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October 15, 2024

Via Certified Mail

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HEALTH FACILITIES &

John Kniery Administrator Illinois Health Facilities and Services Review Board 525 West Jefferson Street, 2nd Floor Springfield, Illinois 62761

Re: Kindred Chicago Lakeshore

Dear Mr. Kniery:

This office represents Kindred Healthcare Operating, LLC and Kindred THC North Shore, LLC (collectively, "Kindred"). Pursuant to 20 Ill. Comp. Stat. 3960/8.7(a), I am writing on behalf of Kindred to notify you that Kindred intends to file a certificate of need application with the Illinois Health Facilities and Services Review Board (the "State Board") to discontinue, in its entirety, its 103-bed long-term acute care facility, operating as part of the Subacute Care Demonstration Program known as Kindred Chicago Lakeshore (the "Facility") located at 6130 North Sheridan Road, Chicago, Illinois (the "Project").

The Project will result in the discontinuation of all the Facility's authorized beds as well as inpatient imaging services. Kindred anticipates the Facility will close as soon as practicable after State Board approval, but no later than April 30, 2025.

Kindred arrived at this decision after carefully evaluating the decline in utilization of the facility, which currently operates at 36% occupancy, as well as the known availability of beds at nearby facilities, including two long-term acute care hospitals Kindred operates within 10 miles of the Facility: Kindred Hospital North and Kindred Hospital Chicago Northlake. Both Kindred Hospital North and Kindred Hospital Northlake operate below the State Board's target occupancy of 85% and have sufficient capacity to accommodate the Facility's patients. This decision will best enable Kindred to care for the greater Chicago community and invest more robustly in the remaining facilities.

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All patients will be discharged or transferred to another Kindred hospital prior to discontinuation of the Facility. Therefore, the discontinuation of the Facility will not affect access to long-term acute care services in the Chicago metropolitan area. Additionally, Kindred plans to offer the Facility's current employees positions at other Kindred locations to support a smooth transition. Both the continued access to long-term acute care services and job placement for employees have been priorities for the Company while considering this decision.

If you have any questions about Kindred's plans to discontinue Kindred Chicago Lakeshore, please feel free to contact Susan Feeney, AVP Communications and Public Policy at 202-607-0315.

Sincerely

Anne M. Cooper

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