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HEALTH FACILITIES &
SERVICES REVIEW BOARD

October 26, 2012

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: ManorCare Health Services of Crystal Lake (Proj. No. 12-039)

Dear Mike:

It has come to our attention that certain limited information in our supplemental letter dated August 21 was in error. We incorrectly stated that the Claremont facility in Buffalo Grove and the Alden facility in Barrington were not Medicaid certified. We want to correct that mistake, though we recognize that this correction will result in the deferral of this application to the December meeting of the Health Facilities and Services Review Board.

With respect to Claremont Rehab and Living Center, there are two Claremont facilities within 45 minutes of the proposed ManorCare facility. According to the 2011 Long Term Care Facility profile, the Claremont facility in Hanover Park is not Medicaid certified, while the Claremont facility in Buffalo Grove is Medicaid certified. We inadvertently identified the Buffalo Grove SNF as not accepting Medicaid residents, when we should have indicated Claremont - Hanover Park. Importantly, both facilities are 40 minutes or more from and not within the primary service area of the proposed ManorCare facility.

Likewise, there is a reference in our letter to Alden Estate of Barrington. The letter inadvertently referred to this facility as not accepting Medicaid residents. There are over twenty Alden

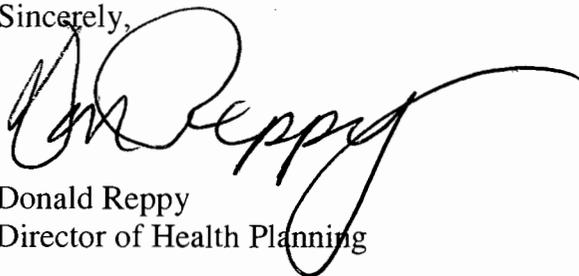
facilities located within the Chicago metropolitan area, and not every Alden facility is Medicaid certified. In identifying the Barrington facility as not accepting Medicaid, we mistakenly pulled another Alden facility's profile, which noted it had a restriction on accepting Medicaid patients.

We apologize for these inaccuracies in the supplemental information. These were honest mistakes that we should have identified prior to submitting the letter. Please be assured that there was never any intention to mislead the HFSRB or its staff. We do believe that the supplemental information of August 21 does provide substantial additional support for the project.

While we are disappointed that, as a result of our error, this matter must be deferred to the December 10, 2012 HFSRB meeting, we appreciate that such deferral is necessary. The core issues regarding this project remain unchanged; there is a need for 469 additional beds in McHenry County and a need to expand access for everyone.

Thanks for your time and attention to this matter. I look forward to seeing you in December.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald Reppy", with a long, sweeping flourish extending to the right.

Donald Reppy
Director of Health Planning