



Sherman West Court

10-065

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

November 22, 2010

Mr. Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Park Pointe – South Elgin Healthcare & Rehabilitation Center (Proj. No. 10-065)

Dear Chairman Galassie:

I am writing to you on behalf of Sherman West Court and Sherman Health to oppose the proposed establishment of a 120-bed skilled nursing facility to be known Park Pointe – South Elgin Healthcare & Rehabilitation Center (“Park Pointe”). Park Pointe is proposed be located just over 5 miles from Sherman West Court. Sherman West Court, part of Sherman Health’s non-profit health care system, is a 112-bed skilled nursing facility, providing skilled nursing care to residents of Chicago’s northwest suburbs regardless of ability to pay. Over the past three years, occupancy at Sherman West Court has steadily declined from 78% in 2007 to 68.2% in 2009. Based on prior CON Board approvals, within the next 18 months four new skilled nursing facilities are scheduled to open. These new facilities will add 538 skilled nursing beds to the Elgin market. The addition of a fifth skilled nursing facility to this already oversaturated market is not needed and will jeopardize our ability to provide vital skilled nursing services to residents of the northwest suburbs. Accordingly, we oppose the proposed establishment of Park Pointe.

1. Utilization/Excess Capacity in the Planning Area

The applicants state the proposed project will improve the healthcare and well-being of the market area population and the site location was strategically identified as it is situated in the center of a market area that is considerably underserved. App. p. 63. The applicants’ premise is based upon the fact that the proposed site of the skilled nursing facility will be located near the intersection of three planning areas, i.e., Kane County, 7A and 7C, which collectively have a need for 1,567 long-term care beds.¹ As a result, the applicants surmise the area is underserved.

Park Pointe’s premise that the target area for the proposed facility is underserved is misplaced. The proposed site is located in Kane County, which has a CON Board calculated need for only

¹ ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD, LONG-TERM CARE BED INVENTORY UPDATES: 03/19/2008 – 10/27/2010 (Oct. 27, 2010) available at <http://www.hfsrb.illinois.gov/pdf/LTC%20Updatc%2010-27-2010.pdf> (last visited Nov. 16, 2010).

38 skilled nursing beds.² Park Pointe seeks to establish a 120-bed skilled nursing facility and justifies its proposal in large part on need projections for services in other planning areas to. This is not proper based on the Illinois Health Facilities and Services Review Board ("HFSRB") regulations which require need and new service considerations to be based on the planning area where a project is proposed to be located not the need in other planning areas. Specifically, the rules state:

HFSRB recognizes that some long-term care facilities may have a primary market area that is not contained within the planning area in which the facility is located. Placement in long-term care facilities may be influenced by such factors as, but not limited to: location of next of kin or relatives; seeking services of a specialized nature such as treatment for various diseases or disabilities; or seeking services related to religious, ethnic, or fraternal needs. Because of the significant degree of mobility that is exercised in seeking long term care services, HFSRB shall not allocate portions of a facility's beds and services to more than one planning area.

77 Ill. Admin. 1100.500(c)(9).

As previously stated, there is a need for only 38 skilled nursing beds in Kane County. The applicants propose to establish a 120-bed skilled nursing facility. The number of proposed beds exceeds the projected deficit. Accordingly, there is no need for this project.

Additionally, there is sufficient excess capacity in the Kane County planning area. Based upon the 2009 Annual Long-Term Care Questionnaire ("2009 LTC Questionnaire"), there were 2,552 licensed LTC beds in the planning area and a total of 763,426 patient days for an average occupancy of 82.0%.³ This is significantly below the HFSRB standard occupancy of 90%. Assuming a 90% occupancy rate, there is an excess capacity of 204 beds in the Kane County planning area. This is more than sufficient to accommodate the projected referrals to the proposed facility. Further, this capacity does not even take into account the beds that are not yet operational based on pending long term care facilities consisting of 538 beds that are under development in Kane County.

Moreover, there are 42 existing or approved skilled nursing facilities located within 30 minutes normal travel time from the proposed facility.⁴ App. p. 135. As shown in Table 1 on the

² ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD, LONG-TERM CARE BED INVENTORY UPDATES: 03/19/2008 - 10/27/2010 (Oct. 27, 2010) available at <http://www.hfsrb.illinois.gov/pdf/LTC%20Update%2010-27-2010.pdf> (last visited Nov. 16, 2010).

³ ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD, 2009 ANNUAL LONG-TERM CARE QUESTIONNAIRE PLANNING AREA SUMMARY (Oct. 28, 2010) available at <http://www.hfsrb.illinois.gov/pdf/LTC%20PSA%20Profiles%202009%2010-8-2010.pdf> (last visited Nov. 16, 2010).

⁴ The applicants identified 43 existing or approved skilled nursing facilities within 30 minutes normal travel time of the proposed facility; the permit to establish a 24-bed facility known as Monarch Landing was deemed null and void on September 30, 2010.

following page, twenty-seven⁵ or 73.0% of the facilities within 30 minutes normal travel time of the proposed facility were operating below the 90% occupancy standard in 2009.

Facility	Beds	Resident Days	Utilization	Excess Capacity
South Elgin Rehab & Healthcare Center	90	20,139	61.31%	26
Assisi Healthcare Center at Clare Oaks	120	21,666	49.47%	49
Heritage Manor - Elgin	94	28,732	83.74%	6
Tower Hill Healthcare Center	206	68,133	90.61%	0
Manorcare of Elgin	88	27,105	84.39%	5
Rosewood Care Center St. Charles	109	25,715	64.63%	28
Asta Care Center of Elgin	102	31,659	85.04%	5
Provena Pine View Care Center	120	34,909	79.70%	12
Maplewood Care	203	68,148	91.97%	0
Sherman West Court	120	29,977	68.44%	26
Apostolic Christian Resthaven	50	17,838	97.74%	0
Lexington of Streamwood	214	62,566	80.10%	21
Rosewood Care Center of Elgin	139	40,654	80.13%	14
Church Street Skilled Nursing	150	0	0.00%	135
Provena Geneva Care Center	107	32,436	83.05%	7
Addison Rehabilitation & Living Center	120	0	0.00%	108
Alden-Poplar Creek Rehab & Care	217	61,122	77.17%	28
Wood Glen Nursing & Rehab Center	207	74,406	98.48%	0
Batavia Rehab & Healthcare Center	63	15,556	67.65%	14
Covenant Health Care Center	99	34,273	94.85%	0
West Chicago Terrace	120	43,800	100.00%	0
Meadowbrook Manor	150	0	0.00%	135
Windsor Park Manor	80	20,868	71.47%	15
Abbingdon Rehab & Nursing Center	82	23,289	77.81%	10
Alden Estates of Barrington	150	43,505	79.46%	16
Friendship Village Schaumburg	250	80,792	88.54%	4
Alden-Valley Ridge Rehab & Care	207	61,306	81.14%	18
Aurora Rehab & Living Center	195	53,326	74.92%	29
DuPage Convalescent Home	508	120,039	64.74%	128
Greenfields of Geneva	43	0	0.00%	39
Lexington of Schaumburg	214	68,462	87.65%	5
Manor Care - Elk Grove Village	190	63,852	92.07%	0
Lexington Health Care Center - Bloomingdale	166	51,605	85.17%	8
Marianjoy Rehab Hospital	20	6,814	93.34%	0
North Aurora Care Center	129	39,525	83.94%	8
Wynscape	209	50,880	66.70%	49

⁵ Thirty-seven of the forty-two facilities identified in Table 1 were operating in 2009; five facilities (Church Street Skilled Nursing & Rehabilitation Center, Addison Rehabilitation and Living Center, Meadowbrook Manor, Greenfields of Geneva, and Asbury Pavilion Nursing & Rehab Center) have been approved and are projected to come on line within the next 18 months.

Rosewood Care Center Inverness	142	31,942	61.63%	40
West Suburban Nursing & Rehab Center	259	66,750	70.61%	50
Winfield Woods	138	47,848	94.99%	0
Monarch Landing	N/A	N/A	N/A	N/A
Wheaton Care Center	123	42,231	94.07%	0
Asbury Pavilion Nursing & Rehab Center ⁶	75	0	0.00%	68
Prairieview at Garlands	20	4,609	63.14%	5
Total	6,088	1,616,477	72.74%	1,110

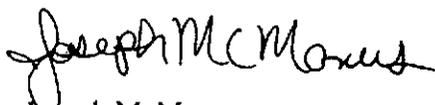
Importantly, the facilities operating below the HFSRB occupancy standard collectively have excess capacity of 626 beds. With the addition of Church Street Station Skilled Nursing Facility (150 beds), which is projected to come on line later this year; Addison Rehabilitation & Living Center (120 beds), Meadowbrook Manor (150 beds) and Greenfields of Geneva (43 beds), which are projected to open in 2011; and Asbury Pavilion and Nursing & Rehab Center (75 beds), which is projected to open mid-2012, 538 beds will be added to the proposed facility's market area. Accordingly, there will be more than sufficient capacity within the market area to accommodate referrals to the proposed facility.

2. Staffing Availability

In addition to adding excess capacity to the market area, the proposed facility will exacerbate the current nursing shortage. It is of vital importance that facilities, like Sherman West Court, can retain adequate and qualified clinical staff to ensure continuity of resident care. Establishment of new facilities increases competition for the limited number of qualified nurses and certified nurse's assistants, and jeopardizes the ability of health care facilities to maintain qualified nursing staff. Inadequately staffed facilities must resort to nurse staffing agencies, which are costly, impede continuity of care, and increase the risk of avoidable adverse events. This is particularly critical in treating older populations who may suffer from dementia or otherwise require continuity in their caregivers. Accordingly, the addition of Park Pointe will tax the already limited number of nurses and will jeopardize the quality of care of all skilled nursing facilities in the market area.

Based upon the excess capacity in the market area and the additional strain it will place on the shortage of qualified nurses, we strongly object to the establishment of Park Pointe – South Elgin Healthcare & Rehabilitation Center, and we respectfully request the Illinois Health Facilities and Services Review Board deny the certificate of need permit for the proposed project.

Sincerely,



Joseph McManus
 Administrator, Sherman West Court
 Cc: Rick Floyd, CEO, Sherman Health