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OCT 28 2025
HEALTH FACILITIES & SERVICES REVIEW BOARD

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October 28, 2025

Illinois Health Facilities and Services Review Board
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Springfield, Illinois 62761

Shipped: UPS Next Day Air, Tracking Number: 1ZC3A5060109979728

SUBJECT: OPPOSITION LETTER TO PROPOSED PROJECT #25-031, OAK HILL SENIOR LIVING AND REHABILITATION CENTER, WATERLOO

Illinois Health Facilities and Services Review Board:

I have residency, am a tax payer and citizen of Monroe County, Illinois. I am opposed to the proposed project #25-031, Oak Hill Senior Living and Rehabilitation Center, Waterloo, for the following eight reasons given in the remainder of this letter. I ask you to deny the certificate of need permit approval requested by Monroe County, Illinois Commissioners, Accolade Ventures, LLC, and Accolade Healthcare of Waterloo, LLC.

1. In the red financial condition of Accolade. Accolade Healthcare has struggled per interviews by its owners. Yet, Accolade entered into lease/purchase talks and an agreement with Monroe County Board Commissioners as early as April 7, 2025, less than one year after the following news article was published. Accolade Ventures LLC, In the Peoria Journal Star, May 25, 2024 edition the owners of Accolade

Venture LLC, Accolade Healthcare were interviewed and they stated their company has been in the red. "For brothers Moe and Sam Freedman, owners of St. Louis-based Accolade Healthcare, the increase in staffing costs and the inflation-driven increase in other costs for operating the home – from food to medical supplies to insurance – have become "very unmanageable," president and CEO Moe Freedman said in a recent interview. His company has been operating in the red.

The owner was quoted: "Our cash flow is- we're hemorrhaging and it's dire" per Capitol News Illinois.

Owners stated: "I don't see us growing anytime soon and I don't know if we'll be at the same level in a year from now at the rate that we're at right now." Accolade said it's scary to look around their industry and see operators they admired having to close their facilities. They told Capital News Illinois they worry about the possibility of facing that outcome themselves." See: Attachment 1. Source: https://www.pjstar.com/story/news/healthcare/2024/05/26/illinois-nursing-homes-struggle-after-covid-pandemic/73788667007/

2. Accolade cannot adequately manage senior care. Accolade closed Accolade Healthcare of East Peoria, Illinois (a nursing home) in March, 2025 and Saxony Court Senior Living in April, 2025, both shortly after purchase, due to: "frustrated with the financial constraints that came from operating". See: Attachment 2. Source: https://www.pjstar.com/story/news/healthcare/2025/01/03/accolade-health-care-set-to-close-east-peoria-il-location-in-march-2025/77435657007/

3. Enormous loss of current Oak Hill employees is allowable according to OTA - Transfer Agreement between Monroe County Board Commissioners and Accolade, up to 49 of the 117 full-time employees are not legally required to be retained by Accolade after the transfer, Accolade is only legally required to retain what would not trigger the Federal WARN ACT for employee massive layoff (which would be triggered if 50 employees would not be retained). What attorney Anne Cooper representing Monroe County Board Commissioners states in response letter for more information dated: October 27, 2025 (which letter contents are not legally binding) concerning what will happen to current employees, is contradictory to what Accolade will be allowed to do with current employees of Oak Hill as stated in the OTA - Operations Transfer Agreement (which is legally binding), see: Attachment 3, OTA - Transfer Agreement, section 8. Employees, paragraph: b. Source of OTA - Operations Transfer Agreement: https://monroecountyil.gov/departments/board-of-commissioners/oak-hill-nursing-home-lease-information/#

4. Rejection of the will of those with Monroe County residency, who have voted for Monroe County management of Oak Hill, along with paying taxes to build and maintain Oak Hill. Only two persons that are not on the Monroe County Board Commissioners actually have Monroe County residency, of those that marked in favor on the Public Hearing Sign-In-Sheet/Public Participation Forms that attended the State of Illinois public hearing, 91 persons that have Monroe County residency marked opposed.

5. No Oak Hill Oversight Advisory Board (not Monroe County Board Commissioners) consultation. This board was disbanded during COVID. Why was it not reinstated after COVID, in order to assist the Monroe County Board Commissioners with management of Oak Hill?

6. No consideration of a special real estate tax district levee to help fund Oak Hill. Why was it not considered by Monroe County Board Commissioners to help fund Oak Hill when required to deal with out of the ordinary costs of managing Oak Hill? County nursing homes in the state of Missouri have a special real estate tax district, where a certain percentage of the real estate tax goes to help fund the county nursing home.

7. The current Union contract with employees at Oak Hill is already in violations by Accolade in its current consulting role at Oak Hill.

8. No public bidding process for lease of Oak Hill. Why was there no public bidding process for the leasing of Oak Hill by the Monroe County Board Commissioners?

Respectfully submitted in opposition,

Jimmie C. Lough

Jimmie C. Lough

Attachment 1

'It's dire': How the nursing home industry continues to struggle in Illinois

Hannah Meisel, Peoria Journal Star

It's been four years since some of the worst scenes of COVID-19 played out in locked-down nursing homes during the early months of the pandemic.

But while most of the world has moved on, the nursing home industry is still reeling from COVID, which exacerbated pre-existing challenges in long-term care – difficulties hiring and retaining staff and a population more reliant on government-funded care chief among them.

Employment in skilled nursing facilities nationwide as of February was down 8.3 percent compared with February of 2020, the month before the pandemic hit. Although the current staffing levels have somewhat recovered from their lowest point in early spring 2022 – when staffing was down 15.5 percent from pre-pandemic levels – other areas within health care have recovered much faster, according to a Kaiser Family Foundation analysis.

The hourly cost of hiring a registered nurse increased 12.5 percent nationwide between 2020 and 2022, to $40.84 on average, according to a recent report by national consulting firm Marcum LLP. But amid a shrinking pool of RNs applying for jobs at skilled nursing facilities, many operators are forced to hire temporary contract nurses who earn, on average, 70 percent more than the average RN salary. Hiring certified nursing assistants, or CNAs, has followed a similar trend.

More: Despite financial struggles, Petersen Health Care says it's 'not going out of business'

Marcum's report, which focused on the three-year period after COVID hit in 2020, cited rising wages in other industries as a key reason for CNAs to leave the industry "and further drive up wage rates and increase the agency pool usage."

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For brothers Moe and Sam Freedman, owners of St. Louis-based Accolade Healthcare, the increase in staffing costs and the inflation-driven increase in other costs for operating the home – from food to medical supplies to insurance – have become "very unmanageable," president and CEO Moe Freedman said in a recent interview. His company has been operating in the red.

Accolade runs seven skilled nursing facilities in central Illinois, in addition to one assisted living facility in East Peoria. The Freedmans entered the industry in 2017, growing from their first acquisition of a pair of nursing homes in Paxton and Pontiac. They've since bought homes from independent operators and said operating a long-term care facility as a "mom-and-pop shop" is "virtually impossible," as rising costs need to be spread across a portfolio of homes for the business to be workable.

"Our cash flow is – we're hemorrhaging and it's dire," Moe Freedman told Capitol News Illinois. "I don't see us growing anytime soon and I don't know if we'll be at the same level in a year from now at the rate that we're at right now."

Keeping staffing up has also been a challenge due to the changing nature of who lives in nursing homes. In recent years, wealthier people have trended toward staying in their homes and receiving care from visiting nurses and CNAs. As a result, facilities are more dependent on – and at the mercy of – Medicaid reimbursement rates instead of private payers, which had long been a more stable source of revenue.

Overall nursing home census rates haven't recovered since the pandemic either.

More: Woodford County health care facility with history of issues fined $75,000 for violations

"We're forced to cut staff because more patients don't come in the door, yet, when we do see new patients, their level of care has intensified," Nikki Dinsmore, regional director of operations for Zahav Healthcare Consulting said last month at a Capitol news conference. "They're being discharged from the hospital sooner and their care needs are greater."

Zahav, which operates a nursing home in Des Plaines, has been "losing workers to jobs in the hospital or telehealth," Dinsmore said, not to mention jobs in totally different sectors like retail and food service.

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But even as the industry grapples with greater reliance on Medicaid instead of private payers, state Sen. Dave Syverson, R-Rockford, said nursing homes have to be ready to absorb patients when their needs become too great for home care – like his mother, who died earlier this year at age 93.

"We provided home care for her but that started to get more expensive as we had to have visiting nurses, we had to have an aide in there," he said, adding that 24-hour care at a nursing home also felt safer toward the end. "Then you had to have oxygen brought in. And when you start looking at what the daily cost was for us to have her at home, it ended up being cheaper for us in the last couple of months of her life to move her to a nursing home."

'We are still well underwater'

Forty-nine Illinois nursing homes closed between 2019 and 2022, according to the state's Department of Public Health; 2023 data is not yet available. In that same time period, six new facilities opened, for a net loss of 43. The closures mean more than 2,500 nursing home beds have vanished.

Peoria-based Petersen Health Care, which operates more than 90 nursing and senior care homes in Illinois, Iowa and Missouri, filed for bankruptcy in March, estimating it had nearly $300 million in debt. A federal bankruptcy judge approved a plan recently for the company to borrow $45 million to keep operating throughout bankruptcy proceedings.

Petersen plans to sell off its assets this summer, according to the company's proposed timeline. Whether the homes remain open beyond that will be up to the winning bidder.

More: 'Tremendous value': Amid bankruptcy, Peoria-based company attempts to sell nursing homes

Petersen is far from the only nursing home operator to face bankruptcy; according to a new report from national law firm Polsinelli, health care companies' levels of real estate distress – a term for properties on the brink of or already in foreclosure – is the highest it's been in 15 years. The report noted significant distress in nursing homes in particular.

The Freedmans said it's scary to look around their industry and see operators they admired having to close their facilities. They told Capitol News Illinois

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they worry about the possibility of facing that outcome themselves.

Sam Freedman, Accolade's CFO, said federal stimulus money during the pandemic "kind of bridged the gap" between losses and an increase in Illinois' Medicaid reimbursement rate the General Assembly approved in 2022.

"The increased rate really helped us get over the hump once that (stimulus) money started running out," he said. "It's not helping us, you know, be profitable, but it's helping us survive."

The $700 million increase in funding for nursing home staffing came after two years of negotiating with the industry. Matt Pickering, executive director of the for-profit nursing home advocacy group Health Care Council of Illinois, pointed to the state's years of depressed Medicaid reimbursement rates before the 2022 increase, which he said in a recent interview represented a 12 percent increase – but only "brings us up to 2017 costs."

"Even though we got that increase, we are still well underwater," he said. "We're not ungrateful. But we're still scrambling."

The law also included $83 million to help long-term care providers launch recruitment efforts with an apprenticeship model.

But operators say it's not nearly enough to stem the bleeding in their staffing levels.

Accolade has set up its own CNA "school," in which CNAs are pre-hired as "auxiliary aides" and do weeks of classroom and clinical work at two of its locations. While the setup has helped Accolade wean itself off depending on agency CNAs, except in rural areas, Moe Freedman said the state has lagged on paying for the CNA incentive program by about six months.

"We are compensating CNAs at a rate that is not really appropriate for the Medicaid reimbursement rate," he said. "But we are anticipating this revenue source that (the state) promised us and they continuously drag out that reimbursement."

But with a tight budget year, leaders in the General Assembly can't promise a huge windfall for the struggling industry. House Majority Leader Robyn Gabel, D-Evanston, who leads a working group on Medicaid issues, told Capitol News Illinois the

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industry asked for $75 million to make up for increased property taxes, which the state had at one time subsidized.

But in the waning days of legislative session, Gabel said the working group is still exploring ways to help the industry but was explicit that General Assembly can't give the industry anywhere near the $75 million it requested.

"You know, last year we gave just about every sector a rate increase," she said. "Did we give them what they wanted? No; we probably cut every request in half. And it still added up to a billion dollars... It was like a huge, huge increase. So this year, we've really tried to rein back and just not do those kinds of rate increases."

Gov. JB Pritzker last summer used his power of amendatory veto to nix a provision in a broader property tax bill that would have brought property taxes for nursing homes in Cook County in line with those for other residential health care settings. The industry claimed it would have provided "critical relief" to 300 nursing homes in Cook County.

But Pritzker disagreed, siding with local mayors who complained the resulting shift in property tax burden would especially hurt municipalities in Chicago's south suburbs. Despite the General Assembly's unanimous support on the original bill, lawmakers declined to override the governor during their fall veto session, and Gabel indicated the issue wouldn't be taken up again "in that way."

Minimum staffing rule

The industry is also fearful a new federal rule designed to implement minimum staffing ratios will have the unintended effect of further closures.

More than two years after announcing a plan to set mandatory staffing minimums at skilled nursing facilities, President Joe Biden's administration last month implemented a new rule to phase in those minimums over the next five years.

More: 'It was bittersweet': This historic Peoria senior living facility has been sold

Organized labor, including caregiving juggernaut Service Employees International Union, supported the rule, which will require skilled nursing facilities

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provide residents with a minimum 3.48 hours of nursing care per day, including at least 33 minutes of care from a registered nurse and nearly 2 1/2 hours of care from a nurse's aide. Additionally, the rule will require facilities have a registered nurse on site at all times.

In a statement after the rule was finalized, Katie Smith Sloan, president and CEO of nonprofit nursing home industry group LeadingAge, pointed out that "schools are not graduating enough nurses" to fill either currently open positions or those projected to open in the future. She added that registered nurses, or RNs, are leaving the workforce, and those who are staying are "typically choosing to work in environments that are not long-term care."

"How can providers hire more RNs when they do not exist?" she said in a statement.

After the Biden administration released its proposed rule in September, a KFF analysis found that fewer than one in five nursing homes nationwide would be able to meet the staffing minimums outlined in the rule without having to hire more staff.

Gabel said she was attempting to address staffing issues by sponsoring a measure that would allow CNAs to dispense some medications in order to free up RNs to provide more care. She shepherded Senate Bill 774 through a House committee earlier this month, despite pushback from several groups that represent nurses, and it awaits a vote in the full chamber. It previously passed the Senate with only one vote against it.

Syverson, who's long been involved in nursing home issues, blamed Democrats for prioritizing funding for Medicaid-style health care for noncitizens – a pair of recent programs that could cost nearly $700 million in the current fiscal year – and mandating that insurers cover an increasing roster of procedures.

But, Gabel said, the state can only do so much when the entire nursing home industry is up against trends that have been festering for years.

"I mean, there are nursing homes closing," she said. "And, you know, it's just possible that there aren't enough people to fill the beds... There's nothing I can do about that business model."

Capitol News Illinois is a nonprofit, nonpartisan news

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service covering state government. It is distributed to hundreds of newspapers, radio and TV stations statewide. It is funded primarily by the Illinois Press Foundation and the Robert R. McCormick Foundation, along with major contributions from the Illinois Broadcasters Foundation and Southern Illinois Editorial Association.

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Attachment 2

East Peoria nursing home closure will force residents to relocate. Here's what we know

ZACH ROTH Peoria Journal Star

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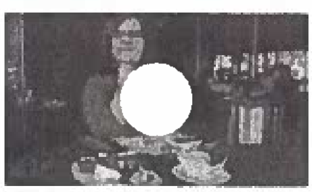
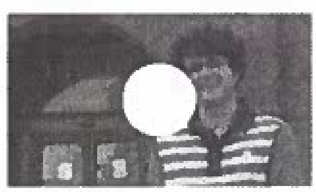
Here's a look at a few of the staff members of the Journal Star in Peoria, Illinois.

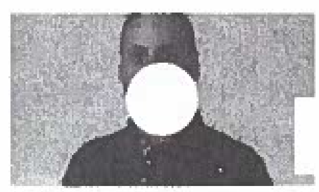
Meet Journal Star senior sports writer and columnist Dave Eminian



Meet Journal Star food and dining reporter Cas Waigand



Meet Journal Star business and government reporter JJ Bullock



Meet Journal Star high school sports coordinator Adam Duvall

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Accolade Healthcare of East Peoria, formerly known as Generations at Riverview, will close on March 3. According to a statement from Accolade provided to the Journal Star, the ownership group became frustrated with the financial constraints that came from operating such a large property and decided to sell. The adjacent Saxony Court Senior Living will also close on April 3.

Tazewell County property records indicate that an Evanston-based LLC, Paradox East Peoria LLC, has owned the lot at 500 Centennial Drive since 2018, back when it was known as Generations. Accolade purchased the rights to the property in summer 2021.

More: OSF HealthCare clarifies mask recommendation after pair of conflicting social media posts

As of Friday afternoon, there is no indication of a sale of the Accolade property in Tazewell County records.

Accolade said that staff, consultants and government agencies were in the process of finding new homes for residents, taking into account their needs and preferences for a future residence.

Accolade also operates a location in Peoria at 5600 North Glen Elm Drive,

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them to retain many of the employees who worked in East Peoria.

The statement said that the decision to close was not something the company reached easily, although it noted that this was merely an isolated decision and did not affect the company's overall health. It said that they understood the impact that the decision would have on residents, families and staff, saying that contact information was provided if people had questions about the closure.

The company did not provided figures on how many people would be impacted by the impending closing of the East Peoria location.

More: Peoria Heights nursing home receives $100,000 in fines for violating state rules

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Contracts, and New Operator shall assume all of the Liabilities of Old Operator under the Assumed Contracts that accrue after the Effective Time and that do not arise from occurrences, circumstances or events occurring or existing, or breaches existing at or prior to the Effective Time (it being understood that any interest, penalty or other amounts required to be paid under any Assumed Contract as a result of any non-payment or other breach by Old Operator thereunder shall not be an Assumed Liability). Any Existing Contracts that are not designated as Assumed Contracts by New Operator under the aforementioned procedures shall hereinafter be referred to as the "Rejected Contracts"

b. To the extent any third party consent is required in connection with the assignment and assumption of the Assumed Contracts, Old Operator hereby covenants and agrees to use commercially reasonable efforts to obtain such third party consent prior to the Closing Date. To the extent Old Operator shall be unable to obtain such third party consent, Old Operator and New Operator shall cooperate and take such steps as may be necessary in order for New Operator to receive the benefits under such Assumed Contracts, provided that New Operator agrees to fulfill any obligations of Old Operator that shall arise with respect to such Assumed Contracts on and after the Closing Date.

c. Old Operator shall also transfer, convey and assign to New Operator on the Closing Date all customer lists, prospect lists, and existing agreements with residents and any guarantors thereof (the "Resident Agreements"), to the extent assignable by Old Operator.

8. EMPLOYEES.

a. Old Operator shall terminate the employment of all employees providing services at the Facility, a listing of which as of the Effective Date is attached hereto as Schedule 8.a. (such listing, to include the current base salaries of all such employees) (the "Current Employees"), and to be updated as of the Closing Date. New Operator shall not be bound by or obligated to assume any employment contracts to which Old Operator is a party. Old Operator shall not make any material changes in the compensation or benefits of the employees at the Facility that are inconsistent with Old Operator's past practices prior to the Closing Date.

b. Immediately following the closing, New Operator shall offer employment to those employees determined by New Operator on terms acceptable to New Operator (hereinafter, the "Retained Employees"), a list of whom are provided in Schedule 8.b. New Operator agrees to use commercially reasonable efforts to prevent a material difference between the number of Current Employees and Retained Employees, provided however in no event shall the number of Retained Employees be less than the amount that would otherwise be required to avoid issuing a WARN notice if Old Operator was required to comply with the WARN Act. Nothing in this paragraph, however, shall constitute an employment agreement or condition of employment for any employee of Old Operator or any Affiliate of Old Operator who is a Current Employee. New Operator shall not assume or be a successor to any collective bargaining agreement to which Old Operator and any of the Current Employees are party to. New Operator hereby acknowledges that certain