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ILLINOIS DEPARTMENT OF PUBLIC HEALTH
HEALTH FACILITIES AND SERVICES REVIEW BOARD
OPEN SESSION

REPORT OF PROCEEDINGS
Bolingbrook Golf Club
2001 Rodeo Drive
Bolingbrook, Illinois 60490
February 20, 2014
10:00 a.m.

BOARD MEMBERS PRESENT:

- MS. KATHY OLSON, Chairperson;
- MR. PHILIP BRADLEY;
- DR. JAMES J. BURDEN;
- SENATOR DEANNA DEMUZIO;
- MR. DALE GALASSI;
- JUSTICE ALAN GREIMAN; and
- MR. RICHARD SEWELL.

Reported by: Paula M. Quetsch, CSR, RPR,
Notary Public, Kane County, Illinois

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EX OFFICIO MEMBERS PRESENT:

MR. DAVID CARVALHO, IDPH;
MR. MATT HAMMOUDEH, IDHS; and
MR. MIKE JONES, IDHFS.

ALSO PRESENT:

MR. FRANK URSO, General Counsel ;
MR. NELSON AGBODO, Health Systems Data Manager;
MS. CLAIRE BURMAN, Rules Coordinator;
MS. CATHERINE CLARKE, Board Staff;
MR. MICHAEL CONSTANTINO, IDPH Staff;
MR. BILL DART, IDPH Staff; and
MR. GEORGE ROATE, IDPH Staff.

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OPEN SESSION**

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1 CHAIRPERSON OLSON: I'm going to call
2 the meeting to order. It's 10:00.
3 The first order of business is roll call --
4 oh, I'm sorry -- I don't mean to push too hard, but it's
5 09:59:46 my intention to be done by 2:00 because I know people
6 going south may get some crazy weather going home.
7 Another wonderful day in the winter of 2013/2014.
8 MR. ROATE: Kathy Olson.
9 CHAIRPERSON OLSON: Present.
10 10:00:02 MR. ROATE: Philip Bradley.
11 MEMBER BRADLEY: Here.
12 MR. ROATE: Dr. Burden.
13 MEMBER BURDEN: Here.
14 MR. ROATE: Senator Demuzio.
15 10:00:09 MEMBER DEMUZIO: Here.
16 MR. ROATE: Dale Galassi.
17 MEMBER GALASSI: Here.
18 MR. ROATE: And Richard Sewell.
19 MEMBER SEWELL: Here.
20 10:00:19 MR. ROATE: Six present.
21 CHAIRPERSON OLSON: May I have a motion
22 to approve the agenda, please.
23 MEMBER DEMUZIO: Motion.
24 MEMBER SEWELL: Second.

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APPROVAL OF AGENDA**

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1 MR. CONSTANTINO: Madam Chairwoman?

2 CHAIRPERSON OLSON: Yes.

3 MR. CONSTANTINO: I have a couple

4 changes to the agenda.

5 10:00:31 CHAIRPERSON OLSON: Okay.

6 MR. CONSTANTINO: The first change is

7 the Victorian Village, Project 08-082. They're asking

8 for an additional two months for their renewal.

9 Instead of five months it will be seven months.

10 10:00:43 The second change we have is Project 13-066,

11 St. Mary's Hospital in Decatur. They have withdrawn.

12 CHAIRPERSON OLSON: Thank you.

13 MR. CONSTANTINO: Thank you,

14 Madam Chairwoman.

15 10:00:59 CHAIRPERSON OLSON: So can I assume your

16 motion stands --

17 MEMBER DEMUZIO: Yes.

18 CHAIRPERSON OLSON: -- as corrected?

19 MEMBER DEMUZIO: As corrected.

20 10:01:05 MR. ROATE: Motion by Senator Demuzio,

21 seconded by Mr. Sewell.

22 Mr. Sewell?

23 MEMBER SEWELL: Yes.

24 MR. ROATE: Mr. Galassi.

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APPROVAL OF TRANSCRIPT**

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1 MEMBER GALASSI: I'm sorry; what are we
2 voting on?
3 CHAIRPERSON OLSON: The agenda.
4 MR. ROATE: The agenda.
5 10:01:17 MEMBER GALASSI: Yes.
6 MR. ROATE: Senator Demuzio.
7 MEMBER DEMUZIO: Yes.
8 MR. ROATE: Dr. Burden.
9 MEMBER BURDEN: Yes.
10 10:01:21 MR. ROATE: Mr. Bradley.
11 MEMBER BRADLEY: Yes.
12 MR. ROATE: Ms. Olson.
13 CHAIRPERSON OLSON: Yes.
14 MR. ROATE: That's six votes in the
15 10:01:29 affirmative.
16 CHAIRPERSON OLSON: I move on to
17 approval of the transcript of the prior meeting on
18 December 17th, 2013. May I have a motion.
19 MEMBER DEMUZIO: Motion.
20 10:01:34 MEMBER GALASSI: Second.
21 MR. ROATE: Motion made by
22 Senator Demuzio, seconded by Mr. Galassi.
23 Mr. Sewell.
24 MEMBER SEWELL: Yes.

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PUBLIC PARTICIPATION**

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1 MR. ROATE: Mr. Galassi.

2 MEMBER GALASSI: Yes.

3 MR. ROATE: Senator Demuzio.

4 MEMBER DEMUZIO: Yes.

5 10:01:49 MR. ROATE: Dr. Burden.

6 MEMBER BURDEN: Yes.

7 MR. ROATE: Mr. Bradley.

8 MEMBER BRADLEY: Yes.

9 MR. ROATE: Ms. Olson.

10 10:01:51 CHAIRPERSON OLSON: Yes.

11 MR. ROATE: That's six votes in the

12 affirmative.

13 CHAIRPERSON OLSON: Thank you.

14 The next order of business is public

15 10:01:56 participation. Mr. Galassi has kindly agreed to call

16 the names. We don't have the script.

17 MEMBER GALASSI: I don't have the script

18 in front of me. But, basically, these individuals'

19 names that I'm calling, we assume you have not spoken

20 10:02:11 at a public hearing previously, and if you have, we

21 would ask that you defer speaking today again.

22 Secondly, if you would simply come up and

23 introduce yourself, you do not have to be sworn in, and

24 you're limited to two minutes with your comments.

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LUTHER OAKS, INC.**

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1 We'll attempt to do some semblance of
2 timekeeping, and we will also try to be respectful in
3 advising you when your time is up, but with all due
4 respect to everyone else's time here, your time will be
5 10:02:39 up in two minutes.

6 That having been said, we'll start out with
7 Project 067, Luther Oaks. We have three individuals
8 that have signed up. All three are welcome to come up
9 to the table simultaneously.

10 10:02:56 Mark Silberman, Herm Harding, and Fred Brewer.
11 And you would please, when you begin your comments,
12 tell us if you are speaking in pro or opposition,
13 please. Thank you.

14 CHAIRPERSON OLSON: Nelson will be
15 10:03:14 keeping time, and he will tell you loudly when your
16 two minutes are up.

17 Please proceed.

18 MR. SILBERMAN: Good morning. My name
19 is Mark Silberman, and I'm here on behalf of Heritage
20 10:03:30 and Petersen Health Care.

21 We want to thank the Board for the
22 opportunity -- and I'm creating a new subset here. We
23 are speaking neither in support or opposition but
24 neutrally. Our purpose here is, in fact, to withdraw

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LUTHER OAKS, INC.**

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1 the opposition that was previously presented.

2 We want to thank the Board for the opportunity
3 to once again appear regarding this proposed project.
4 Previously Heritage and Petersen joined together to
5 10:03:52 present their concerns with establishing a brand-new
6 open-admission facility in a community where the
7 Board's records and the numbers showed that there was
8 no bed need and where facilities were already struggling
9 to maintain the Board's recommended census.

10 10:04:04 The Board acknowledged these concerns and had
11 issued an intent to deny. Luther Oaks, obviously,
12 heard these concerns and responded to them. Luther Oaks
13 abandoned the prior proposal to establish an
14 open-admission facility in the community and replaced
15 10:04:17 it with a smaller project under continuum of care. The
16 project was designed to serve the needs of the
17 Luther Oaks residents, and we have no opposition to
18 this project.

19 We believe the process is important, so we
20 10:04:28 felt that it was important that if we cared enough to
21 come here and raise an opposition, we wanted to close
22 the loop on that and make it clear that neither Heritage
23 nor Petersen ever took any issue with Luther Oaks'
24 efforts to meet the needs of its community members.

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1 The concern centered around the Board's recommendation
2 and the fact that there was a lack of need for a new
3 facility in this community.

4 So long as this project remains a true CCRC
5 10:04:50 which is dedicated to serving the needs of the Luther
6 Oaks community, we're able to withdraw any prior
7 objection that was presented regarding this project,
8 and should this Board approve it, we wish them well.

9 CHAIRPERSON OLSON: Thank you. I
10 10:05:01 appreciate your taking the time to come and do that.

11 MR. CONSTANTINO: Would you gentlemen
12 make sure you sign your names.

13 CHAIRPERSON OLSON: Mr. Harding is
14 up next. Good morning.

15 10:05:25 MR. HARDING: Good morning. I'm
16 Herm Harding. I'm a five-year resident of Luther Oaks,
17 and I'm speaking in support of the Luther Oaks'
18 proposal, and I am currently serving as the president
19 of the residents association at Luther Oaks.

20 10:05:40 My wife Evelyn of 62 years has had
21 Parkinson's for 22 years. She's had deep brain surgery
22 and has real balance and mobility difficulties.
23 Eighteen months ago she started to have real weakness
24 all over her body and quickly lost control of her legs,

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1 arms, and general strength. She was hospitalized for
2 therapy. This did not develop any support.

3 Within two weeks she could not swallow, speak,
4 or feed herself. All functions were shutting down, and
5 10:06:15 her breathing was short and choppy. Three doctors were
6 giving us conflicting advice and diagnoses.

7 Dr. Scholhan, our neurologist, accurately said that it
8 was a spinal cord compression and advised surgery.

9 We had to move to Springfield to take care of
10 10:06:32 the surgery because the local hospital would not allow
11 MRIs for patients with implants. Nine hours of surgery
12 and total neck reconstruction corrected the problem.
13 She was transferred to Memorial and about two weeks
14 later to the Heartland Manor Care in Normal.

15 10:06:50 Four months later she returned home for some in-home
16 rehabilitation, and her condition now is as it was
17 before this problem ever began.

18 We all know that people moving into
19 unfamiliar facilities and serviced by new people is
20 10:07:09 inadequately interpreted by patients and others as a
21 lack of progress, things aren't working and a need for
22 new and different service. We all know the
23 complications and difficulties of aging people being
24 separated from things that are familiar to them in an

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1 environment where they know they are loved and getting
2 the best treatment. For five months I traveled to her
3 location and had meals with her every day, read her
4 daily devotions, complimented and congratulated her on
5 10:07:42 her progress. My presence was evidence to her that
6 things were okay at home.

7 CHAIRPERSON OLSON: Please conclude your
8 comments.

9 MR. HARDING: We residents --

10 10:07:51 CHAIRPERSON OLSON: Your time is up.
11 Just kind of wrap it up if you can, please.

12 MR. HARDING: We residents at Luther Oaks
13 believe in Luther Oaks' plan and we support that plan.

14 CHAIRPERSON OLSON: Thank you very much.

15 10:08:07 MR. BREWER: I'm Fred Brewer, a six-year
16 resident at Luther Oaks, and I'm vice president of the
17 residents association. As a resident -- and I'm
18 speaking in favor of the proposal.

19 CHAIRPERSON OLSON: Could you speak into
20 10:08:22 the microphone so that the court reporter can hear?

21 MEMBER GALASSI: I don't think it's on.

22 MR. BREWER: As a resident of Luther Oaks,
23 the addition of a skilled nursing care wing is very
24 important to me. I moved into an independent living

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1 apartment when the facility opened in 2007 with the
2 understanding that Luther Oaks planned a skilled
3 nursing care wing in the not too distant future. A
4 prime factor in my selection of Luther Oaks was the
5 10:09:12 priority access to skilled nursing care that I would
6 have as a resident within the same facility and with an
7 organization and staff that I would respect.

8 Why is this so important to me? Years ago in
9 Iowa when my father-in-law needed immediate skilled
10 10:09:28 care, I had to drive all over southeastern Iowa for
11 several days to find an opening. How I wished for
12 priority access.

13 The critical aspect for me of the proposed
14 Luther Oaks' skilled care wing is its private rooms and
15 10:09:44 bath. Why? I suffer from what's called a shy bladder.
16 During several past hospitalizations without a private
17 room, I had to be catheterized for my entire stays all
18 for lack of privacy.

19 Now let me address the continuum of care at
20 10:10:05 one facility. My brother and sister-in-law live in a
21 continuing care retirement community in Arkansas. Due
22 to stroke and major surgery, each has spent several
23 months in the skilled care wing at that facility. It
24 was comforting to the one living in their apartment to

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1 be able to visit the one in skilled care without leaving
2 the facility, and recovery of the one in skilled care
3 was certainly enhanced by these visits from their
4 loved one.

5 10:10:36 This convenience enjoyed by my brother and
6 his wife has not been available at Luther Oaks for
7 several of my married friends when one of their spouses
8 needs skilled care since there was no such thing
9 on-site. Skilled nursing care wing currently before
10 10:10:56 this review board will avoid the spousal separation
11 heartaches in such future cases.

12 In summary, I respectfully request that you
13 approve Luther Oaks' proposal for a skilled nursing
14 care wing to provide priority access to skilled care in
15 10:11:14 the same facility and private room and bath to avoid
16 long-term catheterization. Let me close by thanking
17 you for this opportunity to tell you why skilled
18 nursing care at Luther Oaks is important to me.

19 CHAIRPERSON OLSON: Thank you, sir.

20 10:11:32 MEMBER GALASSI: Moving on to
21 Transitional Care Center of Naperville, Project 13-038.
22 I'm going to call off seven names. As you folks come
23 up, if someone could pull a seventh chair -- or, George,
24 if you could pull a seventh chair up to the table.

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1 MR. ROATE: Sure.

2 CHAIRPERSON OLSON: Mr. Tim Wilsey,
3 Mark Weldler, Aimee Musial, Renee Garvin,
4 Erin Donaldson, Gloria Pindiak, and Sister Jeanne Haley.

5 10:12:04 Again, if you would introduce yourselves,
6 advise us if you are in support or in opposition.

7 MR. CONSTANTINO: Could you please spell
8 your name for the court reporter?

9 CHAIRPERSON OLSON: Please sign the
10 10:12:18 sheet.

11 MR. WILSEY: Tim Wilsey; W-i-l-s-e-y,
12 first name Tim.

13 Good morning, Board. My name is Tim Wilsey.
14 I'm here representing Butterfield Health Care Group
15 10:12:36 that currently owns Meadowbrook Manor of Naperville. I
16 am speaking this morning to oppose the project of the
17 120-bed new Transitional Care unit in Naperville.

18 The first point that I would like to bring to
19 the Board's attention is that there was no additional
20 10:12:50 opposition to the proposed Transitional Care unit in
21 Naperville. However, there has been significant
22 changes in the area of the local skilled nursing rehab
23 facilities since then with all local senior communities
24 going -- undergone significant rehabilitation to

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1 enhance the building's interior design and to keep up
2 with the demands of the patient's needs and family
3 members of the Naperville area.

4 Another point, all local rehab communities
5 10:13:16 currently work with and will continue to have ongoing
6 communication with the local area hospital, Edward
7 Hospital, regarding short-term rehabilitation patient
8 needs to maintain consistent continuity of care.

9 Fourth point, of the 135 patients that the
10 10:13:38 applicant is proposing for patient referrals from the
11 IPC Hospitalist Group, only 12 of those zip codes are
12 from the Naperville area. Many of those other -- of
13 the zip codes are in other areas, including 71 percent
14 of the proposed are from the Aurora area, which
15 10:13:55 currently has a significant amount of short-term
16 rehabilitation facilities in that area.

17 The last point I would like to bring to the
18 Board's attention is that we currently have a skilled
19 nursing and rehabilitation facility in Naperville that
20 10:14:11 exclusively takes care of only short-term rehabilitation
21 patients as we speak right now, with significant
22 undergoing changes to enhance the interior design of
23 that community, as well, and also brings significant
24 services, including Starbucks services, interior to the

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1 building so they're able to provide the best care for
2 their patients, as well.

3 MR. NELSON: Two minutes.

4 MR. WILSEY: Thank you.

5 10:14:44 CHAIRPERSON OLSON: Can we have the
6 record reflect that Justice Greiman is now present?

7 MEMBER GREIMAN: Good morning all.

8 (Member Greiman joined
9 proceedings.)

10 10:14:55 MR. WELDLER: Good morning. My name is
11 Mark Weldler; M-a-r-k, W-e-l-d-l-e-r. This morning I'd
12 like to thank the Board for the opportunity to present
13 my comments.

14 The applicant claims that area facilities are
15 10:15:10 not focused on short-term rehabilitation services so
16 this project would not harm those facilities. This is
17 simply not true. The six facilities in Naperville
18 alone are already providing short-term rehabilitation
19 services which include postsurgical high-acuity
20 10:15:30 services for patients in need of short-term stays as
21 short as even three, four, five days, maybe up to
22 20 days in their facilities. Currently in Naperville
23 there are approximately 140 residents receiving this
24 type of short-term care in these facilities. The

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1 overwhelming majority of these residents will have to
2 be diverted to the new facility for it to succeed.

3 There's a strategic task force for the area
4 hospitals and skilled facilities to collaborate on
5 10:16:07 enhancing products and services with a goal of providing
6 quality care and strong outcomes. Edward Hospital
7 recently announced a readmission rate 5 percent lower
8 than the national average for these specific types of
9 patients the applicant is referring to, and in doing so
10 10:16:26 thanked the area facilities stating this could not have
11 been done without the strong programs and services
12 provided by the area facilities specifically for the
13 short-term rehab patients.

14 Since the original project that was first
15 10:16:39 applied for by the applicant, the Board approved another
16 facility in Naperville, a new facility, Monarch Landing,
17 which adds 96 new beds coming online this year in
18 Naperville. Approving this current project would bring
19 the total new beds into this market of 216 beds just in
20 10:16:58 Naperville alone, which over the last three years
21 collectively the facilities have seen a decrease in
22 their census of 7 percent.

23 MR. NELSON: Two minutes.

24 CHAIRPERSON OLSON: Please conclude.

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1 MR. WELDLER: It makes no sense to add
2 216 beds into this area, to Naperville to fill the need
3 of the planning area if the need exists. If there is a
4 need in the planning area, it's not in Naperville.

5 10:17:24 CHAIRPERSON OLSON: Please conclude.

6 MR. WELDLER: Thank you so much for your
7 time, and just to reiterate, I am opposed to this
8 project. Thank you.

9 MS. MUSIAL: Good morning. My name is
10 10:17:35 Aimee Musial. I'm the administrator at Windscape
11 Health and Rehabilitation Center in Wheaton, Illinois,
12 and I'm speaking in opposition of this project.

13 The Board should not approve this project
14 just because it was previously approved. So much has
15 10:17:51 changed since this project was approved. There is not
16 a bed need sufficient to justify this project. There
17 is substantial opposition to this project.

18 Utilization rates of area providers have gone
19 down, which is inconsistent with the need for a new
20 10:18:06 facility. Edward Hospital which originally committed
21 hundreds of referrals is no longer committing referrals
22 to this is project. Monarch Landing has been approved
23 by the Board. This project has no support or
24 commitment to referrals from any of the area hospitals

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1 because the needs of the area hospitals are being met
2 by existing providers.

3 If evaluated on its own merits, based upon
4 the four corners of the application this project must
5 10:18:32 fail. The application is deficient, leaving out key
6 information by simply referencing the prior
7 application, stapling pages from the prior staff report
8 rather than performing the required analysis. The
9 entire application reflects a presumption that the
10 10:18:47 project will simply be approved.

11 Notably, since the Board issued its intent to
12 deny the project nothing has changed. The applicant
13 submitted no additional information and did not redesign
14 the project. The design of the current project today
15 10:19:00 is the same as when the Board voted against it, and
16 nothing about the current application -- not the
17 utilization rates, bed need, or the suggestion that it
18 reflects some unique approach to health care --
19 warrants its approval.

20 10:19:14 We did not oppose this project the first
21 time. The market has significantly changed, and since
22 then it has directly impacted our occupancy in all of
23 the communities here today. We ask that the Board deny
24 this project.

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21

1 Thank you.

2 CHAIRPERSON OLSON: Thank you.

3 MS. GARVIN: Good morning. My name is
4 Renee Garvin, G-a-r-v-i-n, and I'm the executive
5 10:19:38 director for Monarch Landing, and I'm here in
6 opposition of Transitional Care Center in Naperville.

7 This is not a new idea; it is just new
8 packaging. Other existing communities, including
9 several here today, provide short-term rehabilitation.

10 10:19:54 Many provide short-term rehab in separate floors or
11 areas where no commingling exists and which the
12 applicant has expressed some concern. These
13 communities are also equipped to provide separate
14 amenities geared towards the short-term rehab
15 10:20:10 population.

16 All of the care proposed by this applicant is
17 already being delivered by the existing area providers.
18 This project is designed to provide more services to
19 more profitable patients which would otherwise be
20 10:20:21 receiving services from the communities here today.
21 The resulting impact on existing providers will be
22 incredible, especially communities who provide charity
23 care and services to those that are eligible for
24 Medicaid services, as they need the additional revenue

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1 provided by short-term rehab patients to offset those
2 losses.

3 Regardless of how they market their services,
4 these are still long-term care skilled nursing beds.

5 10:20:50 However, this project makes it clear they will not
6 serve the full spectrum of individuals requiring care,
7 but rather will focus on specific and specifically
8 highly profitable subset of short-term rehabilitation.

9 Finally, the applicant suggested that our
10 10:21:09 communities are old and outdated. This is just not
11 true. Local communities are constantly upgrading our
12 physical plants, amenities, and medical programs to
13 meet the needs of residents, local hospitals, and
14 providers. We are here today and already providing
15 10:21:24 quality care to the community.

16 I thank you for your time. We would like
17 this project to be denied.

18 CHAIRPERSON OLSON: Thank you.

19 MS. DONALDSON: My name is Erin

20 10:21:36 Donaldson; E-r-i-n, D-o-n-a-l-d-s-o-n, and I'm with
21 Life Care Services working in conjunction with Monarch
22 Landing and Windscape as a director of operations
23 management.

24 There is simply no need for another new

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1 facility in Naperville. In evaluating need the
2 regulations require looking both at bed need and
3 utilization of existing facilities. As Member Sewell
4 pointed out last time this project was considered, the
5 10:22:05 question of bed need does not resolve the issue that
6 37 out of 47 facilities within a 30-minute area are
7 underutilized.

8 When the Board approved this project at
9 another site, there was a bed need of over 800 beds.
10 10:22:20 That is gone. At the last meeting there was a surplus
11 of 75 to 120 beds, and now there's a purported need for
12 45 beds. Snow Valley which closed due to a flood has
13 informed Board staff it is planning on reentering the
14 market. This would eliminate any supposed bed need.

15 10:22:37 There's simply no need for a new 120-bed
16 facility in Naperville. Existing facilities, quality
17 facilities all have access capacity. 37 of 47
18 facilities are below the Board's 90 percent utilization
19 standard.

20 10:22:51 Furthermore, if there were a need for more
21 beds, given the Board's 10 percent/20-bed rule,
22 existing facilities could add over 200 beds to the area
23 with a stroke of the pen. If more beds were needed,
24 they would already be there or could be added without

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1 ever having to attain Board approval.

2 This project should be denied. Thank you.

3 CHAIRPERSON OLSON: Thank you.

4 MS. PINDIAK: My name is Gloria Pindiak,

5 10:23:18 P-i-n-d-i-a-k, and I am speaking in opposition to the
6 Transitional Care project.

7 While the propaganda makes the project sound
8 necessary and new, this Board must consider if this
9 model is even feasible. The applicant describes

10 10:23:35 focusing on younger short-term rehabilitation patients.
11 This will require more patient referrals than a
12 traditional facility.

13 Looking at the historical data, to succeed
14 this facility would need to take all the short-term
15 10:23:49 rehab patients from all the area facilities, and it
16 still would not generate enough patients days to fill
17 the facility. Moreover, the impact on existing
18 providers would be enormous.

19 The project has only identified 135 annual
20 10:24:02 referrals, which is not enough to fill a 120-bed
21 facility. Despite having done so before, Edward
22 Hospital did not commit any patient referrals. The
23 referrals come from a hospitalist group that does not
24 refer only short-term rehab patients. So either the

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1 facility can expect less than 135 referrals or they
2 will take every patient that they can get and commingle
3 patients in the very same way they complain other
4 facilities are currently doing.

5 10:24:30 Mr. Weiss submitted a certification that this
6 project would not lower the utilization of existing
7 facilities. The Board should ask the applicant to
8 explain how this would be possible.

9 We are here because the impact on existing
10 10:24:45 providers will be devastating. We ask the Board to
11 deny this project and thanks for listening.

12 CHAIRPERSON OLSON: Thank you.

13 SISTER HALEY: Sister Jeanne Haley,
14 H-a-l-e-y, and I'm here in opposition to Transitional
15 10:24:57 Care.

16 There's an important message that we'd like
17 to give to the Board today. Before you are several
18 communities that are competitors, and yet we come
19 together because we are dedicated to this community.
20 10:25:13 We are also dedicated to the residents that we serve,
21 and no one better knows the health care needs of our
22 community than we do because this is for the welfare of
23 our residents.

24 When competitors come together to oppose a

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1 project because it's not necessary, because it is not
2 in the best interests of the community or the residents
3 that we serve, because it will adversely impact all of
4 our facilities, we hope that the Board will listen.

5 10:25:41 It is important to consider the fact that
6 none of the area hospitals have come forward to offer
7 support for this project or to identify a need for this
8 project. In fact, Edward Hospital has rescinded their
9 letter in the past.

10 10:25:56 The 135 annual referrals, especially if the
11 commitment for this Transitional Care is to support
12 only short-term rehabilitation is sincere, it is not
13 enough to occupy a 120-bed facility for a single month
14 let alone a year.

15 10:26:12 Several of our facilities are 4- and 5-Star
16 rated. This means we are providing quality care to our
17 residents and that we have an abundance of excess
18 capacity. Again, as mentioned, we also take care of
19 Medicare/Medicaid residents, and with the added -- with
20 10:26:31 losing our skilled, this would be a great problem for
21 all of our facilities.

22 There is no need for the services this
23 applicant is proposing as they are not unique. The
24 underutilization of 37 facilities illustrates that

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1 there is no need for any future existing facilities,
2 for we are meeting all of the needs of this community.
3 There is no need to establish another nursing home in
4 the Naperville area. This will be harmful to the
5 10:27:02 facilities that for so many years have cared for our
6 residents.

7 MR. NELSON: Two minutes.

8 SISTER HALEY: So we are asking for you
9 to oppose this.

10 10:27:11 CHAIRPERSON OLSON: Thank you.

11 MR. URSO: To all the people that are
12 providing public comments, can they kindly stop at the
13 table before they leave today in the hallway because
14 they have to sign a public participation form?

15 10:27:28 CHAIRPERSON OLSON: Oh, we have a --

16 MR. URSO: We need it on the form, and
17 Cathy has those forms.

18 MEMBER GALASSI: I believe there's
19 two more individuals who want to speak to this item.

20 10:27:38 Mark Silberman and Christine Jeffries.

21 MR. SILBERMAN: Good morning. My name
22 is Mark Silberman, and I'm here to offer testimony in
23 opposition to the Transitional Care Center of
24 Naperville project.

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1 Specifically, I want to address a procedural
2 issue to ask the Board take into consideration in
3 evaluating this project, and it's multiple instances of
4 this applicant apparently violating Board regulations
5 and rules without any consequence.

10:28:24

6 With regards to the prior abandonment, rather
7 than follow the Board's rules and properly relinquish
8 the permit, the applicants proposed in this application
9 trading it for the approval on this project. The
10 applicant had clearly abandoned this project before
11 they came before this Board and did so without Board
12 approval. Yet there's been no compliance action with
13 regards to this.

10:28:37

14 With regards to their other project in
15 Arlington Heights, they apparently abandoned their HUD
16 financing that they acknowledged during their last
17 hearing and did so -- they made the decision they
18 didn't want to go ahead and wait for funding, so they
19 went with a conventional banking process. But changing
20 financing without the approval of this Board
21 constitutes an alteration of a project that's already
22 been approved, and apparently they've done so and
23 there's been no compliance action.

10:29:02

24 The applicant actually did the same thing

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1 with regards to the financing of this project. Despite
2 the fact that the CON application describes obtaining
3 HUD financing, it would appear that based on the
4 language they provided to this Board, based on a
5 10:29:24 personal banking relationship they decided to go with
6 conventional banking and have a \$17 million mortgage
7 approved. The loan was approved in the name of
8 Mr. Weiss' companies, so the Board staff concluded that
9 they needed to be a coapplicant.

10 10:29:39 Now, we have already raised a concern that
11 there's a level of control being exhibited by Mr. Weiss
12 and his companies that would require them to be
13 coapplicants, so we were glad to see this. However,
14 rather than submit the paperwork necessary to be a
15 10:29:53 coapplicant, it would appear that over the course of a
16 weekend Mr. Weiss had the \$17 million mortgage that had
17 been approved in the name of his company reissued into
18 the name of Transitional Care Center, apparently for
19 the sole reason of avoiding this company having to be a
20 10:30:08 coapplicant.

21 MR. NELSON: Two minutes.

22 CHAIRPERSON OLSON: Please conclude your
23 remarks.

24 MR. SILBERMAN: This raises serious

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1 questions we'd ask the Board to address with regards to
2 how much control Mr. Weiss and his company have and
3 whether or not they were truly warrant being
4 coapplicants to this application.

5 10:30:24 Thank you.

6 MS. JEFFRIES: Good morning, Chairman
7 Olson and members of the Board. My name is Christine
8 Jeffries. I'm president of the Naperville Development
9 Partnership. At the last meeting Mayor Pradel was here
10 10:30:38 to speak with you. Due to a family illness he's unable
11 to attend today.

12 Transitional Care Management was issued a
13 certificate of need in 2011 for a new facility in
14 Naperville at Arbiter and Diehl Roads. Due to a zoning
15 10:30:53 conflict with the City's comprehensive plan, the City
16 could not support the proposed use at that location.
17 At the request and the encouragement of the City,
18 Transitional Care Management worked with our City's
19 planning department to identify a new site in
20 10:31:09 Naperville and Mill and Commerce Drive. The new site
21 has the endorsement of the transportation, engineering,
22 and development departments and is compliant with the
23 City's future land use plan.

24 We would hope that the Transitional Care

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1 Management would not be penalized for their compliance
2 with the City's zoning request by moving to this new
3 site. Therefore, we respectfully request the approval
4 of the Illinois Health Facilities Board for a
5 10:31:34 certificate of need for Transitional Care Management
6 for their new location in Naperville.

7 CHAIRPERSON OLSON: Thank you.

8 MEMBER GALASSI: Madam Chair, under full
9 disclosure and sitting next to counsel, can I just note
10 10:31:51 that Ms. Jeffries gave me a pen this morning.

11 MS. JEFFRIES: Shameless self-promotion.
12 I apologize for that.

13 MR. URSO: You'll have to be terminated.

14 MEMBER GALASSI: We have one other
15 10:32:05 individual who signed up to speak, Mr. Alios, but had
16 not -- he submitted his name to speak, but I don't
17 think he's here, Madam Chair.

18 CHAIRPERSON OLSON: Thank you. That
19 will conclude the public participation portion of the
20 10:32:19 meeting. I next will move on to postpermit items
21 approved by the chairman.

22 Mr. Constantino.

23 MR. CONSTANTINO: Thank you,
24 Madam Chairwoman.

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APOLLO HEALTH CENTER DES PLAINES**

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1 The applicants are requesting a six-month
2 permit renewal from January 31st, 2014, to July 31st,
3 2014. This is the second permit renewal request for
4 this applicant. The reason for the request is they're
5 10:34:37 waiting on the licensure survey to be performed.

6 Thank you, Madam Chairwoman.

7 CHAIRPERSON OLSON: Thank you.

8 Any comments from the Board?

9 MEMBER GALASSI: There's no opposition.

10 10:34:54 I would move to approve.

11 MEMBER SEWELL: Second.

12 MR. ROATE: Motion made by Mr. Galassi,
13 seconded by Mr. Sewell.

14 Mr. Bradley.

15 10:35:07 MEMBER BRADLEY: Yes.

16 MR. ROATE: Dr. Burden.

17 MEMBER BURDEN: Yes.

18 MR. ROATE: Senator Demuzio.

19 MEMBER DEMUZIO: Yes.

20 10:35:15 MR. ROATE: Mr. Galassi.

21 MEMBER GALASSI: Yes.

22 MR. ROATE: Justice Greiman.

23 MEMBER GREIMAN: Yes.

24 MR. ROATE: Mr. Sewell.

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1 MEMBER SEWELL: Yes.

2 MR. ROATE: Chairwoman Olson.

3 CHAIRPERSON OLSON: Yes.

4 MR. ROATE: Seven votes in the

5 10:35:31 affirmative.

6 CHAIRPERSON OLSON: Thank you. Motion
7 passes.

8 Next up is Victorian Village, Homer Glen,
9 permit renewal from February 28th to -- now seven
10 10:35:39 they're asking.

11 Please sign in and be sworn.

12 (Whereupon, the three witnesses
13 were thereupon duly sworn.)

14 CHAIRPERSON OLSON: State Board staff
15 10:36:15 report, Mr. Constantino.

16 MR. CONSTANTINO: Thank you,
17 Madam Chairwoman.

18 The permit holders are requesting a
19 seven-month permit renewal to September 30th, 2014.

20 10:36:26 This is the third permit renewal request for these
21 applicants. There was no opposition to this project.

22 Thank you, Madam Chairwoman.

23 CHAIRPERSON OLSON: I just want to make
24 one note here. I do appreciate -- we actually had

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1 premeeting discussed whether or not five months was
2 enough. So I appreciate you coming back with a
3 seven-month request.

4 I have one question. Is this -- are these
5 10:36:49 just ICFS beds or --

6 MR. OURTH: These are skilled beds --

7 CHAIRPERSON OLSON: Skilled.

8 MR. OURTH: -- that are on an existing
9 campus, retirement campus.

10 10:36:58 CHAIRPERSON OLSON: Any other questions
11 from Board members?

12 MEMBER GALASSI: Madam Chair, as there
13 is no opposition and no one here to speak against it in
14 public participation, I would move to approve.

15 10:37:08 MEMBER BRADLEY: Second.

16 CHAIRPERSON OLSON: Motion and seconded.

17 MR. ROATE: Motion made by Mr. Galassi,
18 seconded by Mr. Bradley.

19 Mr. Bradley.

20 10:37:16 MEMBER BRADLEY: Yes.

21 MR. ROATE: Dr. Burden.

22 MEMBER BURDEN: Yes.

23 MR. ROATE: Senator Demuzio.

24 MEMBER DEMUZIO: Yes.

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PRAIRIE SURGICENTER ASSOCIATES**

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1 MR. ROATE: Justice Greiman.
2 MEMBER GREIMAN: Yes.
3 MR. ROATE: Mr. Galassi.
4 MEMBER GALASSI: Yes, because it's a
5 10:37:25 reasonable time request.
6 MR. ROATE: Mr. Sewell.
7 MEMBER SEWELL: Yes, for the reasons
8 stated.
9 MR. ROATE: Madam Chairwoman Olson.
10 10:37:31 CHAIRPERSON OLSON: Yes, for the reasons
11 stated.
12 MR. ROATE: Seven votes in the
13 affirmative.
14 CHAIRPERSON OLSON: Next, we have change
15 10:37:42 in ownership request, Prairie Surgicenter Associates.
16 Thank you, gentlemen.
17 Please sign in and be sworn in.
18 (Whereupon, the two witnesses were
19 thereupon duly sworn.)
20 10:38:21 CHAIRPERSON OLSON: State Board staff
21 report, please, Mr. Constantino.
22 MR. CONSTANTINO: Thank you,
23 Madam Chairwoman.
24 The applicant, St. John's Hospital of the

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PRAIRIE SURGICENTER ASSOCIATES**

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1 Hospital Sisters of the Third Order of St. Francis,
2 Hospital Sisters Health System, and Hospital Sisters
3 Services, Inc., are proposing to purchase a limited
4 specialty ambulatory surgical treatment center in
5 10:38:42 Springfield, Illinois.

6 There was no opposition to this project, no
7 public hearing was requested, and they've met all the
8 requirements of the State Board.

9 Thank you, Madam Chairwoman.

10 10:38:52 CHAIRPERSON OLSON: Any questions from
11 the Board?

12 MEMBER BURDEN: I have one.

13 CHAIRPERSON OLSON: Okay.

14 MEMBER BURDEN: I find it interesting
15 10:38:58 only that the community in Springfield, having noted on
16 prior applications that the hospitals in Springfield
17 have Medicaid percentages greater than 1.1 percent and
18 they also take charity care. I'm commenting. We have
19 no regulation that requires essentially an ambulatory
20 10:39:25 treatment center to do either one but it's my moral
21 reaction to 1.1 Medicaid percentage treated as net
22 revenue payor source and no charity care.

23 I find that for one, from a hospital point of
24 view I can certainly understand why they want to buy

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1 it, but as a member of this Board, I find it hopeful
2 that maybe the new owners might be more respectful to
3 Medicaid patients obtaining treatment at this center
4 since the ownership has changed.

5 10:39:58 That's an observation as a practicing
6 physician, and I presume since it's a religious
7 affiliation there will be some concern given to that
8 objection that I have.

9 But having noted this, that's my comment.

10 10:40:14 CHAIRPERSON OLSON: Well said. Thank
11 you and I totally agree.

12 Any other questions or comments?

13 (No response.)

14 CHAIRPERSON OLSON: There being none,
15 10:40:20 I'll entertain a motion to approve.

16 MEMBER DEMUZIO: Motion.

17 CHAIRPERSON OLSON: I'm sorry; would you
18 like to make a presentation?

19 MR. RAGEL: If I can briefly comment.

20 10:40:33 My name is Larry Ragel. I'm the chief
21 financial officer for St. John's Hospital. To my right
22 is Mark Swearingen as counsel for St. John's along
23 with me.

24 A comment regarding payor mix. St. John's has

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1 a Medicaid payor mix that is in excess of 17 percent,
2 on the outpatient side greater than that. And one of
3 the reasons we are interested in this facility is to
4 ensure that we provide access to all regardless of
5 10:41:02 their ability to pay.

6 CHAIRPERSON OLSON: Thank you. I don't
7 mean to rush so fast but we all -- if you'd like to
8 speak, please just speak up and let us know you have
9 comments.

10 10:41:15 Any other questions or comments from
11 the Board?

12 MEMBER GALASSI: Motion to approve.

13 MEMBER BRADLEY: Second.

14 CHAIRPERSON OLSON: We already have a
15 10:41:23 motion.

16 MEMBER GALASSI: I'm sorry.

17 MR. ROATE: Motion made by Senator
18 Demuzio, seconded by Mr. Bradley.

19 Mr. Bradley.

20 10:41:33 MEMBER BRADLEY: Since they've met all
21 our requirements, I vote yes.

22 MR. ROATE: Dr. Burden.

23 MEMBER BURDEN: Yes, for the reasons I
24 previously stated.

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1 MR. ROATE: Senator Demuzio.
2 MEMBER DEMUZIO: Yes.
3 MR. ROATE: Justice Greiman.
4 MEMBER GREIMAN: Yes.
5 10:41:47 MR. ROATE: Mr. Galassi.
6 MEMBER GALASSI: Yes, for reasons
7 stated.
8 MR. ROATE: Mr. Sewell.
9 MEMBER SEWELL: Yes, for reasons stated.
10 10:41:55 MR. ROATE: Madam Chair Olson.
11 CHAIRPERSON OLSON: Yes, also for the
12 reasons stated.
13 MR. ROATE: Seven votes in the
14 affirmative. Thank you.
15 10:42:02 CHAIRPERSON OLSON: Motion passes.
16 MEMBER GALASSI: Madam Chair, I just
17 wanted to reinforce in terms of procedure, for the
18 applicants coming in front of us that are meeting all
19 of our requirements and staff has acknowledged that
20 10:42:15 there's no opposition and no public comment against it,
21 though they certainly always have a right to give a
22 comment, but I support your willingness to move forward
23 for all of our sakes.
24 CHAIRPERSON OLSON: Thank you.

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RIVERSIDE MEDICAL CENTER KANKAKEE**

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1 that we're looking for alternative ways to use our
2 existing facilities. We think the good news is that
3 there are fewer needs for pediatric hospitalizations
4 these days as a result of wellness programs, preventive
5 10:43:53 care, the great advances that we have. So it's really
6 a good news situation that we actually don't need that
7 unit for that level of care as in the past.

8 What we'd like to do is to employ those beds
9 now for other uses, med/surg private rooms where we
10 10:44:08 have more need. So we feel it's an effective and
11 efficient way to use our resources. And we would
12 welcome any questions and request approval.

13 CHAIRPERSON OLSON: Questions?

14 MEMBER GALASSI: A question for staff.

15 10:44:17 Mike, if they wish to reutilize those beds for other
16 purposes as she stated, they would have to come back to
17 the Board.

18 MR. CONSTANTINO: No, unless they add
19 beds. Well, under the 10 percent/20-bed rule they
20 10:44:32 wouldn't have to even come back to the Board for
21 approval.

22 MEMBER GREIMAN: You're saying they
23 would not have to come back?

24 MR. CONSTANTINO: No, sir. Under the

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RIVERSIDE MEDICAL CENTER KANKAKEE**

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1 10 percent/20-bed rule they would not have to come back
2 to the Board. They can do that just by --

3 MEMBER GREIMAN: So they can use this
4 for any purpose then?

5 10:44:45 MR. CONSTANTINO: Yes. They would have
6 to notify us of the beds which they are changing, and
7 that would require a letter to us, but they would not
8 have to come back before the Board. They're not
9 establishing a new bed service.

10 10:44:59 MEMBER GREIMAN: I see.

11 What are your plans for the property?

12 MS. FROGGE: For the beds? We'll
13 actually decrease our inventory of beds by 18 beds.

14 MEMBER GALASSI: But you mentioned you
15 10:45:13 might want to use them to for another purpose.

16 MS. FROGGE: The facility where we have
17 the pediatric unit -- I'm sorry; I may have misspoken.
18 The physical facility where we have the pediatric unit,
19 now that we would not have a dedicated pediatric unit
20 10:45:26 we would redeploy that physical space for more med/surg
21 patients spread out in private rooms.

22 MEMBER GREIMAN: That's what --

23 MS. FROGGE: I'm sorry.

24 MEMBER GALASSI: That's okay.

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RIVERSIDE MEDICAL CENTER KANKAKEE**

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1 CHAIRPERSON OLSON: Okay. May I have a
2 motion to approve.
3 MEMBER GREIMAN: So moved.
4 MEMBER BURDEN: Second.
5 10:45:47 MR. ROATE: Motion made by Justice
6 Greiman, seconded by Dr. Burden.
7 Mr. Bradley.
8 MEMBER BRADLEY: Since the Board staff
9 report says they are in conformance with all of our
10 10:46:01 requirements, I vote yes.
11 MR. ROATE: Thank you. Dr. Burden.
12 MEMBER BURDEN: I vote yes based on the
13 Board staff recommendation.
14 MR. ROATE: Senator Demuzio.
15 10:46:18 MEMBER DEMUZIO: Yes, with the
16 recommendation of the Board staff.
17 MR. ROATE: Justice Greiman.
18 MEMBER GREIMAN: I also follow the
19 recommendation of the Board staff.
20 10:46:30 MR. ROATE: Mr. Galassi.
21 MEMBER GALASSI: Yes, for reasons stated.
22 MR. ROATE: Mr. Sewell.
23 MEMBER SEWELL: Yes, for reasons stated.
24 MR. ROATE: Madam Chair Olson.

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DA VITA MARYVILLE DIALYSIS**

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1 CHAIRPERSON OLSON: Yes, for all the
2 reasons stated.

3 MR. ROATE: Seven votes in the
4 affirmative.

5 10:46:45 CHAIRPERSON OLSON: Motion passes.

6 MS. FROGGE: Thank you.

7 CHAIRPERSON OLSON: Thank you.

8 Again, St. Mary's Hospital in Decatur has
9 withdrawn their application, so we'll move on to DaVita
10 10:46:52 Maryville Dialysis in Maryville.

11 Is there anyone here from DaVita representing
12 this project? Oh, here they are.

13 (Whereupon, the two witnesses were
14 thereupon duly sworn.)

15 10:47:47 CHAIRPERSON OLSON: Since we do have
16 findings here, we will have the State Board staff
17 report to address the Board -- oh, no, I'm wrong.
18 I'm sorry.

19 MR. SHEETS: We're in compliance.

20 10:48:03 CHAIRPERSON OLSON: You've got to
21 correct me if I'm wrong.

22 State Board staff report.

23 MR. CONSTANTINO: Thank you, Madam

24 Chairwoman.

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DA VITA MARYVILLE DIALYSIS

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1 The applicants, DaVita Health Care Partners,
2 Inc., and Renal Treatment Centers Illinois, Inc., are
3 proposing to discontinue an existing 12-station ESRD
4 facility in Maryville, Illinois, and to establish a
5 12-station ESRD facility less than 1 mile away. The
6 approximate cost of the project is \$2.6 million. There
7 were no findings; no request for a public hearing;
8 they're in compliance with all the State board rules.

9 Thank you, Madam Chairwoman.

10 10:48:39 CHAIRPERSON OLSON: I have one question.
11 Where is Maryville?

12 MS. ABERNATHY: About 20 minutes east of
13 St. Louis.

14 CHAIRPERSON OLSON: Oh, okay. Did you
15 10:48:48 drive all the way up here?

16 MS. ABERNATHY: We did.

17 CHAIRPERSON OLSON: Other questions or
18 comments from the Board?

19 (No response.)

20 10:48:51 CHAIRPERSON OLSON: Do you have comments
21 you'd like to share?

22 MR. SHEETS: No, we don't, Madam Chair.
23 I have Jill Abernathy here, who is the current
24 administrator and will answer any questions you have.

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DA VITA MARYVILLE DIALYSIS**

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1 CHAIRPERSON OLSON: Seeing no questions,
2 I will entertain a motion to approve Maryville Dialysis
3 to establish a 12-station ESRD facility in Maryville.
4 MEMBER SEWELL: So moved.
5 10:49:10 MEMBER DEMUZIO: Second.
6 MR. ROATE: Motion made by Mr. Sewell,
7 seconded by Senator Demuzio.
8 Mr. Bradley.
9 MEMBER BRADLEY: Since there are no
10 10:49:20 findings and they're in compliance with our rules, I
11 vote yes.
12 MR. ROATE: Dr. Burden.
13 MEMBER BURDEN: I vote yes based on the
14 prior recommendation.
15 10:49:29 MR. ROATE: Senator Demuzio.
16 MEMBER DEMUZIO: Yes, as stated, as well.
17 MR. ROATE: Justice Greiman.
18 MEMBER GREIMAN: Aye.
19 MR. ROATE: Mr. Galassi.
20 10:49:39 MEMBER GALASSI: Yes, for reasons stated.
21 MR. ROATE: Mr. Sewell.
22 MEMBER SEWELL: Yes, reasons stated.
23 MR. ROATE: Madam Chair Olson.
24 CHAIRPERSON OLSON: Yes, based on the

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LUTHER OAKS, INC.**

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1 State Board staff's positive findings.

2 MR. ROATE: Motion passes in the
3 affirmative.

4 CHAIRPERSON OLSON: Motion passes.

5 10:49:52 MR. SHEETS: Thank you very much.

6 CHAIRPERSON OLSON: Okay. Now we will
7 call to the table you folks in Bloomington and there
8 were some findings. I was skipping DaVi ta.

9 (Whereupon, the four witnesses
10 10:50:35 were thereupon duly sworn.)

11 CHAIRPERSON OLSON: Mr. Constantino, the
12 State Board staff report.

13 MR. CONSTANTINO: Thank you,
14 Madam Chairwoman.

15 10:50:40 The applicants are proposing to establish an
16 18-bed long-term care facility under the CCRC variance.
17 The approximate cost the project is \$7.5 million, and
18 there were findings on this project. There was no
19 public hearing requested.

20 10:50:53 Thank you, Madam Chairwoman.

21 CHAIRPERSON OLSON: Comments for the
22 Board?

23 Good morning.

24 MR. HOLBROOK: Good morning, members of

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LUTHER OAKS, INC.**

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1 the Board and staff. My name is Jim Holbrook. I'm the
2 chief operating officer for Lutheran Life Ministries,
3 the sole corporate parent of Luther Oaks. I'm here
4 today to request the Illinois Health Facilities and
5 10:51:15 Services Review Board to approve our application for a
6 new 18-bed skilled nursing facility in Bloomington,
7 Illinois, under the CCRC variance.

8 We previously appeared before you last year
9 seeking approval of a 36-bed facility skilled nursing
10 10:51:30 facility that would admit individuals from the local
11 community. We took your recommendations seriously and
12 are here today with a new revised project implementing
13 your recommendations that we consider a project under
14 the CCRC variance. I would like to take this
15 10:51:44 opportunity to briefly describe the new project.

16 The new skilled nursing facility will be
17 located on the campus of Luther Oaks and will be made
18 available only to the Luther Oaks residents. Luther
19 Oaks opened in 2007 with 90 independent living and
20 10:51:58 58 assisted living units. Our intent has always been
21 for Luther Oaks to be a full-service continuing care
22 retirement community providing the full spectrum of
23 services from independent living to skilled nursing
24 services.

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1 We phased the project so that the independent
2 living and assisted living units were constructed first
3 and reached 90 percent occupancy prior to seeking
4 approval to construct the skilled nursing component on
5 our campus. By phasing the campus in in this fashion,
6 we did not run the risk of having skilled nursing beds
7 stand empty until our residents aged in place to the
8 point where they required such care.

9 Luther Oaks is a not-for-profit community and
10 is part of Lutheran Life Community system which
11 provides not-for-profit senior living services
12 throughout the system. Our mission is empower vibrant
13 grace-filled living across all generations. While the
14 project is very modest in size, it will have a large
15 impact on our existing and future residents.

16 The new facility will be intentionally
17 designed to facilitate a person-centered health care
18 delivery model, which means that the environment in the
19 facility is as homelike as possible, and the residents
20 have significantly more control over important aspects
21 of their care.

22 The new facility will have private rooms with
23 private bathrooms, including private showers for all of
24 our residents, thus enhancing resident privacy,

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1 dignity, and quality of care. The proposed facility
2 will consist of an 18-bed skilled nursing neighborhood
3 composed of two wings with 9 beds each. One wing will
4 focus on memory care, and the other wing will be
5 10:53:31 dedicated to short-term rehabilitation and long-term
6 care needs. Each wing will be designed with homelike
7 furnishings and will have a dining area and space for
8 activities which will permit residents to gather, to
9 dine and socialize. The wings will be connected by a
10 10:53:45 central entrance and common area.

11 The addition of the new skilled nursing
12 facility is critical to the economic viability of
13 Luther Oaks. The existing residents expect to be able
14 to receive skilled care on our campus so that they can
15 10:53:58 be with their spouse or support network during health
16 changes. If skilled care is not added, Luther Oaks
17 will lose current residents and potential new
18 residents. Many people will be deterred from paying
19 entrance fees to move into a unit in the future if
20 10:54:14 Luther Oaks does not have skilled care on its campus.

21 I would like to take a few moments to address
22 the two negative findings in the staff report.

23 Luther Oaks and Lutheran Life Ministries
24 received a negative finding on financial viability.

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1 Luther Oaks is part of Lutheran Life Communities system
2 which currently operates three other senior living
3 communities in Illinois, including The Lutheran Home in
4 Arlington Heights which was founded in 1892.

5 10:54:39 Our system is financially strong, having
6 successfully completed expansions, modernizations, and
7 renovations at each of our campuses over the past seven
8 years. These projects allow us to provide our
9 residents with exceptional care and state-of-the-art
10 10:54:54 facilities that are designed to have a homelike feel
11 across all of our campuses. This type of care model is
12 the expectation and demand of our consumers as
13 evidenced by our over 90 percent average occupancy at
14 our Illinois communities this last fiscal year.

15 10:55:10 We also received a negative finding on the
16 reasonableness of project cost with respect to site
17 preparation. Primary reason for exceeding the State's
18 standard is the topography of the location requires
19 Luther Oaks to purchase and bring into the site large
20 10:55:27 amounts of fill to grade and prepare the land for
21 construction. A member of our construction team is
22 here today and can address any specific questions
23 regarding this issue.

24 We are incredibly excited about the

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1 opportunity to provide skilled nursing services to the
2 residents of Luther Oaks. Thank you for the
3 opportunity to be here today, and we are happy to
4 answer any of your questions.

5 10:55:49 CHAIRPERSON OLSON: Questions from Board
6 members?

7 MEMBER SEWELL: Thank you very much.
8 I need a little more on the financial
9 viability. Your response really mentioned how long you
10 10:56:02 were in business and that there were other operatives
11 of the corporate setup and modern facilities, but some
12 of these financial ratios are off, and I wanted to hear
13 what you have to say about that.

14 MR. MOELLENKAMP: Sure. My name is
15 10:56:19 Carl Moellenkamp, M-o-e-l-l-e-n-k-a-m-p. I am the
16 chief financial officer for Lutheran Life Ministries,
17 including Luther Oaks.

18 The ratios in general are off due to, again,
19 the modernization and the upkeep of the communities
20 10:56:39 that we have. As we do that, additional capital is
21 incurred, additional debt is incurred to really
22 position these for the next 30 years in terms of being
23 able to really serve and appropriately house the
24 seniors that we care for.

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1 Those in many cases have depreciation expense
2 which becomes a large number on the books, which is not
3 a cash item and doesn't have to be funded at the very
4 beginning. It's simply an accounting issue that does
5 10:57:09 have opportunity in the future to be funded, but that
6 causes some of the ratios with what we've done recently
7 to be off from where things are.

8 Many of the ratios are fairly close, and they
9 will continue to improve. Again, with the 90 percent
10 10:57:26 plus occupancy that we have, we're continuing to see
11 improvement in all of these ratios as we move forward.

12 MEMBER SEWELL: Have you projected these
13 beyond 2017, and do you know when you project that they
14 would be in line with the State standards?

15 10:57:47 MR. MOELLENKAMP: Yes. In general,
16 we've projected for our entire organization through a
17 special tool that we use in conjunction with one of our
18 consultants CliftonLarsonAllen out 10 years. We look
19 out 10 years as to where things are moving, and we meet
20 10:58:02 all the standards after five to seven years depending
21 on which different strategies we have and what our
22 assumptions are. So typically within five years we're
23 going to meet all of the State standards.

24 CHAIRPERSON OLSON: Other questions or

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1 comments?

2 MEMBER BURDEN: Just a comment since as
3 a retired neurologist I certainly have concerns for
4 patients that have, quote/unquote, shy bladders. Do
5 10:58:31 you feel that this application will solve the problem
6 of urologic need in your home to prevent the need for
7 unnecessary catheterization, bringing with it a
8 probable urinary tract infection, et cetera? I'm
9 somewhat tongue in cheek with that request, but I find
10 10:58:49 it an issue for an old plumber like myself.

11 MR. HOLBROOK: Absolutely. Part of the
12 reason for the private rooms, private washrooms,
13 private showers is to guard against that spread of
14 infection. So that's definitely our goal.

15 10:59:13 MR. CARVALHO: Madam Chair, there was
16 only one feature of the application and the testimony
17 that was a little troubling, and that was during the
18 public comment period one of the residents indicated
19 that it had been very, very important to him in
20 10:59:26 selecting a home that there be a nursing home
21 component, but you don't have one and you did have one.
22 So what in your marketing materials would have led that
23 gentleman to believe that you had one if that was
24 important criteria for him in selecting a home?

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1 MR. HOLBROOK: It had always been the
2 goal for Luther Oaks to have skilled nursing care on
3 the campus. As I said, we wanted to reach a stabilized
4 occupancy of 90-plus percent, and we did share that
5 10:59:55 with our residents as we were signing them up to come
6 live at Luther Oaks. And we had an alternative plan
7 and referral agreement with other nursing facilities in
8 the area to care for them in the event that they would
9 need nursing care before that time came.

10 11:00:08 Our fill-up was a little bit slower than we
11 had expected, mainly because of the economic downturn.
12 So we started fill-up on this project right in the
13 midst of that time frame, and it took longer than we
14 had anticipated to get to the point where we had
15 11:00:24 90 percent occupancy.

16 We reached that goal and we proceeded with
17 the plans to build skilled care at that time.

18 CHAIRPERSON OLSON: Does the Board have
19 any inclination to ask Luther Oaks to come back at any
20 11:00:38 set period of time to share with us any of their
21 financials to see if they're on track to meet those, or
22 are we comfortable with Mr. Moellenkamp's explanation?

23 Questions?

24 (No response.)

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1 CHAIRPERSON OLSON: We're all good with
2 that? Okay.

3 Anything else?

4 (No response.)

5 11:00:56 CHAIRPERSON OLSON: May I have a motion
6 to approve Luther Oaks, Incorporated, request to
7 establish 18-bed long-term care facility under the CCRC
8 variance?

9 MEMBER GALASSI: So moved.

10 11:01:06 MEMBER DEMUZIO: Second.

11 MR. ROATE: Motion made by Mr. Galassi,
12 seconded by Senator Demuzio.

13 Mr. Bradley.

14 MEMBER BRADLEY: I think this is a much
15 11:01:21 better application than you all brought to us before,
16 and I appreciate you listening to us. You only have
17 two items that are mentioned here, and I think you have
18 addressed those items sufficiently and, therefore, I
19 vote yes.

20 11:01:33 MR. ROATE: Thank you.

21 Dr. Burden.

22 MEMBER BURDEN: I vote yes for the
23 aforementioned reasons.

24 MR. ROATE: Thank you.

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1 Senator Demuzio.

2 MEMBER DEMUZIO: Yes, as stated
3 previously. Thank you.

4 MR. ROATE: Thank you.

5 11:01:47 Justice Greiman.

6 MEMBER GREIMAN: Yes. I vote yes, also
7 for the reasons expressed, and particularly the
8 addition of material that we suggested being added.

9 MR. ROATE: Mr. Galassi.

10 11:02:01 MEMBER GALASSI: Yes. For the comments
11 very well articulated.

12 MR. ROATE: Mr. Sewell.

13 MEMBER SEWELL: I vote no, failure to
14 meet the financial viability standards.

15 11:02:11 MR. ROATE: Thank you, sir.

16 Madam Chair Olson.

17 CHAIRPERSON OLSON: I vote yes for the
18 reasons stated.

19 MR. ROATE: That's six notes in the
20 11:02:20 affirmative, one vote in the negative.

21 MR. HOLBROOK: Thank you very much.

22 MR. MOELLENKAMP: Thank you.

23 CHAIRPERSON OLSON: It is 11:05. Can I
24 ask that we take a 10-minute break so I don't have a

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1 shy bladder? Ten minutes, so we will be back at 11:15.

2 (Recess taken, 11:05 a.m. to
3 11:15 a.m.)

4 CHAIRPERSON OLSON: Next, we have
5 11:14:20 Transitional Care Center of Naperville in Naperville,
6 Illinois. If you could please come to the table.

7 (Whereupon, the witnesses were
8 thereupon duly sworn.)

9 CHAIRPERSON OLSON: Mr. Constantino,
10 11:15:08 State Board staff report.

11 MR. CONSTANTINO: Thank you,
12 Madam Chairwoman.

13 The applicants are proposing to establish a
14 120-bed skilled nursing facility in approximately
15 11:15:18 68,000 gross square feet of space. The total cost of
16 the project is \$18.7 million. The project completion
17 date is November 30th, 2015.

18 This application received an intent to deny
19 at the November 5th meeting. Additional information
20 11:15:34 was submitted on December 11th and January 13th, 2014.

21 I would like to make a comment regarding the
22 relinquishment of the original permit for this project.
23 The applicants were in compliance with our rules. The
24 relinquishment and the fee for that relinquishment was

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1 submitted to the State agency. They are in compliance.

2 CHAIRPERSON OLSON: Thank you,
3 Mr. Constantino.

4 Comments for the Board.

5 11:16:00 MR. CLOCH: Sure. Good morning. My
6 name is Brian Cloch. Thank you for being here today
7 and lending your expertise to discover the merits of
8 this project. I also thank you in advance for giving
9 this project due consideration by recognizing up front
10 11:16:12 that this, much like our other two previously approved
11 Transitional Care projects is a square peg in a round
12 hole scenario that needs to be understood not only on
13 the standard merits but also on the special merits this
14 type of innovation presents to the current system.

15 11:16:25 I've worked in senior housing for the past
16 30 years. I've owned and operated subacute
17 rehabilitation skilled nursing facilities as well as
18 assisted-living and independent living senior housing.

19 As you may know, building purposeful built
20 11:16:39 transitional care has been a dream of mine since my
21 father-in-law rehabbed at a very nice, well-run nursing
22 home following hip replacement surgery in the summer of
23 2008. He had the finest in facilities, services, and
24 medical care and said, "Get me out of here." It was

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1 the best of the best, and he hated it because of the
2 institutional feel, the primary focus on long-term care
3 stay or population, poor quality of food, the lack of
4 amenities, the fact that he couldn't get a good night's
5 11:17:05 rest, and the fact that the shower was down the
6 hallway. I knew there needed to be a better way for my
7 father-in-law and his peers, so I researched it and
8 found out there was.

9 Transitional care is a successful model that
10 11:17:17 is happening all across the country. Illinois is just
11 a little slower to catch on. It addresses this
12 long-standing, untapped need to reform short-term
13 rehabilitation. Like the introduction of assisted
14 living 20 years ago and the introduction of supportive
15 11:17:29 living 10 years ago, stand-alone transitional care is
16 the next natural evolution for our health care
17 industry.

18 So let me tell you a little bit about
19 Naperville Transitional Care project. Transitional
20 11:17:40 Care Naperville is not another nursing home. Our goal
21 is to not build a nursing home, rather to reinvent
22 postacute experience.

23 As we prepared for our CON in Naperville in
24 the previous site, which the Board granted, we intended

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1 to create a new postacute delivery experience. I'm
2 sure that either you, or a friend, or a relative has
3 needed this level of care at some point in time. We
4 all know that the current options are not optimal.

5 11:18:02 Transitional Care of Naperville will offer
6 primarily private rooms with private baths, homelike
7 furnishings, comfortable accommodations for guests,
8 dining options, thoughtful conveniences to minimize
9 disruption and offer privacy, signature spa-like
10 11:18:17 amenities, a dedicated focus on a postacute care
11 rehabilitation as opposed to primarily a long-term care
12 focus. Transitional Care of Naperville will address
13 this specific and underserved need and offers a unique
14 and innovative alternative by helping control costs and
15 11:18:28 minimize the use of higher cost alternative caring
16 settings when they are not medically necessary.

17 There are several reasons why this project
18 should be approved. Let's first talk about need.

19 The majority of the facilities within
20 11:18:44 reasonable drive time boast very high occupancy
21 considering we are reporting on licensed beds, not
22 operating beds. Some of the transitional nursing homes
23 in the area follow targeted occupancy as reflected by
24 licensed beds, it's important to ask why.

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1 First of all, many of these licensed beds are
2 not full because they are not in service. The State's
3 occupancy calculations are based upon licensed beds,
4 not actual operating beds. However, financial
5 11:19:05 institutions are basing their financials and financing
6 decisions on operational beds. Many of those licensed
7 beds have been taken out of service because consumers
8 like you and I don't want a dual- or triple-occupancy
9 unit. They can't be occupied because they don't exist.

10 11:19:22 In reality when using operating or functional
11 beds as metrics, many of these facilities are fully or
12 near full occupancy. Of note is the fact that
13 oftentimes unoccupied licensed beds are located in
14 continuing care retirement communities that do not
15 11:19:36 accept admissions from the general market or are
16 facilities that choose not to accept Medicaid.

17 Reported utilization on all skilled beds,
18 including long-term and short-term, our experience
19 tells us that within this mix short-term utilization is
20 11:19:48 typically higher than long-term, and often communities
21 with low occupancy also have low quality ratings, and a
22 cause-and-effect relationship could be implied.

23 Two of the five facilities you heard from
24 today fall under this category. They have quality

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1 issues as reported in the CMS star ratings on the
2 Illinois Department of Public Health Web site.

3 On the matter of duplication of services, not
4 one area provider in the report, zero, offers
5 11:20:11 stand-alone purposeful -built specialized short-term
6 care. Actually, there is no duplication of services
7 because no one is offering short-term care in this
8 innovative manner. Rather, these existing traditional
9 nursing homes provide institutional model custodial
10 11:20:24 care for geriatric residents that is supplemented with
11 a small rehabilitation unit designed to capture
12 Medicare reimbursement when their internal residents
13 return from the hospital.

14 The existing inventory is primarily a
15 11:20:34 combination of old and neglected buildings and built
16 before 2000, some private and dual-occupancy rooms,
17 shared bathrooms, shared showers down the hall, and
18 small therapy rooms with outdated equipment. While
19 other finer medical facilities in the area have been
20 11:20:48 upgraded, postacute in the area by comparison in
21 general is antiquated.

22 The hospital itself does not offer these
23 services and no duplication there. The only
24 alternative to traditional primary custodial care

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1 environment is home care. The overwhelming majority of
2 these nursing homes primarily care for an older
3 population. Transitional Care of Naperville will
4 appeal to a broader range of patients who are being
5 discharged sicker and quicker from the hospital.

6 Transitional Care of Naperville will reach
7 people with needs that are not currently being met by
8 the existing nursing homes as evidenced by the latest
9 available data from CMS which shows 290 patients being
10 discharged post these services outside of the primary
11 market. People like my father-in-law people, people
12 like Dave Zinn, 49, who recently underwent cervical
13 spine surgery and wrote in support of Transitional Care
14 because he found that, "As a divorced single father, my
15 only option for care coming out of the hospital was a
16 nursing facility that had an elderly population."
17 People like hundreds of people who provided letters of
18 support for our transitional care concept who don't
19 want to share a room or walk down the hall to use a
20 bathroom or shower, God forbid they fall and break
21 their hip or need rehab, and people like the area
22 health care professionals who have supported our
23 projects in the past.

24 When all this is taken into consideration, it

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1 is clear that Transitional Care of Naperville is
2 targeting an undisturbed market. As such, existing
3 facilities do not meet the needs of this market and
4 will experience little impact.

5 11:22:11 And, finally, and most importantly in my
6 opinion, let's talk about quality. A vote for
7 Transitional Care is a vote for quality. Transitional
8 Care's specialized focus will enhance outcomes and
9 patient experiences. Transitional Care

10 11:22:22 nurse-to-resident ratio is much higher than traditional
11 nursing homes. Transitional Care will coordinate with
12 the area physicians and hospitals to offer critical
13 care pathways to address high-rehab and complex
14 care needs.

15 11:22:32 And, lastly, multiple studies show that a
16 healing design like that which Transitional Care
17 proposes can improve a patient's outlook on care,
18 increase patient satisfaction, and ultimately help
19 support a client's journey towards recovery.

20 11:22:45 Regulations related to room size and air quality
21 standards have changed drastically since 2000.

22 In summary, health care reform will change
23 our norm. Shorter length of stays and increase in
24 outpatient procedures will continue to result in

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1 discharging people sicker and quicker, thereby driving
2 an increased need for high-quality short-short,
3 high-acuity postacute.

4 Two of the four skilled facilities opposing
5 11:23:09 our project are rated two out of five stars. There is
6 desire on both the part of consumers and the health
7 care community to bring a new choice to the marketplace.

8 This is not a conversation about duplication
9 or maldistribution; it is a conversation about status
10 11:23:24 quo and innovation. None of the skilled nursing
11 facilities opposing our project has 100 private suites
12 or private bathrooms or private showers. At a time
13 when money is scarce, costs are soaring, and our nation
14 is aging, we need to explore cost effective
15 11:23:37 customer-centered, and innovative alternatives to the
16 health care's current status quo. Transitional Care of
17 Naperville will offer choice. It offers quality; it
18 offers cost savings.

19 Not one of the skilled facilities opposing
20 11:23:47 our project are in the top two discharge locations for
21 Edward Hospital. Edward currently enjoys zero
22 penalties on readmission rates, and clearly they are
23 going outside of the market to achieve this.

24 Transitional care is the model of the future.

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1 Hospitals know it, doctors know it, insurance knows it,
2 and patients want it. Please vote in favor of bringing
3 innovation to Naperville.

4 Thank you.

5 11:24:09 MS. NORMAN: Good morning. My name is
6 Denise Norman; D-e-n-i-s-e, N-o-r-m-a-n.

7 I'm here as the president of Transitional
8 Care Management but also as a granddaughter. I have a
9 personal experience to share.

10 11:24:20 My grandfather, who is 90 years old, was
11 recently admitted to Hinsdale Hospital February 4th.
12 We were told that he would need a few days in the
13 hospital and then a rehab stay of two weeks. I
14 proceeded with my Mom and my aunts to start pursuing a
15 location for him to transfer to.

16 To give you an a little background, my
17 grandfather lives alone in a condominium in Downers
18 Grove. He still drives a car, does all his own
19 laundry, cooks his own meals, and does his own
20 11:24:45 shopping.

21 Our preference was to find a place where he
22 could have a private room, he could have a private
23 toilet and shower, maintain his dignity, and have a lot
24 of therapy.

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1 We toured facilities in Downers Grove,
2 Westmont, Willowbrook, and Burr Ridge. None of them
3 had private rooms with private toilets; none of them
4 had private showers; none of them had a nursing
5 11:25:05 staffing ratio of less than 1 to 20.

6 Since none of these were close to acceptable,
7 we received a list from the hospital of three locations
8 of facilities in Naperville. Unfortunately, only one
9 of those had private rooms that were 11 by 11 in size
10 11:25:18 but no private toilets or showers for my grandfather.

11 Overall, working in the industry the entire
12 experience left me heartbroken for my grandfather and
13 my family. I've been a physical assistant for 22 years
14 in skilled nursing. The 11 centers that we toured all
15 11:25:33 showed that they cared about their residents and had
16 family and community involvement. A few centers had
17 separate wings, floors, or areas for their rehab or
18 short-term-stay patients and made a great effort to
19 provide another level of care. However, we had a very
20 11:25:45 hard time finding a place for Grandpa that was not
21 geared towards long-term care.

22 Our preference was for a private room, private
23 toilet, private shower. Not one of the 11 offered an
24 environment for short-term only; not one of the

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1 11 offered private rooms with a private toilet and a
2 private shower; not one of the 11 offered therapy gym
3 space larger than the dining room. Our greatest fear,
4 my grandfather not having a great experience. Like I
5 11:26:10 said, he's 90 years old. His health is not going to
6 get better. It could be a month from now; it could be
7 three years from now; he may need this care again, and
8 we want him to have a good experience.

9 We wanted a private -- a preference of a
10 11:26:21 private room; we had a preference of a private bathroom
11 and shower in his room; we wanted therapy as part of
12 the main feature of his stay; we wanted a personalized
13 plan for him. We wanted all of this for my
14 grandfather, and with two days and 11 visits to skilled
15 11:26:36 nursing and rehab centers covering six towns we still
16 did not find it.

17 We need innovation. Neither my grandfather
18 nor any one of us wants what's available in the market
19 today. We need innovation.

20 11:26:47 Thank you.

21 CHAIRPERSON OLSON: Thank you. Other
22 comments for the Board?

23 (No response.)

24 CHAIRPERSON OLSON: Questions from the

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1 Board members?

2 (No response.)

3 CHAIRPERSON OLSON: I actually -- I just
4 kind of went over this because I've been on record and
5 11:27:01 I will stay on record as believing in this project, and
6 I do believe it is a square peg in a round hole.

7 So I kind of did some in-depth research on
8 the facilities that are not at target occupancy, and
9 what I came up with based on the chart in the packet
10 11:27:16 was that eight of these facilities, their occupancy was
11 either N/A or less than 1 percent. So I'm assuming
12 that they're not open, and Mike went through some of
13 those with me. Eighteen of them have an occupancy of
14 over 80 percent, and seven to 70 to 80 percent.

15 11:27:31 So that's 33 of the 37 facilities that it
16 would seem to me would meet what you're saying, there
17 is no space particularly for the kind of patient who is
18 looking for the amenities that you are looking for.

19 So I do believe that the financials were
20 11:27:48 addressed, and of the negative findings -- that was one
21 negative finding. The other negative findings were all
22 based on the fact that there was excess capacity and
23 maldistribution in physical therapy.

24 So that's just my comment, and I do believe

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1 this applicant did what we asked them to do; they went
2 back and relinquished their permit on the other site.

3 Other questions?

4 MEMBER BURDEN: You suggesting that the
5 11:28:14 data that we have in front of us is flawed, the State
6 agency report?

7 CHAIRPERSON OLSON: No. I'm just
8 reiterating exactly what it says.

9 MEMBER BURDEN: You've done far more
10 11:28:26 than probably what I did, go back and go over the exact
11 details of all -- and this represents an unusual
12 reaction on my part to say to you you've done your
13 homework. I certainly didn't go and review --

14 CHAIRPERSON OLSON: I don't sleep well
15 11:28:41 at night.

16 MEMBER BURDEN: I could sleep better
17 than you do.

18 But it dissipates some of the data that we
19 are presented with. And, certainly, some of the
20 11:28:51 conclusions the State Board standards to me are met are
21 to some degree flawed. Now, is that what your comment
22 means or are there other --

23 CHAIRPERSON OLSON: No. Because it is
24 accurate that 37 of the 47 facilities are not at the

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1 target occupancy. I'm just pointing out that there's
2 many, many that were close. Now of the ones that are
3 zero or N/A.

4 MR. CONSTANTINO: They're new entities;
5 11:29:15 they're new facilities.

6 CHAIRPERSON OLSON: Some of them were
7 not open when we went over it, and some of them were
8 not really accepting -- they only accepted a certain
9 patient -- I'm trying to find the page -- only accepted
10 11:29:26 a certain patient population.

11 MEMBER BURDEN: Well, what I suggest is
12 that if this becomes a standard -- in other words, that
13 we look at the State report and question the validity
14 of the State Board standard, it makes it very difficult
15 11:29:40 to have a standard that's going to be consistent.

16 CHAIRPERSON OLSON: You're
17 misunderstanding me. I'm not questioning at all the
18 validity. It says exactly what it says. I just went
19 and drilled it down, and there's so many between 70 and
20 11:29:52 80 percent -- our target occupancy is 90 percent, so
21 they're not meeting target occupancy.

22 I'm just pointing out that there's 18 at over
23 80 percent and 7 at between 70 and 80 percent. The
24 Board's report is absolutely correct. I'm just

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1 pointing out that there's many, many that are very
2 close to, and there's a 45 bed-need in the area.

3 And I also take issue with the fact that we
4 have a huge gap between licensed beds and beds that can
5 11:30:22 actually be used, and I think that's a situation that
6 the nursing home industry created themselves, and so I
7 think they need to live with that issue that they
8 created.

9 I think the State Board staff report is
10 11:30:36 absolutely correct. I'm just pointing out that if you
11 look closely at the data that there are many facilities
12 that are very close to meeting that. That's just my
13 opinion. I'm sure there's others on the Board.

14 Other comments or questions?

15 11:30:52 MEMBER BRADLEY: I have a question.

16 Does any of the staff know -- there's a place
17 in Springfield called The Bridge. Is this a similar
18 proposed --

19 MR. CONSTANTINO: I believe it is, yes.

20 11:31:06 MR. CLOCH: Yes. We're familiar with
21 that project.

22 MR. URSO: Did you want to elaborate on
23 what this is so the other Board members are in the loop?

24 MEMBER GALASSI: I assume it's

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1 comparable to what you're suggesting here.

2 MEMBER BRADLEY: Yes, it is.

3 Let me just tell you I have a friend who is
4 77. She's very independent, lives alone, and has done
5 11:31:29 so for a very long time, is having hip problems, and is
6 probably going to have surgery, and this is the first I
7 knew of The Bridge. Her physician recommended that she
8 go there after surgery, and as a result I looked at the
9 place and I was very impressed. But it's not a long
10 11:31:53 term-care facility, and what I think we're looking at
11 here is a set of criteria that in every instance apply
12 to term-care facilities.

13 So we have innovation coming to us because of
14 changes in health care, because the length of people
15 11:32:13 being able to stay independent, and I think we need to
16 address our criteria at some point to take into account
17 this innovation for what I think is a changing
18 lifestyle in this country.

19 MEMBER BURDEN: Madam Chair, that
20 11:32:30 couldn't be any different than what I'm suggesting.
21 That's what I'm suggesting when I said the State Board
22 has made recommendations based on criteria that have
23 changed.

24 Now, we're all aware of medical changes,

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1 perhaps being a retired physician more so than anybody
2 else. Although, I'm not ready to seek out long-term
3 care. I'm very independent; thank you. But I do
4 recognize that what I said is true that. Unfortunately,
5 11:32:56 I have a set of documents here that doesn't allow me to
6 independently assume that these changes that we are
7 talking about are not in front of me. We are aware of
8 but we're making decisions all across the board here on
9 an industry that we feel has to make changes, but I
10 11:33:16 don't feel comfortable independently making it for
11 them. That's my point.

12 MEMBER BRADLEY: Let me follow up with
13 one more question. Did The Bridge come before this
14 Board?

15 11:33:27 MR. CONSTANTINO: Yes, it did.

16 MEMBER BRADLEY: The Board approved it?

17 MR. CONSTANTINO: Yes.

18 MEMBER BRADLEY: Although, it was
19 basically the same kind of proposal?

20 11:33:40 MR. CONSTANTINO: Yes.

21 MEMBER BRADLEY: So there is prior
22 activity in this that would set precedent --

23 MR. CONSTANTINO: That's correct.

24 MEMBER BRADLEY: -- if the Board chose

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1 to approve it?

2 MR. CONSTANTINO: That's correct.

3 MEMBER GALASSI: Well, the concept of
4 the facility we're hearing is similar, but do we know
5 11:33:53 what the bed issue was in the Springfield community?

6 MR. CONSTANTINO: Well, we have to use
7 the licensed bed capacity, Dale. We don't use
8 functional bed capacity.

9 MEMBER GALASSI: I don't expect you to
10 11:34:08 have that in your head.

11 MR. CONSTANTINO: There's 15 to 20,000
12 excess beds in the state, and that's just based on
13 licensed capacity.

14 CHAIRPERSON OLSON: That's based on the
15 11:34:18 new inventory?

16 MR. CONSTANTINO: And the new inventory.

17 CHAIRPERSON OLSON: But am I correct
18 this was originally approved under the old inventory --

19 MR. CONSTANTINO: That's correct.

20 11:34:26 CHAIRPERSON OLSON: -- and there was
21 800-bed need in this area?

22 MR. CONSTANTINO: The main cause of that
23 was the statute was changed from a 10-year projection
24 to a 5-year projection, population projection.

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1 MEMBER GALASSI: And application was --
2 CHAIRPERSON OLSON: -- approved.
3 MEMBER GALASSI: Yes.
4 MR. CONSTANTINO: And then the site --
5 11:34:44 MEMBER GALASSI: -- was changed based
6 upon the request of the City of Naperville --
7 MR. CONSTANTINO: That's correct.
8 MEMBER GALASSI: -- who came in front of
9 us today and spoke to the issue?
10 11:34:54 MR. CONSTANTINO: That's correct. Our
11 skilled care category of service does not address these
12 models that are coming before you. It just skilled
13 care, long-term care.
14 MEMBER GALASSI: Understood.
15 11:35:05 Understood.
16 CHAIRPERSON OLSON: So how --
17 MEMBER GALASSI: When -- I'm sorry,
18 Madam Chair.
19 CHAIRPERSON OLSON: That's all right.
20 11:35:09 MEMBER GALASSI: When would we see in
21 our cycle of life that that could be addressed?
22 MR. CONSTANTINO: Well, we've tried to
23 address the bed issue with the long-term care
24 subcommittee, and we have not gotten very far.

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1 MEMBER GALASSI: Say that again, Mike,
2 please.

3 MR. CONSTANTINO: We've tried to address
4 the bed issue with the long-term care subcommittee, and
5 11:35:29 we have not gotten very far to date.

6 MEMBER GALASSI: Well, and I think the
7 long-term care subcommittee has tried to address the
8 bed issue with us, and they haven't gotten very far to
9 date. I mean, there's dialogue between that committee
10 11:35:43 and this Board that legitimately needs to occur. I
11 think it's been rather stagnant, as a member who
12 represented the Board for a while.

13 MR. CONSTANTINO: We had proposed to do
14 an inventory of the beds, an actual count. That was --
15 11:35:59 that didn't go very far because we were going to have
16 to do it -- the long-term facility was going to have to
17 pay for it. We also proposed using their historical
18 utilization and eliminating the difference between
19 90 percent and their historical utilization. Again,
20 11:36:17 that didn't go very far. And then the other thing
21 that's been recommended is the bed buying that we are
22 going to discuss tomorrow at the long-term care
23 subcommittee.

24 MEMBER GALASSI: Is that right?

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1 MR. CONSTANTINO: Yes, we've had a study
2 done on that. Courtney had contracted a study on that
3 with the University of Illinois Chicago, and the
4 preliminary report is going to be discussed tomorrow.

5 11:36:41 MEMBER GALASSI: And that's where I own
6 Facility A and Phil owns Facility B, and I can sell and
7 he can buy?

8 MR. CONSTANTINO: Essentially, yes.

9 MEMBER GALASSI: Which some other states
10 11:36:52 allow?

11 MR. CONSTANTINO: Yes. Ohio is what the
12 report that we're going to hear tomorrow compared us to.

13 MEMBER GALASSI: I appreciate that,
14 Mike. Thank you.

15 11:37:03 CHAIRPERSON OLSON: I have another
16 question.

17 I think much was said in the opposition
18 comments about the fact that they won't believe there
19 will be the capacity to build it. And I think it's
20 11:37:12 probably if you build it, they will come. But how
21 would you respond to the fact that their concern is
22 that if you can't fill it with these short-term
23 patients that you're looking for, like grandma and my
24 dad in that situation, by taking their patients that

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1 are long-term care patients? How do you respond to
2 that concern?

3 MS. NORMAN: The majority of the
4 patients, as Brian indicated in his speech, the top two
5 11:37:35 referral sources for the market right now are home or
6 outside of the community.

7 The other thing is we didn't really hear much
8 from the competition about the managed care coverage
9 and the insurance population, and with the changes in
10 11:37:48 the insurance environment we're looking at potential
11 for direct admissions from the community, working with
12 the physicians on that and the consumers -- what the
13 consumer is asking for.

14 MR. CLOCH: There's a completely
15 11:38:00 changing dynamic of the market. Illinois is shifting
16 135,000 dual eligible -- these are Medicare managed
17 care patients, and we're in active conversations with
18 all six managed care companies about changing the whole
19 health care -- transforming the health care delivery
20 11:38:15 system, and I think that you'll see direct admissions
21 from home, you'll see direct admissions from supportive
22 living or assisted living or independent living into
23 environments like this.

24 So we see a completely changing dynamic of

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1 admissions coming. You'll see, as I talked about in my
2 speech, younger people who are making the choice to go.
3 I have friends that have double -- you know, athletes,
4 former triathletes that have double knees done and want
5 11:38:39 to go to a place for three or four days, but when you
6 tell them it's a nursing home, they're like, "I'm not
7 going there." But if you tell them they can go to a
8 place like this with a private room and a private bath
9 and a conference room to have a meeting at, there's a
10 11:38:51 more -- so we think we're going to expand upon the
11 market. It's going to change.

12 The need for innovation -- I appreciate this
13 discussion. I was part of that long-term care group
14 that formed the long-term care subcommittee, and
15 11:39:01 whatever you guys do, we need innovation. I mean,
16 every other state has it. So I encourage you guys to
17 continue down these paths.

18 We operated and owned nursing homes in Ohio.
19 I know what the bed buying program is all about.
20 11:39:13 Wisconsin has got a unique program. There's lots of
21 them. Missouri -- there's all kinds of models to look
22 at, but we need innovation; we need these projects.

23 Denise's story, you know, can make you cry.
24 The timing was not good for her family but interesting

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1 for our situation. She visited the competition. I
2 asked her to give her grandfather's name so they can go
3 see -- she toured those facilities, and she walked
4 through those buildings. And, you know, I'd love to
5 11:39:41 have approached all seven of the people up here and
6 said, "This is what happened at your building. Now how
7 are you going to respond?" But I can't go there.

8 CHAIRPERSON OLSON: So you're saying
9 with certainty that it is not your intention to try to
10 11:39:50 take those long-term care patients away from your
11 competitors?

12 MR. CLOCH: No. No, not at all.

13 MR. ROATE: Pardon me. If I were
14 applying to enter your facility, would Medicare
15 11:40:04 reimburse that?

16 MR. CLOCH: Yes. There's multiple --
17 yes. If you had met Medicare coverage, Medicare would
18 cover it, yes.

19 MEMBER GALASSI: Thank you.

20 11:40:13 MR. CLOCH: And Medicaid now will cover
21 it as part of dual eligible program.

22 CHAIRPERSON OLSON: Which is managed
23 care?

24 MR. CLOCH: Right. And there's also a

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1 program called ICP, integrated -- integrated care,
2 which is 100 percent Medicaid. So Medicaid will start
3 covering this, as well.

4 MEMBER BRADLEY: Let me ask this as a
5 11:40:34 follow-up. Many of the things Medicare pays for they
6 will only pay for for a certain period of time. Does
7 that apply to this?

8 MR. CLOCH: So Medicare has a benefit of
9 100 days per episode. Our average length of stay for
10 11:40:49 this building will probably be 18 to 20 days, which is
11 what our experience has been in facilities that we
12 operate. That's declining.

13 So yes. I mean, you have 100 days per
14 episode. So if you fell and broke your hip or injured
15 11:40:59 a knee, you could have multiple stays in the same year
16 for different episodes.

17 I hope that answers the question.

18 MEMBER BURDEN: I find this discussion
19 illuminating for many reasons. If anybody in this room
20 11:41:15 can explain to me, as Nancy Pelosi said we should, the
21 accountable so-called ACA in the small print regarding
22 Medicare and Medicaid, I find it very interesting, since
23 I haven't been able to despite talking to university
24 professors, heads of departments, pals of mine who run

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1 programs around the country. There's uniform lack of
2 secure, confident information that I think makes
3 decision making in this regard very complicated.

4 You're telling me as a member of this Board
5 11:41:48 that we should be alerted to the need -- and I agree --
6 to being available to change. And yet we're also
7 looking at people in the business who created their own
8 problem by not being as innovative as you have been
9 looking at very strongly the possibility of losing
10 11:42:05 beds. We're listening to you say, and our Chairman
11 said that perhaps we should put a limitation on this
12 agreement that there be short-term beds period.

13 Because it looks to me like change is coming,
14 it has to be done, and I don't think I'm capable of
15 11:42:20 making the change. The rules have to be made at
16 another level. I have to live by the rules that are
17 put in front of me. You hear what I'm saying?

18 I think it's appropriate to consider what you
19 wish. I do think it's very innovative. However, we've
20 11:42:36 got a problem in the industry that doesn't adjust to
21 this that may create significant problems for them.
22 That's what I think I'm hearing when the opposition
23 gets in front of us and explains their feeling about
24 your application.

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1 CHAIRPERSON OLSON: Mr. Carvalho.

2 MR. CARVALHO: Actually, I'd like to
3 follow up on what Dr. Burton said and ask a couple
4 questions just to make sure I understand, and I think
5 11:43:01 it's helping to answer his question.

6 My general sense of things was that Medicare
7 typically pays for short-term stays and not for long-
8 term stays. Is that generally correct?

9 MR. CLOCH: Yes.

10 11:43:17 MR. CARVALHO: And that Medicare pays at
11 a much higher reimbursement rate than Medicaid
12 generally?

13 MR. CLOCH: Yes.

14 MR. CARVALHO: So what I understood that
15 11:43:33 the opponents were saying was if you have someone in
16 the business of focusing on the short-term stays, which
17 is by and large the more profitable or higher reimbursed
18 part of the business, that the mix of residents that
19 they would have would now be depleted of the Medicare,
20 11:43:54 higher paying patient making innovation and sustaining
21 operation at their place more difficult because someone
22 has come in and in effect in what the hospital business
23 sometimes called skimming is skimming the more
24 profitable patients. Similar to the argument that

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1 people -- you have between the hospitalization and the
2 ASTC where the ASTCs are only doing the more profitable
3 part of the business and therefore undermining the
4 financial situation of the others.

5 11:44:28 So a limitation that says you will only do
6 the short-term is actually telling you to do what you
7 wanted to do anyway, isn't it? Because the short-term
8 is the Medicare and more highly reimbursed business.

9 CHAIRPERSON OLSON: I think that's a
10 11:44:49 fair statement if we're comparing apples to apples, but
11 I believe we're comparing apples to oranges. To give
12 this example, if I fall on the ice walking out of here
13 and break my hip, I'm sorry but I don't want to go to
14 the nursing home. So maybe what the nursing home
15 11:45:05 industry needs to do is to look at this innovation. I
16 appreciate what you're saying, and I know that's a
17 concern, but I don't believe we're comparing apples to
18 apples; I think we're comparing apples to oranges.

19 I understand that we have the parameters that
20 11:45:16 we've been given. So I think everybody has to do what
21 they feel they need to do in their own mind.

22 MR. CARVALHO: You use the words
23 "nursing home" in a different way than we are using the
24 words "nursing home" for purposes of this whole program

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1 both at IDPH and CON. The way you use "nursing home,"
2 I think you were thinking a long-term stay place, but
3 if you are managing short-term intermediate care and
4 being reimbursed by Medicare, that's still what we're
5 11:45:53 calling a nursing home.

6 CHAIRPERSON OLSON: I understand that.

7 MR. CARVALHO: A nursing home is not
8 just a place for old people, long-term stays.

9 CHAIRPERSON OLSON: I understand that.

10 11:46:01 I have a friend who had hip surgery in January, and
11 living in our small community of Rochelle, the only
12 choice was to go Medicare reimbursed to what I call a
13 nursing home. I understand it was a short-term stay in
14 a swing bed in a long-term care facility. But for
15 11:46:19 people in my generation -- and I'm getting there -- I
16 think that we need to have this kind of innovation.

17 I sort of feel like we're beating a dead
18 horse here. I'm just wondering if we should have a
19 motion.

20 11:46:29 MR. FILIPPO: May I?

21 CHAIRPERSON OLSON: Yes.

22 MR. FILIPPO: Michael Filippo;
23 M-i-c-h-a-e-l, F-i-l-i-p-p-o.

24 Keep in mind that the number one place that

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1 Medicare patients -- and we're talking about more than
2 Medicare, but to address your question specifically,
3 the number one place that Medicare patients are being
4 discharged by the hospitals to is home, not to the
5 11:46:57 facilities that you heard from today. People are not
6 going into the long-term care facilities as a majority
7 because they're able to get a Medicare benefit at home,
8 and they don't have the options that they want, the
9 private rooms, the private showers, everything that
10 11:47:16 we've talked about.

11 So the majority -- that is a huge piece of
12 the market that we feel that we're going to capture.

13 MEMBER GALASSI: Michael, what is your
14 role in your organization?

15 11:47:30 MR. FILIPPO: I'm the chief operating
16 officer.

17 MEMBER GALASSI: Thank you.

18 MEMBER BRADLEY: I'd like to just add
19 one thing to what I said. And it's not a criteria on
20 11:47:37 which I will vote, but there is a conversation going on
21 in this country today that we are overregulated and
22 that we therefore are not innovating as we should and
23 that we are not creating jobs as we should as
24 entrepreneurs taking new directions, and as a regulator

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1 we need to be aware of that, and as people who are
2 enforcing a large volume of regulations, somewhere in
3 the process somebody needs to bring those regulations
4 in line with what is going on in other parts of the
5 11:48:13 world and what should be going on in Illinois.

6 CHAIRPERSON OLSON: Okay. May I have a
7 motion to approve Transitional Care Center to establish
8 a 120-bed long-term care facility in Naperville?

9 MEMBER GALASSI: So moved.

10 11:48:24 CHAIRPERSON OLSON: Second?

11 MEMBER BRADLEY: Second.

12 CHAIRPERSON OLSON: Roll call, please.

13 MR. ROATE: Motion made by Mr. Galassi,
14 seconded by Mr. Bradley.

15 11:48:35 Mr. Bradley.

16 MEMBER BRADLEY: Based on the
17 discussions here and the fact that they have met more
18 than two-thirds of our criteria, I vote yes.

19 MR. ROATE: Dr. Burden.

20 11:48:47 MEMBER BURDEN: This is -- we've had
21 interesting, lengthy discussion regarding the
22 application and its apparent presentation to us as an
23 option to consider that should be considered.

24 I find it difficult to vote for this without

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1 having more substantive information that will allow us
2 to be careful in our attempt to approve what appears to
3 be need, at the same time making it more difficult for
4 those that haven't adjusted to the trend that may be
5 11:49:25 coming.

6 So I'm going to have to vote no on this with
7 some reluctance but I vote no.

8 MR. ROATE: Senator Demuzio.

9 MEMBER DEMUZIO: I'm going to vote no
10 11:49:41 due to the fact that the criteria set here before us
11 and keeping with the standards that we look at in terms
12 of meeting the criteria. I'm going to vote no, and I
13 appreciate the conversation and hope that at some point
14 that the conversation that we just had and listened to
15 11:49:56 can be changed so that it's an easier way for us to be
16 able to support your processes.

17 MR. ROATE: Justice Greiman.

18 MEMBER GREIMAN: Last time you were
19 before us I voted yes, and I think if anything your
20 11:50:14 program looks better today than it did then. I vote
21 yes again.

22 MR. ROATE: Mr. Galassi.

23 MEMBER GALASSI: I'll be voting yes
24 based on the innovation of market.

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1 MR. ROATE: Thank you.

2 Mr. Sewell.

3 MEMBER SEWELL: I vote no. I think this
4 Board deals with innovations by taking them into
5 11:50:33 consideration and changing the rules so that they apply,
6 so that we can have those in the marketplace. We can't
7 approve innovations on the fly so I vote no.

8 MR. ROATE: Thank you. Madam Chair Olson.

9 CHAIRPERSON OLSON: I vote yes for the
10 11:50:48 reasons stated and respectfully disagree with
11 Mr. Sewell. I believe that we can vote for innovation
12 on this Board, so I vote yes.

13 MR. ROATE: That's four votes in the
14 affirmative, three votes in the negative.

15 11:51:00 CHAIRPERSON OLSON: The motion fails and
16 since you've already received an intent to deny --

17 MEMBER GALASSI: Why does it fail?

18 CHAIRPERSON OLSON: There needs to
19 be five.

20 11:51:12 MEMBER GREIMAN: The majority of those
21 present?

22 MR. URSO: So you're going to be
23 receiving a denial. You have an opportunity to --

24 THE COURT REPORTER: I can't hear you.

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1 You have an opportunity to what?

2 MR. URSO: For due process.

3 MEMBER GALASSI: No matter what the size
4 of our quorum, we need five votes?

5 11:51:43 MR. URSO: You need five votes to
6 approve the project.

7 CHAIRPERSON OLSON: Under "Other
8 Business" we have nothing. "Rules Development" there's
9 nothing. "Old Business," nothing.

10 11:51:55 "New Business: Financial Report." The
11 financial report was included in your packets. If you
12 have any questions or comments on the financial report,
13 please address those questions with Courtney -- you can
14 contact Courtney to address those questions.

15 11:52:19 "Legislative Update." That was also in your
16 packet. In fact, Courtney is today at a legislative
17 hearing on some of our proposed rules. We are receiving
18 a handout with a legislative update.

19 So if you want to take a minute to look that
20 11:52:40 over, if I can answer questions, I will.

21 Any questions on these legislative updates?

22 (No response.)

23 CHAIRPERSON OLSON: There being none,
24 I'll move on to the "ASTC Update." Claire has an

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1 update for us. Can somebody give Claire a microphone?

2 MS. BURMAN: All right. Before the last
3 Board meeting that was scheduled which was snowed out,
4 unfortunately, all of you had received a packet of
5 11:54:22 information concerning the activity at JCAR for these
6 rules. It's actually amendments to Part 1110, and the
7 big focus has been on the ASTC part of those rules.

8 We've had a lot of discussion with JCAR staff.
9 JCAR itself has continually deferred consideration of
10 11:54:48 these rules.

11 There was a meeting this week on Tuesday
12 which I did attend, and now what they are requesting is
13 that we review this transitional language concerning a
14 period of time during which the existing ASTCs that are
15 11:55:10 multi can still be able to add a service without a
16 permit but only up until January 1st of 2018.

17 It was felt that that industry required more
18 time to be able to put their financial planning to
19 work, and then once January 1st of 2018 occurs, then
20 11:55:31 all ASTCs -- there will be no more designations. All
21 of them will have to come before the Board to receive a
22 permit in order to add a service. That's the gist
23 of it.

24 In addition to that change, we would require

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1 anyone who is adding an ASTC service between now and
2 the cutoff point would have to notify the Board of any
3 services they have added, and that should be done
4 within 30 days of the addition.

5 11:56:05 MEMBER GALASSI: Claire, if I may.

6 Pardon my ignorance. Is this an entity that's now
7 establishing an ASTC service, or is this an ASTC adding
8 an additional service?

9 MS. BURMAN: No, it's only for those
10 11:56:22 that are existing multi ASTCs prior to the beginning of
11 this year.

12 MEMBER GALASSI: So I can add a service
13 right now within my ASTC without coming to the Board?

14 MS. BURMAN: That's correct. That's
15 11:56:34 what the current rules allow.

16 MEMBER GALASSI: After 2018 all would
17 have to come before us?

18 MS. BURMAN: That's correct. There
19 would be no more limited and multi because they really
20 11:56:44 don't serve a purpose anymore. So all ASTCs would have
21 the same rules to comply with.

22 CHAIRPERSON OLSON: Just to give some
23 background that I was not aware of, when we talked with
24 JCAR and we had a hearing, I was present by phone, and

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1 the executive director of JCAR, Vicki Thomas, explained
2 that the rules were originally put in place to allow
3 for existing multispecialties to add specialties
4 without coming before the Board as a way to build the
5 11:57:14 industry.

6 The feeling now is that the industry is
7 independent and self-sufficient enough that they should
8 have to come before the Board. The concern again
9 becomes -- and I certainly voiced that at the hearing --
10 11:57:28 is that the more they can expand, the more business
11 they're taking from the local hospitals, who have
12 concerns over losing patients, and certainly it's
13 pretty well known throughout the industry that ASTCs do
14 not see Medicaid patients. I know there's specials but
15 11:57:46 for the most part they don't.

16 We had requested -- stop me if I'm wrong --
17 we had requested that they be allowed three years to do
18 this, and the industry wanted five years. So we sort
19 of compromised -- well, the industry didn't want it at
20 11:58:00 all, but they were requesting five years. We sort of
21 compromised at four years.

22 So I really appreciate the Board staff and
23 Claire because there's been a lot, a lot of time
24 getting this language and working with JCAR to get the

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1 language where it is today. You do have a draft in
2 front of you of the language that we need to approve
3 for JCAR so we can put this issue to bed, I guess is
4 the best way to say it. This is the time to come to
5 11:58:31 agreement and move on. I believe it's been discussed
6 many, many, many times.

7 MEMBER SEWELL: I don't mean to have
8 this in order to vote on this, but can you remind me of
9 examples of the kinds of services that are referenced
10 11:58:47 here that are in Appendix A that would be a reason for
11 an exemption?

12 MS. BURMAN: Yes. These are the same as
13 in the existing list of specialties for ASTCs in the
14 current rules. This would be --

15 11:59:07 MEMBER SEWELL: So it's just the
16 specialty ASTC services?

17 MS. BURMAN: Yes. The industry
18 requested that we no longer call them specialties, and
19 so they are now named ASTC services.

20 11:59:19 MEMBER SEWELL: Okay.

21 CHAIRPERSON OLSON: So if anybody would
22 like to -- I mean, if you'd like to look that over, and
23 we can have a motion to approve this language that was
24 agreed on with JCAR. Correct?

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1 MS. BURMAN: That's correct.

2 MEMBER SEWELL: I'll move.

3 MEMBER GALASSI: I'll second it.

4 CHAIRPERSON OLSON: Mr. Carvalho.

5 11:59:38 MR. CARVALHO: Thanks. One quick
6 question.

7 Over the last couple of years there's been
8 several times where folks have come to add specialties,
9 what you used to called specialties, and at the time
10 11:59:47 you conditioned your approval on them agreeing to come
11 to you again before adding any additional specialties.

12 Will this rule wipe out those conditional
13 approvals where you told applicants -- or applicants
14 have agreed that they would come before you to add
15 12:00:05 specialties?

16 MS. BURMAN: No. Because if you look at
17 the date, January 1st of 2018 everybody is going to
18 have to come before the Board to add a service.

19 MR. CARVALHO: Between now and then --
20 12:00:18 for example, let's make up a guy who was here last year
21 and he had two -- one specialty and he was adding a
22 second, and the Board put a condition on approval that
23 said, "Okay. We'll let you have the second, but you
24 can't add any additional specialties even though you

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1 ordinarily would have been allowed to unless you agree
2 to bring that before the Board." And so now that guy
3 wants to add something next year.

4 CHAIRPERSON OLSON: So, basically, the
5 12:00:46 question is, does our condition supersede the laws that
6 will be in place, and I don't know how to answer that.

7 MR. CARVALHO: Or do you want to build
8 into this language something that says unless it was a
9 condition of the approval or something? I don't want
10 12:01:01 to draft on the fly here.

11 MS. BURMAN: I think in either case they
12 would be required to come in.

13 MR. CARVALHO: Right now if a person had
14 gotten an approval for their second specialty --

15 12:01:12 MS. BURMAN: Okay. So they're unlimited?

16 MR. CARVALHO: No. They had one
17 specialty, so they came in basically asking to become a
18 multi by getting a second specialty. The Board can do
19 one of two things. Sometimes it's just approved it,
20 12:01:28 and then implicitly that person can now add additional
21 specialties without coming before the Board. Or the
22 Board has said, "Well, wait a second. You've pled a
23 very special reason why you wanted to add that one
24 specialty. So because of that very special reason,

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1 we'll do it but we don't want to convert you to a multi
2 that can effectively add specialties willy-nilly after
3 that," so we've put a condition on it and said, "Even
4 though this second specialty now makes a multispecialty
5 12:02:00 and you would have otherwise been able to add things,
6 because of this condition you can't."

7 CHAIRPERSON OLSON: I really don't want
8 to hold up the draft language for -- I appreciate what
9 you're saying, and I think it's a really good question,
10 12:02:13 but I don't want to hold up this language. I think we
11 can get some clarification on that. I think we're
12 talking about very few ASTCs, so I don't want to hold
13 this language up.

14 I can't even begin to tell you how much time
15 12:02:28 and effort has gone into getting this process to this
16 point. I think we may be talking about two or three
17 ASTCs that have that condition, so maybe we can get
18 some clarification on that, but I really don't want to
19 hold up this language.

20 12:02:39 Like I said, it's been a really, really long
21 and very arduous process. I think we need to vote
22 either to accept it or not to accept it. But I do
23 appreciate that question. I think we need some
24 clarification on that.

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1 So I have a motion and a second on the floor.
2 Am I correct?

3 MR. ROATE: Motion made by Mr. Galassi,
4 seconded by Mr. Sewell. Am I correct?

5 12:02:59 MEMBER SEWELL: I can't remember.
6 MR. ROATE: Mr. Bradley.
7 MEMBER BRADLEY: Yes.
8 MR. ROATE: Dr. Burden.
9 MEMBER BURDEN: Obviously, I vote yes.

10 12:03:14 And may I also add since I didn't have an open
11 discussion that this following language will hopefully
12 pass, but we've got a long way to go in my judgment to
13 handle the problem of hospitals and ambulatory surgical
14 treatment centers. Thank you.

15 12:03:30 MR. ROATE: Senator Demuzio.
16 MEMBER DEMUZIO: Yes.
17 MR. ROATE: Justice Greiman.
18 MEMBER GREIMAN: Even though I believe
19 when you do something for JCAR you're involved in
20 12:03:43 unconstitutional violation of the separation of powers
21 because I think there shouldn't be a JCAR, but I'll
22 vote aye anyhow.

23 MR. ROATE: Mr. Galassi.
24 MEMBER GALASSI: Yes, for comments made.

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1 MR. ROATE: Mr. Sewell.
2 MEMBER SEWELL: Yes.
3 MR. ROATE: Chairman Olson.
4 CHAIRPERSON OLSON: Yes.
5 12:04:04 MR. ROATE: That's seven votes in the
6 affirmative.
7 CHAIRPERSON OLSON: Motion passes.
8 MS. BURMAN: Thank you very much.
9 CHAIRPERSON OLSON: I do want to just
10 12:04:08 ask the Board -- I did this letter that was addressing
11 the request from the ASCAI for another task force, and
12 I did send you all the draft of the letter. There was
13 some discussion about the fact that we did not feel at
14 this point that it was warranted; we feel there's other
15 12:04:24 mechanisms without creating another task force. So
16 just be aware of that.
17 MEMBER GALASSI: What's ASCAI?
18 CHAIRPERSON OLSON: Ambulatory Surgery
19 Center Association of Illinois. They were requesting --
20 12:04:34 everybody was e-mailed this letter, and I know some of
21 you contacted Claire with questions about creating an
22 additional task force. Well, we already have the
23 Illinois Ambulatory Surgical Treatment Center Licensing
24 board who gives us advice; we have JCAR; we have ADPH.

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1 We have several venues for public comment, written and
2 oral and everything else, so we did not feel -- but
3 anyway, the letter was sent and that was our stance.

4 MEMBER SEWELL: Weren't we supposed to
5 12:05:15 have an end stage renal disease discussion, a retreat
6 or something?

7 CHAIRPERSON OLSON: I'll put that back
8 on the topic list. I think, too, Mr. Galassi also
9 brought to my attention today, I do believe that we
10 12:05:29 need to make sure -- and I will work with Board staff
11 on that -- that we have a member attending the long-
12 term care committee meeting, and Mr. Galassi has
13 generously offered to be that person. So maybe we can
14 begin to work on some of the issues that were brought
15 12:05:50 to light here today, as well.

16 MEMBER GALASSI: Be careful what you
17 ask for.

18 CHAIRPERSON OLSON: The last item on the
19 agenda is the annual questionnaire update, and we did
20 12:05:57 receive a question from IDPH to include a community
21 needs assessment with the annual questionnaire. We
22 felt that there was merit to this from our standpoint
23 to giving us additional information when reviewing
24 applications, and it will be helpful for several other

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1 entities, as well.

2 Nelson, did you have anything else to add on
3 that or are there questions from the Board?

4 MR. CONSTANTINO: Madam Chairwoman?

5 12:06:20 CHAIRPERSON OLSON: Yes.

6 MR. CONSTANTINO: We also -- as part of
7 that hospital survey we've also requested the hospital
8 to provide more information about neonatal beds. The
9 department has requested the number of beds for Level 1
10 12:06:36 and Level 2 and Level 2 extended care. We already
11 collect the patient data, so we don't think this is a
12 big issue, and the hospital survey went out
13 February 14th, 2014.

14 CHAIRPERSON OLSON: I think it's
15 12:06:54 important to note that the hospital is already required
16 to do this community needs assessment, too.

17 MR. CONSTANTINO: That's correct.

18 CHAIRPERSON OLSON: We're just asking
19 them to include that as an attachment to their annual
20 12:07:02 questionnaire.

21 MR. CONSTANTINO: That's correct.

22 CHAIRPERSON OLSON: Nelson, did you have
23 anything to add?

24 MR. NELSON: Thank you, Madam Chair. I

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1 think Mike covered most of my addition.

2 We've been sending out the surveys to the
3 facilities, and ESRD questionnaires went out on
4 January 31st as due on March 14th. ASTC questionnaire
5 12:07:30 went out on February 7th and is due on March 21st.
6 Hospital questionnaires went out on February 14th and
7 is due on March 28th. LTC questionnaire will be out
8 tomorrow, February 21st and be due on April 4th.

9 So like Mike said, the data we collected
10 12:07:57 before concerning community benefits will be postponed
11 until July 2014.

12 So each survey must be completed as submitted
13 by the specified due dates because no exception or
14 extension will be allowed. If there's any questions,
15 12:08:17 please contact the staff by calling (217) 782-3516 or
16 e-mail to dph.facilitysurvey@illinois.gov. Thank you.

17 CHAIRPERSON OLSON: Nelson, did I
18 understand you to say that you're extending the date on
19 the hospital survey to accommodate for the -- or is
20 12:08:41 that the original date? The hospital survey is due
21 back in July?

22 MR. NELSON: The hospital survey is due
23 on March 28th.

24 CHAIRPERSON OLSON: Oh, March 28th.

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1 Okay. What was the July date?

2 MR. NELSON: July is actually about the
3 community benefits part.

4 CHAIRPERSON OLSON: So they can submit
5 12:09:01 that by July?

6 MR. NELSON: Yeah.

7 CHAIRPERSON OLSON: There's no motion or
8 anything needed on that.

9 The next meeting will be March 11th in
10 12:09:11 Normal, and I will ask -- and there's not many people
11 left -- it is still March in Illinois, so please watch
12 the Web site for information on potential cancellation
13 or rescheduling of the meeting due to weather-related
14 issues, but it is the plan to meet in Normal on
15 12:09:30 March 11th.

16 The other thing that I would ask that you
17 watch for is the meeting time is going to be at 9:00,
18 but if it does appear as though postponing the meeting
19 until 10:00 would help with travel, we may do that, as
20 12:09:44 well. So please just be aware and watch the Web site
21 for that information.

22 MEMBER GALASSI: When we say the meeting
23 time is 9:00, is that this meeting starts, or is that
24 public comments?

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1 CHAIRPERSON OLSON: This meeting starts
2 at 9:00. People for public comment have to sign in
3 between 8:30 and 9:00.

4 MEMBER GALASSI: Public comment will
5 12:10:02 begin at 9:00?

6 CHAIRPERSON OLSON: Yes.
7 Do you have a question?

8 MEMBER BRADLEY: Madam Chair, what
9 actions of this Board require five votes?

10 12:10:13 MR. URSO: All actions per statute.

11 MEMBER BRADLEY: So approving the
12 minutes, anything we do?

13 MR. URSO: Any action item requires
14 five votes.

15 12:10:26 CHAIRPERSON OLSON: Five votes.

16 MEMBER BRADLEY: Right. Okay.

17 CHAIRPERSON OLSON: Is that something
18 that's subject to change if the Board wants to do it as
19 a majority of the quorum?

20 12:10:36 MR. URSO: This is in the Health
21 Facilities Planning Act as part of the statute. If the
22 statute were revised, you might be able to do it.

23 CHAIRPERSON OLSON: Dr. Burden?
24 MEMBER BURDEN: Are you still discussing

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1 something? I wanted to add something at the end.

2 MEMBER BRADLEY: No, we're done.

3 MEMBER BURDEN: What are we to do with
4 the Board member performance and feedback evaluation
5 12:10:58 form? I'm done.

6 CHAIRPERSON OLSON: That's part of --
7 the law now says that Board members need to be
8 evaluated annually in their performance. There's
9 two copies there. Please just sign one and give it to
10 12:11:14 Frank, and the other one is for your records.

11 MEMBER BURDEN: In other words, I should
12 put this on the wall saying, gee, I'm doing a good job.

13 CHAIRPERSON OLSON: That you're doing a
14 fantastic job.

15 12:11:29 Any other business to come before the Board?

16 (No response.)

17 CHAIRPERSON OLSON: May I have a motion
18 to adjourn? And just so you know, we need five
19 positive votes on that.

20 12:11:38 May I have a motion to adjourn?

21 MEMBER SEWELL: So moved.

22 CHAIRPERSON OLSON: Second?

23 MEMBER GALASSI: Second.

24 CHAIRPERSON OLSON: Voice vote. All in

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the affirmative.

(Ayes heard.)

CHAIRPERSON OLSON: Opposed.

(No response.)

CHAIRPERSON OLSON: We are adjourned.

PROCEEDINGS CONCLUDED AT 12:12 P.M.

