

October 1, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Ms. Karen Senger
Supervisor of Central Office Operations Section
Division of Healthcare Facilities and Programs
Illinois Department of Public Health
535 West Jefferson Street, 4th Floor
Springfield, IL 62761

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Centegra Specialty Hospital – Woodstock: LTC Temporary Suspension of Service Notice

Dear Ms. Avery and Ms. Senger:

In August, Centegra Specialty Hospital – Woodstock, located at 527 West South Street, Woodstock, Illinois, submitted a CON application to discontinue the Long Term Care (LTC) Category of Service (Project No. 14-038). The unit has 40 authorized beds and at the time the application was filed the average daily census was less than ten. Project Number 14-038 is tentatively scheduled for consideration by the Illinois Health Facilities and Services Review Board (“Review Board”) at its November 12, 2014 meeting.

The LTC unit has been staffed and operated by Hearthstone Communities for the past two years pursuant to a management agreement with Centegra. Hearthstone owns and operates its own licensed LTC facility in McHenry County and, along with several other area facilities, has expressed support for Centegra’s discontinuation application and advised that it is able to accept additional LTC patients.

At the time Centegra filed its discontinuation application, it had understood from Hearthstone that it would continue to manage the LTC unit at Centegra Specialty Hospital through the CON review process on the application. However, after the filing of the application, Centegra received the attached letter dated August 20, 2014, from Hearthstone stating that while it had originally anticipated to be able to continue to staff Centegra’s LTC unit through the end of November 2014, it had an unexpectedly high number of employees either leave or express the intention to do so in the near future and, as a result, Hearthstone would not be able to staff and operate the unit past the end of September. Since receiving Hearthstone’s letter, Centegra and Hearthstone have worked together to transfer patients that required skilled nursing care to other facilities in the area. The last patient was discharged from the LTC unit on September 22, 2014.

Upon receipt of Hearthstone’s August 20th letter, we sought guidance from the Review Board’s staff which advised us at a meeting on September 19, 2014 that, following the suspension of the service, we should comply with the notice requirements relating to temporary reduction of services under the Review Board’s rules. Pursuant to 77 Ill. Adm. Code 1130.240(d), Reporting and Notification Requirements, the purpose of this letter is to inform you that Centegra Specialty

Hospital-Woodstock, has temporarily suspended the LTC Category of Service effective September 23, 2014 until approval is received from the Review Board to discontinue the LTC Category of Service.

If you have any questions, please feel free to call me at (815) 788-5858.

Sincerely,

A handwritten signature in black ink that reads "Hadley Streng". The signature is written in a cursive, flowing style.

Hadley Streng
Director, Planning and Business Development
Centegra Health System

cc: Frank Urso
Mike Constantino

Enclosure (1)



August 20, 2014

Mr. Jason Sciarro
President/Chief Operating Officer
Centegra Health System
385 Millennium Drive
Crystal Lake, Illinois 60012

Dear Mr. Sciarro:

As you are aware, Hearthstone has staffed and operated Centegra's Skilled Nursing (SNF) unit at the South Street Campus for nearly two years. Hearthstone understands the rationale for Centegra's CON application to discontinue the SNF at South Street and we fully support that application. Hearthstone has provided a communication to the Illinois Health Facilities & Services Review Board publicly expressing our support for the application and further expressing our ability and willingness to absorb patients from the Centegra facility in the event that the CON is granted. Our intention has been to continue to staff the SNF through completion of the CON application process.

We had anticipated being able to continue to staff the SNF unit at least through the end of November 2014. Unfortunately, I am writing to notify you that since the August 4th announcement of Centegra's intention to discontinue the South Street SNF we have had an unexpectedly high number of employees either leave, or express the intention to do so in the near term to pursue employment elsewhere based upon the anticipated closure, and this impacts our ability to continue to staff and operate the Skilled Nursing Unit. Specifically, as a result of these departures, and in the interest of patient care and safety, please be advised that Hearthstone will not be in a position to staff and operate the South Street SNF beyond the end of September, 2014. We regret any difficulties this may cause.

Sincerely

Terry Egak
President, Chief Executive Officer
Hearthstone Communities

Senior Living Campus
920 N. Seminary Avenue
Woodstock, IL 60098
815.338.2110

hearthstonewoodstock.org

Early Learning Center
350 Christian Way
Woodstock, IL 60098
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