

Constantino, Mike

From: Reppy, Don [DREPPY@hcr-manorcare.com]
Sent: Tuesday, July 03, 2012 2:10 PM
To: Constantino, Mike; Kara Friedman
Cc: Avery, Courtney
Subject: RE: 12-039 Manorcare Health Services of Crystal Lake
Attachments: Response Letter and Attachments A-B-C.pdf; Attachment D.pdf; Attachment E.pdf

The three attached documents are the responses to your questions:

- Responses and Attachments A, B, and C
- Attachment D – 45 Minute drive time information
- Attachment E – Additional Letters of Support

Given the storm and the massive power outages here in the DC area, I am surprised that we were able to get this together. But in the end, we had just enough time to make it happen. Have a good holiday.

Thanks.

Don Reppy
HCR-ManorCare
Director of Health Planning
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Rockville, MD 20855
240-453-8568
dreppy@hcr-manorcare.com

From: Constantino, Mike [<mailto:Mike.Constantino@Illinois.gov>]
Sent: Tuesday, June 26, 2012 12:18 PM
To: Reppy, Don; Kara Friedman
Cc: Avery, Courtney
Subject: 12-039 Manorcare Health Services of Crystal Lake

Don and Kara:

I am reviewing your application for permit and writing the SAR and I have the following questions and concerns:

1. I could not find the estimated operating start-up costs as required by the application. Please submit this amount on the appropriate application page.
2. Is the land properly zoned for the proposed facility? All I see is a letter from an attorney saying it probably will be.
3. I need for you to complete the cost space chart in the format that is required. We cannot accept "all" as an response.
4. You have interest expense listed as a capital expense related to this project yet there is no debt listed in the sources of funds. If the interest expense is a misclassification or an error please submit a new project cost and sources of funds statement. If it is not then I need a new project costs and sources of funds statement and for you to address the reasonableness of financing, and terms of debt financing. Also I will need you to provide the financial ratio information for all applicants as requested below.

5. I need all costs that have been identified on the project costs and sources of funds statement itemized by name and amount.
6. I could not find referral information (i.e referral letters) as required to determine demand for the establishment of a long term care facility or projected information based upon rapid population growth. I need one or the other.
7. I need for you to identify all facilities within 45 minutes of the proposed facility, with the map quest data and a summary sheet and their 2010 utilization. In addition did you adjust the time on the facilities identified as being 30 minutes from the proposed site as required, I could determine it appears not.

These questions are the result of the rule changes approved by the long term care sub committee and the board. I could not find any of this information.

8. Financial Viability – The applicant shall demonstrate the financial feasibility of the project based upon the projection of reasonable Medicare, Medicaid and private pay charges, expenses of operation, and staffing patterns relative to other facilities in the market area in which the proposed project will be located.
9. Previous Certificate of Need Projects – The applicant shall describe its previous record of implementing certificate of need-approved LTC projects.
10. Financial and Economic Review Standard Ratios for New Facilities – The proposed project shall comply with the ratio standards cited in Appendix B. Applicants not in compliance with any of the viability ratios shall document the reasons for non-compliance.
11. Site preparation exceeds the state board standard by approximately 1%. I will need an explanation for this overage.

Please Email the information to me.

Mike Constantino
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 525 West Jefferson
 Springfield, Illinois 62761
 Fax:(217) 785-4111
 Phone:(217) 785-1557

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