

Constantino, Mike

From: Mike Levitt [MIKEL@Tutera.com]
Sent: Monday, December 10, 2012 11:24 AM
To: Constantino, Mike
Subject: Letter of Opposition to Project #12-039
Attachments: Illinos ManorCare CON.pdf.pdf

Importance: High

Mr. Constantino:

I was just made aware that Manor Care may be on the docket today. Crystal Pines had no prior knowledge of this. Otherwise, we would have entered an appearance and presented the attached testimony. I am asking for it to be noted and entered into testimony in opposition to project # 12-039. Obviously, I am based in Kansas City and it would be impossible for me to get there today. If this could be postponed until tomorrow if the agenda allows, I will be there if so granted. Otherwise, I want to be on record as opposing this application for the reasons stated in the attached letter.

Respectfully,

Michael Levitt, V.P.

Crystal Pines Rehabilitation & Nursing Center

816-438-8093

P.S. I am also available to call in at the appropriate time in order to put my objection on the record. Thanks.

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October 30, 2012

Mr. Dale Galassie Chairperson
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street
Springfield, IL 62761

Re: Manor Care Health Service of Crystal Lake / Project #12-039

Mr. Chairperson and members of the Committee. I again appear before you as an affected party to oppose this application.

Let me say that we agree with the staff report findings, as we did when we sat at this table on July 23rd and this Committee affirmed by a vote of 7 to 1 to deny this application.

Standards are still not met and there remains non-compliance regarding
Service Availability
Unnecessary Duplication
Unnecessary Maldistribution¹
A profound and negative impact on existing providers

Based upon this and this alone, we implore the Committee to affirm the staffs report and deny this application.

However, I am compelled to address what I personally found arrogant, accusatory, insolent and down right offense to the provider community, the staff, and this Board in the cover letter and additional materials submitted by Mr. Reppy on behalf of this 5.5 billion dollar Ohio company.

To state that 3 providers should be dismissed from consideration, who have standing and have received approval from this Board, while ManorCare should jump to the 'front-of-the-line' based on their contention that those projects are seeking conventional or bond financing is incredulous. However, here is the current, legal status of those three (3) approved projects which the Staff can confirm.

¹ bad or faulty distribution : undesirable inequality or unevenness of placement or apportionment (as of population, resources, or wealth) over an area or among members of a group

Those 3 projects are:

Resthaven Home #12-022. Approved 8/1/12. 9/4/12 Standard Form Loan Commitment Letter submitted and accepted by the HFSRB Staff. NOT AN ISSUE

Lutheran Home #12-025. Extension requested until 12/1/12. Recommend by Staff. Board history indicates that this should be granted. NOT AN ISSUE

Good Samaritan #12-027. Conditional debt financing not due until 12/31/12. NOT AN ISSUE

Look, HCR ManorCare has a fiduciary responsibility to thousands of individuals and institutions who hold their debt in the form of notes and other financial instruments. Do you think those investors might be concerned about spending one-and-a-half times what is costs per square foot to build this Skilled Nursing Facility in today's market?²

The submission of 14 form letter, some of which the doctors failed to "fill in the bank", were provided to show a need. However, here are the facts.

None of those 14 doctors referred a single resident to Crystal Pines in the past 12 + months. In fact, of the total combined number we could determine those 14 referred over the past 12 months and the potential number of referrals they indicated they could refer to this new Crystal Lake facility were close to the same number; approximately 370 patients. If in fact, that is the case, and the status quo remains similar, then 100% of those patients for those 14 physicians would have to be diverted from Cook and Lake Counties over to McHenry County.

And finally, to ask the staff and this Board to discount two (2) facilities in this service area as "not good enough to be counted" because they have a one or two star CMS rating on the Nursing Home Compare website is, to me, pure nonsense.

How would HCR ManorCare feel if I filed for a CON in Troy, MI or Akron, OHIO, or even Hinsdale, IL and asked the staff and this Committee to disregard the bed census for their facility because those facilities have a One or Two Star CMS rating? We know how volatile the rating can be from month-to-month and we know it is not criteria. I think I'll close with that and again ask this Board to reaffirm the staff report and deny this application.

Respectfully your,

Michael Levitt, V.P.
Crystal Pines Rehabilitation & Health Care Center, LLC
Crystal Lake, IL

² 141% over the average RS Means cost of construction of a 2 story, 66,790 square foot SNF

