Constantino, Mike

From: Anaya, Gloria [GAnaya@duanemorris.com] on behalf of Silberman, Mark J. [MJSilberman@duanemorris.com]
Sent: Thursday, July 05, 2012 4:33 PM
To: Constantino, Mike
Subject: Written Objection to Project 12-039
Attachments: 20120705162848324.pdf

Mike,

Attached please find our correspondence to Chairman Galassie outlining objections to Project 12-039, ManorCare Health Services of Crystal Lake's proposal to establish a new 130-bed facility.

Should there be any questions for us, our clients, or any additional information that is needed, please do not hesitate to contact me.

Best regards,

Mark J. Silberman

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July 5, 2012

VIA EMAIL AND FEDEX

Mr. Michael Constantino
Illinois Health Facilities and Services
Review Board
525 W. Jefferson St. - 2nd Fl.
Springfield, IL 62761
ATTN: Mr. Dale Galassie

Re: Opposition to Project 12-039, ManorCare Health Services of Crystal lake

Dear Mr. Galassie:

We would like to thank the Illinois Health Facilities and Services Review Board ("HFSRB" or "Board") for the opportunity to submit these comments **in opposition** to Project 12-039 (the "Project") which outlines ManorCare Health Services of Crystal Lake's proposal to establish a new 130-bed facility in Crystal Lake.

Health Service Area 8 ("HSA 8") has a number of well-established facilities that have already demonstrated their dedication to providing care in this community. Many of these facilities have unutilized capacity that could meet growing needs for services. The Project identifies 23 facilities within 30 minutes of the proposed site. None of the facilities is utilizing its full licensed bed capacity and **15 of the 23 facilities do not meet the State's utilization target of 90%**. *See* 77 Ill. Admin. Code. 1125.210(c).

Moreover, existing facilities have already taken steps to plan for the future expansion of this community so as to meet its future needs. By way of a single example, Fair Oaks Health Care Center ("Fair Oaks") is a 46-bed skilled nursing facility located in the heart of Crystal Lake. Fair Oaks is located less than two miles from the proposed Project site. Fair Oaks is currently in the midst of a $3.25 million renovation project that includes expanding its therapy services and the construction of an addition which will add 16 private bedrooms (increasing their

licensed bed capacity from 46 to 50).[1] There is no reason to believe that this is the only such project being undertaken in HSA 8, and it is the responsibility of the HFSRB to investigate these matters before approving a project such as this one (which will add 130 licensed beds to a city that already has 257 licensed beds).

The Board has a statutory duty to fulfill its health planning obligations. The purpose of the Board is to engage in comprehensive health planning so as to achieve "the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities." 20 ILCS 3960/2. Among the duties of the Board is the responsibility to consider:

- The number of ***existing and planned facilities*** offering similar programs;
- The extent of ***utilization*** of existing facilities;
- The availability of facilities which ***may serve as alternatives*** or substitutes; and
- The ***availability of personnel*** necessary to the operation of the facility.

20 ILCS 3960/12(4)(a)-(e) (emphasis added).

The Application presents an abundance of ManorCare's well-polished marketing information. However, it is the responsibility of each Board member to look past that information and assess the need for the Project as proposed. **More important than the information contained in ManorCare's Application is the information that is not there**.

Some of the necessary information that is missing includes:

- A realistic assessment of the impact the Project will have on existing facilities including:
    - the impact on occupancy rates;
    - the effect on available staffing;
    - the impact of payer mix;
    - the redundancy created by this Project;
- Any mention of a commitment to serve the growing Medicaid population;
- Necessary information regarding the provision of charity care;
- A meaningful assessment of available alternatives;
- A complete assessment of 'adverse actions' against the applicant; and

[1] It must be noted that the Fair Oaks project does not exceed the limitations upon expansion outlined in 20 ILCS 3960/5(c), nor does the expense rise to the level of the current capital expenditure threshold (currently $6,717,857).

- An acknowledgement that these services already exist and are being well provided within the community.

Existing Facilities and The Community

The Board is required to look to the potential of existing facilities to meet the future needs for care by better utilization of the existing facilities in the community or by potential expansion of those facilities. While this Board assesses need by HSA, and not by city or county, the Board must realize that Crystal Lake is already served by Fair Oaks, Crystal Pines Rehabilitation and Health Care Center, and The Springs At Crystal Lake.

There is no doubt that ManorCare has outlined an impressive pitch to establish what is to be designed to be a lucrative facility in Crystal Lake. However, that is not the same thing as having a meaningful commitment to this community. The Fair Oaks expansion project shows that existing facilities are aware of the growing needs and preferences of this community and are taking steps to meet those needs. The concepts supporting Certificate of Need ("CON") programs are the better utilization of existing facilities to avoid the unnecessary establishment of facilities and unnecessary duplication of services. ManorCare presents information to the Board in a way to distract from these core concepts.

ManorCare elects to focus upon the future need projected for 2016 in an effort to distract from the fact that there are 15 facilities within 30 minutes of the Project that have available bed capacity. ManorCare presents claims that services are available on a limited basis in McHenry County without any evidence or support for such a claim. ManorCare provides broad generalizations to avoid providing any evidence of services it provides that are not being provided elsewhere. Consider, by way of limited examples, some of the information presented in ManorCare's Program Summary (p. 76-82 of the Project Application).

ManorCare claims that "many nursing facilities" avoid taking residents who require trach care, and do not admit residents requiring IV care, or are not capable of providing wound care, or simply avoid residents requiring g-tubes. This general observation is irrelevant. What **is relevant** is the fact that ManorCare has provided no evidence that these services are not available in HSA 8 or that any of the 23 facilities within 30 minutes of the Project engage in this conduct ManorCare attributes to "many nursing facilities."

ManorCare, as is its right, is pursuing a business opportunity. However, this Board should look deeper as to what level of commitment ManorCare has exhibited. ManorCare's agreement to purchase the land for this Project includes a provision which allows it to walk away if the Board does not grant a CON by November 16, 2012[2]. If the Project is not approved in the

[2] November 16, 2012 is 270 days after the Effective Date (February 20, 2012) identified in the Purchase Agreement (p. 28-40 of the Project Application).

Board's next three scheduled meetings, and ManorCare determines it is proving to be more trouble than it is worth, ManorCare can simply walk away. Then, the burden of meeting the needs of this community will rest where it already rests, on the facilities that have already exhibited a willingness to meet its needs. It is for this reason that the Board should begin its analysis of this Project with the capacity of the existing facilities.

The Board should also consider the fact that the land upon which ManorCare proposes to establish this facility is not currently licensed for use that would allow a skilled nursing facility. Even if the Board approves the Project, before it can be undertaken, it will require rezoning of the land. ManorCare has taken the step of obtaining an opinion regarding the likelihood that the land can be rezoned – but this generates an irreparable problem if this opinion proves to be incorrect. What happens if the Board approves the CON, but the rezoning of the land is not approved? ManorCare will be unable to fulfill the commitment it made to this Board and the commitment it is making to the community. Presumably, the only reason ManorCare has not already taken the step of having the land rezoned is the uncertainty of the CON process and that, unless and until the Board approves the project, ManorCare wants to maintain its ability to walk away from the Purchase Agreement and this Project.

Staffing

Staffing facilities with quality staff is a constant struggle due to the lack of available professionals. The Application is curious in its failure to address the effect that recruitment of staff from existing long term care facilities in the community will have on those facilities.

Throughout Illinois, and specifically in this region, there is a constant struggle for professional staff. Consider the fact that in Crystal Lake there are already three facilities that provide care to over 250 licensed beds that require nearly 200 professional health care providers[3]. HSA 8 is a unique mix of suburban and rural areas. As noted in the McHenry County Health Community Study Executive Summary (pp. 73-75 of the Project Application), there is a lack of reliable public transportation that hinders the ability of seniors to live independently. This, too, affects the staff providing care to these seniors at existing facilities.

Given the State-wide shortage of professional nursing staff, including RNs, LPNs, and CNAs, it is curious that ManorCare's Application simply ignores the effect the establishment of this Project would have on existing staffing levels. It undoubtedly will create a situation where existing facilities will be directly fighting with ManorCare for the same staff able to serve this same area. This is even more relevant given that the expansion of therapy services already underway at Fair Oaks will put it in competition for the same therapy staff, as well. This Board must consider the circumstances it would allow to be created and what potential local

[3] The most recent data available from the Illinois Department of Public Health ("IDPH") is from 2006 (attached as **Exhibit A**) and shows staffing of 177 individual at these three facilities.

independent facilities will have in maintaining quality staff when up against an organization with billions of dollars in assets.

Medicaid and Charity Care

ManorCare was supposed to submit a Safety Net Impact Statement that describes the amount of charity care it has provided in the three most recent fiscal years and the amount of care provided to Medicaid recipients in the three most recent fiscal years. That information should be reflected in Attachment 43. The Application has no Attachment 43, despite the requirement for "ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS." (p. 22 of the Project Application).

ManorCare also excluded a substantial portion of the information that is required to be submitted as part of Attachment 44, outlining its net patient revenue, the historical commitment to charity care, and its intended commitment moving forward. The Board's Application requires that "all applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of the charity care, and the ratio of that charity care cost to net patient revenue." If an applicant owns or operates one of more facilities, it is further required to report "for each individual facility located in Illinois." ManorCare boasts 29 facilities in Illinois, yet it has not provided that information for any of them.

Theoretically, ManorCare might attempt to circumvent this requirement by claiming that ***this*** applicant is not an existing facility. While that argument is feeble, at best, it ignores the six-tiered organization chart (p. 45 of the Project Application) and this Board's definition of "control." Moreover, even if it could avoid providing its historical commitment to Medicaid and charity care, ManorCare would still have been required to submit "the facility's projected patient mix by payer source, anticipated charity care expense, and projected ratio of charity care to net patient revenue." This information is also absent.

The only information ManorCare provided is that, despite its projection that this Project will generate over $17 million in annual patient revenue, ManorCare plans to provide charity care valued at less than 1% of that amount (p. 319 of the Project Application). The financial information that ManorCare separately submitted as a supplement to its Application reveals HCR Healthcare LLC, which is five entities down on its organization chart (p. 45 of the Project Application), possesses over $8.3 billion in assets (as of both December 31, 2009 and December 31, 2010). It is disconcerting, to say the least, that a company boasting over $8.3 billion in assets is predicting a level of charity care that averages approximately $122,000 per year, or 0.000015% of its parent company's total assets.

Moreover, this does not reflect a willingness to meet the growing needs of this community. Despite the fact that esri demographic and income profile reports (attached as **Exhibit B**) reveal Crystal Lake to be a community in which 37% of the population possesses a household income in excess of $100,000, there is a growing portion of the population that is in

economic distress. This information is verified by the Illinois Department of Healthcare and Family Services ("HFS") data which reveals the counties comprising HSA 8 (McHenry, Kane, and Lake) each sees an increasing number of seniors requiring comprehensive benefits from HFS every year between FY2006 through FY2011 (attached as **Exhibit C**).

The last thing this community needs is a 130-bed facility designed to provide care only for wealthy or privately-insured individuals, along with individuals who only need services covered by Medicare. These are not the people who are finding access to quality healthcare to be a challenge. The issue for this community, and an issue the Board is obligated to address, is access to healthcare for indigent and underserved communities.

This community needs and deserves a demonstrated commitment to providing care to its indigent members and those individuals dependent upon Medicaid. While there is no doubt that ManorCare provides care to Medicaid participants, it is important to note that its routine structuring of its facilities includes no dedicated Medicaid beds, only those dually certified to also provide care to higher reimbursed Medicare residents. This structure, combined with ManorCare's complete failure to address its intended payer mix, a complete absence of having exhibited its historical commitment to charity care, and the Application's total silence regarding its intent to provide care to Medicaid participants, provide multiple areas of concern that we implore the Board to investigate.

Adverse Actions

ManorCare acknowledges owning or operating 29 facilities in Illinois. It has certified under penalty of perjury that "no adverse action has been taken against any nursing home owned or operated in Illinois by ManorCare during the three years prior to filing this application," other than two instances where immediate jeopardies were issued against two facilities. Undoubtedly unintentional, but this representation seems to leave unaddressed multiple issues that would readily constitute "adverse actions" as defined by the Board. The Board defines "adverse action" as:

> a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns and/or operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" violations.

77 Ill. Admin. Code 1130.140; see also 210 ILCS 45/1-129. Adverse actions include ***any disciplinary actions*** and are not limited to Type A violations or immediate jeopardies.

Consider, simply, the analysis ManorCare presented in its own summary. It claims two facilities that had "adverse actions;" one facility that had no deficiencies of any kind in the last

two years; and seven facilities that had no "harm level" deficiencies during the three-year period." (p. 55 of the Project Application).

An adverse action does not require harm to have resulted. Adverse actions includes any disciplinary actions taken by the State or federal government. By its own account, even if the Board accepted ManorCare's representation that one facility had no deficiencies for two years (suggesting it did have deficiencies the other year), and even if the Board ignores the seven facilities with no "harm level" deficiencies, there are still 19 other facilities for which ManorCare has provided no information at all. We know nothing about deficiencies or State violations that were imposed, and certainly ManorCare would have volunteered the absence of any deficiencies at the 19 facilities. It follows, therefore, that these 19 facilities all had some disciplinary action taken. There is a substantial amount of information this Board should demand regarding what adverse actions have been taken against ManorCare, if nothing else, against its Illinois facilities.

Alternatives

ManorCare performs a cursory and self-serving analysis of the alternatives available other than the Project as designed. ManorCare simply dismisses the alternative of expanding an existing facility because ManorCare does not own a facility in McHenry County. This is a highly intentional word-choice, because ManorCare does own and operate a facility in HSA 8 (MCHS Elgin). Moreover, while such a response is an easy way for ManorCare to avoid performing the relevant analysis, it does not and should not obviate the Board from performing its health planning duties and assessing whether the planned and potential expansion of existing facilities would be a more efficient and effective means to address the needs of this health service area.

ManorCare presents an argument dismissing the utilization of existing facilities which is purely speculative. Its account (p. 86 of the Project Application) argues that providers:

- Could have taken beds out of service;
- Could have poor performance records;
- May not have upgraded its buildings;
- May not have been able to afford the cost of maintenance to keep its facility up to standards; or
- Might be constrained by existing leases.

Once again, ManorCare supports its position with purely speculative reasoning that provides no evidence related to any facility within HSA 8. In effect, what ManorCare argues is that the competition will do the existing facilities good because it will require them to improve. Besides being self-serving propaganda, ManorCare has provided no proof that any such encouragement to improve (or, for that matter, improvement) is necessary. The best evidence of

this is the Fair Oaks project, which proves that at least one local facility has already begun a renovation project to provide the exact same scope and type of services proposed by this Project. The HFSRB should explore what other facilities are involved in other such efforts before approving this Project.

In fact, it is this Board's responsibility to do so. ManorCare was required to document, but has not, that within 24 months after the completion, this Project:

- Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and
- Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

77 Ill. Admin. Code 1125.580(c)(1)-(2) There are 23 facilities within 30 minutes of this Project (that number increases to 70 facilities within 45 minutes) (p. 230 of Project Application), and ManorCare has provided no information that even addresses how this Project will not reduce the utilization rates of existing area providers.

Marketing Over Relevance

ManorCare offers many arguments that are appealing, but do not reflect the need calculations of the Board and are designed to distract with enticing, albeit irrelevant, claims. The Application laments the average number of skilled nursing beds per person within the county. However, the Board assesses need by Health Service Area, not by county.

ManorCare touts its rate of positive outcomes throughout Illinois and the country as evidence that ManorCare will be able to "improve the health and well-being of the market area population to be served." (p. 70 of Project Application). This is another appealing claim, albeit based upon faulty logic and unsupported by any evidence to make it relevant. We do not challenge ManorCare's claims regarding its successes. However, there is no evidence contained in this Project Application to suggest any issues exist regarding the quality of care available in this HAS that need to be "improved." Nor, has ManorCare provided any comparison of its capabilities or outcomes against those providers which are already on the ground and serving this community.

A final point of the appealing, but faulty, logic presented by ManorCare is its claim that people must be leaving the county to obtain care. This claim is purely speculative. Moreover, this Board assesses migration patterns on an HSA level, not on a county-by-county basis. Additionally, the Board factors in an expected level of in-migration and out-migration as appropriate and expected for any such project.

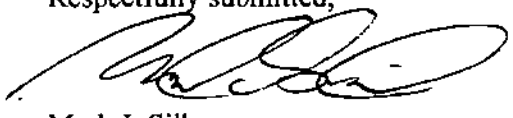
Form Letters

A final note must be raised regarding ManorCare's touting of the public support for this Project based upon its use of form letters. If nothing else, it reflects a lack of understanding of this Board's preferences. The letters accompanying the Project Application (pp. 246-313) were all executed on three dates. Moreover, each and every one of these form letters contain the same typo (supporting both the establishment of a 130-bed facility and a 120-bed facility). This reflects the lack of attention given to these letters by both the preparer of the letters and the individuals executing them. Accordingly, it highlights the lack of relevance they should be given by this Board.

Conclusion

We understand there is a projected need for HSA 8. However, with the goal of orderly and economic development, we implore this Board to first consider the potential for better utilization and expansion of the existing facilities. With 70 facilities within 45 minutes of this proposed Project, each facility adding only five licensed beds could almost completely address the projected needs. Moreover, is it the time to establish a new 130-bed facility when 65% of the facilities within 30 minutes of the proposed Project are not at the Board's utilization standards? As a final matter, this community needs to have a reliable commitment to both the provision of care to Medicaid participants and to the provision of charity care. We request that the Board seek clarification and commitments from ManorCare regarding its intention in both these areas.

Respectfully submitted,



Mark J. Silberman

MJS:ga
Attachments

EXHIBITS

Nursing Homes in Illinois

Who Regulates Nursing Homes?

A Listing of Illinois Nursing Homes

How to Select a Nursing Home

Centers for Medicare and Medicaid Services Nursing Home Database

Quarterly Reports of Nursing Home Violation

Illinois Law on Advance Directives

Nursing Homes with No Certification Deficiencies

Nursing Home Care Act

Illinois Health Care Worker Registry

Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Staffing

FAIR OAKS HEALTH CARE CENTER

471 TERRA COTTA AVENUE
CRYSTAL LAKE IL 60014
ADMINISTRATOR: JOYCE SURDICK
TELEPHONE: 815-455-0550

Employment Category	Full-Time Equivalent
Administrators	1
Physicians	0
Directors of Nursing	1
Registered Nurses	5
LPNs	5
Certified Aides	16
Other Health Staff	2
Other Non-Health Staff	15
TOTAL STAFF	45

Reporting Period Ending : 12/31/ 2006

This table is a breakdown of the number of facility staff by type and full or part time status, employed by the nursing home.

The information contained in this table is part of a report each nursing home is required to submit once a year regarding staffing, patient population, level of care provided and payment sources for the past year (referred to as the "reporting period"). The date at the bottom of the table shows the reporting period used to generate it. In reviewing this table, care must be taken to understand the age of the information.

Check with the nursing home for information on current staffing levels.

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Illinois Health Care Worker Registry

Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Staffing

CRYSTAL PINES REHAB & HCC
335 NORTH ILLINOIS STREET
CRYSTAL LAKE IL 60014
ADMINISTRATOR: MICHAEL ROSS
TELEPHONE: 815-459-7791

Employment Category	Full-Time Equivalent
Administrators	1
Physicians	0
Directors of Nursing	1
Registered Nurses	8
LPNs	5
Certified Aides	29
Other Health Staff	11
Other Non-Health Staff	21
TOTAL STAFF	**76**

Reporting Period Ending : 12/31/ 2006

This table is a breakdown of the number of facility staff by type and full or part time status, employed by the nursing home.

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Nursing Home Care Act

Illinois Health Care Worker Registry

Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Staffing

SPRINGS AT CRYSTAL LAKE,THE
1000 EAST BRIGHTON
CRYSTAL LAKE IL 60012
ADMINISTRATOR: STEPHANIE DIMITRENKO
TELEPHONE: 815-477-6400

Employment Category	Full-Time Equivalent
Administrators	1
Physicians	0
Directors of Nursing	1
Registered Nurses	12
LPNs	4
Certified Aides	23
Other Health Staff	0
Other Non-Health Staff	25
TOTAL STAFF	66

Reporting Period Ending : 12/31/ 2006

This table is a breakdown of the number of facility staff by type and full or part time status, employed by the nursing home.

The information contained in this table is part of a report each nursing home is required to submit once a year regarding staffing, patient population, level of care provided and payment sources for the past year (referred to as the "reporting period"). The date at the bottom of the table shows the reporting period used to generate it. In reviewing this table, care must be taken to understand the age of the information.

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Patient Days
Level of Care
Payment Source
Private Payment Rates

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Demographic and Income Profile Report

6000 Northwest Hwy, Crystal Lake, IL, 60014
Ring: 3 miles radius

Latitude: 42.22631
Longitude: -88.31489

Summary	2010	2011	2016
Population	55,308	55,380	57,565
Households	19,525	19,535	20,470
Families	14,453	14,481	15,060
Average Household Size	2.82	2.82	2.80
Owner Occupied Housing Units	16,001	15,889	16,813
Renter Occupied Housing Units	3,524	3,646	3,656
Median Age	37.2	37.3	37.5

Trends: 2011 - 2016 Annual Rate	Area	State	National
Population	0.78%	0.16%	0.67%
Households	0.94%	0.25%	0.71%
Families	0.79%	0.08%	0.57%
Owner HHs	1.14%	0.50%	0.91%
Median Household Income	2.54%	3.37%	2.75%

	2011		2016	
Households by Income	Number	Percent	Number	Percent
<$15,000	919	4.7%	828	4.0%
$15,000 - $24,999	1,148	5.9%	848	4.1%
$25,000 - $34,999	1,107	5.7%	799	3.9%
$35,000 - $49,999	2,102	10.8%	1,637	8.0%
$50,000 - $74,999	3,535	18.1%	3,230	15.8%
$75,000 - $99,999	3,504	17.9%	4,068	19.9%
$100,000 - $149,999	4,469	22.9%	5,285	25.8%
$150,000 - $199,999	1,510	7.7%	2,338	11.4%
$200,000+	1,241	6.4%	1,437	7.0%
Median Household Income	$80,272		$90,975	
Average Household Income	$95,610		$110,817	
Per Capita Income	$34,121		$39,832	

	2010		2011		2016	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	3,361	6.1%	3,318	6.0%	3,492	6.1%
5 - 9	4,124	7.5%	4,116	7.4%	4,259	7.4%
10 - 14	4,662	8.4%	4,662	8.4%	4,883	8.5%
15 - 19	4,477	8.1%	4,462	8.1%	4,349	7.6%
20 - 24	2,870	5.2%	2,886	5.2%	2,906	5.0%
25 - 34	6,524	11.8%	6,555	11.8%	6,994	12.2%
35 - 44	8,107	14.7%	8,076	14.6%	8,065	14.0%
45 - 54	9,649	17.4%	9,602	17.3%	9,155	15.9%
55 - 64	6,166	11.1%	6,256	11.3%	6,985	12.1%
65 - 74	3,017	5.5%	3,095	5.6%	3,939	6.8%
75 - 84	1,673	3.0%	1,673	3.0%	1,788	3.1%
85+	678	1.2%	677	1.2%	750	1.3%

	2010		2011		2016	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	50,038	90.5%	50,048	90.4%	51,171	88.9%
Black Alone	543	1.0%	541	1.0%	648	1.1%
American Indian Alone	200	0.4%	202	0.4%	223	0.4%
Asian Alone	1,321	2.4%	1,322	2.4%	1,553	2.7%
Pacific Islander Alone	15	0.0%	15	0.0%	16	0.0%
Some Other Race Alone	2,196	4.0%	2,252	4.1%	2,773	4.8%
Two or More Races	995	1.8%	1,000	1.8%	1,181	2.1%
Hispanic Origin (Any Race)	6,230	11.3%	6,383	11.5%	7,766	13.5%

Data Note: Income is expressed in current dollars.
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

EXHIBIT B

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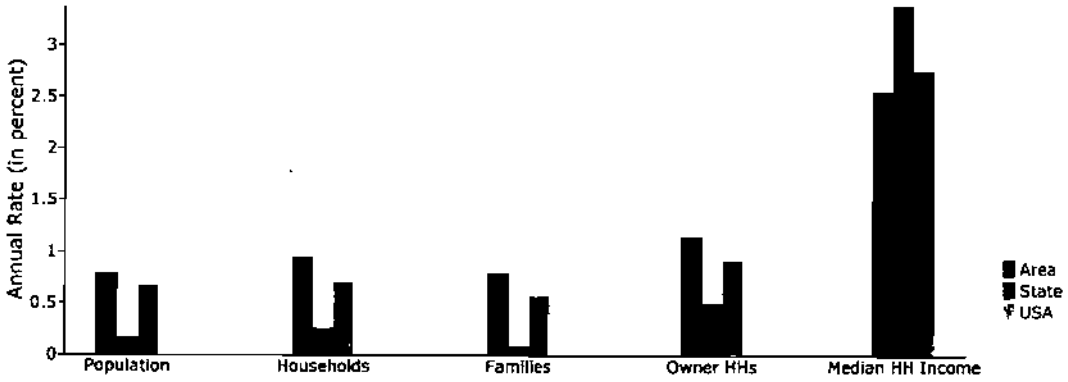
Demographic and Income Profile Report

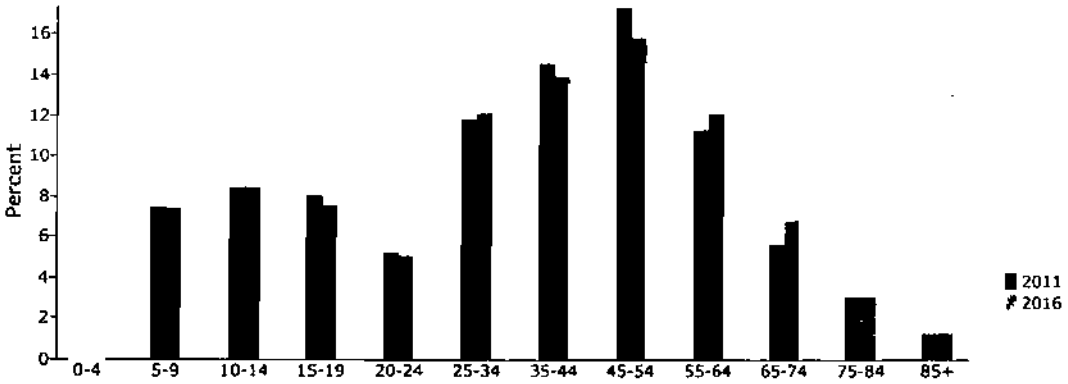
6000 Northwest Hwy, Crystal Lake, IL, 60014
Ring: 3 miles radius

Latitude: 42.22631
Longitude: -88.31489

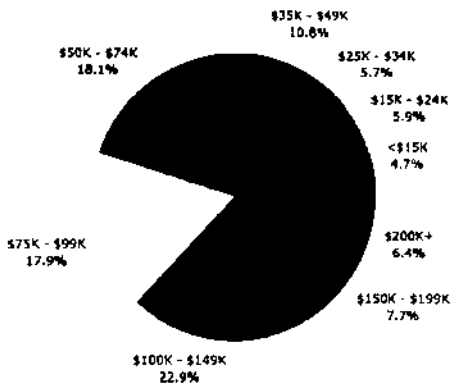
Trends 2011-2016



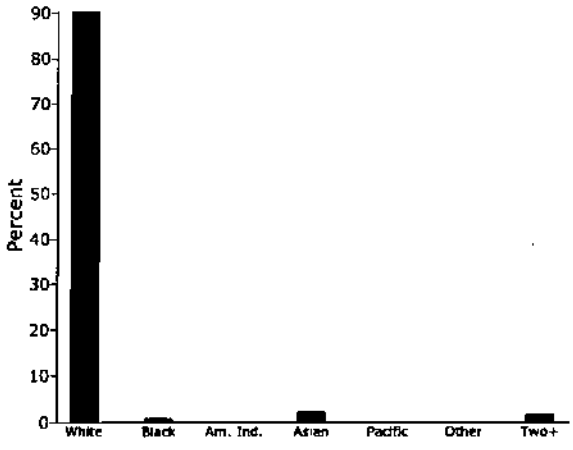
Population by Age



2011 Household Income



2011 Population by Race



2011 Percent Hispanic Origin: 11.5%

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

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Demographic and Income Profile Report

6000 Northwest Hwy, Crystal Lake, IL, 60014
Ring: 5 miles radius

Latitude: 42.22631
Longitude: -88.31489

Summary	2010	2011	2016
Population	128,346	128,355	133,475
Households	44,222	44,193	46,246
Families	34,309	34,319	35,692
Average Household Size	2.90	2.90	2.88
Owner Occupied Housing Units	38,352	38,105	40,194
Renter Occupied Housing Units	5,870	6,088	6,052
Median Age	37.4	37.4	37.5

Trends: 2011 - 2016 Annual Rate	Area	State	National
Population	0.79%	0.16%	0.67%
Households	0.91%	0.25%	0.71%
Families	0.79%	0.08%	0.57%
Owner HHs	1.07%	0.50%	0.91%
Median Household Income	2.29%	3.37%	2.75%

	2011		2016	
Households by Income	Number	Percent	Number	Percent
<$15,000	1,768	4.0%	1,562	3.4%
$15,000 - $24,999	2,190	5.0%	1,570	3.4%
$25,000 - $34,999	2,171	4.9%	1,531	3.3%
$35,000 - $49,999	4,085	9.2%	3,090	6.7%
$50,000 - $74,999	7,657	17.3%	6,906	14.9%
$75,000 - $99,999	7,983	18.1%	9,441	20.4%
$100,000 - $149,999	10,794	24.4%	12,393	26.8%
$150,000 - $199,999	3,993	9.0%	5,699	12.3%
$200,000+	3,552	8.0%	4,053	8.8%
Median Household Income	$86,210		$96,561	
Average Household Income	$103,296		$118,989	
Per Capita Income	$35,608		$41,273	

	2010		2011		2016	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	8,015	6.2%	7,910	6.2%	8,371	6.3%
5 - 9	10,175	7.9%	10,153	7.9%	10,550	7.9%
10 - 14	11,585	9.0%	11,578	9.0%	12,169	9.1%
15 - 19	10,401	8.1%	10,349	8.1%	10,108	7.6%
20 - 24	6,053	4.7%	6,084	4.7%	6,140	4.6%
25 - 34	13,704	10.7%	13,768	10.7%	14,754	11.1%
35 - 44	20,387	15.9%	20,283	15.8%	20,327	15.2%
45 - 54	23,022	17.9%	22,870	17.8%	21,817	16.3%
55 - 64	14,061	11.0%	14,250	11.1%	15,910	11.9%
65 - 74	6,435	5.0%	6,606	5.1%	8,434	6.3%
75 - 84	3,263	2.5%	3,259	2.5%	3,502	2.6%
85+	1,245	1.0%	1,244	1.0%	1,394	1.0%

	2010		2011		2016	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	115,918	90.3%	115,813	90.2%	118,449	88.7%
Black Alone	1,467	1.1%	1,464	1.1%	1,763	1.3%
American Indian Alone	377	0.3%	380	0.3%	418	0.3%
Asian Alone	4,199	3.3%	4,193	3.3%	4,949	3.7%
Pacific Islander Alone	30	0.0%	30	0.0%	33	0.0%
Some Other Race Alone	4,118	3.2%	4,229	3.3%	5,212	3.9%
Two or More Races	2,237	1.7%	2,246	1.8%	2,650	2.0%
Hispanic Origin (Any Race)	12,432	9.7%	12,773	10.0%	15,588	11.7%

Data Note: Income is expressed in current dollars.
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

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Demographic and Income Profile Report

6000 Northwest Hwy, Crystal Lake, IL, 60014
Ring: 5 miles radius

Latitude: 42.22631
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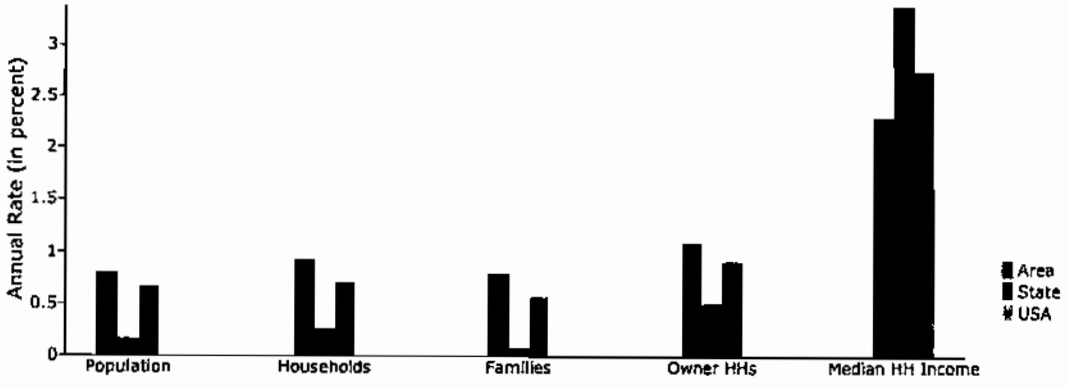
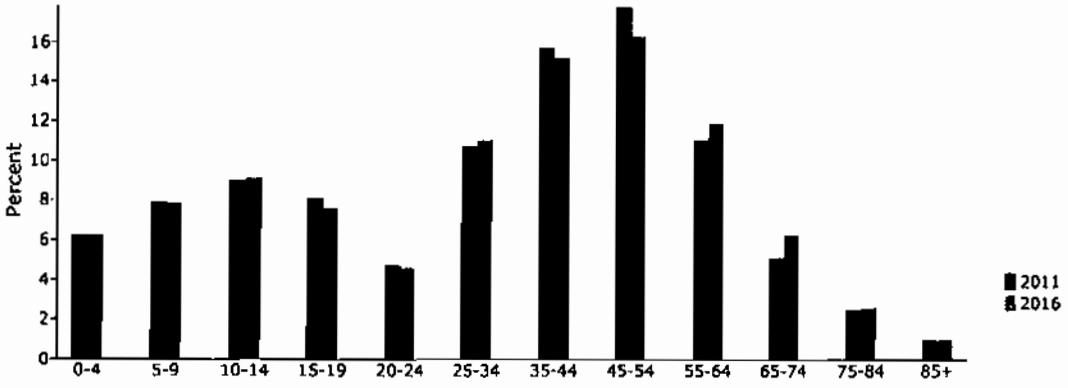
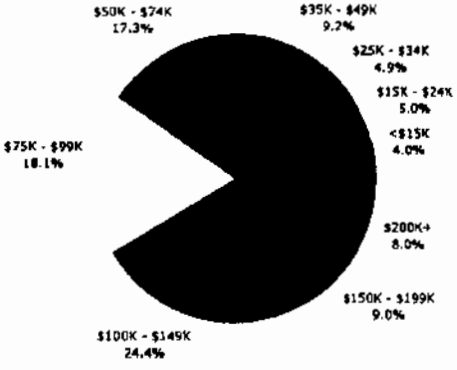
Trends 2011-2016



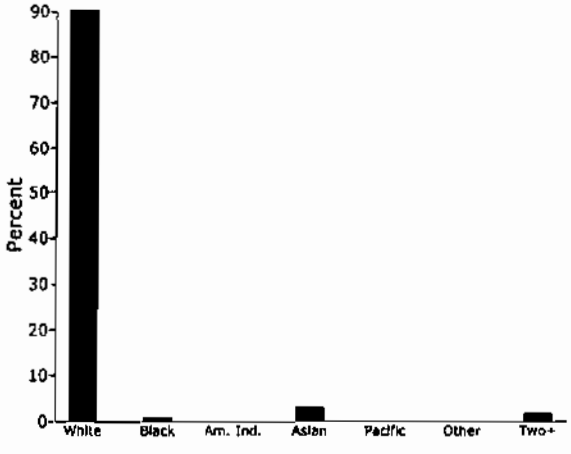
Population by Age



2011 Household Income



2011 Population by Race



2011 Percent Hispanic Origin: 10.0%

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

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Demographic and Income Profile Report

6000 Northwest Hwy, Crystal Lake, IL, 60014
Ring: 10 miles radius

Latitude: 42.22631
Longitude: -88.31489

Summary	2010	2011	2016
Population	336,746	338,132	354,147
Households	118,661	119,336	125,645
Families	89,231	89,623	93,675
Average Household Size	2.82	2.82	2.81
Owner Occupied Housing Units	99,247	98,910	105,101
Renter Occupied Housing Units	19,614	20,426	20,545
Median Age	37.3	37.4	37.5

Trends: 2011 - 2016 Annual Rate	Area	State	National
Population	0.93%	0.16%	0.67%
Households	1.04%	0.25%	0.71%
Families	0.89%	0.08%	0.57%
Owner HHs	1.22%	0.50%	0.91%
Median Household Income	2.25%	3.37%	2.75%

	2011		2016	
Households by Income	Number	Percent	Number	Percent
<$15,000	6,336	5.3%	5,813	4.6%
$15,000 - $24,999	7,769	6.5%	5,768	4.6%
$25,000 - $34,999	7,570	6.3%	5,533	4.4%
$35,000 - $49,999	12,417	10.4%	9,669	7.7%
$50,000 - $74,999	22,265	18.7%	21,070	16.8%
$75,000 - $99,999	20,646	17.3%	26,108	20.8%
$100,000 - $149,999	24,523	20.6%	28,981	23.1%
$150,000 - $199,999	8,998	7.5%	12,763	10.2%
$200,000+	8,811	7.4%	9,940	7.9%
Median Household Income	$77,991		$87,170	
Average Household Income	$95,408		$109,983	
Per Capita Income	$33,702		$39,024	

	2010		2011		2016	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	22,742	6.8%	22,523	6.7%	23,895	6.7%
5 - 9	26,378	7.8%	26,389	7.8%	27,483	7.8%
10 - 14	27,588	8.2%	27,648	8.2%	29,100	8.2%
15 - 19	24,648	7.3%	24,607	7.3%	24,098	6.8%
20 - 24	16,470	4.9%	16,627	4.9%	16,832	4.8%
25 - 34	39,372	11.7%	39,731	11.8%	42,777	12.1%
35 - 44	51,862	15.4%	51,774	15.3%	52,143	14.7%
45 - 54	55,350	16.4%	55,145	16.3%	52,772	14.9%
55 - 64	36,904	11.0%	37,534	11.1%	41,962	11.8%
65 - 74	20,851	6.2%	21,504	6.4%	27,211	7.7%
75 - 84	10,578	3.1%	10,627	3.1%	11,344	3.2%
85+	3,999	1.2%	4,024	1.2%	4,530	1.3%

	2010		2011		2016	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	291,750	86.6%	292,493	86.5%	300,674	84.9%
Black Alone	6,156	1.8%	6,114	1.8%	6,729	1.9%
American Indian Alone	1,004	0.3%	1,015	0.3%	1,172	0.3%
Asian Alone	12,462	3.7%	12,456	3.7%	14,771	4.2%
Pacific Islander Alone	101	0.0%	101	0.0%	111	0.0%
Some Other Race Alone	19,022	5.6%	19,642	5.8%	23,396	6.6%
Two or More Races	6,251	1.9%	6,312	1.9%	7,295	2.1%
Hispanic Origin (Any Race)	50,706	15.1%	52,339	15.5%	62,610	17.7%

Data Note: Income is expressed in current dollars.
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

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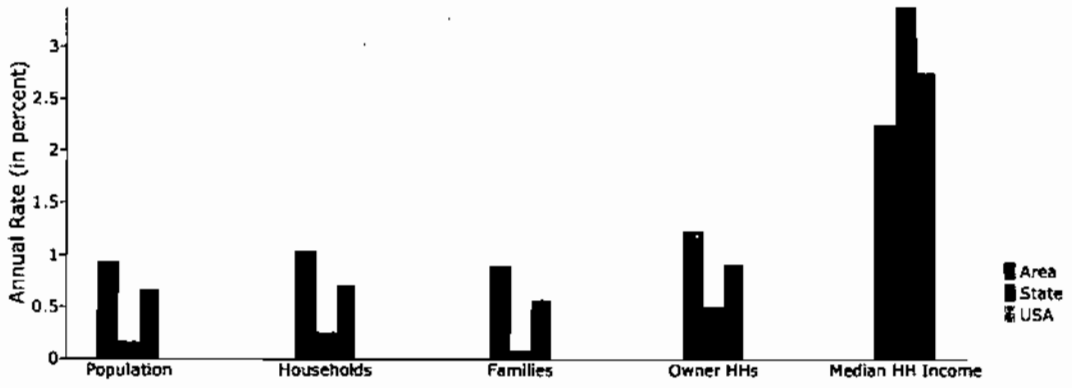
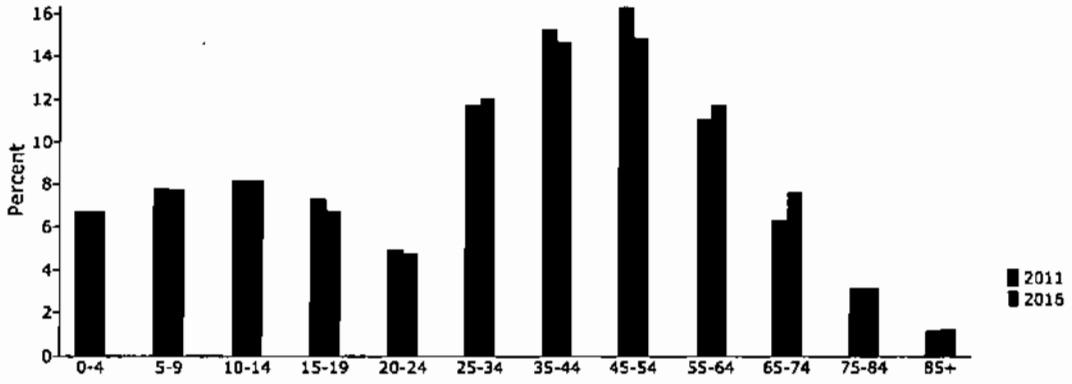
Trends 2011-2016

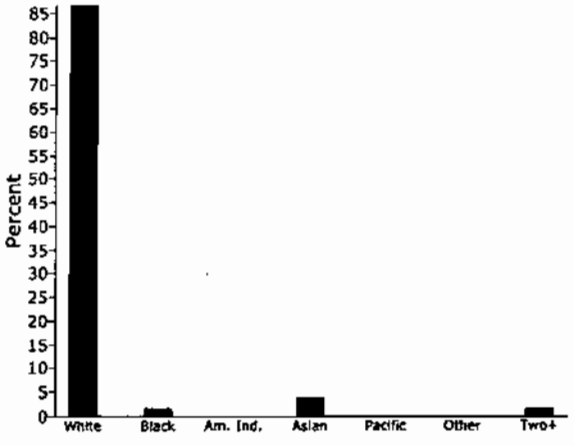


Population by Age



2011 Household Income

2011 Population by Race



2011 Percent Hispanic Origin: 15.5%

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

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HFS Agency Information

Number of Persons Enrolled in McHenry County

Five Year Enrollment History

Number of persons enrolled as of the last day of the State Fiscal Year. State Fiscal Year runs from July through June 30. Enrollment data is available 90 days after the end of the State Fiscal Year.

Children are defined as persons younger than the age of 19. Adults are defined as persons older than younger than 65. Seniors are defined as persons age 65 and older.

Partial Benefit populations are persons covered by a limited service program, such as, but not limited Illinois Cares RX and Illinois Healthy Women, and are not eligible for the entire Medical Assistance ser package.

Comprehensive Benefits

Comprehensive Benefit Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Children	11,429	14,447	16,699	19,946	22,316	24,407
Adults with Disabilities	1,558	1,609	1,638	1,746	1,886	2,010
Other Adults	4,565	5,243	5,972	7,346	8,482	9,411
Seniors	966	1,064	1,092	1,275	1,419	1,582
Total Comprehensive	18,518	22,363	25,401	30,313	34,103	37,410

Partial Benefits

Partial Benefit Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Partial	571	711	917	955	1,190	1,324

Total Enrollees

Total Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Total	19,089	23,074	26,318	31,268	35,293	38,734

EXHIBIT C

HFS Agency Information

Number of Persons Enrolled in Kane County

Five Year Enrollment History

Number of persons enrolled as of the last day of the State Fiscal Year. State Fiscal Year runs from July through June 30. Enrollment data is available 90 days after the end of the State Fiscal Year.

Children are defined as persons younger than the age of 19. Adults are defined as persons older than younger than 65. Seniors are defined as persons age 65 and older.

Partial Benefit populations are persons covered by a limited service program, such as, but not limited Illinois Cares RX and Illinois Healthy Women, and are not eligible for the entire Medical Assistance ser package.

Comprehensive Benefits

Comprehensive Benefit Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Children	46,317	59,340	67,207	76,483	83,206	85,833
Adults with Disabilities	4,301	4,552	4,790	5,213	5,561	5,353
Other Adults	14,203	15,836	17,736	20,430	22,992	24,236
Seniors	3,452	3,743	4,111	4,435	4,948	4,537
Total Comprehensive	68,273	83,471	93,844	106,561	116,707	119,959

Partial Benefits

Partial Benefit Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Partial	1,655	1,878	2,246	2,526	3,029	3,186

Total Enrollees

Total Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Total	69,928	85,349	96,090	109,087	119,736	123,145

HFS Agency Information

Number of Persons Enrolled in Lake County

Five Year Enrollment History

Number of persons enrolled as of the last day of the State Fiscal Year. State Fiscal Year runs from July through June 30. Enrollment data is available 90 days after the end of the State Fiscal Year.

Children are defined as persons younger than the age of 19. Adults are defined as persons older than younger than 65. Seniors are defined as persons age 65 and older.

Partial Benefit populations are persons covered by a limited service program, such as, but not limited Illinois Cares RX and Illinois Healthy Women, and are not eligible for the entire Medical Assistance ser package.

Comprehensive Benefits

Comprehensive Benefit Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Children	40,009	51,340	57,155	63,749	69,081	73,077
Adults with Disabilities	5,699	5,848	6,063	6,326	6,686	7,020
Other Adults	13,028	14,551	16,238	18,007	20,667	22,478
Seniors	4,290	4,630	4,840	5,089	5,407	6,275
Total Comprehensive	63,026	76,369	84,296	93,171	101,841	108,850

Partial Benefits

Partial Benefit Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Partial	1,389	1,674	1,960	2,292	2,546	2,818

Total Enrollees

Total Enrollees	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Total	64,415	78,043	86,256	95,463	104,387	111,668