013, with the Master Trustee and the Bank as security for the Series 2013 Bonds and Taxable Term Loan, providing substantially all property, plant, and equipment, and certain other assets as collateral, subject to the terms of certain ground leases.

Crete Senior Housing, LLC has a secured first mortgage in the property with the Illinois Housing Development Authority in the amount of $1,648,507 and a second secured mortgage note in the amount of $1,111,000. Crete Senior Housing Phase II, LLC has a secured mortgage in the property with the Illinois Housing Development Authority in the amount of $2,394,702. Louisville Senior Housing, LLC had a secured mortgage in the property with US Bank, National Association in the amount of $1,466,280. Effective October 2, 2014, Louisville Senior Housing, LLC entered into a secured mortgage note with Franciscan Ministries in the amount of $1,799,733. The loan is amortized over 35 years with an interest rate of 4.00% with a balloon payment due May 2030. Monthly principal and interest on the loan total $7,969. Franciscan Ministries has a secured first mortgage in the property. The proceeds of the loan were used to retire the US Bank, National Association mortgage note and cost of issuance.

Interest paid on long-term debt amounted to $8,962,989 and $9,047,792 in 2015 and 2014, respectively.

Interest was capitalized in the amount of $60,363 and $81,723 during the years ended June 30, 2015 and 2014, respectively.

7. Long-Term Debt (continued)

The estimated fair value of long-term debt based on quoted market prices for the same or similar issues was $2,670,940 more and $480,989 less than its carrying value at June 30, 2015 and 2014, respectively. Based on the inputs in determining the estimated fair values of the debt, this liability would be considered a Level 2 within the fair value hierarchy.

The provisions of the Master Trust Indenture and the Taxable Term Loan as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds and Taxable Bank Loan are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture and Taxable Bank Loan. Management believes Franciscan Ministries is in compliance with such covenants at both June 30, 2015 and 2014.

8. Grant Agreements

Crete Senior Housing Phase II, LLC (Crete II) has entered into a Section 1602 written agreement with the Illinois Housing Development Authority to obtain a grant under Sections 1065 and 1602 of the American Reinvestment and Recovery Act of 2009 (ARRA). Crete II was granted $4,315,360 under the Section 1602 program. The Section 1602 funds were used to assist in the financing of the acquisition and construction of the affordable housing building. These funds are subject to the Qualified Allocation Plan (QAP), the program requirements, and the terms and conditions of the written agreement, the mortgage note, the regulatory agreement, the provisions of Sections 1604 and 1602 of the ARRA, the guidelines, and any other rules, regulations, guidelines, and notices published by the U.S. Treasury or IRS from time to time with respect to the Section 1602 program that are applicable to the project. During the 15-year compliance period that ends on December 31, 2026, the project must meet occupant eligibility and unit gross rent, among other requirements. The amortization of deferred Section 1602 grant revenue totaled $288,000 for the years ended June 30, 2015 and 2014.

The Section 1602 grant funds are subject to recapture in the event of default by any noncompliance with the program requirements mentioned in the agreement, unless the noncompliance is cured within the stated time provided. For compliance purposes, this grant is also secured by a mortgage note that has a second lien on the property.

7. Long-Term Debt (continued)

The estimated fair value of long-term debt based on quoted market prices for the same or similar issues was $2,670,940 more and $480,989 less than its carrying value at June 30, 2015 and 2014, respectively. Based on the inputs in determining the estimated fair values of the debt, this liability would be considered a Level 2 within the fair value hierarchy.

The provisions of the Master Trust Indenture and the Taxable Term Loan as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds and Taxable Bank Loan are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture and Taxable Bank Loan. Management believes Franciscan Ministries is in compliance with such covenants at both June 30, 2015 and 2014.

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The Section 1602 grant funds are subject to recapture in the event of default by any noncompliance with the program requirements mentioned in the agreement, unless the noncompliance is cured within the stated time provided. For compliance purposes, this grant is also secured by a mortgage note that has a second lien on the property.

9. Leases

Addolorata Villa leases land under a ground lease with the Servants of Mercy, the original sponsor. The terms of the ground lease include an irrevocable option to purchase the land at a defined option price and an annual base rent of $1. Effective March 13, 2013, the termination date of the lease was extended to December 31, 2050.

10. State of Indiana Intergovernmental Transfer Program

Effective March 1, 2014, St. Anthony entered into a lease agreement with a county hospital, Hancock Regional Hospital (the "Hospital"), to lease the operations of the nursing facility (NF) and certain housing services (the "Convent") at St. Anthony to the Hospital (collectively, the operations of the NF and the Convent are referred to herein as the "Leased Property"). Concurrently, therewith, the Hospital entered into a management agreement between a newly-formed division of the Hospital, Hancock Regional Hospital (d/b/a St. Anthony Home - Crown Point) (SAH-CP), and a newly-formed division of Franciscan Communities, Inc. (d/b/a St. Anthony Management Services) (Management Services). Compensation to Management Services for management of the operations is provided as a percentage of net resident service revenue earned and certain fees. SAH-CP will reimburse St. Anthony for salaries, wages, and benefits of contracted labor provided to SAH-CP. Franciscan Communities entered into the lease agreement and the management agreement, as well as certain additional required agreements, in accordance with the requirements of participation in the State of Indiana's Intergovernmental Transfer (IGT) Program (the "Program"). In addition, St. Anthony was required to provide limited working capital to SAH-CP for the initial months of operation.

The Hospital, located in Greenfield, Indiana, is a county hospital, which is a primary requirement for participation for the Hospital and Franciscan Communities in the Program. Effective March 1, 2014 and thereafter, the operations of the Leased Property will be reported in the financial statements of the Hospital. Franciscan Communities, accordingly, reports the corresponding lease revenue and management services revenue under Management Services.

The operating lease related to the Leased Property was effective on March 1, 2014, is for an initial term of two (2) calendar years, and is renewable annually thereafter. Either party may terminate the lease, with or without cause, by providing a sixty (60) day written notice to the other party. The lease is expected to be renewed annually in the normal course of business. In accordance with guidelines established by the Centers for Medicare and Medicaid Services (CMS), the license for the NF was transferred to the Hospital as a result of the operating lease agreement.

10. State of Indiana Intergovernmental Transfer Program (continued)

Lease revenue amounted to $1,451,640 for the year ended June 30, 2015 and $483,880 for the four-month period ended June 30, 2014. The monthly base management services revenue and subordinated management services revenue amounted to $1,107,951 for the year ended June 30, 2015 and $458,435 for the four-month period ended June 30, 2014. The lease amount and the management services revenue are payable monthly to Franciscan Communities. In addition to the lease and management services revenue, Franciscan Communities is entitled to certain additional payments from the Hospital in accordance with the various agreements. At June 30, 2015 and 2014, the amount due of $1,778,192 and $2,163,507, respectively, was due to Franciscan Communities from the Hospital for revenue earned under the various agreements, including management services revenue, lease payments, payroll expense, and working capital advances and is included in prepaid expenses and other.

If there is any possibility, as reasonably determined by the Hospital, that net patient revenues and working capital are not sufficient to pay all operating expense, interest expense, rent, and fees for SAH-CP, Management Services will immediately notify the Hospital and present a plan to the Hospital for addressing the unfavorable results. The plan could include a temporary reduction in management services revenue or other amounts paid to Management Services. Such a plan may also be established by the Hospital, if it reasonably determines that net patient revenues and working capital are not sufficient to fund the payments described in the various agreements.

11. Endowment Funds

The Sisters established endowment funds with St. Jude House, Inc. and Madonna Foundation by contributing $2,000,000 and $2,500,000, respectively. In 2013, the Sisters contributed an additional $500,000 to the endowment fund of St. Jude House, Inc. Per the agreement between the Sisters and St. Jude House, Inc. and Madonna Foundation, contributions to the endowment funds are to exist in perpetuity with the income and appreciation available to support the operational programs and services to benefit the clients of St. Jude House, Inc. and the scholars of Madonna Foundation. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

10. State of Indiana Intergovernmental Transfer Program (continued)

Lease revenue amounted to $1,451,640 for the year ended June 30, 2015 and $483,880 for the four-month period ended June 30, 2014. The monthly base management services revenue and subordinated management services revenue amounted to $1,107,951 for the year ended June 30, 2015 and $458,435 for the four-month period ended June 30, 2014. The lease amount and the management services revenue are payable monthly to Franciscan Communities. In addition to the lease and management services revenue, Franciscan Communities is entitled to certain additional payments from the Hospital in accordance with the various agreements. At June 30, 2015 and 2014, the amount due of $1,778,192 and $2,163,507, respectively, was due to Franciscan Communities from the Hospital for revenue earned under the various agreements, including management services revenue, lease payments, payroll expense, and working capital advances and is included in prepaid expenses and other.

If there is any possibility, as reasonably determined by the Hospital, that net patient revenues and working capital are not sufficient to pay all operating expense, interest expense, rent, and fees for SAH-CP, Management Services will immediately notify the Hospital and present a plan to the Hospital for addressing the unfavorable results. The plan could include a temporary reduction in management services revenue or other amounts paid to Management Services. Such a plan may also be established by the Hospital, if it reasonably determines that net patient revenues and working capital are not sufficient to fund the payments described in the various agreements.

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11. Endowment Funds (continued)

	Internally Restricted		Permanently Restricted	
	2015	2014	2015	2014
Endowment funds:				
Madonna Foundation	$ 3,037,358	$ 3,114,892	$ -	$ -
St. Jude House, Inc.	2,658,350	2,649,849	-	-
Other	-	-	730,209	730,209
Total funds	$ 5,695,708	$ 5,764,741	$ 730,209	$ 730,209

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

	Internally Restricted		Permanently Restricted	
	2015	2014	2015	2014
Endowment net assets, beginning of year	$ 5,764,741	$ 5,500,967	$ 730,209	$ 730,209
Investment return:				
Investment income	119,229	82,826	2,615	5,945
Net income (realized and unrealized)	304,112	441,177	4,056	32,159
Total investment return	423,341	524,003	6,671	38,104
Net asset transfers to unrestricted net assets	-	-	(6,671)	(38,104)
Appropriation of endowment assets for expenditure	(492,374)	(260,229)	-	-
Endowment net assets, end of year	$ 5,695,708	$ 5,764,741	$ 730,209	$ 730,209

11. Endowment Funds (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Franciscan Ministries to retain as a fund or in perpetual duration. There were no deficiencies of donor-restricted endowment funds at June 30, 2015 and 2014.

12. Transactions with Affiliates

Notes payable to, and long-term arrangements with, affiliates consisted of the following at June 30:

	2015	2014
Working capital loan agreement payable to the Franciscan Sisters of Chicago, Inc., due June 1, 2017, with monthly payments of principal and interest; interest rate 5.0%	**$ 5,205,091**	$ 5,412,626
Less current maturities of note payable to affiliates	**217,384**	207,477
	$ 4,987,707	$ 5,205,149

On July 1, 2012, Franciscan Ministries entered into an unsecured promissory note payable with the Sisters in the amount of approximately $5,798,000. The term of the note is five years with a defined balloon payment subject to refinancing and bears interest at 5%. The note requires monthly payments of approximately $39,000.

On October 17, 2007, St. Joseph Housing entered into an unsecured working capital line-of-credit agreement with the Sisters. The agreement was effective November 1, 2007, in an amount not to exceed $5,000,000. On October 31, 2012, the Sisters extended the maturity date of the capital line-of-credit agreement with St. Joseph Housing until November 1, 2017. There are no advances under the working capital line-of-credit at June 30, 2015 and 2014.

Effective July 21, 2014, Franciscan Ministries entered into a license agreement with the Sisters to make available and share certain space on the first floor of Our Lady of Victory Convent to operate as assisted living. The license calls for an annual license fee of $1 and a prorata share of the operating costs. Total prorata share of operating expenses charged to operations under the agreement amounted to $200,000 for the year ended June 30, 2015.

11. Endowment Funds (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Franciscan Ministries to retain as a fund or in perpetual duration. There were no deficiencies of donor-restricted endowment funds at June 30, 2015 and 2014.

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Notes payable to, and long-term arrangements with, affiliates consisted of the following at June 30:

	2015	2014
Working capital loan agreement payable to the Franciscan Sisters of Chicago, Inc., due June 1, 2017, with monthly payments of principal and interest; interest rate 5.0%	**$ 5,205,091**	$ 5,412,626
Less current maturities of note payable to affiliates	**217,384**	207,477
	$ 4,987,707	$ 5,205,149

On July 1, 2012, Franciscan Ministries entered into an unsecured promissory note payable with the Sisters in the amount of approximately $5,798,000. The term of the note is five years with a defined balloon payment subject to refinancing and bears interest at 5%. The note requires monthly payments of approximately $39,000.

On October 17, 2007, St. Joseph Housing entered into an unsecured working capital line-of-credit agreement with the Sisters. The agreement was effective November 1, 2007, in an amount not to exceed $5,000,000. On October 31, 2012, the Sisters extended the maturity date of the capital line-of-credit agreement with St. Joseph Housing until November 1, 2017. There are no advances under the working capital line-of-credit at June 30, 2015 and 2014.

Effective July 21, 2014, Franciscan Ministries entered into a license agreement with the Sisters to make available and share certain space on the first floor of Our Lady of Victory Convent to operate as assisted living. The license calls for an annual license fee of $1 and a prorata share of the operating costs. Total prorata share of operating expenses charged to operations under the agreement amounted to $200,000 for the year ended June 30, 2015.

12. Transactions with Affiliates (continued)

Effective February 1, 2015, Franciscan Ministries entered into a License Agreement with the Sisters to make available and share certain space in the Sisters' Administration Building to meet the office space needs of Franciscan Ministries. The License Agreement calls for an annual license fee of $1 and a prorata share of the operating costs of the building. Total expense charged to operations under the agreement amounted to $87,399 for the five-month period ended June 30, 2015.

As described in Note 1, Franciscan Ministries has land lease agreements with the Sisters to lease land at Franciscan Village and Marian Village, all of which expire on June 30, 2050. Under the terms of amendments to the ground leases, dated May 1, 2014, the annual rent is $1 per year effective July 1, 2014. Total rent expense charged to operations under these agreements amounted to $156,618 and $260,791 for each of the years ended June 30, 2015 and 2014. At June 30, 2015, the present value of the future contributed rent, net of amortized amounts, amounted to $5,481,540.

13. Employee Benefit Plans

Medical Center Defined-Benefit Pension Plan

As of June 30, 1998, the defined-benefit pension plan was suspended.

The St. Anthony Medical Center, Inc. Retirement Plan (the "Plan") was amended effective March 31, 2012, in order to effectuate the termination and orderly liquidation of the Plan. The amendment states that benefits shall be provided from plan assets to the extent funded, and the accrued benefit of each participant shall be reduced in connection with the termination of the Plan, based upon the funded status of the Plan on the termination date, March 31, 2012. There were no financial instruments in the Plan as of June 30, 2015 or 2014.

13. Employee Benefit Plans (continued)

The summary of the changes in the benefit obligation and plan assets and the resulting funded status of the Plan are as follows at June 30:

	2015	2014
Projected benefit obligation:		
Benefit obligation at beginning of year	$ -	$ 460,000
Benefits paid	-	(460,000)
Projected benefit obligation at end of year	$ -	$ -
Accumulated benefit obligation	$ -	$ -
Change in plan assets:		
Fair value of plan assets at beginning of year	$ -	$ 460,000
Benefits paid	-	(460,000)
Fair value of Plan assets at end of year	$ -	$ -

Franciscan Ministries 401(k) Defined-Contribution Plan

Franciscan Ministries sponsors a 401(k) defined-contribution plan covering substantially all eligible employees. Franciscan Ministries contributed an amount ranging from 1% to 2% of each eligible employee's compensation plus a match of 50% of employee contributions to a maximum employer contribution ranging from 3% to 4% in 2015 and 2014. Franciscan Ministries' total expenses related to the plan were $841,113 and $705,660 for the years ended June 30, 2015 and 2014, respectively, and are included in employee benefit expenses in the accompanying consolidated statements of operations and changes in net assets.

14. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include net assets available for the purchase of assets and for specific programs totaling $2,124,460 and $1,578,716 at June 30, 2015 and 2014, respectively. Temporarily restricted net assets also include contributed land lease rights totaling $5,481,540 and $0 at June 30, 2015 and 2014, respectively.

13. Employee Benefit Plans (continued)

The summary of the changes in the benefit obligation and plan assets and the resulting funded status of the Plan are as follows at June 30:

	2015	2014
Projected benefit obligation:		
Benefit obligation at beginning of year	$ -	$ 460,000
Benefits paid	-	(460,000)
Projected benefit obligation at end of year	$ -	$ -
Accumulated benefit obligation	$ -	$ -
Change in plan assets:		
Fair value of plan assets at beginning of year	$ -	$ 460,000
Benefits paid	-	(460,000)
Fair value of Plan assets at end of year	$ -	$ -

Franciscan Ministries 401(k) Defined-Contribution Plan

Franciscan Ministries sponsors a 401(k) defined-contribution plan covering substantially all eligible employees. Franciscan Ministries contributed an amount ranging from 1% to 2% of each eligible employee's compensation plus a match of 50% of employee contributions to a maximum employer contribution ranging from 3% to 4% in 2015 and 2014. Franciscan Ministries' total expenses related to the plan were $841,113 and $705,660 for the years ended June 30, 2015 and 2014, respectively, and are included in employee benefit expenses in the accompanying consolidated statements of operations and changes in net assets.

14. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include net assets available for the purchase of assets and for specific programs totaling $2,124,460 and $1,578,716 at June 30, 2015 and 2014, respectively. Temporarily restricted net assets also include contributed land lease rights totaling $5,481,540 and $0 at June 30, 2015 and 2014, respectively.

14. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries in perpetuity, the income from which is expendable to support purchases of capital, and amounted to $730,209 at both June 30, 2015 and 2014.

15. Functional Expenses

Franciscan Ministries provides comprehensive residential and healthcare services to residents within its geographic location. The expenses related to continuing operations included in the consolidated statements of operations and changes in net assets are primarily related to the following for the years ended June 30:

	2015	2014
Nursing care	$ 66,554,927	$ 69,793,845
Senior housing	36,192,294	35,282,584
Education and community services	1,556,711	2,087,271
General and administrative	27,472,736	24,816,701
	$ 131,776,668	$ 131,980,401

16. Commitments and Contingencies

Internal Revenue Service Examination

In July 2009, the IRS notified Franciscan Ministries that it will examine Franciscan Ministries' 2007 tax return. The examination was later expanded to include the 2008 tax return and certain employee benefit issues. In January 2012, the IRS notified Franciscan Ministries that the tax returns were accepted; however, certain employee benefits issues are still under examination. Management has no estimate of potential liability, if any, at this time.

Other Contingencies

Franciscan Ministries is a defendant in a class action lawsuit filed in conjunction with the termination of the Plan. Franciscan Ministries believes that the suit is without merit and intends to vigorously defend its position.

Franciscan Ministries is a defendant in various other legal actions that have arisen in the normal course of business. Franciscan Ministries believes that the eventual resolution of these claims will not have a material effect on Franciscan Ministries' financial position or operations.

17. Guarantees

Franciscan Ministries has agreed to provide an Operating Deficit Guarantee and Tax Credit Guarantee for Crete Senior Housing, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries. The Operating Deficit Guarantee is for a period of three years commencing with stabilization, which has not been met, limited to an amount equal to six months of operating expenses. The Operating Deficit Guarantee will be in the form of an operating loan bearing interest at 4% payable upon available cash flow. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $512,740.

Franciscan Ministries has agreed to provide a Tax Credit Guarantee for Louisville Senior Housing, LLC, which provides affordable senior housing in Louisville, Kentucky. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $823,850.

Franciscan Ministries has agreed to guarantee for Crete Senior Housing Phase II, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries, the payment of the recapture amount pursuant to the Section 1602 Grant documents and the payment of the repayment pursuant to the Home Program documents. The recapture amount under the Section 1602 Grant is eliminated over a 15-year compliance period. As of June 30, 2015 and 2014, the maximum amount due under the guarantee approximates $3,609,000 and $3,766,000, respectively, and is reported as Section 1602 Deferred Grant Revenue under noncurrent liabilities. This guarantee is not anticipated to be used as long as the residents occupying the building are within established income guidelines.

17. Guarantees

Franciscan Ministries has agreed to provide an Operating Deficit Guarantee and Tax Credit Guarantee for Crete Senior Housing, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries. The Operating Deficit Guarantee is for a period of three years commencing with stabilization, which has not been met, limited to an amount equal to six months of operating expenses. The Operating Deficit Guarantee will be in the form of an operating loan bearing interest at 4% payable upon available cash flow. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $512,740.

Franciscan Ministries has agreed to provide a Tax Credit Guarantee for Louisville Senior Housing, LLC, which provides affordable senior housing in Louisville, Kentucky. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $823,850.

Franciscan Ministries has agreed to guarantee for Crete Senior Housing Phase II, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries, the payment of the recapture amount pursuant to the Section 1602 Grant documents and the payment of the repayment pursuant to the Home Program documents. The recapture amount under the Section 1602 Grant is eliminated over a 15-year compliance period. As of June 30, 2015 and 2014, the maximum amount due under the guarantee approximates $3,609,000 and $3,766,000, respectively, and is reported as Section 1602 Deferred Grant Revenue under noncurrent liabilities. This guarantee is not anticipated to be used as long as the residents occupying the building are within established income guidelines.

18. Self-Insurance Risks

Effective July 1, 2013, Franciscan Ministries is insured for workers' compensation through a fully funded insurance policy with normal statutory limit coverages in Indiana. Franciscan Ministries, prior to July 1, 2013, was self-insured for workers' compensation losses up to a maximum limit of $300,000 per occurrence in Indiana. Franciscan Ministries is self-insured for workers' compensation in Illinois and Kentucky up to a maximum limit of $450,000 per occurrence. Losses over these limits are covered by a supplemental catastrophic policy up to specified limits with an independent insurer. Estimated accruals for workers' compensation, which include estimates of the ultimate costs for is both reported claims and claims incurred but not yet reported, were $1,445,068 and $1,211,219, undiscounted, as of June 30, 2015 and 2014, respectively.

Franciscan Ministries provides employee health insurance to its employees through a self-insured program. The self-insured program, implemented July 1, 2009, includes a specific stop loss deductible of $200,000 per plan participant and an aggregate stop loss policy with a maximum benefit of $1,000,000. Franciscan Ministries reported insurance claim liabilities of $650,000 and $550,000 as of June 30, 2015 and 2014, respectively, included in accounts payable and employee benefits, and an aggregate stop loss receivable of $53,829 and $125,574 as of June 30, 2015 and 2014, respectively, which is included in prepaid expenses and other.

19. Discontinued Operations

On February 28, 2009, Franciscan Communities executed the sale of certain operating divisions. The operating divisions include Franciscan Health Care Center, George Davis Manor, St. Clare Healthcare Center, St. Elizabeth Healthcare Center, St. James Manor and Villas, and St. Mary Healthcare Center.

20. Community Commitment

The mission, values, and philosophy of Franciscan Ministries are reflected in the programs in place to provide care to the underprivileged population. Franciscan Ministries makes a major commitment to the community and residents in need by providing charity care to residents through the Gift of Care Program, sustaining significant amounts of unreimbursed costs by participation in the Medicaid program, and allocating significant resources to meet a number of community benefit needs identified.

The cost of providing charity care is calculated based upon the total cost to charge ratio based upon service line and payor class. The cost of the charity care amounted to $429,000 and $408,000 for the years ended June 30, 2015 and 2014, respectively.

20. Community Commitment (continued)

Unreimbursed costs represent the excess of resident care costs over Medicaid reimbursements. The amount of unreimbursed costs over Medicaid reimbursement is calculated based on allocated costs per resident day. Unreimbursed costs amounted to $5,145,000 and $4,388,000 for the years ended June 30, 2015 and 2014, respectively.

Franciscan Ministries addresses the spiritual needs of the community and those served through pastoral care services including, but not limited to, chapel services. The costs of these pastoral care services amounted to $1,311,000 and $1,161,000 for the years ended June 30, 2015 and 2014, respectively.

21. Subsequent Events

Franciscan Ministries evaluated events and transactions occurring subsequent to June 30, 2015 through November 6, 2015, the date of issuance of the consolidated financial statements. During this period, there were certain subsequent events requiring disclosure, which are described below.

The Service Corporation was named as the defendant in litigation associated with a breach of contract regarding a Support Agreement among the Service Corporation, the bond trustee, and a former banking relationship (the "Support Agreement") entered into in 2004. The Support Agreement provided for certain financial support from the Service Corporation to provide for a portion of the funding of the development of a former affiliate of the Service Corporation. On September 16, 2015, the Service Corporation was unsuccessful in defending the litigation. The decision of this litigation awarded damages against the Service Corporation to the bank amounting to $1,950,000, which has been accrued in the accompanying consolidated financial statements as of June 30, 2015. The expense is reported as nonoperating litigation settlements, net of settlements of other claims.

On August 14, 2015, Franciscan Communities entered into a construction contract to renovate the nursing home at Franciscan Village. The total contract price approximates $5,400,000 and the renovation period is estimated to be 14 months.

On September 9, 2015, Franciscan Communities entered into a construction contract to build a club house at Marian Village. The total contract price approximates $440,000 and the construction period is estimated to be four months.

20. Community Commitment (continued)

Unreimbursed costs represent the excess of resident care costs over Medicaid reimbursements. The amount of unreimbursed costs over Medicaid reimbursement is calculated based on allocated costs per resident day. Unreimbursed costs amounted to $5,145,000 and $4,388,000 for the years ended June 30, 2015 and 2014, respectively.

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CONSOLIDATED FINANCIAL STATEMENTS

Franciscan Sisters of Chicago Service Corporation
and Subsidiaries
(d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago)

Years Ended June 30, 2016 and 2015

With Reports of Independent Auditors

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Financial Statements

Years Ended June 30, 2016 and 2015

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Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Financial Statements

Years Ended June 30, 2016 and 2015

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Independent Auditor's Report

To the Board of Directors
Franciscan Sisters of Chicago
Service Corporation and Subsidiaries

We have audited the accompanying consolidated financial statements of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago) (Franciscan Ministries), which comprise the consolidated balance sheets as of June 30, 2016 and 2015 and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As explained in Note 5, the consolidated financial statements include investments valued at approximately $25,800,000 and $7,500,000 at June 30, 2016 and 2015, respectively, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by the investment managers, American Realty Advisors, Martingale Asset Managment, L.P.; and Boston Common Asset Management, LLC. Our opinion is not modified with respect to this matter.

To the Board of Directors
Franciscan Sisters of Chicago
Service Corporation and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago) as of June 30, 2016 and 2015, and the results of their operations and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

November 8, 2016

To the Board of Directors
Franciscan Sisters of Chicago
Service Corporation and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago) as of June 30, 2016 and 2015, and the results of their operations and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

November 8, 2016

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	$ 18,192,485	$ 20,136,208
Assets limited as to use - externally designated under debt agreements	1,093,592	939,675
Accounts receivable, less allowances for uncollectible accounts of $1,604,250 and $2,528,630 in 2016 and 2015, respectively	6,612,490	6,740,878
Due from affiliates	-	86,124
Due from third-party payors	181,675	227,777
Prepaid expenses and other	4,767,170	4,093,451
Total current assets	30,847,412	32,224,113
Assets limited as to use, net of amounts required to meet current obligations:		
Internally designated for capital improvements	98,405,224	86,798,687
Externally designated under debt agreements and letters of credit	14,978,384	22,711,508
	113,383,608	109,510,195
Deferred bond issuance costs	4,517,556	4,712,008
Long-term investments	1,102,994	1,003,826
Other long-term assets	7,465,149	2,090,883
Property and equipment, net	163,882,732	162,664,520
Total assets	$ 321,199,451	$ 312,205,545

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets (Continued)

	June 30	
	2016	2015
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 17,157,688	$ 16,216,221
Accrued salaries and employee benefits	7,170,225	6,943,889
Due to affiliates	324,217	485,857
Due to third-party payors	966,243	977,699
Current maturities of long-term debt	3,022,918	2,061,242
Current maturities of note payable to affiliate	229,214	217,384
Refundable resident deposits and entrance fees	5,122,347	5,658,681
Total current liabilities	33,992,852	32,560,973
Noncurrent liabilities:		
Long-term debt, less current maturities	174,767,211	177,910,146
Note payable to affiliate, less current maturities	4,757,724	4,987,707
Section 1602 deferred grant revenue	3,452,289	3,609,211
Refundable resident deposits and refundable and nonrefundable entrance fees	72,508,555	71,310,609
Asset retirement obligations and other	1,827,624	1,674,807
Total noncurrent liabilities	257,313,403	259,492,480
Total liabilities	291,306,255	292,053,453
Net assets:		
Noncontrolling interests in subsidiaries	2,743,564	3,106,139
Net assets:		
Unrestricted	18,653,294	8,709,744
Temporarily restricted	7,766,129	7,606,000
Permanently restricted	730,209	730,209
	27,149,632	17,045,953
Total net assets	29,893,196	20,152,092
Total liabilities and net assets	$ 321,199,451	$ 312,205,545

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets (Continued)

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See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended June 30	
	2016	2015
Unrestricted revenues, gains, and other support		
Net resident service revenue, including amortization of entrance fees of $1,948,079 in 2016 and $1,646,312 in 2015	**$ 116,982,939**	$ 114,748,715
Contracted labor revenue	**9,786,465**	9,503,703
Lease revenue	**1,264,485**	1,702,974
Management services fee revenue	**624,262**	974,537
Other operating revenue	**4,816,372**	4,578,671
Total unrestricted revenues, gains, and other support	**133,474,523**	131,508,600
Expenses		
Salaries and wages	**58,493,548**	55,798,310
Employee benefits	**12,711,476**	10,976,116
Agency	**49,630**	142,599
Purchased services - resident	**6,986,911**	6,849,296
Purchased services - general	**12,159,238**	10,610,412
Drugs, food, supplies, and other	**10,585,961**	10,846,580
Administrative, utilities, and insurance	**11,482,384**	14,262,663
Provision for uncollectible accounts	**750,372**	1,184,884
Interest	**8,853,685**	8,906,527
Depreciation and amortization	**12,379,486**	12,199,281
Total operating expenses	**134,452,691**	131,776,668
Loss from operations	**(978,168)**	(268,068)
Nonoperating		
Realized investment income	**3,857,815**	3,844,426
Net change in unrealized losses on investments - trading portfolio	**(1,175,157)**	(1,031,661)
Gain on sale of Symbria, Inc. shares - see footnote 6	**8,387,700**	–
Loss on refinancing of long-term debt	**–**	(65,073)
Litigation settlements	**–**	(724,066)
Contribution revenue and other	**155,609**	123,918
Total nonoperating	**11,225,967**	2,147,544
Revenues in excess of expenses	**10,247,799**	1,879,476
Revenues in excess of expenses allocated to noncontrolling interests	**362,575**	655,192
Revenues in excess of expenses allocated to Franciscan Sisters of Chicago Service Corporation	**10,610,374**	2,534,668

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Years Ended June 30	
	2016	2015
Other changes in unrestricted net assets		
Net change in unrealized losses on investments – other-than-trading portfolio	$ (175,664)	$ (205,129)
Net assets released from restrictions used for capital purposes	8,840	60,950
Transfers to affiliates	(500,000)	(500,000)
Total other changes in unrestricted net assets	(666,824)	(644,179)
Increase in unrestricted net assets	9,943,550	1,890,489
Temporarily restricted net assets		
Contributions for specific programs and asset purchases	655,878	1,049,470
Contributions of land lease rights - Net	–	5,481,540
Net assets released from restrictions	(495,749)	(503,726)
Increase in temporarily restricted net assets	160,129	6,027,284
Permanently restricted net assets		
Investment income	2,304	6,671
Transfers to unrestricted net assets	(2,304)	(6,671)
Change in permanently restricted net assets	–	–
Increase in net assets	10,103,679	7,917,773
Changes in net assets of noncontrolling interest		
Net loss of noncontrolling interests in subsidiaries	(362,575)	(655,192)
Decrease in net assets of noncontrolling interests	(362,575)	(655,192)
Net increase in total net assets	9,741,104	7,262,581
Net assets at beginning of year	20,152,092	12,889,511
Net assets at end of year	$ 29,893,196	$ 20,152,092

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

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See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended June 30	
	2016	2015
Operating activities		
Increase in net assets	$ 9,741,104	$ 7,262,581
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,379,486	12,199,281
Amortization of entrance fees	(1,948,079)	(1,646,312)
Amortization of Section 1602 grants	(156,922)	(156,922)
Loss on refinancing of long-term debt	–	65,075
Loss on disposal of assets	1,435	18,665
Provision for uncollectible accounts	750,372	1,184,884
Restricted contributions, net of assets released from restrictions used for operations	(160,129)	(545,744)
Contribution of land lease rights - net	–	(5,481,540)
Reduction in contributed land lease rights	156,616	–
Net change in unrealized losses on investments	1,350,821	1,236,790
Gain on sale of shares of Symbria, Inc.	(8,387,700)	–
Transfer to affiliate	500,000	500,000
Changes in operating assets and liabilities:		
Accounts receivable and due to/from third-party payors	(587,337)	(7,718)
Accounts payable, accrued salaries, prepaid expenses, deferred marketing costs, and other	(4,792,756)	1,045,124
Nonrefundable entrance fees	1,749,863	1,904,869
Due (from) to affiliate	(75,516)	483,228
Net cash provided by operating activities	10,521,258	18,062,261
Investing activities		
Purchases of property and equipment, net, and other	(13,395,055)	(8,838,002)
Proceeds from sale of assets	–	736
Proceeds from sale of shares of Symbria, Inc.	8,499,700	–
Purchase of assets limited as to use and other investments - trading portfolio, net	(6,359,497)	(7,381,846)
Sales of assets limited as to use and other investments - other-than-trading portfolio, net	732,652	447,864
Net cash used in investing activities	(10,522,200)	(15,771,248)
Financing activities		
Retirement of long-term debt	–	(1,466,280)
Payments of long-term debt	(2,181,258)	(2,162,261)
Payments on note payable to affiliate	(218,153)	(207,535)
Payment of bond issuance costs	–	(86,003)
Transfers to affiliates	(500,000)	(500,000)
Proceeds from refundable resident deposits	11,220,599	10,731,733
Refunds of resident deposits	(10,424,099)	(9,992,211)
Proceeds from restricted contributions and gains on investments, net of assets released from restrictions	160,129	545,744
Net cash used in financing activities	(1,942,782)	(3,136,813)
Decrease in cash and cash equivalents	(1,943,723)	(845,800)
Cash and cash equivalents at beginning of year	20,136,208	20,982,008
Cash and cash equivalents at end of year	$ 18,192,485	$ 20,136,208

See accompanying notes to consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Franciscan Sisters of Chicago Service Corporation and Subsidiaries, which is sponsored by the Franciscan Sisters of Chicago (the "Sisters"), is an Illinois not-for-profit corporation, which coordinates all of the Sisters' sponsored facilities and assists the Sisters in extending their charitable mission in health care and educational foundations in the Chicago metropolitan area, northern Indiana, Ohio, and Kentucky. Effective February 2015, Franciscan Sisters of Chicago Service Corporation began doing business as Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago (Franciscan Ministries).

The consolidated financial statements include the accounts and transactions of Franciscan Ministries (Service Corporation), Franciscan Communities, Inc. Obligated Group (Obligated Group), SAMC, Inc. (Medical Center), St. Joseph Senior Housing (St. Joseph Housing), Franciscan Community Services, Inc. (Community Services), Franciscan Community Benefit Services, Inc. (CBS), and Franciscan Advisory Services, Inc. (FAS). The operating divisions of CBS include Madonna Foundation and St. Jude House, Inc. The operating divisions of St. Joseph Housing include Crete Senior Housing I, LLC, Crete Senior Housing Phase II, LLC, and Louisville Senior Housing, LLC. The portion of Crete Senior Housing Phase II, LLC and Louisville Senior Housing, LLC not owned by St. Joseph Housing is reported as noncontrolling interest in the consolidated financial statements.

The members of the Obligated Group include Franciscan Communities, Inc. (Franciscan Communities) and University Place, Inc. Franciscan Communities includes the following operating divisions: Addolorata Villa, Franciscan Village, Marian Village, Mount Alverna Village (Mount Alverna), St. Anthony Home (St. Anthony), St. Anthony Management Services (Management Services), St. Joseph Village of Chicago (St. Joseph), and The Village at Victory Lakes (Victory Lakes).

Franciscan Ministries, the Obligated Group, Community Services, Medical Center, and CBS are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the "Code") and are not private foundations within the meaning of Section 509(a) of the Code. St. Joseph Housing is a tax-exempt organization under Section 501(c)(4) of the Code and is not a private foundation within the meaning of Section 509(a) of the Code.

A for-profit subsidiary of Franciscan Ministries, FAS was incorporated on June 16, 2011 with the purpose of managing certain ministries of the Sisters that did not meet the definition of the exempt purpose of Franciscan Ministries.

1. Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Franciscan Sisters of Chicago Service Corporation and Subsidiaries, which is sponsored by the Franciscan Sisters of Chicago (the "Sisters"), is an Illinois not-for-profit corporation, which coordinates all of the Sisters' sponsored facilities and assists the Sisters in extending their charitable mission in health care and educational foundations in the Chicago metropolitan area, northern Indiana, Ohio, and Kentucky. Effective February 2015, Franciscan Sisters of Chicago Service Corporation began doing business as Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago (Franciscan Ministries).

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1. Organization and Summary of Significant Accounting Policies (continued)

All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ.

Cash Equivalents

It is Franciscan Ministries' policy to reflect all investments that are not limited as to use and that have a maturity of three months or less at the time of acquisition as cash equivalents.

Cash Concentration

Franciscan Ministries has cash on deposit with financial institutions, which at times may be in excess of federally insured limits.

Assets Limited as to Use and Long-Term Investments

Assets limited as to use consist of investments set aside by the Board of Directors for future capital improvements, over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes. In addition, assets limited as to use include investments held by trustees under debt agreements and amounts as collateral for workers' compensation letters of credit.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses in the value of other-than-trading portfolio investments are recognized as changes in unrestricted net assets, while the unrealized gains and losses in the value of the trading portfolio investments are recognized as a nonoperating gain or loss.

Effective November 1, 2002, Franciscan Ministries established an investment pool. Investments of Franciscan Ministries held in the investment pool amounted to $95,249,555 and $82,734,701 at June 30, 2016 and 2015, respectively, and are included in assets limited as to use, internally designated for capital improvements on the accompanying consolidated balance sheets.

1. Organization and Summary of Significant Accounting Policies (continued)

Franciscan Ministries' investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated balance sheets.

Accounts Receivable

Accounts receivable for residents, insurance companies, and governmental agencies are based on net charges. Franciscan Ministries evaluates the collectibility of its accounts receivable based on the length of time the receivable is outstanding, payor class, and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged to the allowance for uncollectible accounts when they are deemed uncollectible. Franciscan Ministries does not require collateral.

Deferred Bond Issuance Costs

Expenses incurred in connection with the issuance of bonds are deferred and amortized over the lives of the bonds. Deferred bond issuance costs are stated net of accumulated amortization of $1,090,769 and $907,598 at June 30, 2016 and 2015, respectively.

Property and Equipment

Property and equipment are stated on the basis of cost or, if donated to Franciscan Ministries, at fair value on the date of acquisition. Provisions for depreciation are computed using the straight-line method over the estimated useful lives of the assets ranging from three to 40 years.

Costs directly related to the acquisition, development, and improvement of real estate are capitalized, including interest and other costs incurred during the construction period. Costs incurred for significant repairs and maintenance that extend the usable life of the asset or have a determinable useful life are capitalized. Ordinary repairs and maintenance are expensed as incurred.

1. Organization and Summary of Significant Accounting Policies (continued)

Franciscan Ministries' investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated balance sheets.

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1. Organization and Summary of Significant Accounting Policies (continued)

Land Lease Rights

Franciscan Ministries has rights to lease from a related party 30.8 acres of land at Franciscan Village and 80.0 acres of land at Marian Village through June 30, 2050. Each of these leases call for annual payments of $1 throughout the term of the lease agreements. Franciscan Ministries has determined that the required lease payments are less than fair value and therefore has recorded the estimated fair value of future lease payments as land lease rights in property and equipment on the consolidated balance sheet and a contribution of land lease rights as a change in temporarily restricted net assets. The amounts totaled $5,324,924 and $5,481,540 at June 30, 2016 and 2015, respectively. Both balances are amortized as lease expense and an unrestricted contribution over the terms of the leases.

Asset Retirement Obligations

Asset retirement obligations represent an obligation to dispose of assets that are legally required to be removed at a future date. Such obligations are recorded at the net present value using a risk-free interest rate and inflationary rate. As of June 30, 2016 and 2015, the asset retirement obligation for Franciscan Ministries was $507,085 and $492,315, respectively.

Refundable Resident Deposits and Entrance Fees

Franciscan Ministries offers various independent living residency agreement options, including rental agreements and entrance fees with variable contract options, which include 90 percent refundable, 50 percent refundable, and fully amortizable programs.

Refundable resident deposits represent amounts received from prospective independent living residents, placing them on a priority list and making them eligible, once qualified, to receive certain resident benefits upon occupancy. A deposit of 10 percent of the entrance fee for the unit selected under the residency agreement makes the residents eligible to receive certain other benefits.

1. Organization and Summary of Significant Accounting Policies (continued)

Upon a residents' occupancy, an entrance fee is reported as refundable to the extent the entrance fee is refundable to the resident according to the residency agreement. Nonrefundable entrance fees are reported as nonrefundable entrance fees. Nonrefundable entrance fees are amortized into revenue using the straight-line method based on the estimated life of the resident or contract term, if shorter. Franciscan Ministries may require entrance fees from assisted living residents. The entrance fees are refundable, in varying amounts, to the residents upon termination of the residency agreements. Total entrance fee amortization reported as net resident service revenue for the years ended June 30, 2016 and 2015 totaled $1,948,079 and $1,646,312, respectively.

Franciscan Ministries offers various entrance fee plans to prospective residents. Based upon the type of plan, Franciscan Ministries may have a financial obligation to provide future healthcare benefits to the residents. Management calculated the future service obligation at June 30, 2016 and 2015, and concluded that there is no liability as of June 30, 2016 and 2015.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include assets whose use has been limited by donors to a specific time period or purpose and contributed land lease rights. Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries and its related companies in perpetuity. Assets released from restrictions that are used for capital purposes are reported in the consolidated statements of operations and changes in net assets as additions to unrestricted net assets. Assets released from restrictions that are used for operating purposes are reported in the consolidated statements of operations and changes in net assets as other operating revenue. Earnings on restricted net assets are recorded as temporarily restricted net assets until amounts are expended in accordance with donors' specifications.

Contributions

Contributions are reported at fair value at the date of the contribution. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets in the consolidated statements of operations and changes in net assets as net assets.

1. Organization and Summary of Significant Accounting Policies (continued)

Upon a residents' occupancy, an entrance fee is reported as refundable to the extent the entrance fee is refundable to the resident according to the residency agreement. Nonrefundable entrance fees are reported as nonrefundable entrance fees. Nonrefundable entrance fees are amortized into revenue using the straight-line method based on the estimated life of the resident or contract term, if shorter. Franciscan Ministries may require entrance fees from assisted living residents. The entrance fees are refundable, in varying amounts, to the residents upon termination of the residency agreements. Total entrance fee amortization reported as net resident service revenue for the years ended June 30, 2016 and 2015 totaled $1,948,079 and $1,646,312, respectively.

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1. Organization and Summary of Significant Accounting Policies (continued)

Community Commitment

Franciscan Ministries provides care to residents who meet certain criteria without charge or at amounts less than established rates. Services to residents are classified as charity care in accordance with established criteria. Charity care represents services rendered for which partial payment is less than cost or no payment is expected and, as such, is not included in the net resident service revenue in the consolidated statements of operations and changes in net assets.

Net Resident Service Revenue

Franciscan Ministries has agreements with third-party payors that provide for payments to Franciscan Ministries at amounts different from its established rates. Payment arrangements include prospectively determined rates, discounted charges, and per-diem payments. Net resident service revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered.

Impairment of Long-Lived Assets

Franciscan Ministries considers whether indicators of impairment are present and performs the necessary tests in accordance with generally accepted accounting principles to determine if the carrying value of the asset is impaired. Impairment is recognized when estimated undiscounted operating income before depreciation and amortization is less than the carrying value of the property. To the extent that impairment has occurred, the excess of carrying value of the property over its estimated fair value is charged to operations. Impairment write-downs, if any, are reflected in loss from continuing operations. There was no impairment for the years ended June 30, 2016 and 2015.

Revenues in Excess of Expenses

The consolidated statements of operations and changes in net assets include revenues in excess of expenses. Changes in unrestricted net assets, which are excluded from revenues in excess of expenses, include changes in the unrealized gains and losses on other-than-trading portfolio investments, transfers to affiliates, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets).

1. Organization and Summary of Significant Accounting Policies (continued)

Federal Income Tax

Franciscan Ministries has analyzed the tax positions taken in its filings with the Internal Revenue Service (IRS) and state jurisdictions where it operates. Franciscan Ministries believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Franciscan Ministries' financial condition, results of operations, or cash flows. Accordingly, Franciscan Ministries has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2016 and 2015.

Accounting Standards Update

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for Franciscan Ministries' year ending June 30, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. Franciscan Ministries has not yet determined which application method they will use or the potential effects of the new standard on the consolidated financial statements, if any.

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statements of operations and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for Franciscan Ministries' year ending June 30, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined.

1. Organization and Summary of Significant Accounting Policies (continued)

Federal Income Tax

Franciscan Ministries has analyzed the tax positions taken in its filings with the Internal Revenue Service (IRS) and state jurisdictions where it operates. Franciscan Ministries believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Franciscan Ministries' financial condition, results of operations, or cash flows. Accordingly, Franciscan Ministries has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2016 and 2015.

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1. Organization and Summary of Significant Accounting Policies (continued)

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in August 2016. ASU No. 2016-14 requires significant changes to the financial reporting model of organizations who follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by Franciscan Ministries, including required disclosures about the liquidity and availability of resources. The new standard is effective for Franciscan Ministries' year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. Franciscan Ministries is currently evaluating the impact this standard will have on the consolidated financial statements.

2. Contractual Arrangements with Third-Party Payors

Franciscan Ministries provides care to certain residents under payment arrangements with Medicare, Medicaid, and various health maintenance and preferred provider organizations. Services provided under these arrangements are paid at predetermined rates and/or per-diem rates, as defined. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation, and as a result, there is a possibility that recorded estimates may change.

Amounts received under Medicare and Medicaid payment arrangements accounted for 31 percent and 34 percent of Franciscan Ministries' net resident service revenue in 2016 and 2015, respectively. Medicare and Medicaid accounts receivable accounted for 56 percent and 62 percent of Franciscan Ministries' net accounts receivable at June 30, 2016 and 2015, respectively.

Provision has been made in the consolidated financial statements for estimated contractual adjustments, recorded in net resident revenue in the consolidated statements of operations and changes in net assets, representing the difference between Franciscan Ministries' standard charges for services and the estimated payments to be received from the third-party payors.

3. Entrance Fees and Deposits

Franciscan Ministries may require security deposits of various amounts from private pay residents at the time of admission for nursing care. The security deposits are fully refundable to the residents upon discharge from a community. The security deposits are included in current liabilities and reported as refundable resident deposits and entrance fees. The security deposits amounted to $640,302 and $638,382 at June 30, 2016 and 2015, respectively.

3. Entrance Fees and Deposits (continued)

Franciscan Ministries requires entrance fees from assisted living residents. The refundable portion of the entrance fees varies by community and is refundable to the resident upon discharge from the community. The refundable portion of the entrance fees is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion of the entrance fee is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $782,119 and $911,162 at June 30, 2016 and 2015, respectively. The nonrefundable portion of these entrance fees amounted to $172,431 and $281,702 at June 30, 2016 and 2015, respectively.

Prospective independent living residents are subject to reservation deposits up to a maximum of 10 percent of the entrance fee for the unit selected under the residency agreements, making the residents eligible to receive certain other benefits. Upon occupancy, the resident is charged the remaining 90 percent of the entrance fee. The reservation deposits are fully refundable if the contract is terminated prior to occupancy, and they are included in current liabilities and reported as refundable resident deposits and entrance fees. Reservation deposits amounted to $255,223 and $222,751 at June 30, 2016 and 2015, respectively.

Franciscan Ministries requires entrance fees, in varying amounts, in certain independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination of the residency agreements. The refundable portion of the entrance fee is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $3,444,703 and $3,886,385 at June 30, 2016 and 2015, respectively. The nonrefundable portion of these entrance fees amounted to $327,169 and $337,563 at June 30, 2016 and 2015, respectively.

3. Entrance Fees and Deposits (continued)

Franciscan Ministries requires entrance fees from assisted living residents. The refundable portion of the entrance fees varies by community and is refundable to the resident upon discharge from the community. The refundable portion of the entrance fees is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion of the entrance fee is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $782,119 and $911,162 at June 30, 2016 and 2015, respectively. The nonrefundable portion of these entrance fees amounted to $172,431 and $281,702 at June 30, 2016 and 2015, respectively.

Prospective independent living residents are subject to reservation deposits up to a maximum of 10 percent of the entrance fee for the unit selected under the residency agreements, making the residents eligible to receive certain other benefits. Upon occupancy, the resident is charged the remaining 90 percent of the entrance fee. The reservation deposits are fully refundable if the contract is terminated prior to occupancy, and they are included in current liabilities and reported as refundable resident deposits and entrance fees. Reservation deposits amounted to $255,223 and $222,751 at June 30, 2016 and 2015, respectively.

Franciscan Ministries requires entrance fees, in varying amounts, in certain independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination of the residency agreements. The refundable portion of the entrance fee is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $3,444,703 and $3,886,385 at June 30, 2016 and 2015, respectively. The nonrefundable portion of these entrance fees amounted to $327,169 and $337,563 at June 30, 2016 and 2015, respectively.

3. Entrance Fees and Deposits (continued)

Franciscan Ministries also requires entrance fees, in varying amounts, under other independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination, reoccupancy of the vacated unit, and leaving the community before amounts are required to be refunded. The refundable and nonrefundable portions of the entrance fees are included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $66,456,578 and $64,982,232 at June 30, 2016 and 2015, respectively. The nonrefundable portion of these entrance fees amounted to $5,552,377 and $5,709,113 at June 30, 2016 and 2015, respectively.

4. Investments and Other Financial Instruments

Total investment return for the years ended June 30 is summarized as follows:

	2016	2015
Dividend and interest income	**$ 2,551,305**	$ 1,809,264
Realized gains	**1,835,527**	2,492,928
Investment fees	**(414,485)**	(350,451)
Unrealized losses	**(1,350,821)**	(1,236,790)
	$ 2,621,526	$ 2,714,951

As reported:

	2016	2015
Other operating revenue	**$ 114,532**	$ 107,315
Nonoperating:		
Net investment income	**3,857,815**	3,844,426
Net change in unrealized losses on investments - trading portfolio	**(1,175,157)**	(1,031,661)
Other changes in unrestricted net assets -		
Net change in unrealized gains/losses on investments - other-than-trading portfolio	**(175,664)**	(205,129)
	$ 2,621,526	$ 2,714,951

5. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures,* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of input that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets in active markets that the entity has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

- Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data

- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

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Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures,* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of input that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets in active markets that the entity has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

- Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data

- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

5. Fair Value Measurements (continued)

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Internally designated investments:				
Franciscan Ministries Investment Pool:				
Equities - domestic	$ 27,465,281	$ 21,698,335	$ 4,134,093	$ 53,297,709
Equities - international	611,596	-	-	611,596
Mutual fund - fixed income	32,007,283	3,355	-	32,010,638
Cash and cash equivalents	9,329,612	-	-	9,329,612
Total Franciscan Ministries Investment Pool	69,413,772	21,701,690	4,134,093	95,249,555
Fixed income	3,155,669	-	-	3,155,669
Total internally designated investments	72,569,441	21,701,690	4,134,093	98,405,224
Externally designated investments:				
Fixed income	-	10,130,568	-	10,130,568
Cash and cash equivalents	5,941,408	-	-	5,941,408
Total externally designated investments	5,941,408	10,130,568	-	16,071,976
Long-term investments:				
Pooled equity funds	1,102,994	-	-	1,102,994
	$ 79,613,843	$ 31,832,258	$ 4,134,093	$ 115,580,194

5. Fair Value Measurements (continued)

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Internally designated investments:				
Franciscan Ministries Investment Pool:				
Equities - domestic	$ 31,453,316	$ 7,576,432	$ -	$ 39,029,748
Equities - international	1,020,393	-	-	1,020,393
Equities - mutual funds	5,068,357	-	-	5,068,357
Mutual fund - fixed income	30,492,062	3,896	-	30,495,958
Cash and cash equivalents	7,120,245	-	-	7,120,245
Total Franciscan Ministries Investment Pool	75,154,373	7,580,328	-	82,734,701
Fixed income	4,063,986	-	-	4,063,986
Total internally designated investments	79,218,359	7,580,328	-	86,798,687
Externally designated investments:				
Fixed income	-	11,736,537	-	11,736,537
Cash and cash equivalents	11,914,646	-	-	11,914,646
Total externally designated investments	11,914,646	11,736,537	-	23,651,183
Long-term investments:				
Pooled equity funds	1,003,826	-	-	1,003,826
	$ 92,136,831	$ 19,316,865	$ -	$ 111,453,696

Fair value for Level 1 assets is based on quoted market prices. Level 2 investments are valued by pricing services utilized by Franciscan Ministries' investment managers in which quoted market prices for similar instruments in active markets are used to determine fair value.

As of June 30, 2016 and 2015, there are no liabilities measured at fair value on a recurring basis.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses are reasonable estimates of their fair value due to the short-term nature of those financial instruments. The carrying values of certain retirement liabilities related to deferred compensation plans are reasonable estimates of their fair value as they equate the fair value of the assets held within the deferred compensation plan.

It is not practicable to estimate the fair values of amounts due to/from affiliates, as timing of future cash flows is uncertain and/or the debtors' ability to borrow with similar terms from an unrelated party cannot be determined.

Franciscan Ministries' policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no transfers between levels at June 30, 2016 and 2015.

5. Fair Value Measurements (continued)

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Internally designated investments:				
Franciscan Ministries Investment Pool:				
Equities - domestic	$ 31,453,316	$ 7,576,432	$ -	$ 39,029,748
Equities - international	1,020,393	-	-	1,020,393
Equities - mutual funds	5,068,357	-	-	5,068,357
Mutual fund - fixed income	30,492,062	3,896	-	30,495,958
Cash and cash equivalents	7,120,245	-	-	7,120,245
Total Franciscan Ministries Investment Pool	75,154,373	7,580,328	-	82,734,701
Fixed income	4,063,986	-	-	4,063,986
Total internally designated investments	79,218,359	7,580,328	-	86,798,687
Externally designated investments:				
Fixed income	-	11,736,537	-	11,736,537
Cash and cash equivalents	11,914,646	-	-	11,914,646
Total externally designated investments	11,914,646	11,736,537	-	23,651,183
Long-term investments:				
Pooled equity funds	1,003,826	-	-	1,003,826
	$ 92,136,831	$ 19,316,865	$ -	$ 111,453,696

Fair value for Level 1 assets is based on quoted market prices. Level 2 investments are valued by pricing services utilized by Franciscan Ministries' investment managers in which quoted market prices for similar instruments in active markets are used to determine fair value.

As of June 30, 2016 and 2015, there are no liabilities measured at fair value on a recurring basis.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses are reasonable estimates of their fair value due to the short-term nature of those financial instruments. The carrying values of certain retirement liabilities related to deferred compensation plans are reasonable estimates of their fair value as they equate the fair value of the assets held within the deferred compensation plan.

It is not practicable to estimate the fair values of amounts due to/from affiliates, as timing of future cash flows is uncertain and/or the debtors' ability to borrow with similar terms from an unrelated party cannot be determined.

Franciscan Ministries' policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no transfers between levels at June 30, 2016 and 2015.

5. Fair Value Measurements (continued)

Investments in Entities that Calculate Net Asset Value per Share

Franciscan Ministries holds shares or interests in investment companies within the investment pool at year end whereby the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment companies.

At year end, the fair value, unfunded commitments, and redemption rules of these investments is as follows:

Fund	2016 Fair Value	2015 Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Boston Common International Catholic SRI Fund	$ 7,582,625	$ 7,576,432	$ -	No Restriction	30 days
Martingale Investment Trust	14,115,710	-	-	No Restriction	10 days
American Core Realty Fund, LP	4,134,093	-	870,000	Quarterly	10 days

The Boston Common International Catholic SRI Fund includes a diversified portfolio of non-U.S. stocks of high-quality companies with the objective of achieving long-term capital appreciation.

The Martingale Investment Trust *Series 1: U.S. Low Volatility LargeCap* + employs a low volatility equity strategy with the objective of earning equity market returns over the long term with lower volatility than the market index. The underlying investments consist of U.S. large cap equity securities, exchange traded funds, and cash equivalents.

The American Core Realty Fund, LP is an open-end real estate investment fund that invests directly and/or indirectly through joint ventures, partnerships, and other participations with others, including senior and subordinate debt investments, generally in stable, institutional quality office and retail, industrial, and multifamily residential properties that generally are substantially leased with minimal deferred maintenance or functional obsolescence.

5. Fair Value Measurements (continued)

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended June 30, 2016 is as follows:

	American Core Realty Fund, LP
Balance at July 1, 2015	$ -
Purchases	4,130,000
Unrealized gains	35,214
Realized losses	(7,624)
Net settlements and fees	(23,497)
Balance at June 30, 2016	$ 4,134,093

The fair value of the American Core Realty Fund, LP at June 30, 2016 was determined primarily based on Level 3 inputs. Franciscan Ministries estimates the fair value of this investment based on the most recent investment statement provided for the fund.

Both observable and unobservable inputs may be used to determine the fair value of the positions classified as Level 3 assets. As a result, the unrealized gains for this asset presented in the table above may include changes in fair values that were attributable to both observable and unobservable inputs.

6. Symbria, Inc.

In October 2015, Franciscan Ministries sold its shares of Symbria, Inc. to the Symbria, Inc. Employees Stock Ownership Trust. Prior to October 2015, Franciscan Ministries had accounted for the investment in Symbria using the cost method. As a result of the sale, the following consideration was received: $3,162,570 in cash, $6,337,130 in an interest-bearing unsecured note, and 64,103 unexercised warrant shares. The interest-bearing note is subject to certain clawback provisions. In the event Symbria fails to meet agreed-upon projected earnings on a cumulative basis for the period beginning on April 1, 2015 and ending on March 31, 2018, the ESOP purchase price in the aggregate shall be reduced by the amount of any shortfall in earnings multiplied by 8.5 (the "Clawback"). Franciscan Ministries has recorded a $1,000,000 valuation against the interest-bearing note for the maximum amount of the Clawback attributable based on the shares of Symbria, Inc. held at the sale date. Franciscan Ministries did not record any amounts related to the warrant shares as the strike price of the warrants is comparable to the current market value of shares of Symbria, Inc. Employees Stock Ownership Trust. As of June 30, 2016 the subordinated note receivable plus accrued interest totaling $5,450,801 is recorded in the consolidated balance sheets as other long-term assets. As a result of the sale, Franciscan Ministries recognized $8,387,700 in realized gains in the consolidated statements of operations and changes in net assets for the year ended June 30, 2016.

5. Fair Value Measurements (continued)

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended June 30, 2016 is as follows:

	American Core Realty Fund, LP
Balance at July 1, 2015	$ -
Purchases	4,130,000
Unrealized gains	35,214
Realized losses	(7,624)
Net settlements and fees	(23,497)
Balance at June 30, 2016	$ 4,134,093

The fair value of the American Core Realty Fund, LP at June 30, 2016 was determined primarily based on Level 3 inputs. Franciscan Ministries estimates the fair value of this investment based on the most recent investment statement provided for the fund.

Both observable and unobservable inputs may be used to determine the fair value of the positions classified as Level 3 assets. As a result, the unrealized gains for this asset presented in the table above may include changes in fair values that were attributable to both observable and unobservable inputs.

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7. Property and Equipment

Property and equipment are as follows at June 30:

	2016	2015
Land and land improvements	**$41,950,006**	$41,473,172
Land lease rights	**5,324,924**	5,481,540
Building and improvements	**251,913,194**	246,994,107
Furniture and moveable equipment	**35,131,562**	34,195,856
Construction in progress	**7,538,348**	2,411,846
	341,858,034	330,556,521
Less accumulated depreciation	**(177,975,302)**	(167,892,001)
	$163,882,732	$162,664,520
Depreciation expense	**$12,018,787**	$11,778,943

8. Long-Term Debt

Long-term debt consisted of the following at June 30:

	2016	2015
Illinois Finance Authority Revenue Bonds:		
Series 2004B, principal payable in varying annual installments from 2026 through 2034; interest rate 6.50%	**$ 3,060,000**	$ 3,060,000
Series 2007A, principal payable in varying annual installments from 2013 through 2037; interest rates ranging from 5.25% to 5.50%	**40,120,000**	40,140,000
Series 2013A, principal payable in varying annual installments from 2014 through 2047; interest rate ranging from 2.15% to 5.25%	**95,830,000**	97,330,000
Series 2013B, principal payable in varying monthly installments from 2013 through 2043; interest rates vary monthly based on prevailing market conditions (2.28% and 2.10% at June 30, 2016 and 2015, respectively)	**10,461,829**	10,700,101
The Huntington National Bank:		
Series 2013C, principal payable in varying monthly installments from 2013 through 2043; interest rates vary monthly based on prevailing market conditions (3.01% and 2.74% at June 30, 2016 and 2015, respectively)	**15,261,689**	15,634,773
County of Cuyahoga, Ohio Healthcare Facilities Revenue Bonds:		
Series 2004C, principal payable in varying annual installments from 2028 through 2032; interest rate 6.25%	**5,255,000**	5,255,000
Series 2004D, principal payable in varying annual installments from 2033 through 2034; interest rate 6.50%	**2,745,000**	2,745,000
Illinois Housing Development Authority Mortgage Note, interest at 3.75%, principal due 2049; interest paid monthly	**2,330,521**	2,363,208

8. Long-Term Debt

Long-term debt consisted of the following at June 30:

	2016	2015
Illinois Finance Authority Revenue Bonds:		
Series 2004B, principal payable in varying annual installments from 2026 through 2034; interest rate 6.50%	**$ 3,060,000**	$ 3,060,000
Series 2007A, principal payable in varying annual installments from 2013 through 2037; interest rates ranging from 5.25% to 5.50%	**40,120,000**	40,140,000
Series 2013A, principal payable in varying annual installments from 2014 through 2047; interest rate ranging from 2.15% to 5.25%	**95,830,000**	97,330,000
Series 2013B, principal payable in varying monthly installments from 2013 through 2043; interest rates vary monthly based on prevailing market conditions (2.28% and 2.10% at June 30, 2016 and 2015, respectively)	**10,461,829**	10,700,101
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County of Cuyahoga, Ohio Healthcare Facilities Revenue Bonds:		
Series 2004C, principal payable in varying annual installments from 2028 through 2032; interest rate 6.25%	**5,255,000**	5,255,000
Series 2004D, principal payable in varying annual installments from 2033 through 2034; interest rate 6.50%	**2,745,000**	2,745,000
Illinois Housing Development Authority Mortgage Note, interest at 3.75%, principal due 2049; interest paid monthly	**2,330,521**	2,363,208

8. Long-Term Debt (continued)

	2016	2015
Illinois Housing Development Authority Mortgage Note, interest-only payments through 2017, principal due 2047; interest paid monthly; interest rate 1.0%	**$ 1,111,000**	$ 1,111,000
Illinois Housing Development Authority Mortgage Note, principal due 2047; interest rate 6.08%	**1,615,090**	1,632,306
	177,790,129	179,971,388
Less current maturities of long-term debt	**3,022,918**	2,061,242
	$174,767,211	$177,910,146

Annual maturities of long-term debt and sinking fund requirements as of June 30, 2016, for each of the next five years, are as follows:

2017	$ 3,022,918
2018	3,106,275
2019	3,232,574
2020	3,387,999
2021	3,476,112
Thereafter	161,564,251

8. Long-Term Debt (continued)

The maturity of the Series 2013B Bonds will be May 15, 2043, and the stated due date of the Taxable Term Loan is January 5, 2023. Despite the nominal maturity date of the Series 2013B Bonds, the commitment of the holder of the Series 2013B bonds expires on January 5, 2023, at which time the Series 2013B Bonds may be subject to mandatory purchase by the Obligated Group. In addition, if the Obligated Group defaults under the Taxable Term Loan, The Huntington National Bank (the "Bank") may elect to accelerate the maturity of the Taxable Term Loan. If such events occur, the Obligated Group would be required to refinance such indebtedness at that time.

Under the terms of the long-term debt arrangements, various amounts are on deposit with trustees, and certain specified payments are required for bond redemption and interest payments. The terms of certain long-term debt agreements also grant a security interest in the Obligated Group's gross revenues. In addition, the indenture restricts the Obligated Group from encumbering substantially all of its property, limits additional indebtedness, and requires maintenance of various financial ratios. The Obligated Group has Mortgage and Security Agreements and Leasehold Mortgage and Security Agreements, dated March 13, 2013, with the Master Trustee and the Bank as security for the Taxable Term Loan, providing substantially all property, plant, and equipment, and certain other assets as collateral, subject to the terms of certain ground leases.

Crete Senior Housing, LLC has a secured first mortgage in the property with the Illinois Housing Development Authority in the amount of $1,632,306 and a second secured mortgage note in the amount of $1,111,000. Crete Senior Housing Phase II, LLC has a secured mortgage in the property with the Illinois Housing Development Authority in the amount of $2,363,208. Effective October 2, 2014, Louisville Senior Housing, LLC entered into a secured mortgage note with Franciscan Ministries in the amount of $1,799,733. The loan is amortized over 35 years with an interest rate of 4.00 percent and with a balloon payment due May 2030. Monthly principal and interest on the loan total $7,969. Franciscan Ministries has a secured first mortgage in the property. The proceeds of the loan were used to retire the U.S. Bank National Association mortgage note and pay certain costs of issuance of the loan.

Interest paid on long-term debt amounted to $8,916,816 and $8,962,989 in 2016 and 2015, respectively.

Interest was capitalized in the amount of $69,556 and $60,363 during the years ended June 30, 2016 and 2015, respectively.

8. Long-Term Debt (continued)

The maturity of the Series 2013B Bonds will be May 15, 2043, and the stated due date of the Taxable Term Loan is January 5, 2023. Despite the nominal maturity date of the Series 2013B Bonds, the commitment of the holder of the Series 2013B bonds expires on January 5, 2023, at which time the Series 2013B Bonds may be subject to mandatory purchase by the Obligated Group. In addition, if the Obligated Group defaults under the Taxable Term Loan, The Huntington National Bank (the "Bank") may elect to accelerate the maturity of the Taxable Term Loan. If such events occur, the Obligated Group would be required to refinance such indebtedness at that time.

Under the terms of the long-term debt arrangements, various amounts are on deposit with trustees, and certain specified payments are required for bond redemption and interest payments. The terms of certain long-term debt agreements also grant a security interest in the Obligated Group's gross revenues. In addition, the indenture restricts the Obligated Group from encumbering substantially all of its property, limits additional indebtedness, and requires maintenance of various financial ratios. The Obligated Group has Mortgage and Security Agreements and Leasehold Mortgage and Security Agreements, dated March 13, 2013, with the Master Trustee and the Bank as security for the Taxable Term Loan, providing substantially all property, plant, and equipment, and certain other assets as collateral, subject to the terms of certain ground leases.

Crete Senior Housing, LLC has a secured first mortgage in the property with the Illinois Housing Development Authority in the amount of $1,632,306 and a second secured mortgage note in the amount of $1,111,000. Crete Senior Housing Phase II, LLC has a secured mortgage in the property with the Illinois Housing Development Authority in the amount of $2,363,208. Effective October 2, 2014, Louisville Senior Housing, LLC entered into a secured mortgage note with Franciscan Ministries in the amount of $1,799,733. The loan is amortized over 35 years with an interest rate of 4.00 percent and with a balloon payment due May 2030. Monthly principal and interest on the loan total $7,969. Franciscan Ministries has a secured first mortgage in the property. The proceeds of the loan were used to retire the U.S. Bank National Association mortgage note and pay certain costs of issuance of the loan.

Interest paid on long-term debt amounted to $8,916,816 and $8,962,989 in 2016 and 2015, respectively.

Interest was capitalized in the amount of $69,556 and $60,363 during the years ended June 30, 2016 and 2015, respectively.

8. Long-Term Debt (continued)

The estimated fair value of long-term debt based on quoted market prices for the same or similar issues was $8,524,417 and $2,670,940 more than its carrying value at June 30, 2016 and 2015, respectively. Based on the inputs in determining the estimated fair values of the debt, this liability would be considered a Level 2 input within the fair value hierarchy.

The provisions of the Master Trust Indenture and the Taxable Term Loan as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds and Taxable Bank Loan are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture and Taxable Term Loan. Management believes Franciscan Ministries is in compliance with such covenants at June 30, 2016 and 2015.

9. Grant Agreements

Crete Senior Housing Phase II, LLC (Crete II) has entered into a Section 1602 written agreement with the Illinois Housing Development Authority to obtain a grant under Sections 1065 and 1602 of the American Reinvestment and Recovery Act of 2009 (ARRA). Crete II was granted $4,315,360 under the Section 1602 program. The Section 1602 funds were used to assist in the financing of the acquisition and construction of the affordable housing building. These funds are subject to the Qualified Allocation Plan (QAP), the program requirements, and the terms and conditions of the written agreement, the mortgage note, the regulatory agreement, the provisions of Sections 1604 and 1602 of the ARRA, the guidelines, and any other rules, regulations, guidelines, and notices published by the U.S. Treasury or IRS from time to time with respect to the Section 1602 program that are applicable to the project. During the 15-year compliance period that ends on December 31, 2026, the project must meet occupant eligibility and unit gross rent, among other requirements. The amortization of deferred Section 1602 grant revenue totaled $156,922 for the years ended June 30, 2016 and 2015.

The Section 1602 grant funds are subject to recapture in the event of default by any noncompliance with the program requirements mentioned in the agreement, unless the noncompliance is cured within the stated time provided. For compliance purposes, this grant is also secured by a mortgage note that has a second lien on the property.

10. Leases

Addolorata Villa leases land under a ground lease agreement with the Servants of Mary, the original sponsor. The terms of the ground lease include an irrevocable option to purchase the land at a defined option price and an annual base rent of $1. Effective March 13, 2013, the termination date of the lease was extended to December 31, 2050.

11. State of Indiana Intergovernmental Transfer Program

Effective March 1, 2014, St. Anthony entered into a lease agreement with a county hospital, Hancock Regional Hospital (the "Hospital"), to lease the operations of the nursing facility (NF) and certain housing services (the "Convent") at St. Anthony to the Hospital (collectively, the operations of the NF and the Convent are referred to herein as the "Leased Property"). Concurrently, therewith, the Hospital entered into a management agreement between a newly-formed division of the Hospital, Hancock Regional Hospital (d/b/a St. Anthony Home - Crown Point) (SAH-CP), and a newly-formed division of Franciscan Communities, Inc. (d/b/a St. Anthony Management Services) (Management Services). Compensation to Management Services for management of the operations is provided as a percentage of net resident service revenue earned and certain fees. SAH-CP will reimburse St. Anthony for salaries, wages, and benefits of contracted labor provided to SAH-CP. Franciscan Communities entered into the lease agreement and the management agreement, as well as certain additional required agreements, in accordance with the requirements of participation in the State of Indiana's Intergovernmental Transfer (IGT) Program (the "Program"). In addition, St. Anthony was required to provide limited working capital to SAH-CP for the initial months of operation.

The Hospital, located in Greenfield, Indiana, is a county hospital, which is a primary requirement for participation for the Hospital and Franciscan Communities in the Program. Effective March 1, 2014 and thereafter, the operations of the Leased Property will be reported in the financial statements of the Hospital. Franciscan Communities, accordingly, reports the corresponding lease revenue and management services revenue under Management Services.

The operating lease related to the Leased Property was effective on March 1, 2014, is for an initial term of two (2) calendar years, and is renewable annually thereafter. Either party may terminate the lease, with or without cause, by providing a sixty (60) day written notice to the other party. The lease is expected to be renewed annually in the normal course of business. In accordance with guidelines established by the Centers for Medicare and Medicaid Services (CMS), the license for the NF was transferred to the Hospital as a result of the operating lease agreement.

11. State of Indiana Intergovernmental Transfer Program

Effective March 1, 2014, St. Anthony entered into a lease agreement with a county hospital, Hancock Regional Hospital (the "Hospital"), to lease the operations of the nursing facility (NF) and certain housing services (the "Convent") at St. Anthony to the Hospital (collectively, the operations of the NF and the Convent are referred to herein as the "Leased Property"). Concurrently, therewith, the Hospital entered into a management agreement between a newly-formed division of the Hospital, Hancock Regional Hospital (d/b/a St. Anthony Home - Crown Point) (SAH-CP), and a newly-formed division of Franciscan Communities, Inc. (d/b/a St. Anthony Management Services) (Management Services). Compensation to Management Services for management of the operations is provided as a percentage of net resident service revenue earned and certain fees. SAH-CP will reimburse St. Anthony for salaries, wages, and benefits of contracted labor provided to SAH-CP. Franciscan Communities entered into the lease agreement and the management agreement, as well as certain additional required agreements, in accordance with the requirements of participation in the State of Indiana's Intergovernmental Transfer (IGT) Program (the "Program"). In addition, St. Anthony was required to provide limited working capital to SAH-CP for the initial months of operation.

The Hospital, located in Greenfield, Indiana, is a county hospital, which is a primary requirement for participation for the Hospital and Franciscan Communities in the Program. Effective March 1, 2014 and thereafter, the operations of the Leased Property will be reported in the financial statements of the Hospital. Franciscan Communities, accordingly, reports the corresponding lease revenue and management services revenue under Management Services.

The operating lease related to the Leased Property was effective on March 1, 2014, is for an initial term of two (2) calendar years, and is renewable annually thereafter. Either party may terminate the lease, with or without cause, by providing a sixty (60) day written notice to the other party. The lease is expected to be renewed annually in the normal course of business. In accordance with guidelines established by the Centers for Medicare and Medicaid Services (CMS), the license for the NF was transferred to the Hospital as a result of the operating lease agreement.

11. State of Indiana Intergovernmental Transfer Program (continued)

Lease revenue amounted to $1,191,024 and $1,451,640 for the years ended June 30, 2016 and 2015, respectively. The monthly base management services revenue and subordinated management services revenue amounted to $0 and $1,107,951 for the years ended June 30, 2016 and 2015, respectively. The lease amount and the management services revenue are payable monthly to Franciscan Communities. In addition to the lease and management services revenue, Franciscan Communities is entitled to certain additional payments from the Hospital in accordance with the various agreements. At June 30, 2016 and 2015, the amount due of $1,063,691 and $1,778,192, respectively, was due to Franciscan Communities from the Hospital for revenue earned under the various agreements, including management services revenue, lease payments, payroll expense, and working capital advances and is included in prepaid expenses and other.

If there is any possibility, as reasonably determined by the Hospital, that net patient revenues and working capital are not sufficient to pay all operating expense, interest expense, rent, and fees for SAH-CP, Management Services will immediately notify the Hospital and present a plan to the Hospital for addressing the unfavorable results. The plan could include a temporary reduction in management services revenue or other amounts paid to Management Services. Such a plan may also be established by the Hospital, if it reasonably determines that net patient revenues and working capital are not sufficient to fund the payments described in the various agreements.

12. Endowment Funds

The Sisters established endowment funds with St. Jude House, Inc. and Madonna Foundation by contributing $2,000,000 and $2,500,000, respectively. In 2013, the Sisters contributed an additional $500,000 to the endowment fund of St. Jude House, Inc. Per the agreement between the Sisters and St. Jude House, Inc. and Madonna Foundation, contributions to the endowment funds are to exist in perpetuity with the income and appreciation available to support the operational programs and services to benefit the clients of St. Jude House, Inc. and the scholars of Madonna Foundation. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

12. Endowment Funds (continued)

	Internally Restricted		Permanently Restricted	
	2016	2015	2016	2015
Endowment funds:				
Madonna Foundation	$2,980,149	$3,037,358	$ -	$ -
St. Jude House, Inc.	2,542,547	2,658,350	-	-
Other	-	-	730,209	730,209
Total funds	$5,522,696	$5,695,708	$730,209	$730,209

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

	Internally Restricted		Permanently Restricted	
	2016	2015	2016	2015
Endowment net assets, beginning of year	$5,695,708	$5,764,741	$730,209	$730,209
Investment return:				
Investment income	92,180	119,229	2,250	2,615
Net income (realized and unrealized)	578	304,112	54	4,056
Total investment return	92,758	423,341	2,304	6,671
Net asset transfers to unrestricted net assets	-	-	(2,304)	(6,671)
Appropriation of endowment assets for expenditure	(265,770)	(492,374)	-	-
Endowment net assets, end of year	$5,522,696	$5,695,708	$730,209	$730,209

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Franciscan Ministries to retain as a fund or in perpetual duration. There were no deficiencies of donor-restricted endowment funds at June 30, 2016 and 2015.

12. Endowment Funds (continued)

	Internally Restricted		Permanently Restricted	
	2016	2015	2016	2015
Endowment funds:				
Madonna Foundation	$2,980,149	$3,037,358	$ -	$ -
St. Jude House, Inc.	2,542,547	2,658,350	-	-
Other	-	-	730,209	730,209
Total funds	$5,522,696	$5,695,708	$730,209	$730,209

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

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	2016	2015	2016	2015
Endowment net assets, beginning of year	$5,695,708	$5,764,741	$730,209	$730,209
Investment return:				
Investment income	92,180	119,229	2,250	2,615
Net income (realized and unrealized)	578	304,112	54	4,056
Total investment return	92,758	423,341	2,304	6,671
Net asset transfers to unrestricted net assets	-	-	(2,304)	(6,671)
Appropriation of endowment assets for expenditure	(265,770)	(492,374)	-	-
Endowment net assets, end of year	$5,522,696	$5,695,708	$730,209	$730,209

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Franciscan Ministries to retain as a fund or in perpetual duration. There were no deficiencies of donor-restricted endowment funds at June 30, 2016 and 2015.

13. Transactions with Affiliates

Notes payable to, and long-term arrangements with, affiliates consisted of the following at June 30:

	2016	2015
Working capital loan agreement payable to the Franciscan Sisters of Chicago, Inc., due June 1, 2022, with monthly payments of principal and interest; interest rate 5.0%	$ 4,986,938	$ 5,205,091
Less current maturities of note payable to affiliates	229,214	217,384
	$ 4,757,724	$ 4,987,707

On July 1, 2012, Franciscan Ministries entered into an unsecured promissory note payable with the Sisters in the amount of approximately $5,798,000. The term of the note is five years with a defined balloon payment subject to refinancing and bears interest at 5 percent. The note requires monthly payments of approximately $39,000.

On October 1, 2016, the Service Corporation entered into an unsecured promissory note payable, effective June 1, 2017, with the Sisters to replace the working capital loan agreement payable to the Sisters due June 1, 2017. The note, in the amount of $4,778,367, representing the working capital loan agreement balance at June 1, 2017, has a term of five years with a defined balloon payment subject to refinancing and bears interest at 4 percent. The note will require monthly payments of approximately $35,500.

On October 17, 2007, St. Joseph Housing entered into an unsecured working capital line of credit agreement with the Sisters. The agreement was effective on November 1, 2007 in an amount not to exceed $5,000,000. On October 31, 2012, the Sisters extended the maturity date of the capital line of credit agreement with St. Joseph Housing until November 1, 2017. There are no advances under the working capital line-of-credit at June 30, 2016 and 2015.

Effective July 21, 2014, Franciscan Ministries entered into a license agreement with the Sisters to make available and share certain space on the first floor of Our Lady of Victory Convent to operate as assisted living. The license calls for an annual license fee of $1 and a pro-rata share of the operating costs. Total pro-rata share of operating expenses charged to operations under the agreement amounted to $178,573 and $200,000, for the years ended June 30, 2016 and June 30, 2015, respectively.

13. Transactions with Affiliates (continued)

Effective February 1, 2015, Franciscan Ministries entered into a License Agreement with the Sisters to make available and share certain space in the Sisters' Administration Building to meet the office space needs of Franciscan Ministries. The License Agreement calls for an annual license fee of $1 and a pro-rata share of the operating costs of the building. Total expense charged to operations under the agreement amounted to $107,507 for the year ended June 30, 2016 and $87,399 for the five-month period ended June 30, 2015.

As described in Note 1, Franciscan Ministries has land lease agreements with the Sisters to lease land at Franciscan Village and Marian Village, all of which expire on June 30, 2050. Under the terms of amendments to the ground leases, dated May 1, 2014, the annual rent is $1 per year, effective July 1, 2014. Total rent expense charged to operations under these agreements amounted to $156,618 for each of the years ended June 30, 2016 and 2015. At June 30, 2016 and June 30, 2015, the present value of the future contributed rent, net of amortized amounts, amounted to $5,324,924 and $5,481,540, respectively.

14. Employee Benefit Plans

Franciscan Ministries sponsors the Franciscan Ministries 401(k) Defined-Contribution Plan covering substantially all eligible employees. Franciscan Ministries contributed a match of 50 percent of employee contributions to a maximum employer contribution of 3 percent in 2016 and 2015. Franciscan Ministries' total expenses related to the plan were $934,806 and $841,113 for the years ended June 30, 2016 and 2015, respectively, and are included in employee benefit expenses in the accompanying consolidated statements of operations and changes in net assets.

15. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include net assets available for the purchase of assets and for specific programs totaling $2,441,205 and $2,124,460 at June 30, 2016 and 2015, respectively. Temporarily restricted net assets also include contributed land lease rights totaling $5,324,924 and $5,481,540 at June 30, 2016 and 2015, respectively.

Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries in perpetuity, the income from which is expendable to support purchases of capital, and amounted to $730,209 at both June 30, 2016 and 2015.

13. Transactions with Affiliates (continued)

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Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries in perpetuity, the income from which is expendable to support purchases of capital, and amounted to $730,209 at both June 30, 2016 and 2015.

16. Functional Expenses

Franciscan Ministries provides comprehensive residential and healthcare services to residents within its geographic location. The expenses related to continuing operations included in the consolidated statements of operations and changes in net assets are primarily related to the following for the years ended June 30:

	2016	2015
Nursing care	$66,936,505	$66,554,927
Senior housing	38,770,696	36,192,294
Education and community services	1,994,883	1,556,711
General and administrative	26,750,607	27,472,736
	$134,452,691	$131,776,668

17. Commitments and Contingencies

Internal Revenue Service Examination

In July 2009, the IRS notified Franciscan Ministries that it will examine Franciscan Ministries' 2007 tax return. The examination was later expanded to include the 2008 tax return and certain employee benefit issues. In January 2012, the IRS notified Franciscan Ministries that the tax returns were accepted; however, certain employee benefits issues are still under examination. Management has no estimate of potential liability, if any, at this time.

Other Contingencies

Franciscan Ministries is a defendant in a class action lawsuit filed in conjunction with the termination of the St. Anthony Medical Center, Inc. Retirement Plan (the "Plan"). Franciscan Ministries believes that the suit is without merit and intends to vigorously defend its position.

Franciscan Ministries is a defendant in various other legal actions that have arisen in the normal course of business. Franciscan Ministries believes that the eventual resolution of these claims will not have a material effect on Franciscan Ministries' financial position or operations.

On August 14, 2015, Franciscan Communities entered into a construction contract to renovate the nursing home at Franciscan Village. The total contract price is $5,850,976, with the balance to finish, including retainage of $1,547,954. The renovation period is estimated to be completed in October 2016.

17. Commitments and Contingencies (continued)

On September 9, 2015, Franciscan Communities entered into a construction contract to build a club house on the campus of Marian Village. The total contract price is $438,598, with the balance to finish of $146,185. The construction period is estimated to be completed in October 2016.

On June 7, 2016, Franciscan Communities entered into a construction contract to renovate the lobby at St. Anthony Nursing Home. The total contract price is $567,221 and the renovation period is estimated to be four months.

18. Guarantees

Franciscan Ministries has agreed to provide an Operating Deficit Guarantee and Tax Credit Guarantee for Crete Senior Housing, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries. The Operating Deficit Guarantee is for a period of three years commencing with stabilization, which has not been met, limited to an amount equal to six months of operating expenses. The Operating Deficit Guarantee will be in the form of an operating loan bearing interest at 4 percent payable upon available cash flow. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $512,740.

Franciscan Ministries has agreed to provide a Tax Credit Guarantee for Louisville Senior Housing, LLC, which provides affordable senior housing in Louisville, Kentucky. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $823,850.

17. Commitments and Contingencies (continued)

On September 9, 2015, Franciscan Communities entered into a construction contract to build a club house on the campus of Marian Village. The total contract price is $438,598, with the balance to finish of $146,185. The construction period is estimated to be completed in October 2016.

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18. Guarantees (continued)

Franciscan Ministries has agreed to guarantee for Crete Senior Housing Phase II, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries, the payment of the recapture amount pursuant to the Section 1602 Grant documents and the payment of the repayment pursuant to the Home Program documents. The recapture amount under the Section 1602 Grant is eliminated over a 15-year compliance period. As of June 30, 2016 and 2015, the maximum amount due under the guarantee approximates $3,452,000 and $3,609,000, respectively, and is reported as Section 1602 Deferred Grant Revenue under noncurrent liabilities. This guarantee is not anticipated to be used as long as the residents occupying the building are within established income guidelines.

19. Self-Insurance Risks

Effective July 1, 2013, Franciscan Ministries is insured for workers' compensation through a fully funded insurance policy with normal statutory limit coverages in Indiana. Franciscan Ministries, prior to July 1, 2013, was self insured for workers' compensation losses up to a maximum limit of $300,000 per occurrence in Indiana. Franciscan Ministries is self insured for workers' compensation in Illinois and Kentucky up to a maximum limit of $450,000 per occurrence. Losses over these limits are covered by a supplemental catastrophic policy up to specified limits with an independent insurer. Estimated accruals for workers' compensation, which include estimates of the ultimate costs for both reported claims and claims incurred but not yet reported, were $1,549,904 and $1,445,068, undiscounted, as of June 30, 2016 and 2015, respectively.

Franciscan Ministries provides employee health insurance to its employees through a self-insured program. The self-insured program, implemented July 1, 2009, includes a specific stop-loss deductible of $200,000 per plan participant and an aggregate stop-loss policy with a maximum benefit of $1,000,000. Franciscan Ministries reported insurance claim liabilities of $807,000 and $650,000 as of June 30, 2016 and 2015, respectively, included in accounts payable and employee benefits, and an aggregate stop-loss receivable of $53,829 as of June 30, 2016 and 2015, respectively, which is included in prepaid expenses and other.

20. Community Commitment

The mission, values, and philosophy of Franciscan Ministries are reflected in the programs in place to provide care to the underprivileged population. Franciscan Ministries makes a major commitment to the community and residents in need by providing charity care to residents through the Gift of Care Program, sustaining significant amounts of unreimbursed costs by participation in the Medicaid program, and allocating significant resources to meet a number of community benefit needs identified.

The cost of providing charity care is calculated based upon the total cost-to-charge ratio based upon service line and payor class. The cost of the charity care amounted to $412,000 and $427,000 for the years ended June 30, 2016 and 2015, respectively.

20. Community Commitment (continued)

Unreimbursed costs represent the excess of resident care costs over Medicaid reimbursements. The amount of unreimbursed costs over Medicaid reimbursement is calculated based on allocated costs per resident day. Unreimbursed costs amounted to $4,354,000 and $5,145,000 for the years ended June 30, 2016 and 2015, respectively.

Franciscan Ministries addresses the spiritual needs of the community and those served through pastoral care services, including, but not limited to, chapel services. The costs of these pastoral care services amounted to $1,198,000 and $1,311,000 for the years ended June 30, 2016 and 2015, respectively.

21. Subsequent Events

Franciscan Ministries evaluated events and transactions occurring subsequent to June 30, 2016 through November 8, 2016, the date of issuance of the consolidated financial statements. During this period, there were certain subsequent events requiring disclosure, which are described below.

On July 11, 2016, Franciscan Communities entered into a construction contract to renovate the second floor of the nursing home at The Village at Victory Lakes. The total contract price is $839,568 and the renovation period is estimated to be five months.

20. Community Commitment (continued)

Unreimbursed costs represent the excess of resident care costs over Medicaid reimbursements. The amount of unreimbursed costs over Medicaid reimbursement is calculated based on allocated costs per resident day. Unreimbursed costs amounted to $4,354,000 and $5,145,000 for the years ended June 30, 2016 and 2015, respectively.

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On July 11, 2016, Franciscan Communities entered into a construction contract to renovate the second floor of the nursing home at The Village at Victory Lakes. The total contract price is $839,568 and the renovation period is estimated to be five months.

CONSOLIDATED FINANCIAL STATEMENTS

Franciscan Sisters of Chicago Service Corporation
and Subsidiaries
(d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago)

Years Ended June 30, 2017 and 2016

With Reports of Independent Auditors

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Financial Statements and Details of Consolidation

Years Ended June 30, 2017 and 2016

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Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Financial Statements and Details of Consolidation

Years Ended June 30, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors
Franciscan Sisters of Chicago
Service Corporation and Subsidiaries

We have audited the accompanying consolidated financial statements of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago) (Franciscan Ministries), which comprise the consolidated balance sheets as of June 30, 2017 and 2016 and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As explained in Note 22 to the consolidated financial statements, effective July 1, 2016, Franciscan Ministries adopted new accounting guidance that changed the presentation of deferred bond issuance costs. Our opinion is not modified with respect to this matter.

Praxity
MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Directors
Franciscan Sisters of Chicago
Service Corporation and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago) as of June 30, 2017 and 2016 and the results of their operations and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

November 15, 2017

To the Board of Directors
Franciscan Sisters of Chicago
Service Corporation and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Franciscan Sisters of Chicago Service Corporation and Subsidiaries (d/b/a Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago) as of June 30, 2017 and 2016 and the results of their operations and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

November 15, 2017

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	$ 20,855,540	$ 18,192,485
Assets limited as to use - externally designated under debt agreements	618,049	1,093,592
Accounts receivable, less allowances for uncollectible accounts of $1,399,205 and $1,604,250 at June 30, 2017 and 2016, respectively	6,447,716	6,612,490
Due from third-party payors	102,221	181,675
Prepaid expenses and other	4,526,002	4,767,170
Total current assets	32,549,528	30,847,412
Assets limited as to use, net of amounts required to meet current obligations:		
Internally designated for capital improvements	104,985,972	98,405,224
Externally designated under debt agreements and letters of credit	21,490,806	14,978,384
	126,476,778	113,383,608
Long-term investments	1,422,808	1,102,994
Other long-term assets	6,723,318	7,465,149
Property and equipment, net	162,987,085	163,882,732
Total assets	$ 330,159,517	$ 316,681,895

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets (continued)

	June 30	
	2017	2016
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 11,311,673	$ 17,157,688
Accrued salaries and employee benefits	5,888,810	7,170,225
Due to affiliates	358,065	324,217
Due to third-party payors	962,171	966,243
Current maturities of long-term debt	2,582,117	3,022,918
Current maturities of note payable to affiliate	238,116	229,214
Refundable resident deposits and entrance fees	4,642,454	5,122,347
Total current liabilities	25,983,406	33,992,852
Noncurrent liabilities:		
Long-term debt, less current maturities	182,826,583	170,249,655
Note payable to affiliate, less current maturities	4,520,834	4,757,724
Section 1602 deferred grant revenue	3,295,366	3,452,289
Refundable resident deposits and refundable and nonrefundable entrance fees	73,264,337	72,508,555
Asset retirement obligations and other	2,159,442	1,827,624
Total noncurrent liabilities	266,066,562	252,795,847
Total liabilities	292,049,968	286,788,699
Net assets:		
Noncontrolling interests in subsidiaries	2,384,558	2,743,564
Net assets:		
Unrestricted	26,336,908	18,653,294
Temporarily restricted	8,657,874	7,766,129
Permanently restricted	730,209	730,209
	35,724,991	27,149,632
Total net assets	38,109,549	29,893,196
Total liabilities and net assets	$ 330,159,517	$ 316,681,895

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Balance Sheets (continued)

	June 30	
	2017	2016
Liabilities and net assets		
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Total liabilities and net assets	$ 330,159,517	$ 316,681,895

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended June 30	
	2017	2016
Unrestricted revenues, gains, and other support		
Net resident service revenue, including amortization of entrance fees of $1,720,579 in 2017 and $1,948,079 in 2016	$ 118,588,512	$ 116,982,939
Contracted labor revenue	9,873,066	9,786,465
Lease revenue	1,331,973	1,264,485
Management services fee revenue	1,549,208	624,262
Other operating revenue	4,648,356	4,816,372
Total unrestricted revenues, gains, and other support	135,991,115	133,474,523
Expenses		
Salaries and wages	59,710,598	58,493,548
Employee benefits	13,288,398	12,711,476
Agency	370,205	49,630
Purchased services - resident	6,699,637	6,986,911
Purchased services - general	10,233,000	10,736,292
Drugs, food, supplies, and other	10,449,510	10,585,961
Administrative, utilities, and insurance	13,652,152	12,905,330
Provision for uncollectible accounts	840,825	750,372
Interest	9,188,769	9,040,036
Depreciation and amortization	12,326,514	12,193,135
Total operating expenses	136,759,608	134,452,691
Loss from operations	(768,493)	(978,168)
Nonoperating		
Realized investment income	5,437,979	3,857,815
Net change in unrealized gains (losses) on investments - trading portfolio	3,966,049	(1,175,157)
Gain on sale of Symbria shares - see footnote 6	–	8,387,700
Gain on sale of joint venture	415,757	–
Loss on debt extinguishment	(1,362,445)	–
Contribution revenue and other	294,996	155,609
Total nonoperating	8,752,336	11,225,967
Revenues in excess of expenses	7,983,843	10,247,799
Revenues in excess of expenses allocated to noncontrolling interests (net loss of noncontrolling interest in sub)	(359,005)	(362,575)
Revenues in excess of expenses allocated to Franciscan Sisters of Chicago Service Corporation	8,342,848	10,610,374

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Years Ended June 30	
	2017	2016
Other changes in unrestricted net assets		
Net change in unrealized losses on investments – other-than-trading portfolio	$ (180,286)	$ (175,664)
Net assets released from restrictions used for capital purposes	21,051	8,840
Transfers to affiliates	(500,000)	(500,000)
Total other changes in unrestricted net assets	(659,235)	(666,824)
Increase in unrestricted net assets	7,683,615	9,943,550
Temporarily restricted net assets		
Contributions for specific programs and asset purchases	1,626,847	655,878
Net assets released from restrictions	(735,102)	(495,749)
Increase in temporarily restricted net assets	891,745	160,129
Permanently restricted net assets		
Investment income	9,033	2,304
Transfers to unrestricted net assets	(9,033)	(2,304)
Change in permanently restricted net assets	–	–
Increase in net assets	8,575,360	10,103,679
Changes in net assets of noncontrolling interest		
Net loss of noncontrolling interests in subsidiaries	(359,007)	(362,575)
Decrease in net assets of noncontrolling interests	(359,007)	(362,575)
Net increase in total net assets	8,216,353	9,741,104
Net assets at beginning of year	29,893,196	20,152,092
Net assets at end of year	$ 38,109,549	$ 29,893,196

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Years Ended June 30	
	2017	2016
Other changes in unrestricted net assets		
Net change in unrealized losses on investments – other-than-trading portfolio	$ (180,286)	$ (175,664)
Net assets released from restrictions used for capital purposes	21,051	8,840
Transfers to affiliates	(500,000)	(500,000)
Total other changes in unrestricted net assets	(659,235)	(666,824)
Increase in unrestricted net assets	7,683,615	9,943,550
Temporarily restricted net assets		
Contributions for specific programs and asset purchases	1,626,847	655,878
Net assets released from restrictions	(735,102)	(495,749)
Increase in temporarily restricted net assets	891,745	160,129
Permanently restricted net assets		
Investment income	9,033	2,304
Transfers to unrestricted net assets	(9,033)	(2,304)
Change in permanently restricted net assets	–	–
Increase in net assets	8,575,360	10,103,679
Changes in net assets of noncontrolling interest		
Net loss of noncontrolling interests in subsidiaries	(359,007)	(362,575)
Decrease in net assets of noncontrolling interests	(359,007)	(362,575)
Net increase in total net assets	8,216,353	9,741,104
Net assets at beginning of year	29,893,196	20,152,092
Net assets at end of year	$ 38,109,549	$ 29,893,196

See accompanying notes to consolidated financial statements.

Franciscan Sisters of Chicago Service Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended June 30	
	2017	2016
Operating activities		
Increase in net assets	$ 8,216,353	$ 9,741,104
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,326,514	12,193,135
Amortization of entrance fees	(1,720,579)	(1,948,079)
Amortizaiton of deferred bond issuance costs, bond discounts, and bond premiums	183,718	186,351
Amortization of Section 1602 grants	(156,922)	(156,922)
Loss on debt extinguishment	1,362,445	–
(Gain) loss on disposal of assets	(1,885)	1,435
Provision for uncollectible accounts	840,825	750,372
Restricted contributions, net of assets released from restrictions used for operations	(891,745)	(160,129)
Reduction in contributed land lease rights	156,616	156,616
Net change in unrealized (gains) losses on investments	(3,785,763)	1,350,821
Gain on sale of shares of Symbria, Inc.	–	(8,387,700)
Gain on sale of joint venture	(415,757)	–
Transfer to affiliate	500,000	500,000
Changes in operating assets and liabilities:		
Accounts receivable and due to/from third-party payors	(600,669)	(587,337)
Accounts payable, accrued salaries, prepaid expenses, deferred marketing costs, and other	(7,090,534)	544,374
Nonrefundable entrance fees	1,765,853	1,749,863
Due to (from) affiliate	33,848	(75,516)
Net cash provided by operating activities	10,722,318	15,858,388
Investing activities		
Purchases of property and equipment, net, and other	(11,543,972)	(13,395,055)
Proceeds from sale of assets	1,885	–
Proceeds from sale of shares of Symbria, Inc.	–	3,162,570
Proceeds from sale of joint venture	1,744,943	–
Purchase of assets limited as to use and other investments - trading portfolio, net	(10,002,345)	(6,359,497)
Sales of assets limited as to use and other investments - other-than-trading portfolio, net	835,599	732,652
Net cash used in investing activities	(18,963,890)	(15,859,330)
Financing activities		
Scheduled principal payments of long-term debt	(3,121,190)	(2,181,258)
Payments on note payable to affiliate	(227,988)	(218,153)
Proceeds from issuance of long-term debt	90,734,794	–
Early payment of long-term debt	(75,712,208)	–
Payment of bond issuance costs	(1,311,433)	–
Transfers to affiliates	(500,000)	(500,000)
Proceeds from refundable resident deposits	11,888,894	11,220,599
Refunds of resident deposits	(11,737,987)	(10,424,099)
Proceeds from restricted contributions and gains on investments, net of assets released from restrictions	891,745	160,129
Net cash provided by (used in) financing activities	10,904,627	(1,942,782)
Increase (decrease) in cash and cash equivalents	2,663,055	(1,943,723)
Cash and cash equivalents at beginning of year	18,192,485	20,136,208
Cash and cash equivalents at end of year	$ 20,855,540	$ 18,192,485

See accompanying notes to consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Franciscan Sisters of Chicago Service Corporation and Subsidiaries, which is sponsored by the Franciscan Sisters of Chicago (the "Sisters"), is an Illinois not-for-profit corporation, which coordinates all of the Sisters' sponsored facilities and assists the Sisters in extending their charitable mission in health care and educational foundations in the Chicago metropolitan area, northern Indiana, Ohio, and Kentucky. Effective February 2015, Franciscan Sisters of Chicago Service Corporation began doing business as Franciscan Ministries Sponsored by the Franciscan Sisters of Chicago (Franciscan Ministries).

The consolidated financial statements include the accounts and transactions of Franciscan Ministries (Service Corporation), Franciscan Communities, Inc. Obligated Group (Obligated Group), SAMC, Inc. (Medical Center), St. Joseph Senior Housing (St. Joseph Housing), Franciscan Community Services, Inc. (Community Services), Franciscan Community Benefit Services, Inc. (CBS), Franciscan Advisory Services, Inc. (FAS), and Franciscan Communities, Inc. II (FC II). The operating divisions of CBS include Madonna Foundation and St. Jude House, Inc. The operating divisions of St. Joseph Housing include Crete Senior Housing I, LLC, Crete Senior Housing Phase II, LLC, and Louisville Senior Housing, LLC. The portion of Crete Senior Housing Phase II, LLC and Louisville Senior Housing, LLC not owned by St. Joseph Housing is reported as non-controlling interest in the consolidated financial statements.

The members of the Obligated Group include Franciscan Communities, Inc. (Franciscan Communities) and University Place, Inc. Franciscan Communities includes the following operating divisions: Addolorata Villa, Franciscan Village, Marian Village, Mount Alverna Village (Mount Alverna), St. Anthony Home (St. Anthony), St. Anthony Management Services (Management Services), St. Joseph Village of Chicago (St. Joseph), and The Village at Victory Lakes (Victory Lakes).

Franciscan Ministries, the Obligated Group, Community Services, Medical Center, CBS, and FC II are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the "Code") and are not private foundations within the meaning of Section 509(a) of the Code. St. Joseph Housing is a tax-exempt organization under Section 501(c)(4) of the Code and is not a private foundation within the meaning of Section 509(a) of the Code.

A for-profit subsidiary of Franciscan Ministries, FAS was incorporated on June 16, 2011 with the purpose of managing certain ministries of the Sisters that did not meet the definition of the exempt purpose of Franciscan Ministries.

FC II is an Illinois not-for-profit, tax-exempt corporation established during the year ended June 30, 2017 for the purpose of building and operating a memory care assisted living facility in Parma, Ohio.

All significant intercompany transactions have been eliminated in consolidation.

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1. Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ.

Cash Equivalents

It is Franciscan Ministries' policy to reflect all investments that are not limited as to use and that have a maturity of three months or less at the time of acquisition as cash equivalents.

Cash Concentration

Franciscan Ministries has cash on deposit with financial institutions, which at times may be in excess of federally insured limits.

Assets Limited as to Use and Long-Term Investments

Assets limited as to use consist of investments set aside by the Board of Directors for future capital improvements, over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes. In addition, assets limited as to use include investments held by trustees under debt agreements and amounts as collateral for workers' compensation letters of credit.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses in the value of other-than-trading portfolio investments are recognized as changes in unrestricted net assets, while the unrealized gains and losses in the value of the trading portfolio investments are recognized as a non-operating gain or loss.

Effective November 1, 2002, Franciscan Ministries established an investment pool. Investments of Franciscan Ministries held in the investment pool amounted to $102,846,187 and $95,249,555 at June 30, 2017 and 2016, respectively, and are included in assets limited as to use, internally designated for capital improvements on the accompanying consolidated balance sheets.

1. Organization and Summary of Significant Accounting Policies (continued)

Franciscan Ministries' investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated balance sheets.

Accounts Receivable

Accounts receivable for residents, insurance companies, and governmental agencies are based on net charges. Franciscan Ministries evaluates the collectability of its accounts receivable based on the length of time the receivable is outstanding, payor class, and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged to the allowance for uncollectible accounts when they are deemed uncollectible. Franciscan Ministries does not require collateral.

Deferred Bond Issuance Costs

Expenses incurred in connection with the issuance of bonds are deferred and amortized over the terms of the related bonds. These costs are recorded as a direct reduction in the recorded balance of the related outstanding long-term debt. During the year ended June 30, 2017, $1,311,433 of deferred bond issuance costs were paid related to the Series 2017 bonds described in Note 8. In addition, $1,120,575 of deferred bond issuance costs were written off related to bonds refunded with the Series 2017 bonds. Deferred bond issuance costs are stated net of accumulated amortization of $765,962 and $1,090,796 at June 30, 2017 and 2016, respectively. See Note 22 related to change in accounting principle for deferred bond issuance costs.

Property and Equipment

Property and equipment are stated on the basis of cost or, if donated to Franciscan Ministries, at fair value on the date of acquisition. Provisions for depreciation are computed using the straight-line method over the estimated useful lives of the assets ranging from three to 40 years.

Costs directly related to the acquisition, development, and improvement of real estate are capitalized, including interest and other costs incurred during the construction period. Costs incurred for significant repairs and maintenance that extend the usable life of the asset or have a determinable useful life are capitalized. Ordinary repairs and maintenance are expensed as incurred.

1. Organization and Summary of Significant Accounting Policies (continued)

Franciscan Ministries' investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated balance sheets.

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1. Organization and Summary of Significant Accounting Policies (continued)

Land Lease Rights

Franciscan Ministries has rights to lease from a related party 30.8 acres of land at Franciscan Village and 80.0 acres of land at Marian Village through June 30, 2050. Each of these leases call for annual payments of $1 throughout the term of the lease agreements. Franciscan Ministries has determined that the required lease payments are less than fair value and therefore has recorded the estimated fair value of future lease payments as land lease rights in property and equipment on the consolidated balance sheet with a corresponding contribution of land lease rights as temporarily restricted net assets. The amounts totaled $5,168,308 and $5,324,924 at June 30, 2017 and 2016, respectively. The land lease rights and temporarily restricted net assets are amortized as lease expense and an unrestricted contribution (net assets released from restriction), respectively, over the terms of the leases.

Asset Retirement Obligations

Asset retirement obligations represent an obligation to dispose of assets that are legally required to be removed at a future date. Such obligations are recorded at the net present value using a risk-free interest rate and inflationary rate. As of June 30, 2017 and 2016, the asset retirement obligation for Franciscan Ministries was $522,298 and $507,085 respectively.

Refundable Resident Deposits and Entrance Fees

Franciscan Ministries offers various independent living residency agreement options, including rental agreements and entrance fees with variable contract options, which include 90 percent refundable, 50 percent refundable, and fully amortizable programs.

Refundable resident deposits represent amounts received from prospective independent living residents, placing them on a priority list and making them eligible, once qualified, to receive certain resident benefits upon occupancy. A deposit of 10 percent of the entrance fee for the unit selected under the residency agreement makes the residents eligible to receive certain other benefits.

Upon a residents' occupancy, an entrance fee is reported as refundable to the extent the entrance fee is refundable to the resident according to the residency agreement. Nonrefundable entrance fees are reported as nonrefundable entrance fees. Nonrefundable entrance fees are amortized into revenue using the straight-line method based on the estimated life of the resident or contract term, if shorter. Franciscan Ministries may require entrance fees from assisted living residents. The entrance fees are refundable, in varying amounts, to the residents upon termination of the residency agreements. Total entrance fee amortization reported as net resident service revenue for the years ended June 30, 2017 and 2016 totaled $1,720,579 and $1,948,079, respectively.

1. Organization and Summary of Significant Accounting Policies (continued)

Franciscan Ministries offers various entrance fee plans to prospective residents. Based upon the type of plan, Franciscan Ministries may have a financial obligation to provide future healthcare benefits to the residents. Management calculated the future service obligation, and concluded that there is no liability as of either June 30, 2017 or 2016.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include assets whose use have been limited by donors to a specific time period or purpose and contributed land lease rights. Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries and its related companies in perpetuity. Assets released from restrictions that are used for capital purposes are reported in the consolidated statements of operations and changes in net assets as additions to unrestricted net assets. Assets released from restrictions that are used for operating purposes are reported in the consolidated statements of operations and changes in net assets as other operating revenue. Earnings on restricted net assets are recorded as temporarily restricted net assets until amounts are expended in accordance with donors' specifications.

Contributions

Contributions are reported at fair value at the date of the contribution. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets in the consolidated statements of operations and changes in net assets as net assets.

Community Commitment

Franciscan Ministries provides care to residents who meet certain criteria without charge or at amounts less than established rates. Services to residents are classified as charity care in accordance with established criteria. Charity care represents services rendered for which partial payment is less than cost or no payment is expected and, as such, is not included in the net resident service revenue in the consolidated statements of operations and changes in net assets.

1. Organization and Summary of Significant Accounting Policies (continued)

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1. Organization and Summary of Significant Accounting Policies (continued)

Net Resident Service Revenue

Franciscan Ministries has agreements with third-party payors that provide for payments to Franciscan Ministries at amounts different from its established rates. Payment arrangements include prospectively determined rates, discounted charges, and per-diem payments. Net resident service revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered.

Impairment of Long-Lived Assets

Franciscan Ministries considers whether indicators of impairment are present and performs the necessary tests in accordance with generally accepted accounting principles to determine if the carrying value of the asset is impaired. Impairment is recognized when estimated undiscounted operating income before depreciation and amortization is less than the carrying value of the property. To the extent that impairment has occurred, the excess of carrying value of the property over its estimated fair value is charged to operations. Impairment write-downs, if any, are reflected in loss from continuing operations. There was no impairment for the years ended June 30, 2017 and 2016.

Revenues in Excess of Expenses

The consolidated statements of operations and changes in net assets include revenues in excess of expenses. Changes in unrestricted net assets, which are excluded from revenues in excess of expenses, include changes in the unrealized gains and losses on other-than-trading portfolio investments, transfers to affiliates, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets).

Federal Income Tax

Franciscan Ministries has analyzed the tax positions taken in its filings with the Internal Revenue Service (IRS) and state jurisdictions where it operates. Franciscan Ministries believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Franciscan Ministries' financial condition, results of operations, or cash flows. Accordingly, Franciscan Ministries has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2017 and 2016.

1. Organization and Summary of Significant Accounting Policies (continued)

Accounting Standards Update

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for Franciscan Ministries' year ending June 30, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. Franciscan Ministries has not yet determined which application method they will use and is in the process of evaluating the impact of the new standard on its financial statements.

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statements of operations and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for Franciscan Ministries' year ending June 30, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. Franciscan Ministries is currently evaluating the impact this standard will have on the financial statements.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities in August 2016. ASU No. 2016-14 requires significant changes to the financial reporting model of organizations who follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by Franciscan Ministries, including required disclosures about the liquidity and availability of resources. The new standard is effective for Franciscan Ministries' year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. Franciscan Ministries expects that this will have a significant effect on the classification and presentation of net assets but does not expect this to impact the value of net assets.

1. Organization and Summary of Significant Accounting Policies (continued)

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2. Contractual Arrangements with Third-Party Payors

Franciscan Ministries provides care to certain residents under payment arrangements with Medicare, Medicaid, and various health maintenance and preferred provider organizations. Services provided under these arrangements are paid at predetermined rates and/or per-diem rates, as defined. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation, and as a result, there is a possibility that recorded estimates may change.

Amounts received under Medicare and Medicaid payment arrangements accounted for 31 percent of Franciscan Ministries' net resident service revenue in both 2017 and 2016. Medicare and Medicaid accounts receivable accounted for 51 percent and 56 percent of Franciscan Ministries' net accounts receivable at June 30, 2017 and 2016, respectively.

Provision has been made in the consolidated financial statements for estimated contractual adjustments, recorded in net resident revenue in the consolidated statements of operations and changes in net assets, representing the difference between Franciscan Ministries' standard charges for services and the estimated payments to be received from the third-party payors.

3. Entrance Fees and Deposits

Franciscan Ministries may require security deposits of various amounts from private pay residents at the time of admission for nursing care. The security deposits are fully refundable to the residents upon discharge from a community. The security deposits are included in current liabilities and reported as refundable resident deposits and entrance fees. The security deposits amounted to $781,943 and $640,302 at June 30, 2017 and 2016, respectively.

Franciscan Ministries requires entrance fees from assisted living residents. The refundable portion of the entrance fees varies by community and is refundable to the resident upon discharge from the community. The refundable portion of the entrance fees is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion of the entrance fee is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $720,922 and $782,119 at June 30, 2017 and 2016, respectively. The nonrefundable portion of these entrance fees amounted to $202,090 and $172,431 at June 30, 2017 and 2016, respectively.

3. Entrance Fees and Deposits (continued)

Prospective independent living residents are subject to reservation deposits up to a maximum of 10 percent of the entrance fee for the unit selected under the residency agreements, making the residents eligible to receive certain other benefits. Upon occupancy, the resident is charged the remaining 90 percent of the entrance fee. The reservation deposits are fully refundable if the contract is terminated prior to occupancy, and they are included in current liabilities and reported as refundable resident deposits and entrance fees. Reservation deposits amounted to $181,634 and $255,223 at June 30, 2017 and 2016, respectively.

Franciscan Ministries requires entrance fees, in varying amounts, in certain independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination of the residency agreements. The refundable portion of the entrance fee is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $2,957,955 and $3,444,703 at June 30, 2017 and 2016, respectively. The nonrefundable portion of these entrance fees amounted to $372,899 and $327,169 at June 30, 2017 and 2016, respectively.

Franciscan Ministries also requires entrance fees, in varying amounts, under other independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination, reoccupancy of the vacated unit, and leaving the community before amounts are required to be refunded. The refundable and nonrefundable portions of the entrance fees are included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $67,301,345 and $66,456,578 at June 30, 2017 and 2016, respectively. The nonrefundable portion of these entrance fees amounted to $5,388,003 and $5,552,377 at June 30, 2017 and 2016, respectively.

4. Investments and Other Financial Instruments

Total investment return for the years ended June 30 is summarized as follows:

	2017	2016
Dividend and interest income	**$ 2,751,973**	$ 2,551,305
Realized gains	**3,240,173**	1,835,527
Investment fees	**(457,723)**	(414,485)
Unrealized gains (losses)	**3,785,763**	(1,350,821)
	$ 9,320,186	$ 2,621,526

3. Entrance Fees and Deposits (continued)

Prospective independent living residents are subject to reservation deposits up to a maximum of 10 percent of the entrance fee for the unit selected under the residency agreements, making the residents eligible to receive certain other benefits. Upon occupancy, the resident is charged the remaining 90 percent of the entrance fee. The reservation deposits are fully refundable if the contract is terminated prior to occupancy, and they are included in current liabilities and reported as refundable resident deposits and entrance fees. Reservation deposits amounted to $181,634 and $255,223 at June 30, 2017 and 2016, respectively.

Franciscan Ministries requires entrance fees, in varying amounts, in certain independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination of the residency agreements. The refundable portion of the entrance fee is included in current liabilities and reported as refundable resident deposits and entrance fees. The nonrefundable portion is included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $2,957,955 and $3,444,703 at June 30, 2017 and 2016, respectively. The nonrefundable portion of these entrance fees amounted to $372,899 and $327,169 at June 30, 2017 and 2016, respectively.

Franciscan Ministries also requires entrance fees, in varying amounts, under other independent living residency agreements. Under the terms of these residency agreements, the amount of the refundable portion varies and is refundable upon termination, reoccupancy of the vacated unit, and leaving the community before amounts are required to be refunded. The refundable and nonrefundable portions of the entrance fees are included in noncurrent liabilities and reported as refundable resident deposits and nonrefundable entrance fees. The refundable portion of these entrance fees amounted to $67,301,345 and $66,456,578 at June 30, 2017 and 2016, respectively. The nonrefundable portion of these entrance fees amounted to $5,388,003 and $5,552,377 at June 30, 2017 and 2016, respectively.

4. Investments and Other Financial Instruments

Total investment return for the years ended June 30 is summarized as follows:

	2017	2016
Dividend and interest income	$ 2,751,973	$ 2,551,305
Realized gains	3,240,173	1,835,527
Investment fees	(457,723)	(414,485)
Unrealized gains (losses)	3,785,763	(1,350,821)
	$ 9,320,186	$ 2,621,526

4. Investments and Other Financial Instruments (Continued)

As reported on the Consolidated Statement of Operations and Changes in Net Assets:

	2017	2016
Other operating revenue	$ 96,444	$ 114,532
Nonoperating:		
Net investment income	5,437,979	3,857,815
Net change in unrealized gains on investments - trading portfolio	3,966,049	(1,175,157)
Other changes in unrestricted net assets - Net change in unrealized gains/losses on investments - other-than-trading portfolio	(180,286)	(175,664)
	$ 9,320,186	$ 2,621,526

5. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures,* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of input that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets in active markets that the entity has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

- Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data

- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

5. Fair Value Measurements (Continued)

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2017:

	Level 1	Level 2	Level 3	Investments Valued at Net Asset Value	Total
Internally designated investments:					
Franciscan Ministries Investment Pool:					
Equities - domestic	$ 33,397,997	$ -	$ -	$ 31,641,561	$ 65,039,558
Equities - international	536,196	-	-	-	536,196
Mutual fund - fixed income	32,458,996	2,743	-	-	32,461,739
Cash and cash equivalents	4,808,694	-	-	-	4,808,694
Total Franciscan Ministries Investment Pool	71,201,883	2,743	-	31,641,561	102,846,187
Fixed income	2,139,785	-	-	-	2,139,785
Total internally designated investments	73,341,668	2,743	-	31,641,561	104,985,972
Externally designated investments:					
Fixed income	-	8,280,405	-	-	8,280,405
Cash and cash equivalents	13,828,450	-	-	-	13,828,450
Total externally designated investments	13,828,450	8,280,405	-	-	22,108,855
Long-term investments:					
Pooled equity funds	1,422,808	-	-	-	1,422,808
	$ 88,592,926	$ 8,283,148	$ -	$ 31,641,561	$ 128,517,635

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2016:

	Level 1	Level 2	Level 3	Investments Valued at Net Asset Value	Total
Internally designated investments:					
Franciscan Ministries Investment Pool:					
Equities - domestic	$ 27,465,281	$ -	$ -	$ 25,832,428	$ 53,297,709
Equities - international	611,596	-	-	-	611,596
Mutual fund - fixed income	32,007,283	3,355	-	-	32,010,638
Cash and cash equivalents	9,329,612	-	-	-	9,329,612
Total Franciscan Ministries Investment Pool	69,413,772	3,355	-	25,832,428	95,249,555
Fixed income	3,155,669	-	-	-	3,155,669
Total internally designated investments	72,569,441	3,355	-	25,832,428	98,405,224
Externally designated investments:					
Fixed income	-	10,130,568	-	-	10,130,568
Cash and cash equivalents	5,941,408	-	-	-	5,941,408
Total externally designated investments	5,941,408	10,130,568	-	-	16,071,976
Long-term investments:					
Pooled equity funds	1,102,994	-	-	-	1,102,994
	$ 79,613,843	$ 10,133,923	$ -	$ 25,832,428	$ 115,580,194

5. Fair Value Measurements (Continued)

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below as of June 30, 2017:

	Level 1	Level 2	Level 3	Investments Valued at Net Asset Value	Total
Internally designated investments:					
Franciscan Ministries Investment Pool:					
Equities - domestic	$ 33,397,997	$ -	$ -	$ 31,641,561	$ 65,039,558
Equities - international	536,196	-	-	-	536,196
Mutual fund - fixed income	32,458,996	2,743	-	-	32,461,739
Cash and cash equivalents	4,808,694	-	-	-	4,808,694
Total Franciscan Ministries Investment Pool	71,201,883	2,743	-	31,641,561	102,846,187
Fixed income	2,139,785	-	-	-	2,139,785
Total internally designated investments	73,341,668	2,743	-	31,641,561	104,985,972
Externally designated investments:					
Fixed income	-	8,280,405	-	-	8,280,405
Cash and cash equivalents	13,828,450	-	-	-	13,828,450
Total externally designated investments	13,828,450	8,280,405	-	-	22,108,855
Long-term investments:					
Pooled equity funds	1,422,808	-	-	-	1,422,808
	$ 88,592,926	$ 8,283,148	$ -	$ 31,641,561	$ 128,517,635

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Equities - international	611,596	-	-	-	611,596
Mutual fund - fixed income	32,007,283	3,355	-	-	32,010,638
Cash and cash equivalents	9,329,612	-	-	-	9,329,612
Total Franciscan Ministries Investment Pool	69,413,772	3,355	-	25,832,428	95,249,555
Fixed income	3,155,669	-	-	-	3,155,669
Total internally designated investments	72,569,441	3,355	-	25,832,428	98,405,224
Externally designated investments:					
Fixed income	-	10,130,568	-	-	10,130,568
Cash and cash equivalents	5,941,408	-	-	-	5,941,408
Total externally designated investments	5,941,408	10,130,568	-	-	16,071,976
Long-term investments:					
Pooled equity funds	1,102,994	-	-	-	1,102,994
	$ 79,613,843	$ 10,133,923	$ -	$ 25,832,428	$ 115,580,194

5. Fair Value Measurements (Continued)

Fair value for Level 1 assets is based on quoted market prices. Level 2 investments are valued by pricing services utilized by Franciscan Ministries' investment managers in which quoted market prices for similar instruments in active markets are used to determine fair value.

As of June 30, 2017 and 2016, there are no liabilities measured at fair value on a recurring basis.

Franciscan Ministries' policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no transfers between levels at June 30, 2017 and 2016.

Investments in Entities that Calculate Net Asset Value per Share

Franciscan Ministries holds shares or interests in investment companies within the investment pool at year end whereby the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment companies.

At year end, the fair value, unfunded commitments, and redemption rules of these investments is as follows:

Fund	2017 Fair Value	2016 Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Boston Common International Catholic SRI Fund	$ 10,702,647	$ 7,582,625	$ -	No Restriction	30 days
Martingale Investment Trust	15,809,745	14,115,710	-	No Restriction	10 days
American Core Realty Fund, LP	5,129,169	4,134,093	-	Quarterly	10 days

The Boston Common International Catholic SRI Fund includes a diversified portfolio of non-U.S. stocks of high-quality companies with the objective of achieving long-term capital appreciation.

The Martingale Investment Trust *Series 1: U.S. Low Volatility LargeCap +* employs a low volatility equity strategy with the objective of earning equity market returns over the long term with lower volatility than the market index. The underlying investments consist of U.S. large cap equity securities, exchange traded funds, and cash equivalents.

The American Core Realty Fund, LP is an open-end real estate investment fund that invests directly and/or indirectly through joint ventures, partnerships, and other participations with others, including senior and subordinate debt investments, generally in stable, institutional quality office and retail, industrial, and multifamily residential properties that generally are substantially leased with minimal deferred maintenance or functional obsolescence.

6. Symbria, Inc.

In October 2015, Franciscan Ministries sold its shares of Symbria, Inc. to the Symbria, Inc. Employees Stock Ownership Trust. Prior to October 2016, Franciscan Ministries had accounted for the investment in Symbria using the cost method. As a result of the sale, the following consideration was received: $3,162,570 in cash, $6,337,130 in an interest-bearing unsecured note, and 64,103 unexercised warrant shares. The interest-bearing note is subject to certain clawback provisions. In the event Symbria fails to meet agreed-upon projected earnings on a cumulative basis for the period beginning on April 1, 2015 and ending on March 31, 2018, the ESOP purchase price in the aggregate shall be reduced by the amount of any shortfall in earnings multiplied by 8.5 (the "Clawback"). Franciscan Ministries has recorded a $1,000,000 valuation against the interest-bearing note for the maximum amount of the Clawback attributable based on the shares of Symbria, Inc. held at the sale date. Franciscan Ministries did not record any amounts related to the warrant shares as the strike price of the warrants is comparable to the current market value of shares of Symbria, Inc. Employees Stock Ownership Trust. The subordinated note receivable plus accrued interest totaling $5,658,113 and $5,450,801 at June 30, 2017 and 2016, respectively, is recorded in the consolidated balance sheets as other long-term assets.

7. Property and Equipment

Property and equipment are as follows at June 30:

	2017	2016
Land and land improvements	**$42,402,683**	$41,950,006
Land lease rights	**5,168,308**	5,324,924
Building and improvements	**262,917,338**	251,913,194
Furniture and moveable equipment	**37,302,716**	35,131,562
Construction in progress	**743,730**	7,538,348
	348,534,775	341,858,034
Less accumulated depreciation	**(185,547,690)**	(177,975,302)
	$162,987,085	$163,882,732
Depreciation expense	**$12,283,004**	$12,018,787

6. Symbria, Inc.

In October 2015, Franciscan Ministries sold its shares of Symbria, Inc. to the Symbria, Inc. Employees Stock Ownership Trust. Prior to October 2016, Franciscan Ministries had accounted for the investment in Symbria using the cost method. As a result of the sale, the following consideration was received: $3,162,570 in cash, $6,337,130 in an interest-bearing unsecured note, and 64,103 unexercised warrant shares. The interest-bearing note is subject to certain clawback provisions. In the event Symbria fails to meet agreed-upon projected earnings on a cumulative basis for the period beginning on April 1, 2015 and ending on March 31, 2018, the ESOP purchase price in the aggregate shall be reduced by the amount of any shortfall in earnings multiplied by 8.5 (the "Clawback"). Franciscan Ministries has recorded a $1,000,000 valuation against the interest-bearing note for the maximum amount of the Clawback attributable based on the shares of Symbria, Inc. held at the sale date. Franciscan Ministries did not record any amounts related to the warrant shares as the strike price of the warrants is comparable to the current market value of shares of Symbria, Inc. Employees Stock Ownership Trust. The subordinated note receivable plus accrued interest totaling $5,658,113 and $5,450,801 at June 30, 2017 and 2016, respectively, is recorded in the consolidated balance sheets as other long-term assets.

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	348,534,775	341,858,034
Less accumulated depreciation	**(185,547,690)**	(177,975,302)
	$162,987,085	$163,882,732
Depreciation expense	**$12,283,004**	$12,018,787

8. Long-Term Debt

Long-term debt consisted of the following at June 30:

	2017	2016
Illinois Finance Authority Revenue Bonds:		
Series 2004B, principal payable in varying annual installments from 2026 through 2034; interest rate 6.50%	-	$ 3,060,000
Series 2007A, principal payable in varying annual installments from 2013 through 2037; interest rates ranging from 5.25% to 5.50%	-	40,120,000
Series 2013A, principal payable in varying annual installments from 2014 through 2047; interest rate ranging from 2.15% to 5.25%	**$ 93,955,000**	95,830,000
Series 2013B, principal payable in varying monthly installments from 2013 through 2043; interest rates vary monthly based on prevailing market conditions (2.28% at June 30, 2016)	-	10,461,829
Series 2017A, principal payable in varying annual installments from 2018 through 2047; interest rates ranging from 3.25% to 5.00%	**38,405,000**	-
The Huntington National Bank:		
Series 2013C, principal payable in varying monthly installments from 2013 through 2043; interest rates vary monthly based on prevailing market conditions (3.01% June 30, 2016)	-	15,261,689
Series 2017B, principal payable in varying monthly installments from 2018 through 2047; interest rate 2.80%	**4,327,000**	-
Series 2017C, principal payable in varying annual installments from 2018 through 2047; interest rates vary monthly based on prevailing market conditions (1.86% at June 30, 2017)	**10,442,000**	-
Series 2017E, principal payable in varying monthly installments from 2018 through 2027; interest rates vary monthly based on prevailing market conditions (2.92% at June 30, 2017)	**15,231,000**	-

	2017	2016
The Wintrust Bank:		
Series 2017D, principal payable in varying monthly installments from 2018 through 2047; interest rate 2.83%	**$ 20,935,800**	-
County of Cuyahoga, Ohio Healthcare Facilities Revenue Bonds		
Series 2004C, principal payable in varying annual installments from 2028 through 2032; interest rate 6.25%	-	$ 5,255,000
Series 2004D, principal payable in varying annual installments from 2033 through 2034; interest rate 6.50%	-	2,745,000
Illinois Housing Development Authority Mortgage Note, interest at 3.75%, principal due 2049; interest paid monthly	**2,296,570**	2,330,521
Illinois Housing Development Authority Mortgage Note, interest-only payments through 2017, principal due 2047; interest paid monthly; interest rate 1.0%	**1,108,352**	1,111,000
Illinois Housing Development Authority Mortgage Note, principal due 2047; interest rate 6.08%	**1,596,799**	1,615,090
	188,297,521	177,790,129
Less current maturities of long-term debt	**(2,582,117)**	(3,022,918)
Add (less) net bond premium (discount)	**37,737**	(1,659,210)
Less unamortized deferred bond issuance costs – net of accumulated amortization	**(2,926,558)**	(2,858,346)
	$182,826,583	$170,249,655

Annual maturities of long-term debt and sinking fund requirements as of June 30, 2017, for each of the next five years, are as follows:

2018	$ 2,582,117
2019	3,542,398
2020	3,652,208
2021	3,773,956
2022	3,899,548
Thereafter	170,847,294

	2017	2016
The Wintrust Bank:		
Series 2017D, principal payable in varying monthly installments from 2018 through 2047; interest rate 2.83%	**$ 20,935,800**	-
County of Cuyahoga, Ohio Healthcare Facilities Revenue Bonds		
Series 2004C, principal payable in varying annual installments from 2028 through 2032; interest rate 6.25%	-	$ 5,255,000
Series 2004D, principal payable in varying annual installments from 2033 through 2034; interest rate 6.50%	-	2,745,000
Illinois Housing Development Authority Mortgage Note, interest at 3.75%, principal due 2049; interest paid monthly	**2,296,570**	2,330,521
Illinois Housing Development Authority Mortgage Note, interest-only payments through 2017, principal due 2047; interest paid monthly; interest rate 1.0%	**1,108,352**	1,111,000
Illinois Housing Development Authority Mortgage Note, principal due 2047; interest rate 6.08%	**1,596,799**	1,615,090
	188,297,521	177,790,129
Less current maturities of long-term debt	**(2,582,117)**	(3,022,918)
Add (less) net bond premium (discount)	**37,737**	(1,659,210)
Less unamortized deferred bond issuance costs – net of accumulated amortization	**(2,926,558)**	(2,858,346)
	$182,826,583	$170,249,655

Annual maturities of long-term debt and sinking fund requirements as of June 30, 2017, for each of the next five years, are as follows:

2018	$ 2,582,117
2019	3,542,398
2020	3,652,208
2021	3,773,956
2022	3,899,548
Thereafter	170,847,294

8. Long-Term Debt (continued)

Effective June 28, 2017, the Illinois Finance Authority (the "Authority"), on behalf of the Obligated Group, issued its Illinois Finance Authority Revenue Bonds, Series 2017A (Franciscan Communities, Inc. Obligated Group) (the "Series 2017A Bonds") in the aggregate principal amount of $38,405,000. The Series 2017A Bonds are subject to optional, mandatory, and extraordinary redemption, as described in the Official Statement related to the Series 2017A Bonds. The Series 2017A Bonds were issued pursuant to a Bond Trust Indenture, dated as of June 1, 2017, by and between the Authority and Amalgamated Bank of Chicago, as bond trustee ("Bond Trustee"). The proceeds of the Series 2017A Bonds were loaned by the Authority to Franciscan Communities ("FC") pursuant to a Loan Agreement, dated as of June 1, 2017, by and between FC and the Authority.

The Obligated Group applied the proceeds from the sale of the Series 2017A Bonds, together with other funds, to: (i) refund all of the outstanding Illinois Finance Authority Revenue Refunding Bonds, Series 2007A (Franciscan Communities, Inc.) (the "Series 2007A Bonds"); (ii) fund a debt service reserve fund for the benefit of the Series 2017A Bonds; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2017A Bonds and the refunding of the Series 2007A Bonds.

The Series 2017A Bonds are limited obligations of the Authority and are secured in part by the Obligated Group's Series 2017A Master Note in the principal amount of $38,405,000 (the "Series 2017A Note"). The Series 2017A Note was issued pursuant to the Amended and Restated Master Trust Indenture dated as of June 1, 2017, as supplemented by Supplemental Master Trust Indenture No. 1, dated as of June 1, 2017 (as supplemented, the "Master Indenture"), by and among FC and University Place ("UP"), as the current Members of the Obligated Group, and Amalgamated Bank of Chicago, as successor master trustee.

As part of the overall plan of finance for the Obligated Group, the Authority also issued its Revenue Bonds, Series 2017B (Franciscan Communities, Inc. Obligated Group) (the "Series 2017B Bonds") in the aggregate principal amount of $4,327,000 for the benefit of the Obligated Group that were purchased directly by Huntington Public Capital Corporation (the "Series 2017B Bank Purchaser"), its Revenue Bonds, Series 2017C (Franciscan Communities, Inc. Obligated Group) (the "Series 2017C Bonds") in the aggregate principal amount of $10,442,000 for the benefit of the Obligated Group that were purchased directly by Huntington Public Capital Corporation (the "Series 2017C Bank Purchaser"), and its Revenue Bonds, Series 2017D (Franciscan Communities, Inc. Obligated Group) (the "Series 2017D Bonds") in the aggregate principal amount of $20,935,800 for the benefit of the Obligated Group that were purchased directly by Wintrust Bank (the "Series 2017D Bank Purchaser"). In addition, the Obligated Group entered into a term bank loan (the "Series 2017E Taxable Term Loan") with The Huntington National Bank in the principal amount of $15,231,000.

8. Long-Term Debt (continued)

The Series 2017B Bonds and Series 2017C Bonds mature on May 15, 2047, but are subject to mandatory purchase by the Obligated Group on June 30, 2027, if the terms of the Series 2017B Bonds and Series 2017C Bonds are not extended by mutual agreement of the Obligated Group and the Series 2017B Bank Purchaser and the Series 2017C Bank Purchaser, respectively. The Series 2017D Bonds mature on May 15, 2047, but are subject to mandatory purchase by the Obligated Group on June 28, 2027, if the terms of the Series 2017D Bonds are not extended by mutual agreement of the Obligated Group and the Series 2017D Bank Purchaser.

The maturity date of the Series 2017E Taxable Term Loan is June 30, 2027.

Additional Master Notes were issued to the Bank Purchasers to secure any payment obligations of the Obligated Group under the respective bank covenant agreements entered into with the respective Bank Purchasers (the "Bank Agreements") in addition to payment of principal of and interest on the Series 2017 Bank Bonds.

The proceeds of the Series 2017 Bank Bonds were loaned to the Obligated Group and used to: (i) finance, refinance, or reimburse the Obligated Group for the payment of certain costs of acquiring constructing, renovating, remodeling, and equipping certain projects for certain of the senior living facilities owned by the Obligated Group in the States of Illinois, Indiana, and Ohio; (ii) refund all of the (a) Illinois Finance Authority Revenue Bonds, Series 2004B (Franciscan Communities, Inc.) Extendable Rate Adjustable Securities^{SM} (EXTRAS^{SM}) (the "Series 2004B Bonds"), (b) Illinois Finance Authority Revenue Bonds, Series 2013B (Franciscan Communities, Inc.) (the "Series 2013B Bonds" and together with the Series 2004B Bonds and the Series 2007A Bonds, the "Illinois Bonds"), (c) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004C (Franciscan Communities, Inc. – Mount Alverna Project) (the "Series 2004C Bonds"), and (d) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004D (Franciscan Communities, Inc. – Mount Alverna Project) Extendable Rate Adjustable Securities^{SM} (EXTRAS^{SM}) (the "Series 2004D Bonds" and together with the Series 2004C Bonds, the "Ohio Bonds," and the Illinois Bonds and the Ohio Bonds are collectively referred to herein as the "Prior Bonds"); and (iii) pay certain expenses incurred in connection with the issuance of the Series 2017 Bank Bonds and the refunding of the Prior Bonds.

Proceeds of the Taxable Term Loan were used to refinance the taxable loan (the "Previous Taxable Term Loan") made to the Obligated Group under the Secured Credit Agreement dated as of March 1, 2013 between the Obligated Group and The Huntington National Bank.

The refinancing resulted in a loss on debt extinguishment of $1,362,445, which includes the write-off of unamortized deferred bond costs ($1,120,575), write-off of bond discounts ($149,624), and costs of bond refinancing ($92,246), and is included in the accompanying Statement of Operations and Changes in Net Assets for the fiscal year ended June 30, 2017.

8. Long-Term Debt (continued)

The Series 2017B Bonds and Series 2017C Bonds mature on May 15, 2047, but are subject to mandatory purchase by the Obligated Group on June 30, 2027, if the terms of the Series 2017B Bonds and Series 2017C Bonds are not extended by mutual agreement of the Obligated Group and the Series 2017B Bank Purchaser and the Series 2017C Bank Purchaser, respectively. The Series 2017D Bonds mature on May 15, 2047, but are subject to mandatory purchase by the Obligated Group on June 28, 2027, if the terms of the Series 2017D Bonds are not extended by mutual agreement of the Obligated Group and the Series 2017D Bank Purchaser.

The maturity date of the Series 2017E Taxable Term Loan is June 30, 2027.

Additional Master Notes were issued to the Bank Purchasers to secure any payment obligations of the Obligated Group under the respective bank covenant agreements entered into with the respective Bank Purchasers (the "Bank Agreements") in addition to payment of principal of and interest on the Series 2017 Bank Bonds.

The proceeds of the Series 2017 Bank Bonds were loaned to the Obligated Group and used to: (i) finance, refinance, or reimburse the Obligated Group for the payment of certain costs of acquiring constructing, renovating, remodeling, and equipping certain projects for certain of the senior living facilities owned by the Obligated Group in the States of Illinois, Indiana, and Ohio; (ii) refund all of the (a) Illinois Finance Authority Revenue Bonds, Series 2004B (Franciscan Communities, Inc.) Extendable Rate Adjustable Securities^{SM} (EXTRAS^{SM}) (the "Series 2004B Bonds"), (b) Illinois Finance Authority Revenue Bonds, Series 2013B (Franciscan Communities, Inc.) (the "Series 2013B Bonds" and together with the Series 2004B Bonds and the Series 2007A Bonds, the "Illinois Bonds"), (c) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004C (Franciscan Communities, Inc. – Mount Alverna Project) (the "Series 2004C Bonds"), and (d) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004D (Franciscan Communities, Inc. – Mount Alverna Project) Extendable Rate Adjustable Securities^{SM} (EXTRAS^{SM}) (the "Series 2004D Bonds" and together with the Series 2004C Bonds, the "Ohio Bonds," and the Illinois Bonds and the Ohio Bonds are collectively referred to herein as the "Prior Bonds"); and (iii) pay certain expenses incurred in connection with the issuance of the Series 2017 Bank Bonds and the refunding of the Prior Bonds.

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The refinancing resulted in a loss on debt extinguishment of $1,362,445, which includes the write-off of unamortized deferred bond costs ($1,120,575), write-off of bond discounts ($149,624), and costs of bond refinancing ($92,246), and is included in the accompanying Statement of Operations and Changes in Net Assets for the fiscal year ended June 30, 2017.

8. Long-Term Debt (continued)

Crete Senior Housing, LLC has a secured first mortgage on the property with the Illinois Housing Development Authority in the amount of $1,596,799 and a second secured mortgage note in the amount of $1,108,352. Crete Senior Housing Phase II, LLC has a secured mortgage on the property with the Illinois Housing Development Authority in the amount of $2,296,570. Effective October 2, 2014, Louisville Senior Housing, LLC entered into a secured mortgage note with Franciscan Ministries in the amount of $1,799,733. The loan is amortized over 35 years with an interest rate of 4.00 percent and with a balloon payment due May 2030. Monthly principal and interest on the loan total $7,969. Franciscan Ministries has a secured first mortgage on the property. The proceeds of the loan were used to retire the U.S. Bank National Association mortgage note and pay certain costs of issuance of the loan.

Interest paid on long-term debt amounted to $8,676,064 and $8,916,816 in 2017 and 2016, respectively.

Interest was capitalized in the amount of $0 and $69,556 during the years ended June 30, 2017 and 2016, respectively.

The provisions of the Master Trust Indenture and the Taxable Term Loan as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds and Taxable Bank Loan are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture and Taxable Term Loan. Management believes Franciscan Ministries is in compliance with such covenants at June 30, 2017 and 2016.

9. Grant Agreements

Crete Senior Housing Phase II, LLC (Crete II) has entered into a Section 1602 written agreement with the Illinois Housing Development Authority to obtain a grant under Sections 1065 and 1602 of the American Reinvestment and Recovery Act of 2009 (ARRA). Crete II was granted $4,315,360 under the Section 1602 program. The Section 1602 funds were used to assist in the financing of the acquisition and construction of the affordable housing building. These funds are subject to the Qualified Allocation Plan (QAP), the program requirements, and the terms and conditions of the written agreement, the mortgage note, the regulatory agreement, the provisions of Sections 1604 and 1602 of the ARRA, the guidelines, and any other rules, regulations, guidelines, and notices published by the U.S. Treasury or IRS from time to time with respect to the Section 1602 program that are applicable to the project. During the 15-year compliance period that ends on December 31, 2026, the project must meet occupant eligibility and unit gross rent, among other requirements. The amortization of deferred Section 1602 grant revenue totaled $156,922 for both years ended June 30, 2017 and 2016.

9. Grant Agreements (continued)

The Section 1602 grant funds are subject to recapture in the event of default by any noncompliance with the program requirements mentioned in the agreement, unless the noncompliance is cured within the stated time provided. For compliance purposes, this grant is also secured by a mortgage note that has a second lien on the property.

10. Leases

Addolorata Villa leases land under a ground lease agreement with the Servants of Mary, the original sponsor. The terms of the ground lease include an irrevocable option to purchase the land at a defined option price and an annual base rent of $1 through December 31, 2050.

11. State of Indiana Intergovernmental Transfer Program

Effective March 1, 2014, St. Anthony entered into a lease agreement with a county hospital, Hancock Regional Hospital (the "Hospital"), to lease the operations of the nursing facility (NF) and certain housing services (the "Convent") at St. Anthony to the Hospital (collectively, the operations of the NF and the Convent are referred to herein as the "Leased Property"). Concurrently, therewith, the Hospital entered into a management agreement between a newly-formed division of the Hospital, Hancock Regional Hospital (d/b/a St. Anthony Home - Crown Point) (SAH-CP), and a newly-formed division of Franciscan Communities, Inc. (d/b/a St. Anthony Management Services) (Management Services). Compensation to Management Services for management of the operations is provided as a percentage of net resident service revenue earned and certain fees. SAH-CP will reimburse St. Anthony for salaries, wages, and benefits of contracted labor provided to SAH-CP. Franciscan Communities entered into the lease agreement and the management agreement, as well as certain additional required agreements, in accordance with the requirements of participation in the State of Indiana's Intergovernmental Transfer (IGT) Program (the "Program"). In addition, St. Anthony was required to provide limited working capital to SAH-CP for the initial months of operation.

The Hospital, located in Greenfield, Indiana, is a county hospital, which is a primary requirement for participation for the Hospital and Franciscan Communities in the Program. Effective March 1, 2014 and thereafter, the operations of the Leased Property will be reported in the financial statements of the Hospital. Franciscan Communities, accordingly, reports the corresponding lease revenue and management services revenue under Management Services.

The operating lease related to the Leased Property was effective on March 1, 2014, is for an initial term of two (2) calendar years, and is renewable annually thereafter. Either party may terminate the lease, with or without cause, by providing a sixty (60) day written notice to the other party. The lease is expected to be renewed annually in the normal course of business. In accordance with guidelines established by the Centers for Medicare and Medicaid Services (CMS), the license for the NF was transferred to the Hospital as a result of the operating lease agreement.

9. Grant Agreements (continued)

The Section 1602 grant funds are subject to recapture in the event of default by any noncompliance with the program requirements mentioned in the agreement, unless the noncompliance is cured within the stated time provided. For compliance purposes, this grant is also secured by a mortgage note that has a second lien on the property.

10. Leases

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The operating lease related to the Leased Property was effective on March 1, 2014, is for an initial term of two (2) calendar years, and is renewable annually thereafter. Either party may terminate the lease, with or without cause, by providing a sixty (60) day written notice to the other party. The lease is expected to be renewed annually in the normal course of business. In accordance with guidelines established by the Centers for Medicare and Medicaid Services (CMS), the license for the NF was transferred to the Hospital as a result of the operating lease agreement.

11. State of Indiana Intergovernmental Transfer Program (continued)

Lease revenue amounted to $1,249,329 and $1,191,024 for the years ended June 30, 2017 and 2016, respectively. The lease amount is payable monthly to Franciscan Communities. In addition to the lease revenue, Franciscan Communities is entitled to certain additional payments from the Hospital in accordance with the various agreements. At June 30, 2017 and 2016, the amount due of $1,681,551 and $1,063,691, respectively, was due to Franciscan Communities from the Hospital for revenue earned under the various agreements, including management services revenue, lease payments, payroll expense, and working capital advances and is included in prepaid expenses and other.

If there is any possibility, as reasonably determined by the Hospital, that net patient revenues and working capital are not sufficient to pay all operating expense, interest expense, rent, and fees for SAH-CP, Management Services will immediately notify the Hospital and present a plan to the Hospital for addressing the unfavorable results. The plan could include a temporary reduction in management services revenue or other amounts paid to Management Services. Such a plan may also be established by the Hospital, if it reasonably determines that net patient revenues and working capital are not sufficient to fund the payments described in the various agreements.

12. Endowment Funds

The Sisters established endowment funds with St. Jude House, Inc. and Madonna Foundation by contributing $2,000,000 and $2,500,000, respectively. In 2013, the Sisters contributed an additional $500,000 to the endowment fund of St. Jude House, Inc. Per the agreement between the Sisters and St. Jude House, Inc. and Madonna Foundation, contributions to the endowment funds are to exist in perpetuity with the income and appreciation available to support the operational programs and services to benefit the clients of St. Jude House, Inc. and the scholars of Madonna Foundation. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

	Internally Restricted		Permanently Restricted	
	2017	**2016**	**2017**	**2016**
Endowment funds:				
Madonna Foundation	**$3,159,432**	$2,980,149	**$ -**	$ -
St. Jude House, Inc.	**2,500,000**	2,542,547	**-**	-
Other	**-**	-	**730,209**	730,209
Total funds	**$5,659,432**	$5,522,696	**$730,209**	$730,209

12. Endowment Funds (continued)

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

	Internally Restricted		Permanently Restricted	
	2017	**2016**	**2017**	**2016**
Endowment net assets, beginning of year	**$5,522,696**	$5,695,708	**$730,209**	$730,209
Investment return:				
Investment income	**81,393**	92,180	**5,655**	2,250
Net income (realized and unrealized)	**432,756**	578	**3,378**	54
Total investment return	**514,149**	92,758	**9,033**	2,304
Net asset transfers to unrestricted net assets	**-**	-	**(9,033)**	(2,304)
Appropriation of endowment assets for expenditure	**(377,413)**	(265,770)	**-**	-
Endowment net assets, end of year	**$5,659,432**	$5,522,696	**$730,209**	$730,209

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Franciscan Ministries to retain as a fund or in perpetual duration. There were no deficiencies of donor-restricted endowment funds at June 30, 2017 and 2016.

13. Transactions with Affiliates

Notes payable to, and long-term arrangements with, affiliates consisted of the following at June 30:

	2017	**2016**
Working capital loan agreement payable to the Franciscan Sisters of Chicago, Inc., due June 1, 2022, with monthly payments of principal and interest; interest rate 5.0%	**$ 4,758,950**	$ 4,986,938
Less current maturities of note payable to affiliates	**238,116**	229,214
	$ 4,520,834	$ 4,757,724

On July 1, 2012, Franciscan Ministries entered into an unsecured promissory note payable with the Sisters in the amount of approximately $5,798,000. The term of the note was five years with a defined balloon payment subject to refinancing and bears interest at 5 percent. The note required monthly payments of approximately $39,000.

12. Endowment Funds (continued)

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

	Internally Restricted		Permanently Restricted	
	2017	**2016**	**2017**	**2016**
Endowment net assets, beginning of year	**$5,522,696**	$5,695,708	**$730,209**	$730,209
Investment return:				
Investment income	**81,393**	92,180	**5,655**	2,250
Net income (realized and unrealized)	**432,756**	578	**3,378**	54
Total investment return	**514,149**	92,758	**9,033**	2,304
Net asset transfers to unrestricted net assets	**-**	-	**(9,033)**	(2,304)
Appropriation of endowment assets for expenditure	**(377,413)**	(265,770)	**-**	-
Endowment net assets, end of year	**$5,659,432**	$5,522,696	**$730,209**	$730,209

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Franciscan Ministries to retain as a fund or in perpetual duration. There were no deficiencies of donor-restricted endowment funds at June 30, 2017 and 2016.

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Notes payable to, and long-term arrangements with, affiliates consisted of the following at June 30:

	2017	**2016**
Working capital loan agreement payable to the Franciscan Sisters of Chicago, Inc., due June 1, 2022, with monthly payments of principal and interest; interest rate 5.0%	**$ 4,758,950**	$ 4,986,938
Less current maturities of note payable to affiliates	**238,116**	229,214
	$ 4,520,834	$ 4,757,724

On July 1, 2012, Franciscan Ministries entered into an unsecured promissory note payable with the Sisters in the amount of approximately $5,798,000. The term of the note was five years with a defined balloon payment subject to refinancing and bears interest at 5 percent. The note required monthly payments of approximately $39,000.

13. Transactions with Affiliates (continued)

On October 1, 2016, the Service Corporation entered into an unsecured promissory note payable, effective June 1, 2017, with the Sisters to replace the working capital loan agreement payable to the Sisters due July 1, 2022. The note, in the amount of $4,778,367, representing the working capital loan agreement balance at June 30, 2017, has a term of five years with a defined balloon payment subject to refinancing and bears interest at 4 percent. The note requires monthly payments of approximately $35,500.

On October 17, 2007, St. Joseph Housing entered into an unsecured working capital line-of-credit agreement with the Sisters. The agreement was effective on November 1, 2007 in an amount not to exceed $5,000,000. On October 31, 2012, the Sisters extended the maturity date of the capital line of credit agreement with St. Joseph Housing until November 1, 2017. There are no advances under the working capital line-of-credit at June 30, 2017 and 2016.

Effective July 21, 2014, Franciscan Ministries entered into a license agreement with the Sisters to make available and share certain space on the first floor of Our Lady of Victory Convent to operate as assisted living. The license calls for an annual license fee of $1 and a pro-rata share of the operating costs. Total pro-rata share of operating expenses charged to operations under the agreement amounted to $165,840 and $178,573, for the years ended June 30, 2017 and June 30, 2016, respectively.

Effective February 1, 2015, Franciscan Ministries entered into a License Agreement with the Sisters to make available and share certain space in the Sisters' Administration Building to meet the office space needs of Franciscan Ministries. The License Agreement calls for an annual license fee of $1 and a pro-rata share of the operating costs of the building. Total expense charged to operations under the agreement amounted to $181,260 and $107,507 for the year ended June 30, 2017 and 2016, respectively.

As described in Note 1, Franciscan Ministries has land lease agreements with the Sisters to lease land at Franciscan Village and Marian Village, all of which expire on June 30, 2050. Under the terms of amendments to the ground leases, dated May 1, 2014, the annual rent is $1 per year, effective July 1, 2014. Total rent expense charged to operations under these agreements amounted to $156,618 for each of the years ended June 30, 2017 and 2016. At June 30, 2017 and June 30, 2016, the present value of the future contributed rent, net of amortized amounts, amounted to $5,168,308 and $5,324,924, respectively.

On March 10, 2017 the Sisters made a $500,000 restricted donation to Franciscan Ministries. The donation is restricted to capital improvements.

In April 2017, Franciscan Ministries sold its fifty percent (50%) membership interest in Franciscan Home Care Services, Inc. ("Franciscan Home Care"). Franciscan Ministries had accounted for the investment in Franciscan Home Care using the cost method. The sale included proceeds of $1,744,943 and a gain on the sale of the investment of $402,610.

14. Employee Benefit Plans

Franciscan Ministries sponsors the Franciscan Ministries 401(k) Defined-Contribution Plan covering substantially all eligible employees. Franciscan Ministries contributed a match of 50 percent of employee contributions to a maximum employer contribution of 3 percent in 2017 and 2016. Franciscan Ministries' total expenses related to the plan were $1,123,772 and $936,194 for the years ended June 30, 2017 and 2016, respectively, and are included in employee benefit expenses in the accompanying consolidated statements of operations and changes in net assets.

15. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include net assets available for the purchase of assets and for specific programs totaling $3,489,566 and $2,441,205 at June 30, 2017 and 2016, respectively. Temporarily restricted net assets also include contributed land lease rights totaling $5,168,308 and $5,324,924 at June 30, 2017 and 2016, respectively.

Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries in perpetuity, the income from which is expendable to support purchases of capital, and amounted to $730,209 at both June 30, 2017 and 2016.

16. Functional Expenses

Franciscan Ministries provides comprehensive residential and healthcare services to residents within its geographic location. The expenses related to continuing operations included in the consolidated statements of operations and changes in net assets are primarily related to the following for the years ended June 30:

	2017	2016
Nursing care	**$64,741,413**	$66,936,505
Senior housing	**43,374,499**	38,770,696
Education and community services	**2,035,751**	1,994,883
General and administrative	**26,607,945**	26,750,607
	$136,759,608	$134,452,691

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Permanently restricted net assets have been restricted by donors to be maintained by Franciscan Ministries in perpetuity, the income from which is expendable to support purchases of capital, and amounted to $730,209 at both June 30, 2017 and 2016.

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	2017	2016
Nursing care	**$64,741,413**	$66,936,505
Senior housing	**43,374,499**	38,770,696
Education and community services	**2,035,751**	1,994,883
General and administrative	**26,607,945**	26,750,607
	$136,759,608	$134,452,691

17. Commitments and Contingencies

Internal Revenue Service Examination

In July 2009, the IRS notified Franciscan Ministries that it will examine Franciscan Ministries' 2007 tax return. The examination was later expanded to include the 2008 tax return and certain employee benefit issues. In January 2012, the IRS notified Franciscan Ministries that the tax returns were accepted; however, certain employee benefits issues are still under examination. Management has no estimate of potential liability, if any, at this time.

Other Contingencies

Franciscan Ministries is a defendant in a class action lawsuit filed in conjunction with the termination of the St. Anthony Medical Center, Inc. Retirement Plan (the "Plan"). Franciscan Ministries believes that the suit is without merit and intends to vigorously defend its position.

Franciscan Ministries is a defendant in various other legal actions that have arisen in the normal course of business. Franciscan Ministries believes that the eventual resolution of these claims will not have a material effect on Franciscan Ministries' financial position or operations.

On June 1, 2017, Franciscan Communities II entered into a construction contract to build a 42-resident memory care facility on the campus of Mount Alverna Village. The contract sum and remaining balance to finish at June 30, 2017 totaled $5,424,462 and the construction period is estimated at thirteen months.

On March 24, 2017, Franciscan Communities entered into a construction contract to renovate the nursing home at The Village at Victory Lakes. The total contract price is $877,120, with the balance to finish, including retainage of $213,457, at June 30, 2017.

18. Guarantees

Franciscan Ministries has agreed to provide an Operating Deficit Guarantee and Tax Credit Guarantee for Crete Senior Housing, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries. The Operating Deficit Guarantee is for a period of three years commencing with stabilization, which has not been met, limited to an amount equal to six months of operating expenses. The Operating Deficit Guarantee will be in the form of an operating loan bearing interest at 4 percent payable upon available cash flow. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $512,740.

18. Guarantees (continued)

Franciscan Ministries has agreed to provide a Tax Credit Guarantee for Louisville Senior Housing, LLC, which provides affordable senior housing in Louisville, Kentucky. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $823,850.

Franciscan Ministries has agreed to guarantee for Crete Senior Housing Phase II, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries, the payment of the recapture amount pursuant to the Section 1602 Grant documents and the payment of the repayment pursuant to the Home Program documents. The recapture amount under the Section 1602 Grant is eliminated over a 15-year compliance period. As of June 30, 2017 and 2016, the maximum amount due under the guarantee approximates $3,295,000 and $3,452,000, respectively, and is reported as Section 1602 Deferred Grant Revenue under noncurrent liabilities. This guarantee is not anticipated to be used as long as the residents occupying the building are within established income guidelines.

19. Self-Insurance Risks

Effective July 1, 2013, Franciscan Ministries is insured for workers' compensation through a fully funded insurance policy with normal statutory limit coverages in Indiana. Franciscan Ministries, prior to July 1, 2013, was self-insured for workers' compensation losses up to a maximum limit of $300,000 per occurrence in Indiana. Franciscan Ministries is self-insured for workers' compensation in Illinois and Kentucky up to a maximum limit of $450,000 per occurrence. Losses over these limits are covered by a supplemental catastrophic policy up to specified limits with an independent insurer. Estimated accruals for workers' compensation, which include estimates of the ultimate costs for both reported claims and claims incurred but not yet reported, were $1,351,744 and $1,549,904 undiscounted, as of June 30, 2017 and 2016, respectively.

Franciscan Ministries provides employee health insurance to its employees through a self-insured program. The self-insured program, implemented July 1, 2009, includes a specific stop-loss deductible of $200,000 per plan participant and an aggregate stop-loss policy with a maximum benefit of $1,000,000. Franciscan Ministries reported insurance claim liabilities of $504,000 and $807,000 as of June 30, 2017 and 2016, respectively, included in accounts payable and employee benefits, and an aggregate stop-loss receivable of $0 and $53,829 as of June 30, 2017 and 2016, respectively, which is included in prepaid expenses and other.

18. Guarantees (continued)

Franciscan Ministries has agreed to provide a Tax Credit Guarantee for Louisville Senior Housing, LLC, which provides affordable senior housing in Louisville, Kentucky. The Tax Credit Guarantee obligates Franciscan Ministries to reimburse the investor for losses (including interest and penalties) resulting from the recapture of low-income housing tax credits due to the project being operated in a manner inconsistent with the rent and affordability restrictions imposed by Section 42 of the Code. Tax credits will be guaranteed for five years from the issuance of 8609 tax certification. This guarantee would not become operative provided the residents occupying the building are within established income guidelines. The maximum aggregate amount that Franciscan Ministries shall be required to pay under the Operating Deficit Guarantee and the Tax Credit Guarantee is $823,850.

Franciscan Ministries has agreed to guarantee for Crete Senior Housing Phase II, LLC, which provides affordable senior housing in Crete, Illinois, on land owned by Franciscan Ministries, the payment of the recapture amount pursuant to the Section 1602 Grant documents and the payment of the repayment pursuant to the Home Program documents. The recapture amount under the Section 1602 Grant is eliminated over a 15-year compliance period. As of June 30, 2017 and 2016, the maximum amount due under the guarantee approximates $3,295,000 and $3,452,000, respectively, and is reported as Section 1602 Deferred Grant Revenue under noncurrent liabilities. This guarantee is not anticipated to be used as long as the residents occupying the building are within established income guidelines.

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20. Community Commitment

The mission, values, and philosophy of Franciscan Ministries are reflected in the programs in place to provide care to the underprivileged population. Franciscan Ministries makes a major commitment to the community and residents in need by providing charity care to residents through the Gift of Care Program, sustaining significant amounts of unreimbursed costs by participation in the Medicaid program, and allocating significant resources to meet a number of community benefit needs identified.

The cost of providing charity care is calculated based upon the total cost-to-charge ratio based upon service line and payor class. The cost of the charity care amounted to $992,000 and $412,000 for the years ended June 30, 2017 and 2016, respectively.

Unreimbursed costs represent the excess of resident care costs over Medicaid reimbursements. The amount of unreimbursed costs over Medicaid reimbursement is calculated based on allocated costs per resident day. Unreimbursed costs amounted to $4,475,000 and $4,354,000 for the years ended June 30, 2017 and 2016, respectively.

Franciscan Ministries addresses the spiritual needs of the community and those served through pastoral care services, including, but not limited to, chapel services. The costs of these pastoral care services amounted to $1,163,000 and $1,198,000 for the years ended June 30, 2017 and 2016, respectively.

21. Subsequent Events

Franciscan Ministries evaluated events and transactions occurring subsequent to June 30, 2017 through November 15, 2017, the date of issuance of the consolidated financial statements. During this period, there were certain subsequent events requiring disclosure, which are described below.

On July 31, 2017, Franciscan Communities entered into a construction contract totaling approximately $1,933,000 to expand therapy and life enrichment space at Mount Alverna Village. The construction period is estimated to be nine months.

On September 13, 2017 Franciscan Communities II entered into a Construction Loan Agreement (the "Loan") with a bank ("Bank or Lender") to finance the construction of a 42-resident memory care facility (the "Project") in Parma, Ohio, on property owned by Franciscan Communities. The Loan is in an amount not to exceed $8,000,000 with interest at the LIBOR index rate. Interest only monthly payments are made through September 2020 with principal and interest monthly payments thereafter thru the maturity date of September 2022. Franciscan Ministries is required to contribute not less than $2,056,650. This requirement was met as of September 13, 2017. Franciscan Ministries is a guarantor on the loan and is required to maintain no less than $10,000,000 in cash and investments. Compliance with this covenant shall be measured on the last day of each fiscal year beginning with the fiscal year ended June 30, 2018.

21. Subsequent Events (continued)

In addition, Franciscan Communities II has mortgage and security agreements with the Lender as security for the Loan.

22. Change in Accounting Principle

As of July 1, 2016, the Organization adopted new guidance related to the presentation of deferred bond issuance costs in its consolidated balance sheet. Under the new guidance, deferred bond issuance costs are reported as a direct deduction from the carrying amount of the related long-term debt. Previously, deferred bond issuance costs were presented as an asset. The new presentation requirements have been applied retrospectively and amounts reported in the 2016 consolidated balance sheet have been restated as follows:

	2016		
	As Previously Reported	As Reported Under New Method	Effect of Change
Assets – Deferred bond issuance costs	$4,517,556	$ -	($4,517,556)
Liabilities - Long-term debt	$174,767,211	$ 170,249,655	$4,517,556

Deferred bond costs previously reported as an asset at June 30, 2016 included $1,659,210 of bond discounts that have also been restated to net with the carrying amount of the related long-term debt.

The new guidance does not affect how the deferred bond issuance costs are accounted for after initial recognition, and these amounts continue to be amortized over the term of the related debt. However, the amortization of the deferred bond issuance costs is now required to be reported as a component of interest expense; previously, these amounts were reported as part of depreciation and amortization expense. The consolidated statement of activities for 2016 has been restated to report $186,351 of amortization of deferred bond issuance costs as a component of interest expense

21. Subsequent Events (continued)

In addition, Franciscan Communities II has mortgage and security agreements with the Lender as security for the Loan.

22. Change in Accounting Principle

As of July 1, 2016, the Organization adopted new guidance related to the presentation of deferred bond issuance costs in its consolidated balance sheet. Under the new guidance, deferred bond issuance costs are reported as a direct deduction from the carrying amount of the related long-term debt. Previously, deferred bond issuance costs were presented as an asset. The new presentation requirements have been applied retrospectively and amounts reported in the 2016 consolidated balance sheet have been restated as follows:

	2016		
	As Previously Reported	As Reported Under New Method	Effect of Change
Assets – Deferred bond issuance costs	$4,517,556	$ -	($4,517,556)
Liabilities - Long-term debt	$174,767,211	$ 170,249,655	$4,517,556

Deferred bond costs previously reported as an asset at June 30, 2016 included $1,659,210 of bond discounts that have also been restated to net with the carrying amount of the related long-term debt.

The new guidance does not affect how the deferred bond issuance costs are accounted for after initial recognition, and these amounts continue to be amortized over the term of the related debt. However, the amortization of the deferred bond issuance costs is now required to be reported as a component of interest expense; previously, these amounts were reported as part of depreciation and amortization expense. The consolidated statement of activities for 2016 has been restated to report $186,351 of amortization of deferred bond issuance costs as a component of interest expense

Franciscan Ministries and Affiliates including The Village At Mercy Creek
Pro Forma Statement of Operations
Project - At Stabilization

Operating Revenue	
Net Resident Service Revenue	140,767,286
Other Revenue	15,335,501
Contribution and Grant Revenue	1,307,765
Management Service Fee Revenue	1,178,121
Development Fee Revenue	(21,047)
Total Operating Revenue	**158,567,625**
Operating Expenses	
Salaries and Wages	73,728,835
Benefits	13,956,636
Agency Staffing	440,982
Purchased Services-Residents	8,007,535
Purchased Services-Administration	12,314,144
Drugs, Food, Supplies and Other	13,089,753
Administrative	3,909,277
Insurance	3,289,101
Bad Debts	1,333,653
Total Controllable Operating Expenses	130,069,916
Controllable Operating Margin	28,497,710
Other Operating Expenses	
Providers' tax	1,729,380
Utilities	4,998,244
Real Estate Taxes	778,695
Management Fees	572,490
Land and Building Lease	641,140
Total Other Operating Expenes	8,719,950
Net Operating Income	**19,777,760**
Nonoperating Revenue	
Contribution revenue	206,521
Realized investment revenue	7,329,657
Trustee held investment earnings	338,737
Contributed lease revenue	176,272
Total Nonoperating Revenue	8,051,186
Net Income Before Long-term Debt Expenses and Noncash Items	27,828,946
Long-term Debt Expenses	10,028,063
Net Income Before Noncash Items	**17,800,883**
Noncash Items	
Entrance Fee Revenue Amortization	1,987,284
Depreciation and Amortization	(14,936,637)
Net change in unrealized gains on investments	(226,251)
Gain or (loss) on sale of assets	2,154,918
Total Noncash Items	(11,020,685)
Revenues in Excess (Less than) Expenses	**$6,780,198.**

An inflation factor was applied to the FY 2018 unaudited financial statements for Franciscan Ministries and Affiliates to combine with The Village at Mercy Creek after stabilizing.

Franciscan Ministries and Affiliates including The Village at Mercy Creek
Pro Forma Balance Sheet
Project At Stabilization

Assets	
Current Assets:	
Cash and cash equivalents	$20,532,864.
Accounts receivable	$7,803,210.
Allowance for uncollectible accounts	($1,521,314.)
Due from affiliates	$867,293.
Due from third-party payors	$182,017.
Prepaid expenses and other	$4,293,507.
Notes Receivable	$1,676,314.
Total current assets	33,833,891
Assets limited as to use, net of amounts required to meet current obligations:	
Internally designated for capital improvements	117,063,902
Externally designated under debt agreements and letters of credit	20,280,327
Total assets limited as to use, net	137,344,229
Long-term investments	400,000
Property, plant and equipment	$172,221,863.
Notes Receivable	5,782,330
Goodwill	47,735
Other	2,027,677
Total Assets	$351,657,725.
Liabilities and Net Assets	
Current Liabilities:	
Accounts payable and accrued expenses	$14,911,468.
Accrued salaries and employee benefits	$6,003,907.
Due to third-party payors	$962,171.
Notes payable	$247,817.
Current maturities of long-term debt	$3,447,600.
Refundable resident deposits and entrance fees	$4,394,527.
Total current liabilities	29,967,490
Noncurrent liabilities:	-
Long-term debt, less current maturities	$198,690,607.
Refundable resident deposits and refundable and nonrefundable entrance fees	$74,049,775.
Other long-term liabilities	$2,163,326.
Total noncurrent liabilities	274,903,708
Total liabilities	304,871,198
Net Assets (Deficit):	
Unrestricted	$37,965,430.
Temporarily restricted	$8,164,562.
Permanently restricted	$656,535.
Total net assets (deficit)	46,786,527
Total Liabilities and Net Assets (Deficit)	$351,657,725.

An inflation factor was applied to the FY 2018 unaudited financial statements for Franciscan Ministries and Affiliates to combine with The Village at Mercy Creek at stabilization

Pro Forma Statement of Cash Flows
Project At Stabilization

Operating activities	
Change in net assets	$5,496,835.
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	$13,391,052.
Working Capital/Other	3,454,524
Net cash provided by operating activities	22,342,411
Investing activities	
Purchases of property and equipment, net	($9,658,431.)
Net (increase) decrease in internally designated investments	($12,192,730.)
Net (increase) decrease in trustee held investements	$1,091,029.
Net cash used in investing activities	(20,760,131)
Financing activities	
Proceeds from issuance of long-term debt	($3,694,717.)
Payments of long-term debt	$406,801.
Proceeds (payments) of notes payable to affiliate	$27,963.
Proceeds from restricted contributions and gains on investments, net of assets released from restrictions	-
	($566,987.)
	-
Additions to unearned entrance fees, net withdrawals	$1,275,220.
Change in bond issuance costs	($166,289.)
Transfers to/from affiliates	($500,000.)
Net cash provided by financing activities	(3,218,009)
(Decrease) increase in cash and cash equivalents	(1,635,729)
Cash and cash equivalents at beginning of period	$22,168,593.
Cash and cash equivalents at end of period	$20,532,864.

Inflation factor applied to the FY 2018 unaudited financial statements for Franciscan Ministries and Affiliates to combine with The Village at Mercy Creek at stabilization

THE VILLAGE AT MERCY CREEK
Pro forma Statement of Operations

	Initial Stabilized Year
Operating Revenue	
Independent Living	$ 35,700
Assisted Living	3,695,140
Assisted Living Memory Support	1,327,258
Nursing	4,971,712
Gross Revenue	10,029,810
Other Discounts and Gift of Care	(211,025)
Net Resident Service Revenue	9,818,785
Total Other Revenue	112,704
Total Operating Revenue	**9,931,489**
Operating Expenses	
Salaries/Benefits	4,506,238
Purchased Services	1,071,212
Dining	384,639
Other Expenses	1,442,945
Insurance	112,200
Bad Debts	24,989
Utilities	282,511
Total Other Operating Expenses	7,824,734
Net Operating Income	**2,106,755**
Total Nonoperating Revenue - Contributions	50,000
Net Income Before Interest and Non-Cash	**$ 2,156,755**
Interest Expense	879,300
Net Income Before Non-Cash	1,277,455
Depreciation/Amortization	(1,076,500)
Net Income in Excess of Expenses	**200,955**

THE VILLAGE AT MERCY CREEK
Pro forma Cash Flow Statements

	Initial Stabilized Year
Operation Activities	
Change in net assets	$ 200,955
Depreciation/amortization	1,076,500
Changes in working capital	1,200
Net Cash from Operating Activities	1,278,655
Investing Activities	
Purchase of property, plant, and equip	50,000
Net Cash from Investing Activities	50,000
Financing Activities	
Payments of long-term debt	(555,000)
Net Cash from Financial Activities	(555,000)
Increase/(decrease) in Cash	773,655
Cash - Beginning of the Period	1,495,970
Cash - End of the Period	**$ 2,269,625**

COMBINED - At Closing	DR	CR	
Cash	165,000		
A/R - net	6,100		
Prepaid	15,950		
Land, Building, Equipment	15,750,000		per bank appraisal
A/P		46,900	
Accrued salaries		24,000	
Accrued interest		32,000	
Real estate escrow		14,450	
EF - IL units		884,330	
EF - AL unit		148,509	
Security deposits		92,000	
Employee benefits reserves		19,250	
Assume Loyalty loan		353,000	
Assume Soy loan		9,680,475	as of 7/10/2018
Assume Augustian loan		296,640	
FM - Inherent contribution equity		4,347,505	
	15,939,050	15,939,050	

THE VILLAGE AT MERCY CREEK
Pro forma Balance Sheet

	Initial Stabilized Year
Assets	
Current Assets	
Cash	$ 2,269,625
Accounts Receivable - Net	36,180
Total Current Assets	**2,305,805**
Long-Term Assets	
Fixed Assets	23,759,737
Total Long-Term Assets	**23,759,737**
Total Assets	**$ 26,065,542**
Liability and Net Assets	
Current Liabilities	
Accounts Payable	$ 47,610
Accrued Expenses	90,720
Total Current Liabilities	**138,330**
Long-Term Liabilities	
Resident Deposits/Entrance Fees	1,124,830
Debt	19,701,800
Total Long-Term Liabilities	**20,826,630**
Total Liabilities	**20,964,960**
Net Assets	
Unrestricted Assets	5,100,582
Total Net Assets	**5,100,582**
Total Liabilities and Net Assets	**$ 26,065,542**

COMBINED - At Closing	DR	CR	
Cash	165,000		
A/R - net	8,100		
Prepaid	15,950		
Land, Building, Equipment	15,750,000		per bank appraisal
A/P		46,900	
Accrued salaries		24,000	
Accrued interest		32,000	
Real estate escrow		14,450	
EF - IL units		884,330	
EF - AL unit		148,500	
Security deposits		92,000	
Employee benefits reserves		19,250	
Assume Loyalty loan		353,000	
Assume Soy loan		9,680,475	as of 7/10/2018
Assume Augustian loan		296,640	
FM - Inherent contribution equity		4,347,505	
	15,939,050	15,939,050	