

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 . (312) 819-1900

October 15, 2024

Via Certified Mail

Anne M. Cooper (312) 873-3606 (312) 276-4317 Fax acooper@polsinelli.com

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MEALTH FACILITIES A

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

Re: Kindred Hospital Sycamore

Dear Mr. Kniery:

This office represents Kindred Healthcare Operating, LLC and Kindred Sycamore, 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 64-bed long-term acute care hospital known as Kindred Sycamore Hospital (the "Hospital") located at 225 Edward Street, Sycamore, Illinois (the "Project").

The Project will result in the discontinuation of all the Hospital's authorized beds [as well as inpatient imaging services]. Kindred anticipates the Hospital 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 25% decline in utilization at the Hospital over the past five years (2018 – 2023) (current occupancy is 30.4%), as well as the known availability of beds at facilities within 50 miles, including two long-term acute care hospitals Kindred operates: 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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Mr. J. Kniery October 15, 2024 Page 2

All patients will be discharged or transferred to another Kindred hospital or other long-term acute care facility prior to discontinuation of the Hospital. Therefore, the discontinuation of the Hospital will not affect access to long-term acute care services in Sycamore and the surrounding area. Additionally, Kindred plans to offer the Hospital'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 Hospital Sycamore, please feel free to contact Susan Feeney, AVP Communications and Public Policy at 202-607-0315.

Sincerely

Anne M. Cooper

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Polsinelli 150 N Riverside Plaza, Suite 3000 Chicago, IL 60606 **USPS CERTIFIED MAIL** 



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John Kniery
Illinois Health Facilities and Services Review
525 W JEFFERSON ST
2nd Floor
SPRINGFIELD, IL 62761-0001

Shipper Ref:

Chicago