

RECEIVED

Constantino, Mike

JUL 16 2012

From: Randi Schlossberg-Schullo [randi.schullo@thealdennetwork.com]
Sent: Friday, July 13, 2012 6:55 PM
To: Constantino, Mike
Cc: Ourth, Joe; John Kniery (JKniery@foleyandassociates.com)
Subject: Alden Courts of Shorewood - SAR additional information - project 12-032
Attachments: img-713182743-0001.pdf

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Mike,

I am forwarding to you additional information in reference to the SAR and the above project. Please confirm receipt as I want to be sure it is submitted on time.

Thanks for your assistance and have a great weekend.

Randi

Randi Schlossberg-Schullo
President
Alden Realty Services, Inc.
4200 W. Peterson Ave
Chicago, IL 60646
Office: (773) 724-6324
Mobile: (708) 997-1616

Email: randi.schullo@thealdennetwork.com Please visit us at: <http://www.thealdennetwork.com>



Alden Courts of Shorewood, Inc.

4200 West Peterson Ave. Chicago, Illinois 60646

July 13, 2012

Via Electronic Mail and Overnight Courier

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, IL 32761

Re: Alden Courts of Shorewood
Project No. 12-032 (the "Project")

Dear Ms. Avery:

We have reviewed the recent State Agency Report ("SAR") for our Alden Courts of Shorewood Project. We wish to take this opportunity provide additional information in reference to the SAR.

The SAR found the Project to be in compliance with all of the applicable review criteria with the exception of Availability of Funds. In addition, the SAR, while not making a negative finding, commented on a compliance issues and made reference to referral letters where the signatures had not been notarized. By this letter we wish to briefly address issues.

Notarizing of Physician Referral Letters

Page 13 of the SAR made reference that the signature pages on the referral letters had not been notarized. The SAR is correct on this point.

Following review of the SAR we returned to each of those physicians with a notary and obtained new signatures as the original referral letter and had each of the letters notarized. All of the original letters have now been notarized and are attached with this letter.

Availability of Funds

The sole negative finding in the SAR related to the review criterion §1125.800 "Availability of Funds." The SAR noted that it has been the experience of the State Board staff that securing HUD financing has been become more problematic since 2008.

We acknowledge that securing any type of project financing has become more challenging since 2008, both from HUD and from other sources. In the last 40 years that we have been working with HUD we have had successful experiences on HUD financing. Nevertheless, for this Project we have continued to work with Cambridge in arranging financing and means to assure approval, including significantly increasing the equity contribution or "down payment."

For recent financings we have typically been successful in securing HUD construction financing with a ratio of 88 - 90% debt financing to 10-12% equity contribution. As the SAR notes, because debt financing has become more difficult, in planning for this Project we significantly increased our equity to debt ratio.

We have budgeted to provide considerably more equity contribution for this project than the typical 10-12 % equity in past projects. We also note that HUD financing maybe easier to obtain because the Project is to adding to an existing facility rather than establishing a new facility.

Finally, in response to the SAR finding on Availability of Funds, we have worked with our bank to obtain a letter providing the Review Board with further assurance. Attached you will find a letter from MB Financial Bank attesting, that as of July 11, 2012, there are funds on account in excess of the \$4.5 million equity portion of the Project.

Compliance Issues

In our CON Application we had reported several Type A violations over the last 3 years in a few of our homes. Although noted with concern, there was no negative finding made. Although the violations are spread over multiple years and over numerous facilities, the focus on quality is an ongoing priority of importance for us and we want to address that issue in this letter. To put the scope in perspective, the number of violations on our homes average approximately only one Type A violation every 8 years.

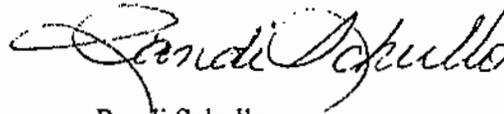
We also note that this may also be a situation in which we over reported to our detriment. Each of these violations that are mentioned here were noted in an IDPH survey, but none of these have resulted in IDPH making a final adjudication of a Type A violation. In most of these cases we have worked with IDPH and reached a settlement on the violations.

Finally, we wish to confirm not only the quality of our homes, but the significant upward trend. Using the CMS star rating we have assembled ratings over the last three years. First, you will see that a number of 3 and 4 star homes with an average star rating of 2.7 stars. This average compares quite favorably to the average star rating of 2.1 for these facilities located within 10 miles of our Shorewood Estates home.

Perhaps even more significantly, you will see that over this three year period, we have made significant strides in this quality indicator, moving from an average of 2 stars three years ago to 2.7 stars currently. We are proud of this progress, dedicated to further growth, and open to address any questions you may have.

We thank you for the opportunity to provide this response.

Very truly yours,

A handwritten signature in black ink, appearing to read "Randi Schullo". The signature is fluid and cursive, with the first name "Randi" being more prominent than the last name "Schullo".

Randi Schullo
Vice President

cc: Mike Constantino
John Kniery
Joe Ourth

DINESH K. JAIN, M.D.
INTERNAL MEDICINE

16532 S. OAK PARK AVE., STE 101
TINLET PARK I. 60477
TELEPHONE (708) 428-2220
FAX (708) 342-1521

Mr. Bob Molitor
Chief Operating Officer
Alden Management Services, Inc.
4200 W. Peterson Ave.
Chicago, Illinois 60646

RE: Alden Courts of Shorewood

Dear Mr. Molitor:

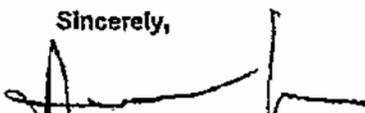
This letter is to serve as confirmation of my support for the expansion of 50 Alzheimer's and Related Dementia beds to the already permitted 100 general skilled nursing care beds to Alden Estates of Shorewood in Shorewood, Illinois.

A cursory review of our files indicated that we had previously referred approximately 6 patients each month to area facilities.

I believe I would be able to refer in the future at least 3 to 5 patients per month to your facility for memory care. Some of my patients would definitely benefit from skilled care for Alzheimer's and related dementia diseases. It should be noted that these projected referrals are in addition to the referrals used to justify the original 100 bed project. My previous referral estimate of between 15 to 20 general geriatric/skilled rehabilitative patients per month is still relevant.

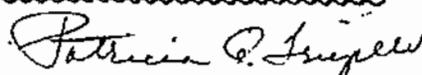
The above information is true and accurate to the best of my knowledge.

Sincerely,


Dinesh K. Jain, M.D.

7/13/12

OFFICIAL SEAL
PATRICIA A. TRUJILLO
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES OCT 29, 2012


7/13/12



DEPARTMENT OF VETERANS AFFAIRS

Joliet VA Clinic
2000 Glenwood Ave.
Suite 107
Joliet, IL 60436

July 21, 2011

Mr. Bob Molitor
Chief Operating Officer
Alden Management Services, Inc.
4200 W. Peterson Ave.
Chicago, Illinois 60646

RE: Alden Courts of Shorewood

Dear Mr. Molitor:

This letter is to serve as confirmation of my support for the expansion of 50 Alzheimer's and Related Dementia beds to the already permitted 100 general skilled nursing care beds to Alden Estates of Shorewood in Shorewood, Illinois.

I believe I would be able to refer in the future at least 3 to 5 patients per month to your facility for nursing care. Some of my patients would definitely benefit from skilled care for Alzheimer's and related dementia diseases. To further substantiate my potential referrals, I have reviewed my records and have determined that as of today I would be able to refer the following patients to Alden Courts of Shorewood, if beds were now available. In order to maintain patient confidentiality, I am only including initials of the patients:

1. D.P.
2. S.H.
3. F.R.
4. F.B.
5. D.M.
6. B.L.
7. O.W.

The above information is true and accurate to the best of my knowledge.

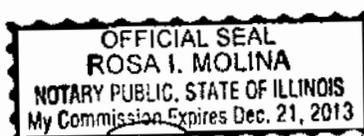
Sincerely,

Rafia Ali Rafia Ali

Rafia Ali, D.O.

07/10/2012

ATTACHMENT-14A



Rosa I. Molina



Sanjay Thakkar, MD
Board Certified Internal Medicine

28W. Countryside Parkway, Suite D,
Yorkville, IL 60560

Ph# 630-882-6441, Fax# 630-882-6443

24 Hours Answering Service 708-783-5560

Website: www.sthakkarmd.com

July 22, 2011

Mr. Bob Molitor
Chief Operating Officer
Alden Management Services, Inc.
4200 W. Peterson Ave.
Chicago, Illinois 60646

RE: Alden Courts of Shorewood

Dear Mr. Molitor:

This letter is to serve as confirmation of my support for the expansion of 50 Alzheimer's and Related Dementia beds to the already permitted 100 general skilled nursing care beds to Alden Estates of Shorewood in Shorewood, Illinois.

A cursory review of our files indicated that we had previously referred approximately 10 patients each month to area facilities.

I believe I would be able to refer in the future at least 5 to 10 patients per month to your facility for memory care. It should be noted that these projected referrals are in addition to the referrals used to justify the original 100 bed project. Additionally, my previous referrals of between 15 to 20 general geriatric/skilled rehabilitative patients are still relevant.

The above information is true and accurate to the best of my knowledge.

Sincerely,

Sanjay Thakkar, M.D.



7/2/12



Marianjoy Medical Group
Wheaton Franciscan Healthcare

DENNIS J. KEANE, M.D.
Medical Director-Physical Medicine & Rehabilitation
Board Certified Physical Medicine & Rehabilitation, Pain Management & Electrodiagnostic Medicine
Tel 630.909.6470 3020 West Ogden Avenue, Ste. 365
Fax 630.585.0042 Aurora, IL 60504
www.Marianjoy.org

July 22, 2011

Mr. Bob Molitor
Chief Operating Officer
Alden Management Services, Inc.
4200 W. Peterson Ave.
Chicago, Illinois 60646

RE: Alden Courts of Shorewood

Dear Mr. Molitor:

This letter is to serve as confirmation of my support for the expansion of 50 Alzheimer's and Related Dementia beds to the already permitted 100 general skilled nursing care beds to Alden Estates of Shorewood in Shorewood, Illinois.

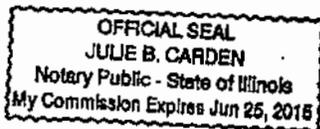
A cursory review of our files indicated that we had previously referred approximately 2-3 patients each month to area facilities.

I believe I would be able to refer in the future at least 2 to 3 patients per month to your facility for memory care. It should be noted that these projected referrals are in addition to the referrals used to justify the original 100 bed project. Additionally, my previous referrals of between 15 to 20 general geriatric/skilled rehabilitative patients are still relevant.

The above information is true and accurate to the best of my knowledge.

Sincerely,

Dennis J. Keane, M.D.



July 22, 2011

Mr. Bob Molitor
Chief Operating Officer
Alden Management Services, Inc.
4200 W. Peterson Ave.
Chicago, Illinois 60646

RE: Alden Courts of Shorewood

Dear Mr. Molitor:

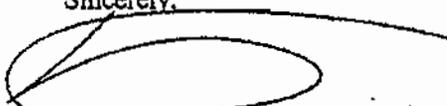
This letter is to serve as confirmation of my support for the expansion of 50 Alzheimer's and Related Dementia beds to the already permitted 100 general skilled nursing care beds to Alden Estates of Shorewood in Shorewood, Illinois.

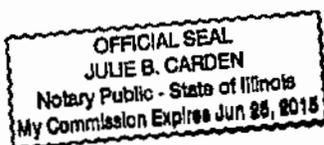
A cursory review of our files indicated that we had previously referred approximately 10 patients each month to area facilities.

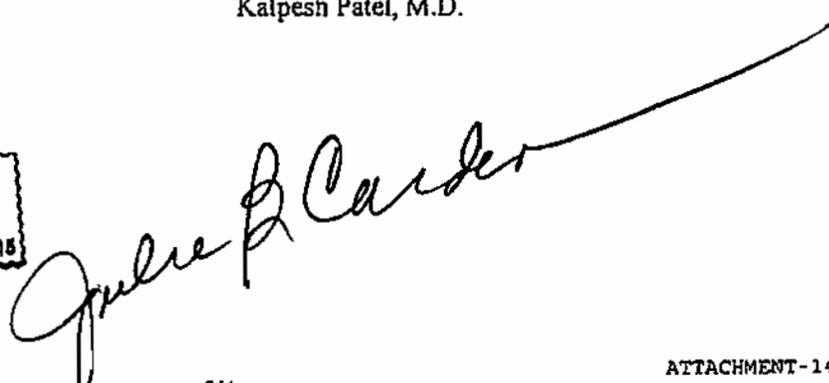
I believe I would be able to refer in the future at least 3 to 6 patients per month to your facility for memory care. It should be noted that these projected referrals are in addition to the referrals used to justify the original 100 bed project. Additionally, my previous referrals of between 15 to 20 general geriatric/skilled rehabilitative patients are still relevant.

The above information is true and accurate to the best of my knowledge.

7/11/12

Sincerely,

Kalpesh Patel, M.D.







July 11, 2012

To whom it may concern:

Please be advised that the Alden Group, Ltd and its related entities have been customers of the bank for over 25 years and we are very familiar with the accounts. Also, be advised that as of this date, the Alden Group, Ltd and related entities have cash and securities in excess of \$4.5 million dollars.

Respectfully,

A handwritten signature in black ink, appearing to read 'John Sassaris'.

John Sassaris
Senior Vice President
MB Financial Bank, NA

FIVE STAR STATUS COMPARISON '09/'10/'11/'12

	6/5/09	6/17/10	6/13/11	6/1/12	7/13/12
Naperville	1	2	3	3	3
Heather	1	3	2	2	3
Lakeland	2	2	1	2	2
Wentworth	1	2	2	2	2
Poplar Creek	3	2	2	2	3
ATMchenry	2	2	1	2	2
Long Grove	1	1	1	1	1
Lincoln Park	3	2	1	3	3
Evanston	5	5	5	4	4
Northmoor	1	2	3	3	3
Barrington	3	3	4	4	4
Princeton	1	1	1	1	2
Valley Ridge	1	1	2	2	2
Town Manor	1	1	1	1	1
Orland Park	2	2	4	4	3
Northshore	5	4	3	4	4
Des Plaines	3	4	5	4	4
Waterford	2	2	4	4	4
Meadow Park	2	3	4	3	3
Debes	1	1	1	1	1
Park Strathmoor	1	1	1	1	1
Skokie	3	4	3	4	4
Jefferson			1	2	2
Fort Health				4	4
Overall Average	2.0	2.3	2.4	2.6	2.7