

# FOLEY & ASSOCIATES, INC.

Charles H. Foley, MHA  
cfoley@foleyandassociates.com

John P. Kniery  
jkniery@foleyandassociates.com

## HAND DELIVERED

September 17, 2014

**RECEIVED**

SEP 17 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Courtney Avery, Administrator  
**Health Facilities and Services Review Board**  
**Illinois Department of Public Health**  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

**Re:** Certificate of Need #12-062 Wauconda  
**Healthcare and Rehabilitation Centre;**  
Relinquishment of Permit.

Dear Ms. Avery:

Please accept this correspondence as the above referenced project's relinquishment of their permit in accordance with Title 77, Chapter II, Subchapter b, Part 1130.775 of the Illinois Administrative Code. The following addresses the requirements of this section:

1) Description of the permit and related costs;

Enclosed as **EXHIBIT I**, is a copy of the project's permit letter providing a description of the permit and related costs.

2) Detailed explanation of the reasons for abandonment; and

Since approval of the above referenced CON application, the Applicant has been experiencing a shifting market where now it is the Applicant's best option to renovate its existing facility without expanding the facility. Specifically, while admissions are up, the patient days have been cut drastically, to move residents downstream more quickly with emphasis on fewer readmissions. The affect has been for Wauconda Healthcare and Rehabilitation Centre to have its already low Average Length of Stay (ALOS) to fall from 89 days to nearly half that rate. Thus, it is the Applicant's contention that it is not in their best interest to proceed with a project of such scope.



Ms. Courtney Avery, Administrator  
September 17, 2014  
Page Two

- 3) If the approval was based upon need, an explanation of how that need will be met in absence of the project.

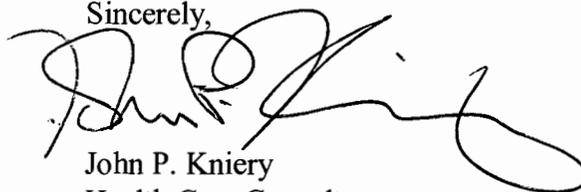
The Applicant based this project upon need to modernize its existing structure and the need for additional services. In the immediate future, the Applicant will modernize the existing structure without the addition of square footage or beds and will still be less than the Long-Term Care capital expenditure threshold. Moreover, with a reduced ALOS and the appearance of excess beds in the Lake County Planning Area (472 excess beds), the facility should be able to accommodate additional residents if it is able to effectively manage admissions.

- f) A request for relinquishment shall be assessed an application processing fee of \$1,000.

Enclosed as **EXHIBIT II**, is a copy the Applicant's check in the amount of \$1,000.00 for the application processing fee. The original check is attached to this relinquishment request.

It would appear that the above addresses all items of Section 1130.775. The Applicant understands that should they resurrect the project in the future a Certificate of Need would be required. If there are any questions or concerns, please do not hesitate to contact me. Thanks.

Sincerely,



John P. Kniery  
Health Care Consultant

Enclosures

c: Laura Zung



STATE OF ILLINOIS  
**HEALTH FACILITIES AND SERVICES REVIEW BOARD**

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 • FAX: (217) 785-4111

January 3, 2012

**CORRECTED**  
**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Margaret Ryan, Administrator  
Wauconda Healthcare and Rehab Centre  
176 Thomas Court  
Wauconda, Illinois 60084

Re: **Permit Approval**  
**PROJECT NUMBER: 12-062**  
**FACILITY NAME: Wauconda Healthcare and Rehab Centre**  
**APPLICANTS: Wauconda Healthcare and Rehab Centre, LLC, Wauconda Associates, LLC**

Dear Ms. Ryan:

On October 30, 2012, the Illinois Health Facilities and Services Review Board approved the application for permit for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of 77 Ill Adm. Code 1110 and 1120. In arriving at a decision, the State Board considered the findings contained in the State Agency Report, the application material, public hearing testimony and documents, any testimony made before the State Board, and the Illinois Health Facilities Planning Act (20 ILCS 3960).

- **PROJECT: #12-062 - Wauconda Healthcare and Rehab Centre** - The permit holders are approved for the addition of 40 long term acute care beds located at 176 Thomas Court, Wauconda, Illinois for a total of 175 long term care beds in 41,979 GSF of new construction and 6,023 GSF of modernized space. The operating entity is Wauconda Healthcare and Rehab Centre, LLC, and the owner of the site is Wauconda Associates, LLC.
- **CONDITION AND STIPULATIONS:** - The permit holders will provide monthly statements from JP Morgan Chase regarding the balance on their account holding the funds for the project and (2) provide a copy of the most recent monthly compiled financial statements and tax returns by November 15, 2012.
- **PERMIT HOLDERS:** Wauconda Healthcare and Rehab Centre, LLC, Wauconda Associates, LLC, 176 Thomas Court, Wauconda, Illinois
- **PERMIT AMOUNT:** \$9,885,500
- **PROJECT OBLIGATED BY:** April 30, 2014
- **PROJECT COMPLETION DATE:** May 31, 2014

This permit is valid only for the defined construction or modification, site, amount and the named permit holder and is **not transferable or assignable**. In accordance with the Planning

EXHIBIT I

Permit Letter

Page 2 of 2

Act, the permit is valid until such time as the project has been completed, provided that all post permit requirements have been fulfilled, pursuant to the requirements of 77 Ill. Adm. Code 1130 and may result in an invalidation of the permit, sanctions, fines and/or State Board action to revoke the permit.

The permit holder is responsible for complying with the following requirements in order to maintain a valid permit. Failure to comply with the requirements may result in expiration of the permit or in State Board action to revoke the permit.

1. OBLIGATION-PART 1130.720

The project must be obligated by the **Project Obligation Date**, unless the permit holder obtains an "Extension of the Obligation Period" as provided in 77 Ill. Adm. Code 1130.730. Obligation is to be reported as part of the first annual progress report for permits requiring obligation within 12 months after issuance. For major construction projects which require obligation within 18 months after permit issuance, obligation must be reported as part of the second annual progress report. If project completion is required prior to the respective annual progress report referenced above, obligation must be reported as part of the notice of project completion. The reporting of obligation must reference a date certain when at least 33% of total funds assigned to project cost were expended or committed to be expended by signed contracts or other legal means.

2. ANNUAL PROGRESS REPORT-PART 1130.760

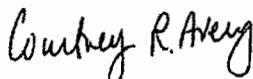
An annual progress report must be submitted to IDPH every 12-month from the permit issuance date until such time as the project is completed.

3. PROJECT COMPLETION REQUIREMENTS-PART 1130.770

The permit holder must submit a written notice of project completion as defined in Section 1130.140. Each permit holder shall notify IHFSRB within 30 days following the project completion date and provide supporting documentation within 90 days following the completion date and must contain the information required by Section 1130.770.

This permit does not exempt the project or permit holder from licensing and certification requirements, including approval of applicable architectural plans and specifications prior to construction. **Please note the Illinois Department of Public Health will not license the proposed facility until such time as all of the permit requirements have been completed.** Should you have any questions regarding the permit requirements, please contact Mike Constantino at 217-782-3516.

Sincerely,



Courtney R. Avery, Administrator  
Illinois Health Facilities and Services Review Board

cc: Dale Galassie, Chairman

EXHIBIT I