Roate, George

From: John Kniery [JKniery@foleyandassociates.com]
Sent: Tuesday, May 29, 2012 11:56 AM
To: Roate, George; 'Don FIKE (defike@rfmsinc.com)'
Cc: Avery, Courtney
Subject: Requested modification of Project Number 12-049
Attachments: SCFA12052910430.pdf

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MAY 29 2012

HEALTH FACILITIES &
SERVICES REVIEW BOARD

George Roate: In accordance with your direction, please accept the attached pages as replacements correcting the application. Additionally, please disregard and leave blank pages 1, 56-112, and page 453. These modifications reflect two areas 1) they separate out the discontinuation from the establishment. For the record, however, the method and way this application was filed followed precedent and I would again like to cite 98-003 and 98-034. These projects were ultimately refilled under then Staff direction as project number 01-062. 2) to the extent possible, the word "replacement" was changed as you had instructed me. Let there be no doubt or confusion, this originally filed application does not confuse the issue of the Board's rules as only the criteria pertaining to establishment were addressed. This as has been discussed is a more onerous criteria as compared to a more simple replacement which would be classified as a modernization project. However, this issue goes to need - the need for a project. This is more than a transaction to these applicants. This is the fulfillment of a mission and a cause...for our elderly. The simple word "replacement" lends to an indicator of need not a review criterion. It has been said that there are many indicators of need and in this project an indicator of need is the fact that the County, Jackson County Board, is seeking a replacement, i.e., someone to carry out the mission that they started back in 1960. The Applicant appreciates your concern that a Board member may be confused by the word replacement but there is currently not a review criterion for an offsite replacement. Even that is called an establishment of a new nursing care category of service and the existing facility needs to be discontinued and the proposed needs to address all criteria for establishment. Another project more recently had two unrelated applicants and it was approved, Project number 10-060. Upon completion of the project the original ownership/operating entity fell off leaving only the new applicant as owner and operator. Again the original reason and the issue for this Applicant both UDI and Jackson County Board is to show that this is more than a simple transaction and they collectively feel that this submission with the separating out of the discontinuation project will strip one of the fundamentally need indicators away from the application and this Board may not be given the entire picture because of semantics.

Thank you for your consideration on this matter. If you have any additional questions or concerns, do not hesitate to contact me. Thanks again.

John P. Kniery

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2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms, NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The Applicant of the proposed Manor Court of Carbondale will be Edwin Enterprises, LLC (ownership entity) and UDI #5, LLC (operating/licensee entity), UDI #5, LLC's parent, Unlimited Development, Inc. (UDI) and UDI's parent, Community Living Options, Inc. (CLO). The operator's parental entities have control and as such are included as co-Applicants to the proposed project.

It should be noted that this proposal is considered a project for the establishment of a long-term care facility, however, it is the direct result of Jackson County Board seeking to discontinue its long-term care services, their selection of this Applicant and this project to accommodate the County's long-term care residents and to offer employment to the staff at their facility, Rehab and Care Center – Jackson County. This establishment project is contingent upon the approval of the discontinuation of Rehab and Care Center – Jackson County (filed as a separate application under Project Number 12-050) as well as the approval of the discontinuation of this facility is contingent upon the approval of the establishment of Manor Court of Carbondale. It should also be noted that **Edwin Enterprises, LLC** and **UDI #5, LLC** and its related entities have no control over the existing Rehab and Care Center - Jackson County and **Jackson County Board** has no control over Manor Court of Carbondale.

The proposed 120-bed Manor Court of Carbondale facility will have 65,345 gross square feet all on one floor. There will be 22 private rooms and 49 semi-private room accommodations available. Each room will have its own bath and shower. As such, the Applicant is proposing to establish 120 nursing care beds on its existing campus site which currently is home to a 58-unit independent living facility and 32 residential lots for independent living duplexes or villas, all which have been sold and built.

This project is considered Substantive in accordance with the rules of 77 Illinois Administrative Code, Part 1110 of Subpart A, Section 1110.40.

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Applicant Identification

Corporations and limited liability companies must provide an Illinois certificate of good standing. Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

The Applicants will be **Edwin Enterprises, LLC** (ownership entity), **UDI #5, LLC** (operating/licensee entity), UDI #5's parent is **Unlimited Development, Inc.** (UDI) and UDI's parent is **Community Living Options, Inc.** (CLO). The operator's parental entities have control and as such are included as co-Applicants to the proposed project.

Edwin Enterprises, LLC , UDI #5, LLC, UDI, and CLO all have Illinois Certificates of Good Standing and each is appended in **ATTACHMENT-1A**.

SECTION III. PROJECT PURPOSE, BACKGROUND AND ALTERNATIVES – INFORMATION REQUIREMENTS (Continued III)

Criterion 1110.230 - Project Purpose, Background and Alternatives

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

Although this project is "classified" as a project for the "establishment of a new service" it will serve to replace the soon to be discontinued Rehab and Care Center – Jackson County, and will accommodate the existing resident population and its staff. (separately file as Project No. 12-050).

Specifically, Rehab and Care Center – Jackson County had for the most recent 12-month period ending March 2012 an average daily census of 121.5 residents. The proposed project will establish a new 120-bed facility that will accept without condition the current resident population. Additionally, the Applicant has committed to the **Jackson County Board** to offer employment to all of the existing nursing home staff although it expects to lose some through attrition.

TABLE 2

RCCJC
Total Patient Days
April - March 2012

Month	Patient Days	ADC
April	3,674	122.5
May	3,818	123.2
June	3,745	124.8
July	3,943	127.2
August	3,860	124.5
September	3,738	124.6
October	3,749	120.9
November	3,566	118.9
December	3,706	119.5
January	3,757	121.2
February	3,367	116.1
March	3,564	115.0
Total	**44,487**	**121.5**

Therefore, this project is more about the maintenance of accessibility and health care or well-being. Moreover, this project will provide an improved environment for the existing residents and existing staff of the soon to be discontinued Rehab and Care Center – Jackson County in a new, state-of-the-art nursing facility that will be part of a continuum of care environment for all the residents of Jackson County in need of long-term care services.

ATTACHMENT-12

SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED III)

Criterion 1125.530 - Planning Area Need

A. Identify the calculated number of beds needed (excess) in the planning area.

The State's calculated bed need shows an excess of 51 general long-term care nursing beds in the Jackson County Planning Area. To consider that Rehab and Care Center – Jackson County would be discontinued under a separately filed application (Project Number 12-050), 178-nursing care beds would return to the inventory creating a need for 127 beds. This application, the establishment of a 120 bed nursing care facility will leave a need for seven additional beds. Please refer to **ATTACHMENT LTC-13A** for a copy of the State's Inventory of Health Care Facilities and Services and Need Determinations and its April 18, 2012 Update to the Inventory.

B. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.

The primary planning area is the Jackson County Planning Area within HSA V. With the signing of this application, the Applicant attest that the primary purpose of this project is to serve residents of the Jackson County Planning Area and that at least 50% of the residents will come from within the Planning Area. Thanks to the unique replacement nature of this establishment project coupled with the fact that the proposed Applicant has agreed to accept Rehab and Care Center – Jackson County's residents without condition, their patient origin data serves to document the primary purpose of the proposed project. The data, appended as **ATTACHMENT LTC-13B**, shows that more than half (65.2%) of the total admissions over the most recent two year period originate from within Jackson County, thus fulfilling this item.

SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED XI)

Section 1125.580 Unnecessary Duplication/Maldistribution

a) The applicant shall document that the project will not result in an unnecessary duplication. The applicant shall provide the following information:

Although this project is classified as a project for the establishment of a new service, it should be noted that it will result in an overall reduction to the State's Inventory when the discontinuation of Rehab and Care Center – Jackson County is considered. Additionally, this proposal will only provide for the Rehab and Care Center – Jackson County's existing census. Therefore, this project will not result in unnecessary duplication of services.

1) A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;

Appended as **ATTACHMENT LTC-18A,** is a listing of all zip codes within the required 30-minute travel time contour.

2) The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and

Appended as **ATTACHMENT LTC-18A** are also the population statistics for each identified zip code area.

3) The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.

TABLE SEVEN

FACNAME	ADDRESS	CITY	ZIP	Nursing Beds	Travel Time Adjusted 77 IAC 1100.510(d)	Drive Distance
Carbondale Rehab & Nursing Center	120 North Tower Road	Carbondale	62901	131	1	0.57
Helia Healthcare of Carbondale	500 S Lewis Ln	Carbondale	62901	118	9	3.82
Rehab & Care Ctr - Jackson Co.	**1441 N 14th St**	**Murphysboro**	**62966**	**178**	**14**	**7.13**
Helia Healthcare of Energy (1)	210 East College	Energy	62933	91	25	15.7
UDI 1, LLC d/b/a Parkway Manor	3116 Williamson County Parkway	Marion	62959	119	25	16.14
Cobden Rehab & Nursing Center	430 South Front Street	Cobden	62920	74	26	18.37
				711		

(1) Discontinued 20 nursing care beds; facility now has 91 nursing care beds.

Source: Long-Term Care Facility Questionnaire for 2010, Illinois Department of Public Health, Health Systems Development Inventory of Health Care Facilities and Services and Need Determinations - 2011 - Long-Term Care Services www.mapquest.com

ATTACHMENT LTC-18

SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED XII)

Section 1125.580 Unnecessary Duplication/Maldistribution (Continued ii)

b) The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the identified area (within the planning area) has an excess supply of facilities, beds and services characterized by such factors as, but not limited to:

The service area is currently over-bedded according to the latest update to the State's Inventory of Health Care Facilities and Services and Need Determinations (April 18, 2012) by 51 beds. Please refer to **ATTACHMENT LTC-18B** for the update. In addition, the cumulative use rates of the area facilities shows that the use rates are not at or near the optimal use rate of 90% as set forth per Section 1125.210(c) (refer to the utilization chart appended as **ATTACHMENT – LTC-18C**). However, the proposed project does not completely rectify the situation but it does significantly improve it. Specifically, the proposed project reduces the total planning area bed complement by 58-nursing beds when Rehab and Care Center – Jackson County's discontinuation is approved, thus, creating a calculated need for seven additional nursing care beds upon approval of both projects. In proposing only 120 beds and a target utilization rate of 90% equates to having an average daily census of only 108 residents. This is significantly less than the historical average daily census which has ranged from 121.5 residents to 134 residents. Theoretically, this creates a demand for service for other area providers. Hence, there appears to be an existing maldistribution of nursing care beds in the 30-minute market area but the proposed project improves the situation.

SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED XIII)

Section 1125.580 Unnecessary Duplication/Maldistribution (Continued iii)

c) The applicant shall document that, within 24 months after project completion, the proposed project:

1) Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and

2) Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

The service area is currently over-bedded according to the latest update to the State's Inventory of Health Care Facilities and Services and Need Determinations (April 18, 2012) by 51 beds. Please refer to **ATTACHMENT LTC-18B** for the update. In addition, the cumulative use rates of the area facilities shows that the use rates are not at or near the optimal use rate of 90% as set forth per Section 1125.210(c) (refer to the utilization chart appended as **ATTACHMENT – LTC-18C**). However, the proposed project does not completely rectify the situation but it does significantly improve it. Specifically, the proposed project reduces the total planning area bed complement by 58-nursing beds when Rehab and Care Center – Jackson County's discontinuation is approved, thus, creating a calculated need for seven additional nursing care beds upon approval of both projects. In proposing only 120 beds and a target utilization rate of 90% equates to having an average daily census of only 108 residents. This is significantly less that the historical average daily census which has ranged from 121.5 residents to 134 residents. This is a difference between the proposed average daily census and the historical range calculates to between nearly 5,000 to 9,500 patient days. This reduction of licensed beds coupled with the reduction in overall utilization documents that as a result of this project, utilization rates of area providers at, above, or below the State's target utilization rate will not be negatively impacted.

SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED XIV)

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.

2. Provide the following documentation:

   - The name and qualification of the person currently filling the position, if applicable; and
   - Letters of interest from potential employees; and
   - Applications filed for each position; and
   - Signed contracts with the required staff; or
   - A narrative explanation of how the proposed staffing will be achieved.

To offer a seemly transition to the discontinuation of Rehab and Care Center – Jackson County (Project Number 12-050) and the establishment of Manor Court of Carbondale, this Applicant has a formal agreement with the Jackson County Board. Manor Court of Carbondale will offer employment opportunities to the staff of the County Home. As such, the staffing for this project is currently in-place. A copy of the existing and proposed staffing pattern is appended as **ATTACHMENT LTC-19A**. It is estimated that there will be a reduction of 35.1 full time equivalent positions lost due to attrition. Appended as **ATTACHMENT LTC-19B** is a letter from Rehab and Care Center – Jackson County's administrator describing the total number of individuals currently employed and the number of job applicants on file, and that it has experienced little difficulty in attracting applicants for available positions.

SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA (CONTINUED XVI)

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

Appended as **ATTACHMENT LTC-21A** are twenty-eight letters of community support for the proposed establishment of Manor Court of Carbondale and the discontinuation of the separately filed discontinuation of Rehab and Care Center – Jackson County (Project Number 12-050). These letters are from U.S. Congressman Jerry F. Costello, State Senator David Luechtefeld, State Representative Mike Bost, Murphysboro's Mayor Ron Williams, Carbondale's Mayor Jowl Fritzler, Carbondale's Economic Development Coordinator Gary Williams, Southern Illinois Healthcare's President and CEO Rex P. Budde, Union County Hospital's CEO James R. Farris, Dr. Dale Blaise, Dr. Karen Strack, Liberty Village of Carbondale's manager Julie A. Woolard, Dr. Nathan L. Chapman, SIU's Health Care Management Internship Coordinator Sandra Nagel Beebe, Senior Adult Services Director Hanry Long, John A. Logan College President Dr. Robert Mees and Director of Nursing Marilyn Falaster, Roy E. Abrahamson, Carbondale's Chamber of Commerce Executive Director Sherry Ratcliffe, Nancy L, Fager, Carol A. Redmond, Neal H. Jacobson, Lila Hall, Marion Olsson, Jack and Kay Wissmann, Mary Brigham, Donna Manering, Deloyd Litten, Gerald Haecker, and Marilyn Sanders.