Transformative Health of McHenry

Project #15-044 (Proposed)

Information	Sources
The Proposed Project	TCO JV, LLC
Differentiating Characteristics PSA	TVO JV, LLC
5 Star Ratings	www.medicare.gov/NursingHomeCompare/profile
Health Inspection Citations	www.medicare.gov/NursingHomeCompare/profile
Life Safety Inspection Citations	www.medicare.gov/NursingHomeCompare/profile
Federal Penalties	www.medicare.gov/NursingHomeCompare/profile
Licensed Beds, Beds in Use, Utilization	Long-Term Care Facility Questionnaire for 2014, Illinois Department of Public Health, Health Systems Development, (http://www.hfsrb.Illinois.gov/pdf/LTC%20profiles%202014%20-%20Revised%2010-14-15.pdf)
Facility Size and Age	Illinois Department of Healthcare and Family Services Cost Reports (http://www.Illinois.gov/hfs/MedicalProviders/CostReports/Pages/default.aspx)
Capital Expenditures (5 Years)	Illinois Department of Healthcare and Family Services Cost Reports (http://www.illinois.gov/hfs/MedicalProvider/CostReports/Pages/default.aspx)
Capital Rate Component / Medicaid	Illinois Department of Healthcare and Family Services – Medicaid Rate List as of 4-01-2016.
Medicare Case Studies	Milliman Group
First Impression Report	T1 Visions, LLC
Adjusted Travel Times – 30 Minute Contour	Foley & Associates: www.mapquest.com

Differentiating Characteristics of the Project to the PSA:

	Transformative Health of McHenry	Existing 30-Min. Facilities
ALL Private Rooms	YES	NO
ALL Rooms with Bath/Shower	YES	NO
GSF per Bed	700	309.6 avg.
# Beds	98	123 avg.
Age	NEW	36 yrs. avg.
Double occupancy rooms	NO	YES
Triple Occupancy Rooms	NO	YES
Located on Hospital Grounds	YES	NO
On-Site Lab Services	YES	NO
On-Site Radiology Services	YES	NO
Indoor and Outdoor Therapy Areas	YES	NO
Dedicated Computer Business Room	YES	NO
Piped in medical gas	YES	1 Facility
Piped in Oxygen	YES	NO
Cardiac Monitoring	YES	NO
Dedicated Dialysis Unit	YES	1 Facility
Rehab staffed 7 days/week	YES	5-6 Days
Psychiatrist on Staff	YES	NO
Full-Time Physician Services on site	YES	On Call
Post Discharge follow-up	YES-30-60-90 days	Not Disclosed
Selected Menu Options/Enhanced Dining	YES-Feature + standard menu choices	Not Available

PSA Physical Plant Comparisons to the Project:

- **Private Rooms :** The Project will be 100% all private rooms (98 total). The highest count we could ascertain from the facilities listed in the PSA is 65 total private rooms representing less than 5% of the total licensed and operating beds.

- **GSF/Bed:** The current state minimum standard per bed is 420 GSF/bed. The Project will boast 700GSF/bed while only 2 of the 9 facilities in the PSA meet the current state standard.

- **Building Age :** The average age of existing and opposing facilities are over 40 years old with 2 of them self reporting that the physical plants are100+ years old. There is only provider in the PSA that is less than 10 years old. (Valley Hi – at 95% Utilization).

- **Bathrooms and Showers:** The Project will provide each room with a private bath and shower. More than 90% of the facilities listed have community shower facilities with limited room showers and mostly shared bathrooms between rooms and in some cases up to 6 potential patients or residents sharing a single bathroom or toilet facility.

- **Minimum State Standards:** The Project will be the only facility in the PSA to exceed minimum state standards for private rooms, GSF/bed, private showers and baths, therapy/dining and common/activity space. The majority of existing PSA providers meet or have waivers to meet the standards.

- **Capital Expenditures and Capital Rate Component:** 90% of the 30-Minute Contour facilities are below the allowable Capital Rate Ceiling (Valley Hi – Exception).

Transformative Health of McHenry
(Proposed)

Lawrence Parkway, McHenry Illinois

Age of Building:	**NEW**
Estimated CMS Rating:	**5**
Licensed Beds:	**98**
Estimated Beds in Use:	**88**
Estimated Utilization Year 2:	**90%**
Private Rooms/Showers:	**98**
GSF / Bed:	**700**
Capital Expenditure:	**$19.3M**

Transformative Health of McHenry will provide a post-acute care delivery model that bridges the gap between illness and recovery using state-of-the-art technology and advanced medical practice protocols within a caring and supportive homelike environment that promotes health and healing. The unique physical plant and care model will differentiate THM from all other service providers in the PSA.

Footnote: Photos provided are for like projects completed by the Applicant and are provider here as a point of reference to Project 15-044.

Transformative Health of McHenry will be purpose-built to treat high acuity patients in a short-term and transitional healthcare environment designed with the express purpose of promoting healing and wellness and to get patients or residents functional so they are able to return back to work or home, as quickly as possible.

The custom facility design includes providing 100% private rooms to limit the transfer of disease and aid in patient comfort and privacy. Private rooms allow patients to receive the proper amounts of rest needed to recover with total privacy and maintains dignity.

All private rooms include attached bathrooms fully equipped with toilet, sink, and shower to further aid in the prevention of disease, and enhance patient comfort. Private rooms and baths help to protect a patient or resident's statutory privacy rights.

Generously sized indoor and outdoor therapy areas will allow patients to receive the full-range of mobility therapy during rehab to aid in their recovery. Occupational therapy has kitchens and bathrooms built into the therapy gyms to provide patients with practical, hands-on training, thus easing the transition from hospital to home. This enables patients to continue their healing at home and significantly reduce the risk of hospital readmission from an accident.

Multiple dining areas with an onsite chef gives patients access to high-quality, made-to-order meals to provide the proper nutrition to facilitate healing. The restaurant-style dining experience also allows family and friends the ability to comfortably eat with the patient, reducing the overall stress level for patient and loved ones.

Transformative Health of McHenry will provide access to outdoor resident and guest areas including a putting green, an outdoor fireplace, and outdoor therapy space.

Signature spa-like amenities include whirlpool baths and massage services all with a dedicated focus on serving the transitional and post-acute care patient.

Transformative Health of McHenry (THM) will provide a post-acute care delivery model that bridges the gap between illness and recovery by using state-of-the-art technology and advanced medical practice protocols within a caring and supportive homelike environment that promotes health and healing.

Project #15-044

30 Minute Contour Comparisons

PSA 5 Star Ratings:

50% percent of the facilities in the PSA have a 5 Star Quality score of 4 or lower and only one provider has a 5 Star score.

88% or all but one had a score of 3 or less on the last Health Inspection reported on the CMS Nursing Home Compare Profile.

Re-hospitalization scores are not public information at this time but are forthcoming and comparisons can be inferred from 5 Star Ratings, which emphasize the need for specialized services like the Project.

	5 Star Ratings			
Facility Name	Overall	Health Inspections	Staffing	Quality Measures
Alden Terrace of McHenry Rehab	3	2	2	5
The Springs at Crystal Lake	4	3	5	3
Crystal Pines Rehab & HCC	2	2	2	2
Fair Oaks Health Care Center	5	3	5	5
Hearthstone Manor	3	2	2	5
Crossroads Care Center Woodstock	1	1	3	1
Wauconda Healthcare & Rehab	5	4	5	5
Valley Hi Nursing Home	4	3	4	2

Ratings:

5 = Much Above Average
4 = Above Average
3 = Average
2 = Below Average
1 = Much Below Average

Source: www.medicare.gov/NursingHomeCompare/profile

IPDH Health Inspection and Life Safety Citations:

50% of the PSA providers exceeded the state average for the last reported health inspection citations while 100% exceeded the state average for Life Safety Citations speaking to the age, condition and safety of the current physical plants in the area.

	IDPH Inspection Citations		
Facility Name	**Health Citations**	**Life Safety Citations**	**Federal Penalties Last 3 Years**
Alden Terrace of McHenry Rehab	8	17	
The Springs at Crystal Lake	5	10	
Crystal Pines Rehab & HCC	13	18	
Fair Oaks Health Care Center	6	9	
Hearthstone Manor	6	8	
Crossroads Care Center Woodstock	15	13	$61,700
Wauconda Healthcare & Rehab	6	9	
Valley Hi Nursing Home	3	10	
Illinois State Average	7.6	6.4	

Source: www.medicare.gov/NursingHomeCompare/profile

Size (GSF/Bed) and Age Chart
30-Minutes Contour Facilities

FACILITY NAME	CITY	# of Licensed Nursing Beds	Building GSF	GSF per Bed	Year Constructed	BLDG Age
Transformative Health of McHenry	**McHenry**	**98**	**68,586**	**700**	**2018**	**New**
Alden Terrace Of McHenry Rehab	McHenry	316	90000	284.8	1979	37
The Springs at Crystal Lake	Crystal Lake	97	33873	349.2	1989	27
Crystal Pines Rehab & HCC	Crystal Lake	114	23000	201.8	1972	44
Fair Oaks Health Care Center	Crystal Lake	51	29962	587.5	* 1990	26
Hearthstone Manor	Woodstock	75	60000	434.8	1950	66
Crossroads Care Center Woodstock	Woodstock	115	29252	254.4	1969	47
Wauconda Healthcare & Rehab	Wauconda	135	36038	266.9	* 1990	26
Valley Hi Nursing Home	Woodstock	128	67754	529.3	2006	10
Hillcrest Retirement Village	Round Lake Beach	144	24277	168.6	1976	40
		1175		341.9		36
Outside of 30-minute Travel Time						
Florence Nursing Home	Marego	56	12500	223.2	1928	88

**** Oldest Date on Inventory***

Sources: Long-Term Care Facility Questionnaire for 2014, Illinois Department of Public Health, Health Systems Development, (http://www.hfsrb.Illinois.gov/pdf/LTC%20facility%20Profiles%202014%20-Rvised%2010-14-15.ppdf)
Illinois Department of Healthcare and Family Services Cost Reports
(http://www.Illinois.gov/hfs/MedicalProviders/CostReports/Pages/default.aspx)

Capital Cost Expenditures
30-Minutes Contour Facilities

	2014 Profile Data		2014 MEDICARE/MEDICAID COST REPORT DATA					
Facility Name	# of Licensed Nursing Beds	BLDG Age	Cost 2010	Cost 2011	Cost 2012	Cost 2013	Cost 2014	Avg. Cost Over 5 Years
Alden Terrace Of McHenry Rehab	316	37	$ 166,673	$ 21,964	$ 76,497	$ 192,633	$ 24,492	$ 96,452
The Springs at Crystal Lake	97	27	$ -	$ 55,162	$ 6,579	$ 34,763	$ 1,257,633	$ 270,827
Crystal Pines Rehab & HCC	114	44	$ -	$ 303	$ 53,861	$ 352,966	$ 26,496	$ 86,725
Fair Oaks Health Care Center	51	26	$ -	$ 7,710	$ 2,321	$ -	$ 38,652	$ 9,737
Crossroads Care Center Woodstock	115	47	$ 46,897	$ 77,188	$ 49,192	$ 218,048	$ 54,120	$ 89,089
Hearthstone Manor	75	66	$ 100,517	$ 13,221	$ 52,622	$ 60,355	$ 1,589,023	$ 363,148
Wauconda Healthcare & Rehab	135	26	$ 12,500	$ -	$ 49,773	$ 78,381	$ 330,900	$ 94,311
Valley Hi Nursing Home	128	10	$ 120,395	$ 92,299	$ 28,004	$ 28,347	$ 63,329	$ 66,475
Hillcrest Retirement Village	144	40	$ 34,981	$ 32,168	$ -	$ 348,435	$ 74,893	$ 98,095
Outside of 30-minute Travel Time	1175	36	$ 53,551	$ 33,335	$ 35,428	$ 145,992	$ 384,393	$ 130,540
Florence Nursing Home	56	88	$ 390,994		$ 28,985	$ -	$ -	$ 83,996

Sources: Long-Term Care Facility Questionnaire for 2014, Illinois Department of Public Health, Health Systems Development, (http://www.hfsrb.illinois.gov/pdf/LTC%20facility%20Profiles%202014%20-Revised%2010-14-15.ppdf)
Illinois Department of Healthcare and Family Services Cost Reports (http://www.illinois.gov/hfs/MedicalProviders/CostReports/Pages/default.aspx)

Capital Rate Component
Medicaid Rates as of 4/1/2016
30-Minute Contour

FACILITY NAME	CITY	Capital	Support	Nursing	Total Rate
Alden Terrace Of McHenry Rehab	McHenry	10.10	43.65	102.15	155.90
The Springs at Crystal Lake	Crystal Lake	15.71	45.20	67.92	128.83
Crystal Pines Rehab & HCC	Crystal Lake	15.09	53.62	95.03	163.74
Fair Oaks Health Care Center	Crystal Lake	15.55	55.98	110.79	182.32
Hearthstone Manor	Woodstock	14.54	55.98	48.10	118.62
Crossroads Care Center Woodstock	Woodstock	11.80	48.90	94.17	154.87
Wauconda Healthcare & Rehab	Wauconda	15.67	50.55	102.23	168.45
Valley Hi Nursing Home	Woodstock	18.18 *	62.41	79.64	160.23
Hillcrest Retirement Village	Round Lake Beach	12.53	46.74	103.01	162.28
Florence Nursing Home	Marego	12.61	49.25	89.04	150.90

* Capital Rate Ceiling

Sources: Illinois Department of Healthcare and Family Services – Medicaid Rate List as of 4-01-2016.

First Impression Reports

Presented by

T1 Visions, LLC

T1 Visions, LLC is a privately held LLC composed of long term care professionals and consultants who have multiple, combined years of specialized experience in long term care marketing, promotion, positioning and entertainment services.

T1 Visions conducted "Mystery Shopper Tours" of the subject properties listed within this report and within a 30-minute drive time of the Project.

T1 Visions conducted a minimum of two separate and unannounced visits for each subject location in order to provide the reader with a realistic and unbiased, albeit educated *First Impression Report* similar to what a visitor or consumer shopping the subject properties might observe and experience.

All sources of information for the subject properties have been obtained from sources that are free and accessible to the public. Sources are cited on the previous page.

(Disclaimer: The views and opinions expressed herein are those of the T1 Visions, LLC . T1 Visions LLC views and opinions do not necessarily reflect the views and opinions of TCO JV, LLC, or any of TCO JV, LLC's respective subsidiaries, parents or affiliates, and their respective directors, officers, employees, agents, consultants, legal counsel, accountants and other representatives.)

Alden Terrace of McHenry Rehab
803 Royal Drive, McHenry Illinois 60050
www.thealdennetwork.com

Adjusted Travel Time:	5.8
Age of Building:	37 Years
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
3 Bed Wards:	Yes
Common Shower Rooms:	Yes
Private Rooms Reported:	2

Crossroads Care Center

309 McHenry Ave., Woodstock Illinois 60096

www.crossroadscarecenter.com

Adjusted Travel Time:	17.3
Age of Building:	47 Years
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
Common Shower Rooms:	Yes
Private Rooms Reported:	6

Crystal Pines Rehab & Health Center
335 N. Illinois St., Crystal Lake Illinois 60014
www.crystalpinesrehabandhealth.com

Adjusted Travel Time:	12.7
Age of Building:	44 Years
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
Common Shower Rooms:	Yes
Private Rooms Reported:	2

Fair Oaks Rehab & Skilled Nursing Facility
471 W. Terra Cotta Ave. Crystal Lake Illinois 60014
www.fairoakshealthcare.org

Adjusted Travel Time:	15.0
Age of Building:	26 Years
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
Private Rooms Reported:	20

Florence Nursing Home
546 East Grant Highway Marengo Illinois 60152
www.fairoakshealthcare.org

Adjusted Travel Time:	39.1
Age of Building:	100 Years *
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
Common Shower Rooms:	Yes
Private Rooms Reported:	NA

** Oldest Date on State Inventory 1990*

Hearthstone Manor
920 N. Seminary Ave., Woodstock Illinois 60098
www.wclsil.org

Adjusted Travel Time:	18.4
Age of Building:	100 Years *
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
Common Shower Rooms:	Yes
Private Rooms Reported:	4

** Oldest Date on State Inventory 1990*

The Springs at Crystal Lake
1000 Brighton Lane, Crystal Lake Illinois 60012
www.thespringsrehab.com

Adjusted Travel Time:	8.1
Age of Building:	27 Years
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
Common Shower Rooms:	Yes
Private Rooms Reported:	NA

Wauconda Healthcare & Rehab
176 Thomas Court, Wauconda Illinois 60084
www.waucondacare.com

Adjusted Travel Time:	19.6
Age of Building:	26 Years
Shared Bedrooms:	Yes
Shared Bathrooms:	Yes
Common Shower Rooms:	Yes
Private Rooms Reported:	15