



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-05	BOARD MEETING: June 27, 2023	PROJECT NO: 23-015	PROJECT COST: Original: \$30,700,000
FACILITY NAME: DuPage Care Center		CITY: Wheaton	
TYPE OF PROJECT: Non-Substantive			HSA: VII

PROJECT DESCRIPTION: The DuPage Care Center is a 366-bed long-term care facility owned by the County of DuPage. The County is asking the State Board to approve the modernization of the long-term care facility at a cost of \$30.7 million. The expected completion date is December 31, 2026.

Information regarding this Application for Permit can be found at this link:

<https://hfsrb.illinois.gov/projects/project.23-015.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The DuPage Care Center is a 366-bed long-term care facility owned by the County of DuPage. The County is asking the State Board to approve the modernization of the long-term care facility at a cost of approximately \$30.7 million. The expected completion date is December 31, 2026.
- This project is before the State Board because the cost of the modernization exceeds the capital expenditure minimum for long term care facilities of \$8,887,349.

PURPOSE OF PROJECT

- The purpose of this project is to modernize a 366-long-term care facility. The Applicant is not adding beds and is not addressing some of the current “standards of living” like private rooms and toilet rooms for each resident with this Application. According to the Applicant this proposed modernization will greatly improve the “standards of care” that each resident receives at the facility.

PUBLIC HEARING/COMMENT:

- No public hearing was requested, and no letters of support or opposition were received.

SUMMARY:

- The DuPage Care Center has an overall Medicare rating of 5-stars. There are five buildings on the DuPage Care Center campus that are in use today. The North Building with 224 beds was built in 1976, the East Building with 98 beds was built in 1991 and a Central Building which was built in 1947 and remodeled in 1976 with 44-beds. The Maintenance Building and the South Building were built in 1962 with the South Building being unoccupied.
- The Care Center has 5 rooms that are licensed for 4 beds. The Applicant intends to keep these beds licensed at 4 beds but set up for 2 bed rooms. According to the Applicant this unit is smaller, and there are times when there is a need to temporarily set up these rooms for more than 2 beds to accommodate infection control issues requiring the establishment of isolation rooms. The Facility does not have any 3 bed rooms. The facility has 44-1 bed and 151- 2 bed-rooms.
- According to the Applicant the resident rooms vary in layout, size, and bed count depending on the date the wing was constructed. The color schemes vary throughout the facility. Floors are cracking and delaminating. Walls are scratched and chipped. Ceilings have water damaged tiles, and the laminated millwork is worn and chipping. These issues result in infection control problems. The Application for Permit contains pictures documenting the conditions at the facility at pages 58-64.
- Over an 8-year period 82% of the facility patient days were dedicated to Medicaid Residents. Over this 8-year period the facility averaged 296 patients which justifies a total of 329 beds at the target occupancy 90%. See Table below.

EXECUTIVE SUMMARY								
TABLE ONE								
Utilization								
Year	2015	2016	2017	2018	2019	2020	2021	2022
Medicaid Days	93,774	93,759	89,354	84,779	91,222	94,740	76,674	70,464
Total Days	114,792	118,417	119,177	116,828	115,988	106,178	88,637	81,012
% Of Medicaid Days to Total Days	81.69%	79.18%	74.98%	72.57%	78.65%	89.23%	86.50%	86.98%
Average Daily Census	315	325	327	321	318	291	243	223

EXECUTIVE SUMMARY								
TABLE ONE								
Utilization								
Occupancy	86.07%	88.80%	89.34%	87.70%	86.89%	79.51%	66.39%	60.93%
# Of Beds Justified	350	362	364	357	354	324	270	248

- Based upon the information submitted by the Applicant the modernization appears warranted.



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STATE BOARD STAFF REPORT

I. The Proposed Project

The DuPage Care Center is a 366-bed long-term care facility owned by the County of DuPage. The County is asking the State Board to approve the modernization of the long-term care facility at a cost of approximately \$30.7 million. The expected completion date is December 31, 2026.

II. Summary of Findings

- A. The State Agency finds the proposed project appears to be in conformance with the provisions of Part 1110.

- B. The State Agency finds the proposed project appears to be in conformance with the provisions of Part 1120.

III. General Information

The DuPage Care Center is located at 400 N. County Farm Road in Wheaton, Illinois was originally built in 1888 as an Aunt Alms House for the indigent and became a nursing facility in the 1930's. According to the County the facility has gone through major expansions in 1964, 1979, and 1993. The facility provides subacute care, long term care and Alzheimer's special care. According to the Applicant the facility has **366 beds** and is home to 300 plus residents and provides an array of services. The licensee is DuPage Care Center, and the owner of the site is the County of DuPage. This is a non-substantive project, which is subject to both Parts 1110 and 1120 review. Financial commitment will occur after permit issuance.

IV. Project Sources and Uses of Funds

The Applicants propose to fund the project with \$520,150 in cash and securities, gifts, and bequests of \$2,000,000 a government appropriation of \$25,179,850 and other funds of \$3,000,000. Table One displays the projects’ cost information.

TABLE ONE				
Project Uses and Sources of Funds				
Uses of Funds	Reviewable	Non-Reviewable	Total	% Of Total
Preplanning	\$184,200	\$276,300	\$460,500	1.50%
Site Survey and Soil Investigation	\$0	\$10,000	\$10,000	0.03%
Site Preparation	\$0	\$521,900	\$521,900	1.70%
New Construction Contracts	\$0	\$921,000	\$921,000	3.00%
Modernization Contracts	\$9,598,504	\$14,397,756	\$23,996,260	78.16%
Contingencies	\$1,166,600	\$1,749,900	\$2,916,500	9.50%
Architectural and Engineering Fees	\$722,520	\$1,083,780	\$1,806,300	5.88%
Other Costs to be Capitalized	\$27,016	\$40,524	\$67,540	0.22%
Total Uses of Funds	\$11,698,840	\$19,001,160	\$30,700,000	100.00%
Source of Funds				
Cash			\$520,150	1.69%
Gifts and Bequests			\$2,000,000	6.51%
Government Appropriations			\$25,179,850	82.02%
Other Funds and Sources			\$3,000,000	9.77%
Total Sources of Funds			\$30,700,000	100.00%

V. Modernization

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:

- 1) *High cost of maintenance.*
- 2) *Non-compliance with licensing or life safety codes.*
- 3) *Changes in standards of care (e.g., private versus multiple bedrooms); or*
- 4) *Additional space for diagnostic or therapeutic purposes.*
- b) *Documentation shall include the most recent:*
 - 1) *IDPH and CMMS inspection reports; and*
 - 2) *Accrediting agency reports.*
- c) *other documentation shall include the following, as applicable to the factors cited in the application:*
 - 1) *Copies of maintenance reports.*
 - 2) *Copies of citations for life safety code violations; and*
 - 3) *Other pertinent reports and data.*
- d) *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).*

A) Criterion 1125.650 – Modernization

The Applicant is not adding beds and is not addressing some of the current “standards of living” like private rooms and toilet rooms for each resident with this Application. According to the Applicant this proposed modernization will greatly improve the “standards of care” that each resident receives at the facility. The Applicant is proposing

new finishes with antimicrobial qualities that are easier to keep clean and maintain to support the physical health of the residents: while according to the Applicant also opening *“the opportunity to change the color and texture from the institutional primary colors to a warm and welcoming color pallet that promotes improved emotional and psychological welfare.”*

The DuPage Care Center has an overall Medicare rating of 5-stars. There are five buildings on the DuPage Care Center campus that are in use today. The North Building with 224 beds was built in 1976, East Building with 98 beds was built in 1991 and a Central Building which was built in 1947 and remodeled in 1976 with 44-beds. The Maintenance Building and the South Building were built in 1962 with the South Building being unoccupied.¹

IDPH inspection reports were provided in the Application for Permit as required. According to the Applicant the resident rooms vary in layout, size, and bed count depending on the date the wing was constructed. The color schemes vary throughout the facility. Floors are cracking and delaminating. Walls are scratched and chipped. Ceilings have water damaged tiles, and the laminated millwork is worn and chipping.

The proposed scope of work includes the following:

- Modernization of resident room finishes including the replacement of all casework and fixtures
- Modernization of VCT flooring with new luxury vinyl floor planking
- Modernization of acoustical ceiling tiles
- Modernization of wood doors with new composite plastic materials
- Modernization of wood hand and guard rails with composite plastic materials
- Modernization of fluorescent lighting with LED
- Modernization of oxygen and vacuum ports
- Modernization of resident room HVAC units
- Modernization of toilet 100m floor and wall finishes with new ceramic tile
- Modernization of shower room floor and wall finishes with new ceramic tile
- Modernization of Nurse Stations with new layouts and finishes
- Modernization of end-of-life Fire Suppression System components
- Modernization of Fire Panel
- Modernization of Building HVAC systems
- Modernization of Laundry Equipment
- Installation of a digital antenna system
- Entry Lobby modernization
- Exterior Entrance Drive modernization and New Canopy

¹ The South building is currently used for storage for County entities. Greater than 15 years ago, the Care Center was certified for over 500 beds. The need was not there for that number of beds, and the beds remained unoccupied. The Care Center recently reviewed the option of using the South building to create more private rooms (same # of certified beds) and communal spaces, but that would add an additional 7+ million to the proposed project.

VI. Background, Purpose of the Project, and Alternatives

A. **Criterion 1125.320 - Background of the Applicants**

The Applicant provided licensure and certification information as required for the facility. The Applicant provided HFSRB and IDPH authorization to access any documents necessary to verify the information submitted. It appears the Applicants are fit, willing and able and has the qualifications, background, and character to adequately provide a proper standard of healthcare service for the community. (See pages 50-55)

B. **Criterion 1125.330 - Purpose of the Project**

The purpose of this project is to modernize an aging long-term care facility improving the “standards of care” that each resident receives at the facility. New finishes with antimicrobial qualities that are easier to keep clean and maintain will be implemented to support the physical health of the residents: while according to the Applicants also opening the opportunity to change the color and texture from the institutional primary colors to a warm and welcoming color pallet that promotes improved emotional and psychological welfare. According to the Applicant the proposed solution allows for the re-evaluation of the operational/functional support spaces of the facility and the changing ways in which staff, residents, family, and community interact. The Applicant states by consolidating spaces and taking advantage of changing procedural needs the facility can recapture under-utilized space for enlarged social gathering spaces. This is true not only on each of the resident floors but also for the primary entrance, internal lobby, and the open courtyard. (See pages 57-84)

C. **Criterion 1125.330 – Alternatives to the Proposed Project**

The Applicant considered two alternatives to the proposed project.

The Applicant considered **a limited project** that included minimal cleaning and repairs with an approximate cost of approximately \$5.1 million. The Applicant considered this a short-term solution which would have to be redone over and over in a 3-5year cycle. The Applicant asserts that over the course of 15-25 years the facility would be in considerably worse condition than it is today, and it could jeopardize the operational lifetime of the facility to the public, further risking the stability of a vulnerable senior and health adverse population. This alternative was rejected.

The second alternative considered was **a facility replacement** at a cost of approximately \$117.3 million. According to the Applicant, the construction of a completely new facility would be designed to meet all the current Healthcare Standards of Care and Recommendations. Additionally, according to the Applicant, a new location would also have to be selected and purchased as the current County Campus does not have adequate space to remain functional during a major new construction project. This alternative was rejected.

VII. Size of the Project and Projected Utilization
Criterion 1125.620 (a) - Size of the Project
Criterion 1125. 620 (b) – Projected Utilization

A) Size of the Project

The existing DuPage Care Center is composed of five major building sections constructed at different stages beginning in 1930 through 1993. The height varies from a single story up to five stories in height with a total square footage of 271,900 Building Gross Square Feet which results in a Departmental Gross Square Foot of 133,707 with 366 beds.

TABLE TWO					
Size of the Project					
	Beds	DGSF	DGSF per Bed	State Standard per DSGF	Met Standard
North Wing	224	79,968	357	570	Yes
East Wing	98	38,540	393	570	Yes
Central Wing	44	15,198	345	570	Yes
Total	366	133,706	365	570	Yes

B) Projected Utilization

The Applicant had an eight-year average daily census of 296 residents that equates to 81% occupancy. The Applicant believes that the facility will be at 87% utilization by the end of 2027 the first year after stated project completion.

TABLE THREE								
Projected Utilization								
Year	2015	2016	2017	2018	2019	2020	2021	2022
Medicaid Days	93,774	93,759	89,354	84,779	91,222	94,740	76,674	70,464
Total Days	114,792	118,417	119,177	116,828	115,988	106,178	88,637	81,012
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Average Daily Census	315	325	327	321	318	291	243	223
Occupancy	86.07%	88.80%	89.34%	87.70%	86.89%	79.51%	66.39%	60.93%
Beds Justified	350	362	364	357	354	324	270	248

VIII. Financial Viability

A. Criterion 1120.800 - Availability of Funds

B. Criterion 1120.800 - Financial Viability

C. Criterion 1120.800 - Reasonableness of Financing Arrangements

D. Criterion 1120.800 - Conditions of Debt Financing

The Applicant proposes to fund the project with \$520,150 in cash, gifts, and bequests of \$2 million, a government appropriation of \$25,2 million and other funds of \$3 million. The government appropriation is through the American Rescue Plan Act. The American Rescue Plan Act authorized the Department of the Treasury to make payments to certain recipients from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund.

Fitch's "AA" DuPage County Bond Rating reflects the county's low long-term liabilities, strong expenditure framework and robust level of general fund reserves. Fitch states revenue growth is expected to remain slow, and the rating is hampered by the county's lack of revenue raising ability. Fitch goes on to state the county's deep and diverse local economy benefits from its proximity to Chicago and is characterized by low unemployment and high wealth levels compared to state and national averages. The county is located 20 miles west of downtown Chicago and comprises 332 square miles with a population of about 923,000. The population has remained steady, increasing 1.7% since 2010 according to the 2020 Census, compared to a decline of 0.1% for the state and growth of 7.4% nationally. Fitch expects the county's revenue to grow slowly at a pace below inflation. The county has very limited independent legal ability to raise revenue (Jan 2022)

IX. Economic Feasibility

A. Criterion 1120.800 - Reasonableness of Project and Related Costs

Preplanning Costs - This cost is \$184,200, which equals 1.71% of modernization and contingencies. This appears reasonable compared to the State standard of 1.8%.

Modernization and contingency costs - Modernization contracts and contingencies total \$10,765,104 or \$100.62 per GSF. This appears reasonable when compared to the adjusted State Board standard of \$331.68 per GSF.

Contingencies - This cost totals \$1,166,600 or 12.15% of modernization costs. This appears reasonable compared to the State standard of 15%.

Architectural/Engineering Fees - These costs total \$722,520 or 6.71% of modernization and contingencies. This appears reasonable compared to the Capital Development Board's fee schedule, which identifies that the cost should range between 5.94-8.92%.

The State Board does not have a standard for other costs to be capitalized of \$27,016.

B. Criterion 1120.800 - Projected Operating Costs

C. Criterion 1120.800 - Total Effect of the Project on Capital Costs

The Applicants project \$166.21 of direct operating costs per day. The State Board does not have a standard to compare to the Applicants costs. The Applicants project \$13.00 in capital costs per day. The State Board does not have a standard to compare to the Applicants costs.

APPENDIX ONE					
DuPage Care Center					
Information From Medicaid Cost Reports					
	2017	2018	2019	2020	2021
Gross Revenue	\$32,510,445	\$29,639,656	\$25,469,120	\$35,917,968	\$45,259,324
Other Revenue	\$2,281,065	\$3,029,102	\$2,365,664	\$1,823,413	\$2,037,009
Investment Inc.	\$30,485	\$91,058	\$447,776	\$215,929	\$10,007
Settlement Inc	\$331,106	\$491,155	\$384,777	\$3,095,090	\$995,018
Total Revenue	\$35,153,101	\$33,250,971	\$28,667,337	\$41,052,400	\$48,301,358
General Services	\$5,523,324	\$5,691,345	\$5,189,903	\$4,954,410	\$4,953,772
Health Care	\$18,417,625	\$16,933,542	\$16,975,751	\$15,883,833	\$14,659,396
General Adm	\$8,666,191	\$8,588,513	\$8,247,479	\$9,026,888	\$8,599,969
Capital Exp	\$1,045,457	\$1,058,981	\$1,097,154	\$1,101,578	\$1,145,162
Ancillary Exp	\$3,512,431	\$3,374,678	\$4,006,226	\$3,323,129	\$3,656,926
Indirect Expense	\$4,417,845	\$4,322,768	\$4,165,123	\$4,165,123	\$7,167,303
Total Expense	\$41,582,873	\$39,969,827	\$39,681,636	\$38,454,961	\$40,182,528
Income (Loss)	-\$6,429,772	-\$6,718,856	-\$11,014,299	\$2,597,439	\$8,118,830