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MAY 30 2013

**LONG-TERM CARE
APPLICATION FOR PERMIT**

HEALTH FACILITIES &
SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

13-032

DESCRIPTION OF PROJECT

Project Type

[Check one]

[check one]

<input checked="" type="checkbox"/> General Long-term Care <input type="checkbox"/> Specialized Long-term Care	<input type="checkbox"/> Establishment of a new LTC facility <input type="checkbox"/> Establishment of new LTC services <input checked="" type="checkbox"/> Expansion of an existing LTC facility or service <input type="checkbox"/> Modernization of an existing facility
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Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive. **Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the ESTIMATED total project cost and the funding source(s) for the project.**

The Applicant, PM Nursing and Rehabilitation, LLC (Owner) and Palos Hills Healthcare, LLC (Operator/Licensee) together are proposing the on-site replacement of 63-beds and the addition of 21 new nursing beds to the existing single story 203-bed, 41,292 gross square feet facility known as Palos Hills Healthcare located at 10426 South Roberts, Palos Hills, Cook County, Planning Area 7E, Illinois. The two-story addition is being proposed in 71,458 gross square feet of space to include a partial basement. The 112,750 total gross square foot facility will have downsized all of its four bed ward rooms and 39 of its three bed wards to semi-private and private accommodations resulting in 224 licensed nursing beds (or 503 gross square feet per bed) upon project completion.

This project is also considered as Phase I of a long-range plan. Overall, it is the intent of the Applicant to ultimately replace the existing structure with Phase II concluding the project.

Since this proposal will result in a capital expenditure in excess of the current threshold amount of \$6,885,803, this project would be classified as "substantive" per Section 1110.40 of the 77 Illinois Administrative Code, Chapter II of Subchapter a.

Facility/Project Identification

Facility Name: Palos Hills Extended Care		
Street Address: 10426 South Roberts Road		
City and Zip Code: Palos Hills 60465		
County: Cook	Health Service Area: VII	Health Planning Area: 7E

Applicant /Co-Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: PM Nursing and Rehabilitation, LLC
Address: 6865 North Lincoln, Lincolnwood, Illinois 60712
Name of Registered Agent: Avrum Weinfeld
Name of Chief Executive Officer: Natan Weiss
CEO Address: 6865 North Lincoln Avenue, Lincolnwood, Illinois 60712
Telephone Number: (847) 410-2811

Type of Ownership (Applicant/Co-Applicants)

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact**[Person to receive ALL correspondence or inquiries]**

Name: John P. Kniery
Title: Health Care Consultant
Company Name: Foley & Associates, Inc.
Address: 1638 So. MacArthur Boulevard, Springfield, Illinois 62704
Telephone Number: (217) 544-1551
E-mail Address: jkniery@foleyandassociates.com
Fax Number: (217) 544-3615

Additional Contact**[Person who is also authorized to discuss the application for permit]**

Name: Charles H. Foley, MHSA
Title: Health Care Consultant
Company Name: Foley & Associates, Inc.
Address: 1638 South MacArthur Boulevard, Springfield, Illinois 62704
Telephone Number: (217) 544-1551
E-mail Address: foley@foleyandassociates.com
Fax Number: (217) 544-3615

Facility/Project Identification

Facility Name: Palos Hills Healthcare		
Street Address: 10426 South Roberts Road		
City and Zip Code: Palos Hills 60465		
County: Cook	Health Service Area: VII	Health Planning Area: 7E

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

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Name of Chief Executive Officer: Natan Weiss
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<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
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E-mail Address: foley@foleyandassociates.com
Fax Number: (217) 544-3615

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance. **This person must be an employee of the applicant.**]

Name: Natan Weiss
Title: Director
Company Name: PM Nursing and Rehab LLC
Address: 6865 North Lincoln Avenue, Lincolnwood, Illinois 60712
Telephone Number: (847) 410-2811
E-mail Address: nweiss@briahs.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: PM Nursing and Rehabilitation, LLC
Address of Site Owner: 6865 North Lincoln, Lincolnwood, Illinois 60712
Street Address or Legal Description of Site: 10426 South Roberts Road, Palos Hills IL, 60465
Proof of ownership or control of the site is to be provided as . Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Palos Hill Healthcare, LLC
Address: 6865 North Lincoln Avenue, Lincolnwood, Illinois 60712
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT-5** IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT-6** IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

The following submittals are up- to- date, as applicable:

- All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- All reports regarding outstanding permits

If the applicant fails to submit updated information for the requirements listed above, the application for permit will be deemed incomplete.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

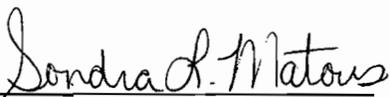
This Application for Permit is filed on the behalf of PM Nursing and Rehabilitation, LLC * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

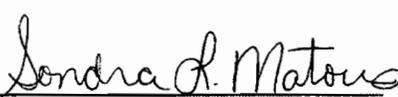

SIGNATURE
Arum Weinfeld
PRINTED NAME
OWNER
PRINTED TITLE

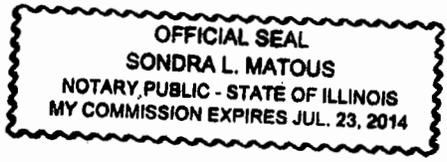

SIGNATURE
Daniel Weiss
PRINTED NAME
OWNER
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21ST day of March 2013

Notarization:
Subscribed and sworn to before me
this 21ST day of March 2013


Signature of Notary


Signature of Notary



Seal

Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

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- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

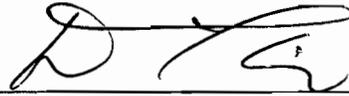
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 SIGNATURE
Arren Weinfeld

 PRINTED NAME
Owner

 PRINTED TITLE



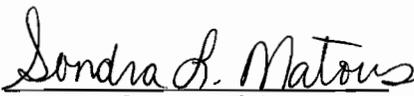
 SIGNATURE
Daniel Weiss

 PRINTED NAME
owner

 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21st day of March 2013

Notarization:
Subscribed and sworn to before me
this 21st day of March 2013



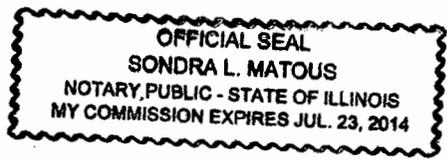
 Signature of Notary



 Signature of Notary



Seal



Seal

*Insert EXACT legal name of the applicant

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES –
INFORMATION REQUIREMENTS**

This Section is applicable to ALL projects.

Criterion 1125.320 – Purpose of the Project

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report. **APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. Each item (1-6) must be identified in Attachment 10.**

Criterion 1125.330 – Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

1. Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

 - a. Proposing a project of greater or lesser scope and cost;
 - b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - d. Provide the reasons why the chosen alternative was selected.
2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long

term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of LTC categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each LTC category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

Criterion 1125.510 – Introduction

Bed Capacity

Applicants proposing to establish, expand and/or modernize General Long Term Care must submit the following information:

Indicate bed capacity changes by Service:

Category of Service	Total # Existing Beds*	Total # Beds After Project Completion
<input checked="" type="checkbox"/> General Long-Term Care	203	224
<input type="checkbox"/> Specialized Long-Term Care		
<input type="checkbox"/>		

*Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hrfsb.illinois.gov). PLEASE NOTE: ANY bed capacity discrepancy from the Inventory will result in the application being deemed incomplete.

Utilization

Utilization for the most current CALENDAR YEAR:

Category of Service	Year	Admissions	Patient Days
<input checked="" type="checkbox"/> General Long Term Care	2011	259	47,234
	2012	302	50,461
<input type="checkbox"/> Specialized Long-Term Care			

Applicable Review Criteria - Guide

The review criteria listed below must be addressed, per the LTC rules contained in 77 Ill. Adm. Code 1125. See HFSRB's website to view the subject criteria for each project type - (<http://hfsrb.illinois.gov>). To view LTC rules, click on "Board Administrative Rules" and then click on "77 Ill. Adm. Code 1125".

READ THE APPLICABLE REVIEW CRITERIA OUTLINED BELOW and submit the required documentation for the criteria, as described in SECTIONS IV and V:

GENERAL LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of Services or Facility (NOT GERMANE)	.520	Background of the Applicant
	.530(a)	Bed Need Determination
	.530(b)	Service to Planning Area Residents
	.540(a) or (b) + (c) + (d) or (e)	Service Demand - Establishment of General Long Term Care
	.570(a) & (b)	Service Accessibility
	.580(a) & (b)	Unnecessary Duplication & Maldistribution
	.580(c)	Impact of Project on Other Area Providers
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
Appendix A	Project Costs and Sources of Funds	
Appendix B	Related Project Costs	
Appendix C	Project Status and Completion Schedule	
Appendix D	Project Status and Completion Schedule	

Expansion of Existing Services	.520	Background of the Applicant
	.530(b)	Service to Planning Area Residents
	.550(a) + (b) or (c)	Service Demand - Expansion of General Long-Term Care
	.590	Staffing Availability
	.600	Bed Capacity
	.620	Project Size
	.640	Assurances
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
.610	Community Related Functions	

	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Continuum of Care - Establishment or Expansion (NOT GERMANE)	.520	Background of the Applicant
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
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	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Defined Population - Establishment or Expansion (NOT APPLICABLE)	.520	Background of the Applicant
	.560(b)(1) & (2)	Defined Population to be Served
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
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	Appendix B	Related Project Costs
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	Appendix D	Project Status and Completion Schedule

Modernization (NOT GERMANE)	.650(a)	Deteriorated Facilities
	.650(b) & (c)	Documentation
	.650(d)	Utilization
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA**GENERAL LONG-TERM CARE****Criterion 1125.520 – Background of the Applicant****BACKGROUND OF APPLICANT**

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov>) and click on "Health Facilities Inventories & Data".
2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.
3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.540 - Service Demand – Establishment of General Long Term Care

<ul style="list-style-type: none">• If the applicant is an existing facility wishing to establish this category of service or a new facility, #1 – 4 must be addressed. Requirements under #5 must also be addressed if applicable.
<ul style="list-style-type: none">• If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the number of annual projected referrals.
<ol style="list-style-type: none">1. Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility.2. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used.3. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note:<ul style="list-style-type: none">• The anticipated number of referrals cannot exceed the referral sources' documented historical LTC caseload.• The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion• Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address4. Provide verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services.5. If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as follows:<ol style="list-style-type: none">a. The applicant shall define the facility's market area based upon historical resident/patient origin data by zip code or census tract;b. Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area, by the U.S. Bureau of the Census or IDPH;c. Projections shall be for a maximum period of 10 years from the date the application is submitted;d. Historical data used to calculate projections shall be for a number of years no less

than the number of years projected;

- e. Projections shall contain documentation of population changes in terms of births, deaths and net migration for a period of time equal to or in excess of the projection horizon;
- f. Projections shall be for total population and specified age groups for the applicant's market area, as defined by HFSRB, for each category of service in the application (see the HFSRB Inventory); and
- g. Documentation on projection methodology, data sources, assumptions and special adjustments shall be submitted to HFSRB.

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The applicant shall document #1 and either #2 or #3:

1. Historical Service Demand
 - a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.
 - b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.
2. Projected Referrals
The applicant shall provide documentation as described in Section 1125.540(d).
3. If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.560 - Variances to Computed Bed Need

Continuum of Care:

The applicant proposing a continuum of care project shall demonstrate the following:

1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.
2. The proposal shall be for the purposes of and serve only the residents of the housing complex

Criterion 1125.580 - Unnecessary Duplication/Maldistribution

1. The applicant shall provide the following information:
 - a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;
 - b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and
 - c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.
2. The applicant shall document that the project will not result in maldistribution of services.
3. The applicant shall document that, within 24 months after project completion, the proposed project:
 - a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and
 - b. 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.

APPEND DOCUMENTATION AS ATTACHMENT- 18 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.
2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff; or
 - e. A narrative explanation of how the proposed staffing will be achieved.

APPEND DOCUMENTATION AS ATTACHMENT- 19 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

APPEND DOCUMENTATION AS ATTACHMENT- 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

APPEND DOCUMENTATION AS ATTACHMENT- 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

APPEND DOCUMENTATION AS ATTACHMENT- 22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

APPEND DOCUMENTATION AS ATTACHMENT- 23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.640 - Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.
2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

APPEND DOCUMENTATION AS ATTACHMENT- 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.650 - Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:
 - a. High cost of maintenance;
 - b. non-compliance with licensing or life safety codes;
 - c. Changes in standards of care (e.g., private versus multiple bed rooms); or
 - d. Additional space for diagnostic or therapeutic purposes.
2. Documentation shall include the most recent:
 - a. IDPH and CMMS inspection reports; and
 - b. Accrediting agency reports.
3. Other documentation shall include the following, as applicable to the factors cited in the application:
 - a. Copies of maintenance reports;
 - b. Copies of citations for life safety code violations; and
 - c. Other pertinent reports and data.
4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

APPEND DOCUMENTATION AS ATTACHMENT- 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW**Criterion 1125.800 Estimated Total Project Cost**

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Availability of Funds – Review Criteria
- Financial Viability – Review Criteria
- Economic Feasibility – Review Criteria, subsection (a)

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

<u>\$2,276,400</u>	<p>a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b. Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c. Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
<u>\$15,200,000</u>	<p>d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5. For any option to lease, a copy of the option, including all terms and conditions.

_____	e.	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f.	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g.	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$17,476,400	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

COMBINED (PM NURSING AND REHABILITATION, LLC AND PALOS HILLS HEALTHCARE, LLC)

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
	2010 *	2011	2012	2018
Enter Historical and/or Projected Years:				
Current Ratio	1.2	1.5	1.4	2.2
Net Margin Percentage	4.3	12.1	11.6	5.3
Percent Debt to Total Capitalization	0.0	0.0	14.1	34.7
Projected Debt Service Coverage	0.7	8.2	2.3	2.6
Days Cash on Hand	102.3	38.0	29.5	228.3
Cushion Ratio	5.0	4.1	0.7	4.2

*6 MONTHS FOR OPERATOR & NO 2010 OR 2011 DATA FOR OWNER
Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

_____	e.	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f.	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g.	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$17,476,400	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

PM NURSING AND REHABILITATION, LLC

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
	2010 *	2011	2012	2018
Enter Historical and/or Projected Years:				
Current Ratio	N/A	N/A	0.3	2.7
Net Margin Percentage	N/A	N/A	66.9	-5.7
Percent Debt to Total Capitalization	N/A	N/A	28.6	44.5
Projected Debt Service Coverage	N/A	N/A	6.4	1.3
Days Cash on Hand	N/A	N/A	-0.7	-278.1
Cushion Ratio	N/A	N/A	0.0	1.4

*Applicant took ownership in 2012; therefore, there is no other historical data available.

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

_____	e.	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f.	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g.	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$17,476,400	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

PALOS HILLS HEALTHCARE, LLC

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
	2010 *	2011	2012	2018
Enter Historical and/or Projected Years:				
Current Ratio	1.2	1.5	1.5	2.1
Net Margin Percentage	4.3	12.1	7.4	6.1
Percent Debt to Total Capitalization	0.0	0.0	0.0	0.0
Projected Debt Service Coverage	0.7	8.2	1.5	1.0
Days Cash on Hand	102.3	38.0	30.6	121.2
Cushion Ratio	5.0	4.1	0.8	2.1

*Applicant took ownership 2nd half of 2010; therefore, there is only 6 months data available for that calendar year. Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;
2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

Identify each area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY SERVICE									
Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Nursing	\$187.17	0	71,458	0	0	0	\$13,374,957	0	\$13,374,957
Contingency	\$ 18.72	0	71,458	0	0	0	\$ 1,337,496	0	\$ 1,337,496
TOTALS	\$205.89	0	71,458	0	0	0	\$14,712,453		\$14,712,453

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT - 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

APPENDIX A**Project Costs and Sources of Funds**

Complete the following table listing all costs associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$136,956	\$132,944	\$269,900
Site Survey and Soil Investigation	\$9,134	\$8,866	\$18,000
Site Preparation	\$263,864	\$256,136	\$520,000
Off Site Work	\$15,223	\$14,777	\$30,000
New Construction Contracts	\$6,786,868	\$6,588,089	\$13,374,957
Modernization Contracts			
Contingencies	\$678,687	\$658,809	\$1,337,496
Architectural/Engineering Fees	\$438,419	\$425,578	\$863,997
Consulting and Other Fees	\$208,554	\$202,446	\$411,000
Movable or Other Equipment (not in construction contracts)	\$330,363	\$320,687	\$651,050
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$8,868,067	\$8,608,333	\$17,476,400
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$1,155,116	\$1,121,284	\$2,276,400
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	\$7,712,951	\$7,487,049	\$15,200,000
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$8,868,067	\$8,608,333	\$17,476,400

Clinical and Non-Clinical costs are derived from the space allocation as provided in Appendix D.

APPENDIX "A"

Preplanning Costs	\$	269,900
Site Survey and Soil Testing	\$	18,000
Survey	10000	
Soil Testing	8000	
Site Preparation	\$	520,000
Demolition	281800	
Site Clearing & Grading	218200	
Relocate existing Gas and Electric	20000	
Off-Site Work	\$	30,000
Utility Connections, Drives, Etc.	30000	
New Construction Contracts	\$	13,374,958
Modernization Constracts		
Contingencies	\$	1,337,496
New Const.	1337496	
Modernization	0	
Architechural/Engineering Fees	\$	863,997
	5.76%	
Consulatants and Other Fees	\$	411,000
CON Consultant/Attrny/CPA	120000	
Interior Designer	50000	
CON Application Fee	40000	
Building and other permits	150000	
IDPH Review Fees	16000	
Construction Testing Agency	30000	
Temporary Parking Space Rental		
Phase 1 Environmental Report	5000	
Movable or other Equipment	\$	651,050
Net Interest During Construction		Please provide
Other Costs to be Capitalized		Please provide
	\$	17,476,400

APPENDIX B

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	<u>N/A</u>	
Fair Market Value: \$	<u>N/A</u>	

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ N/A.

APPENDIX C

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

- | | |
|---|--|
| <input type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary |
| <input checked="" type="checkbox"/> Schematics | <input type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): December 2016

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
- Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
- Project obligation will occur after permit issuance.

APPENDIX D**Cost/Space Requirements**

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
Nursing	\$5,793,103	16,770	40,457	23,687			
Living/Dining/Activity	\$1,496,761	5,619	11,739	6,120			
Kitchen/Food Service	\$387,642	1,713	3,298	1,585			
P.T./O.T.	\$569,112	728	3,055	2,327			
Laundry	\$540,742	803	3,014	2,211			
Beauty/Barber Shop	\$80,708	98	428	330			
Dialysis	\$0	1,366	1,366	0			
Total Clinical	\$8,868,067	27,097	63,357	36,260			
NON CLINICAL							
Office/Administration	\$486,937	1,610	3,601	1,991			
Employee Lounge/ Locker/Training	\$328,701	270	1,614	1,344			
Mechanical/Electrical	\$400,604	801	2,439	1,638			
Lobby	\$221,090	461	1,365	904			
Storage/Maintenance	\$1,081,973	842	5,266	4,424			
Corridor/Public Toilets	\$3,354,015	6,114	19,828	13,714			
Stair/Elevators	\$714,630		2,922	2,922			
Amenities:	\$191,253		782	782			
Circulation	\$1,829,130	4,097	11,576	7,479			
Total Non-clinical	\$8,608,333	14,195	49,393	35,198			
TOTAL	\$17,476,400	41,292	112,750	71,458			

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Co-applicant Identification including Certificate of Good Standing	30 – 32
2	Site Ownership	33 – 44
3	Operating Identity/Licensee	45 – 47
4	Organizational Relationships	48 – 49
5	Flood Plain Requirements	50 – 51
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	General Information Requirements	
10	Purpose of the Project	54 – 65
11	Alternatives to the Project	66 – 82
	Service Specific - General Long-Term Care	
12	Background of the Applicant	83 – 100
13	Planning Area Need	101 – 114
14	Establishment of General LTC Service or Facility	115 – 125
15	Expansion of General LTC Service or Facility	
16	Variances	
17	Accessibility	
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	Service Specific - Specialized Long-Term Care	
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27	Availability of Funds	161 – 169
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29	Financial Viability	170 – 217
30	Economic Feasibility	218 – 220
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A	Project Costs and Sources of Funds	25 & 25A
B	Related Project Costs	26
C	Project Status and Completion Schedule	27
D	Cost/Space Requirements	28

SECTION I - IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued i

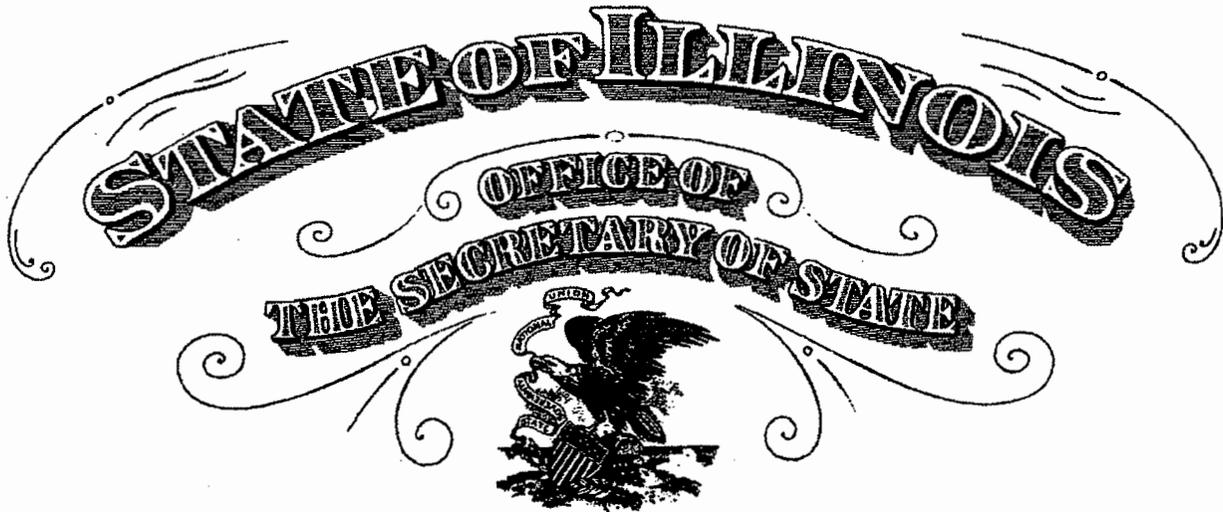
Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

- Corporations and limited liability companies must provide an Illinois certificate of good standing.

The owner of the proposed project is **PM Nursing and Rehabilitation, LLC**. The operator/Licensee will be **Palos Hills Healthcare, LLC**. Collectively these entities are the Applicant. The entities' Illinois Certificates of Good Standing are appended as **ATTACHMENT-1A**.

ATTACHMENT-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

PM NURSING AND REHABILITATION LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 01, 2010, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1307102826

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 12TH day of MARCH A.D. 2013 .

Jesse White

SECRETARY OF STATE

ATTACHMENT-1A



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

PALOS HILLS HEALTHCARE LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 01, 2010, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1307102844

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 12TH day of MARCH A.D. 2013 .

Jesse White

SECRETARY OF STATE

ATTACHMENT-1A

SECTION I - IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued ii

Site Ownership

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

The owner of the existing building and site is **PM Nursing and Rehabilitation, LLC**.

The entity's Illinois Certificate of Good Standing is appended as **ATTACHMENT-2A**. The legal description of the project is appended within the Deed, appended as **ATTACHMENT-2B**, which provides proof of site control.

ATTACHMENT-2



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

PM NURSING AND REHABILITATION LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 01, 2010, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1307102826

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 12TH day of MARCH A.D. 2013

Jesse White

SECRETARY OF STATE

ATTACHMENT-2A

TRUSTEE'S DEED



(The above space for recorder's use only)

This Indenture, made this 26th day of September, 2012, between FirstSecure Bank and Trust Co., (f/k/a Family Bank and Trust Company, f/k/a First State Bank and Trust Company of Palos Hills), an Illinois Banking Corporation as Trustee under the provisions of a deed or deeds in trust, duly recorded and delivered to said bank in pursuance of a trust agreement dated the 19th day of October, 1996, and known as Trust Number 1-190, party of the first part, and PM Nursing and Rehabilitation, LLC, party of the second part.

Address of Grantee : 3856 W. Oakton, Suite 250, Skokie, IL 60076

Witnesseth, that said party of the first part, in consideration of the sum of ten dollars, and other good and valuable considerations in hand paid, does hereby convey and quitclaim unto said party of the second part, the following described real estate, situated in Cook County, Illinois, to wit:

Lots 2 and 3 in Lansdowne Hickory Hills, a Subdivision of the North East ¼ of the North East ¼ of Section 14, Township 37 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Together with the tenements and appurtenances thereunto belonging.

To have and to hold the same unto said party of the second part, and to the proper use, benefit, and behoof forever of said party of the second part.

This deed is executed pursuant to and in the exercise of the power and authority granted to and vested in said trustee by the terms of said deed or deeds in trust delivered to said trustee in pursuance of the trust agreement above mentioned.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Assistant Trust Officers, the day and year first above written.

As Trustee as Aforesaid,

By Mary Lou Moore, ASO Assistant Trust Officer

Attest [Signature] ATG. Assistant Trust Officer

ADDRESS OF PROPERTY: 10400 S. Roberts Road, Palos Hills, IL 60465

P.I.N. No.: 23-14-224-009-0000 and 23-14-224-010-0000

THIS DOCUMENT WAS PREPARED AND DRAFTED BY:

FirstSecure Bank and Trust Co.
Mary Therese Mott, A.T.O.
10360 S. Roberts Road
Palos Hills, IL 60465

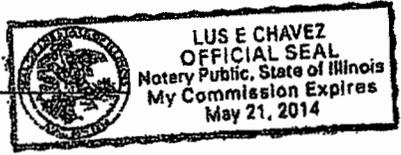
STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY, THAT Mary Therese Mott, Assistant Trust Officer of FirstSecure Bank and Trust Co., and Cristina Andrade, Assistant Trust Officer of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Trust Officers respectively, appeared before me this day in person and acknowledged that they signed and delivered the instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said Assistant Trust Officers did also then and there acknowledge that they, as custodian of the corporate seal of said Bank, did affix the said corporate seal of said Bank to said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 26th day of September, 2012.



Notary Public



Mail Tax Bills To:
PH NURSING + REHABILITATION,
LLC
6865 N. LINCOLN AVE.
LINCOLNWOOD, ILL. 60712

Mail Recorded Deed To:
GARY A. WEINTRAUB
445 CENTRAL AVE - #100
NORTHFIELD, ILL. 60093

This Instrument was prepared by:
JAMES M. MAINZER, ESQ.
Robbins, Salomon & Patt, Ltd.
25 East Washington Street
Suite 1000
Chicago, Illinois 60602

After recording, please mail to:
GARY A. WEINTRAUB, ESQ.
Gary A. Weintraub, PC
465 Central Avenue
Suite 100
Northfield, Illinois 60093

Please Mail Tax Bills to:
PM NURSING AND REHABILITATION, LLC
10426 S. ROBERTS ROAD
PALOS HILLS, IL 60465

WARRANTY DEED
STATUTORY (ILLINOIS)

THE GRANTOR, PINE MANOR TERRACE, LLC, an Illinois limited liability company, of the Village of Northbrook, County of Cook, State of Illinois, for and in consideration of TEN and no/100ths (\$10.00) Dollars, and other good and valuable consideration in hand paid, CONVEYS and WARRANTS to PM NURSING AND REHABILITATION, LLC, an Illinois limited liability company, GRANTEE, whose address is at 6865 North Lincoln Avenue, Lincolnwood, Illinois 60712, the following described parcel of real estate situated in the County of Cook, State of Illinois, to wit:

LOTS 4 AND 5 IN LANSDOWNE'S HICKORY HILLS, A SUBDIVISION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of the State of Illinois.

PROPERTY: 10426 South Roberts Road, Palos Hills, Illinois 60465

PINS: 23-14-224-011-0000; 23-14-224-012-0000

GH9732

ATTACHMENT-2B

IN WITNESS WHEREOF, the Grantor has hereunto set its hand and seal this 18 day of July, 2012.

PINE MANOR TERRACE, LLC,
an Illinois limited liability company

By: [Signature]
Robert Kaplan
Its: Sole Manager

STATE of ILLINOIS)
) SS
COUNTY of COOK)

I, a Notary Public in and for said County and State, do hereby certify that Robert Kaplan, Sole Manager of Pine Manor Terrace, LLC, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Sole Manager, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act, and as the free and voluntary act on behalf of said limited liability company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 18 day of July, 2012.

[Signature]
Notary Public



TRUSTEE'S DEED

This indenture made this 17th day of January, 2012, between CHICAGO TITLE LAND TRUST COMPANY, a corporation of Illinois, as Successor Trustee to LASALLE BANK, N.A. under the provisions of a deed or deeds in trust, duly recorded and delivered to said company in pursuance of a Trust Agreement dated the 15th day of September, 1985 and known as Trust Number 25-7185 party of the first part, and

PM NURSING AND REHABILITATION, LLC, an Illinois limited liability company party of the second part

whose address is:
6865 N. Lincoln Avenue
Lincolnwood, Illinois 60712

WITNESSETH, That said party of the first part, in consideration of the sum of TEN and no/100 DOLLARS (\$10.00) AND OTHER GOOD AND VALUABLE considerations in hand paid, does hereby **CONVEY AND QUITCLAIM** in fee simple unto said party of the second part, the following described real estate, situated in Cook County, Illinois, to wit:

LOTS 6, 7, 8, 9, 10, 11, 12, 13, 14, AND 15 IN LANSDOWNE'S HICKORY HILLS, A SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Tax Number: 23-14-224-003-0000; 23-14-224-004-0000, AND 23-14-224-017-0000

Property Address: 10426 South Roberts Road, Palos Hills, Illinois 60465

together with the tenements and appurtenances thereunto belonging.

TO HAVE AND TO HOLD the same unto said party of the second part, and to the proper use, benefit and behoof forever of said party of the second part.

This deed is executed pursuant to and in the exercise of the power and authority granted to and vested in said trustee by the terms of said deed or deeds in trust delivered to said trustee in pursuance of the trust agreement above mentioned. This deed is made subject to the lien of every trust deed or mortgage (if any there be) of record in said county given to secure the payment of money, and remaining unreleased at the date of the delivery hereof.

WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Assistant Vice President, the day and year first above written.



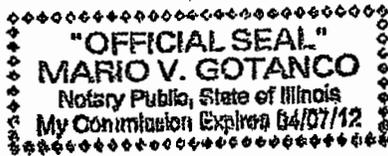
CHICAGO TITLE LAND TRUST COMPANY,
as Trustee as Aforesaid

By: *Lidia Marinca*
Lidia Marinca - Trust Officer / Asst. V.P.

State of Illinois
County of Cook SS.

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that the above named Assistant Vice President of CHICAGO TITLE LAND TRUST COMPANY, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Assistant Vice President appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of the Company; and the said Assistant Vice President then and there caused the corporate seal of said Company to be affixed to said instrument as his/her own free and voluntary act and as the free and voluntary act of the Company.

Given under my hand and Notarial Seal this 17th day of January, 2012



[Signature]
NOTARY PUBLIC

This instrument was prepared by:
CHICAGO TITLE LAND TRUST COMPANY
171 N. Clark, Suite 575, Chicago, IL 60601

AFTER RECORDING, PLEASE MAIL TO:

PM NURSING AND REHABILITATION, LLC
6865 N. LINCOLN AVE.
LINCOLNWOOD, ILL. 60712

SEND TAX BILLS TO:

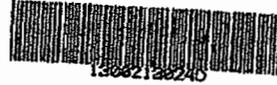
PM NURSING AND REHABILITATION, LLC
6865 N. LINCOLN AVE.
LINCOLNWOOD, ILL. 60712

WARRANTY DEED

Illinois Statutory # 1237288 Y1
(Individual)

MAIL TO:

Gary A Weintraub
465 Central Avenue
Suite #100
Northfield, Illinois 60093



Doc#: 1300213024 Fee: \$40.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 01/02/2018 01:14 PM Pg: 1 of 2

NAME & ADDRESS OF TAXPAYER:

PM Nursing and Rehabilitation, LLC
An Illinois Limited Liability Company
6865 N. Lincoln
Lincolnwood, Illinois 60712

THE GRANTOR(S) Emad Suleiman married to Manar Suleiman of Palos Hills, Illinois, for and in consideration of TEN and 00/100 DOLLARS (\$10.00) IN HAND PAID, CONVEY(S) and WARRANT(S) to GRANTEE(S),

PM Nursing and Rehabilitation, LLC
An Illinois Limited Liability Company
6865 N. Lincoln
Lincolnwood, Illinois 60712

In fee simple, the following described Real Estate situated in the County of Cook in the State of Illinois, to wit: (See reverse side of this instrument for Legal Description), hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois, TO HAVE AND TO HOLD said premises as fee simple forever. Subject to General taxes for 2012 and subsequent years, and covenants and restrictions of record.

Dated this 28th day of December, 2012.

(Seal)
Emad Suleiman

(Seal)
Manar Suleiman
Solely for purposes of waiving homestead

§ X
P 2
S N
SC 1
INT 12

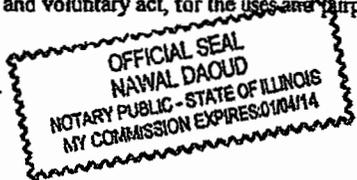
Old Republic National Title
Insurance Company
20 S Clark Street Ste 2000
Chicago IL 60603

State of Illinois)
) SS
County of Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, CERTIFY THAT Emad Suleiman and Manar Suleiman, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day, and acknowledged that he/they signed, sealed and delivered the instrument as his/their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal, this 28 day of December, 2012.

Notary Public
My commission expires: 1-4-2014



This Instrument prepared by: Nawal A. Daoud, 5730 W. 95th Street, Oak Lawn, Illinois 60453

2

LEGAL DESCRIPTION

Premises commonly known as: 10405 S 80th Court, Palos Hills, Illinois 60465

PERMANENT INDEX NUMBER: 23-14-224-002-0000

LOT 16 IN LANSDOWNE'S HICKORY HILLS, A SUBDIVISION IN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

REAL ESTATE TRANSFER		01/02/2013
	COOK	\$162.50
	ILLINOIS:	\$325.00
	TOTAL:	\$487.50

23-14-224-002-0000 | 20121201602109 | QXAJND

RE-RECORDED TO CORRECT
LEGAL DESCRIPTION

WARRANTY DEED

NCS-582070
1 of 1

THE GRANTORS

FIRST AMERICAN

File # 2379983

Doc#: 1236339093 Fee: \$40.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/28/2012 03:16 PM Pg: 1 of 2



Doc#: 1300718044 Fee: \$40.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/07/2013 02:08 PM Pg: 1 of 2

(The space above for Recorder's use only)

Frank Tsiones, a married person, and Rita Tsiones, a married person of the City of Palos Hills, County of Cook, State of Illinois, for and in consideration of the sum of TEN AND 00/100 (\$10.00) DOLLARS, and other good and valuable considerations in hand paid, CONVEYS and WARRANTS to PM Nursing and Rehabilitation, LLC, an Illinois limited liability company, of 6865 North Lincoln, Lincolnwood, Illinois 60712 in the following described Real Estate situated in Cook County, Illinois, commonly known as 10401 South 80th Court, Palos Hills, IL 60465, legally described as:

LOT 17 IN LANSDOWNE'S HICKORY HILLS, A SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

SUBJECT TO: General real estate taxes for 2012 and subsequent years.

Hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Permanent Index Number (PIN): 23-14-224-001-0000

Address(es) of Real Estate: 10401 South 80th Court, Palos Hills, IL 60465

Dated this 18th day of December, 2012.

+ husband + wife FT. W.P.

Frank Tsiones
Frank Tsiones

Rita Tsiones
Rita Tsiones

SCY
INT

ATTACHMENT-2B

SECTION I - IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued iii

Operating Identity/Licensee

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.

The operator/Licensee of the existing Palos Hills Healthcare is **Palos Hills Health Care, LLC**. The entity's Illinois Certificate of Good Standing is appended as **ATTACHMENT-3A**. **ATTACHMENT-3B** identifies the percentage of ownership information from the Illinois Department of Public Health for all those with interest greater than 5 percent.

ATTACHMENT-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

PALOS HILLS HEALTHCARE LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 01, 2010, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1307102844

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 12TH
day of MARCH A.D. 2013

Jesse White

SECRETARY OF STATE

ATTACHMENT-3A

**DO YOU OWE
BACK TAXES?**
WE CAN HELP
REDUCE YOUR TAX DEBT

First Name Last Name
 Phone Zip Code
 Email **Select Tax Debt Amount**

\$0 \$50,000
\$1,000
Not affiliated with idph.state.il.us | About this ad



- 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

Ownership Information

PALOS HILLS HEALTHCARE
 10426 SOUTH ROBERTS
 PALOS HILLS, IL 60465
 ADMINISTRATOR: MATTHEW GIDLEY
 TELEPHONE: 708-598-3460

Licensee Name:
 PALOS HILLS HEALTHCARE, LLC

Persons with 5 percent or greater interest in licensee:

Name	% of Ownership
<u>MICHAEL KAPLAN</u>	16.75
<u>DANIEL TWEISS</u>	16.67
<u>NATAN WEISS</u>	16.67
<u>AVRUM WEINFELD</u>	16.66

Ownership Type:
 LIMITED LIABILITY CO

Click on individual's name to see other ownership interests.

Index

- [General](#)
- [Facility Information](#)
- [Ownership information](#)
- [Surveys](#)
- [Administration](#)
- [Staffing](#)
- [Admission Restrictions](#)
- [Admissions & Discharges](#)
- [Licensed Beds / Beds in use](#)
- [Residents](#)
- [Primary Diagnosis](#)
- [Age Gender & Level of Care](#)
- [Racial / Ethnic Groups](#)
- [Patient Days](#)
- [Level of Care](#)
- [Payment Source](#)
- [Private Payment Rates](#)

SECTION I - IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued iv

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

The organizational relationship for Palos Hills Healthcare is simple with PM Nursing and Rehabilitation, LLC as the owner and Palos Hills Healthcare, LLC as the operator/Licensee. There are no other direct entities or facilities. However, according to the definitions of related entities, appended as ATTACHMENT-4A, is the corporate organizational chart for this project and of the facilities that are related in accordance with the definition.

ATTACHMENT-4

Name of Facility	Name of Landlord	Related party
Atrium Healthcare & Rehabilitation center of CahokiaLLC	River Bluffs	NO
Belleville Healthcare & Rehabilitation Center , Inc	Lincoln Associates Limited Partnership	Yes
Forest Edge	Beverly pavilion LLC	No
Geneva Nursing & Rehab	Geneva State Street LLC	Yes
Lake Park Health Care	Wakeegan Terrace Properties LLC	No
Palos Hills Healthcare LLC	PM Nursing & Rehab LLC	Yes
River Oaks	Burnham Healthcare Realty LLC	No
Westmont Nursing & Rehab	Westmont Real Estate LLC	Yes
Woodside Extended Care	MST Real Estate LLC	NO

APPLICANTS

SECTION I - IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued v

Flood Plain Requirements

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

A map identifying that the area is not within a special flood zone area is appended as
ATTACHMENT-5A.

ATTACHMENT-5

MAP SCALE 1" = 500'

0 500 1000 FEET
0 500 METERS

PANEL 6004J

FIRM
FLOOD INSURANCE RATE MAP
COOK COUNTY,
ILLINOIS
AND INCORPORATED AREAS

PANEL 604 OF 632

SEE MAP INDEX FOR FIRM PANEL LAYOUT

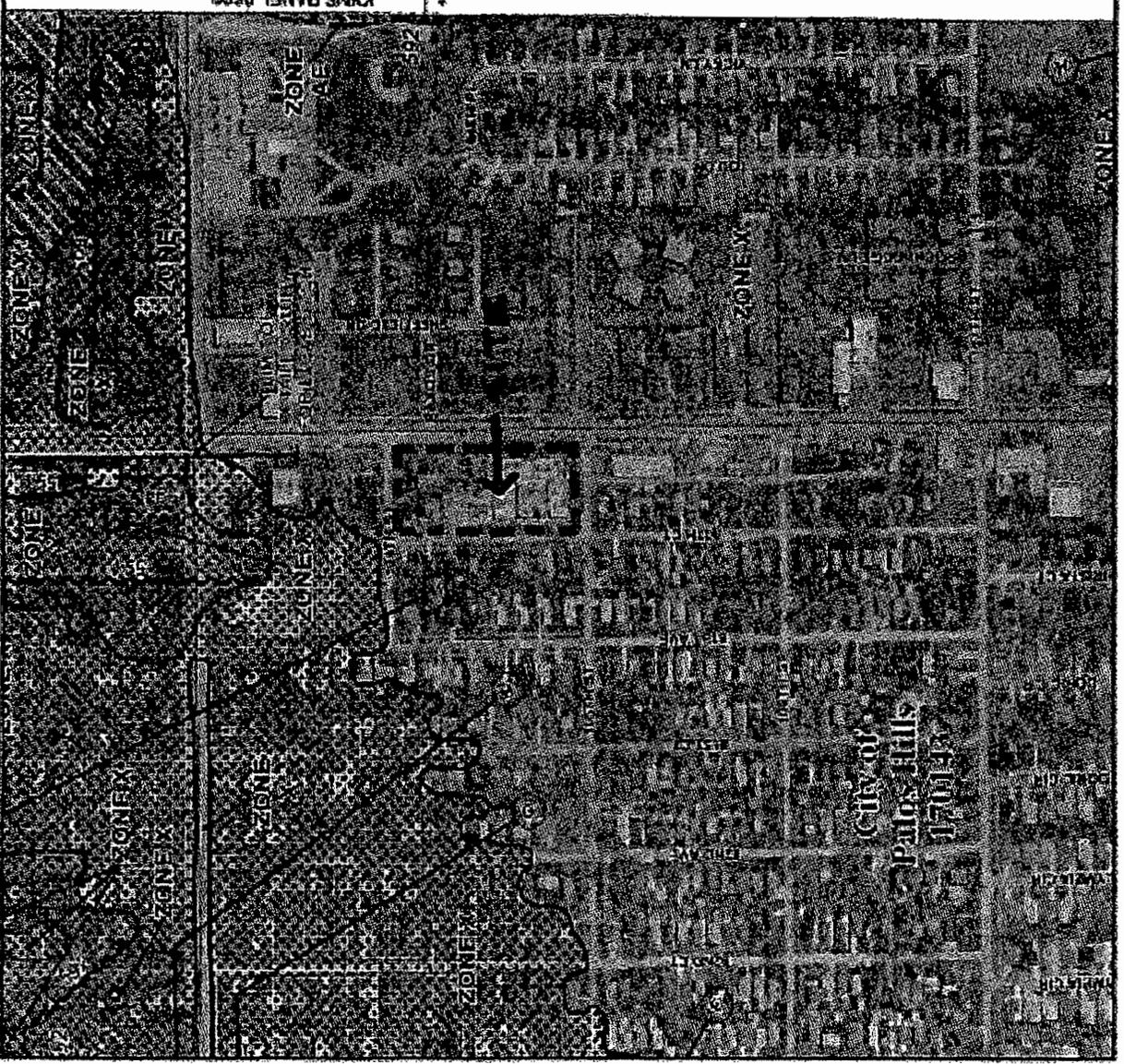
DATE 10/20/08
BY J. J. J.
APPROVED J. J. J.
DATE 10/20/08
BY J. J. J.
DATE 10/20/08
BY J. J. J.

MAP NUMBER
17031C0894J

MAP REVISED
AUGUST 19, 2008

Federal Emergency Management Agency

NATIONAL FLOOD INSURANCE PROGRAM



This is an official copy of a portion of the revised national flood map. It was prepared using a digitized map. This map shows the present condition of the flood hazard areas. Any changes made by the Federal Emergency Management Agency after the date of this map are not shown. This map is for informational purposes only. It is not to be used for insurance purposes. For more information, contact the Federal Emergency Management Agency.

SECTION I - IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued vi

Historic Resources Preservation Act Requirements

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

Appended as **ATTACHMENT-6A** is a letter from the Illinois Historical Preservation Agency's Ms. Anne E. Haaker, Deputy State Historic Preservation Office, stating: "that **no** historic, architectural or archaeological sites exist within the project area".

ATTACHMENT-6



**Illinois Historic
Preservation Agency**

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Cook County
Palos Hills

CON - Demolition and New Construction, Palos Hills Extended Care
10426 S. Roberts Road
IHPA Log #005061906

March 13, 2013

Gina Kniery
Charles H. Foley & Associates, Inc.,
1638 S. MacArthur Blvd.
Springfield, IL 62704

Dear Ms. Kniery:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

ATTACHMENT-6A

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS** Continued I

Criterion 1125.320 – Purpose of the Project

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

The purpose of this project is to better utilize the existing health care resources known as Palos Hills Healthcare. In replacing all of the four-bed ward rooms and 70% of the three bed ward rooms from within the existing building, these beds can be better utilized without being subject to marketing preference for single or semi-private room accommodations. Additionally, with multi-bed ward rooms there are increased difficulties in resident placement due to behavior issues between residents, isolation for infections or illness and gender issues all that cause lower utilization in older facilities. This project will also provide 30 private rooms. Moreover, there is a need for 192 additional nursing beds in the 7-E Planning Area. Therefore, allowing 86 beds to be better utilized and increasing the capacity by only 21 nursing beds should improve the health care of the market population to be served.

2. Define the planning area or market area, or other, per the applicant's definition.

The primary market area is a 30 minute drive time from the Applicant's facility. In a recent zip code analysis for all admissions during CY2012, over 67% were from within the 30-minute market area. Moreover, the resident admission origin data shows that 50% of the total admissions, for which zip code data is available, are derived from the 7-E Planning Service Area.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.

The existing issue that this project seeks to address is that of underutilized or under accessible existing beds. Specifically, this project has 63 rooms that are three and four bed ward rooms that have little desirability. Obviously, this application addresses this issue by adding more private and double rooms and eliminating all but 16 three bed wards and all four bed

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS Continued ii

wards. This reduces the number of licensed beds in the existing facility to 140 beds. In addition the existing building with its 41,292 gross square feet only has 203.4 gross square feet per bed. The State's norm for a new project is a range between 435 and 713gsf/bed. Simply, there just is not enough living and ancillary support space in the building to be marketable. This project will add additional storage, activity, living, dining and other appropriate spaces for resident and employee needs by taking the gross square footage per bed up to 503.4 gross square feet (112,750 total gross square feet divided by 224-nursing beds).

4. Cite the sources of the information provided as documentation.

Appended as **ATTACHMENT-10A** are the 2011 and 2010 IDPH Annual Questionnaire Facility Profiles for the Subject facility.

Appended as **ATTACHMENT-10B**, is the Update to the 2011 Inventory of Health Care Facilities and Services and Need Determinations.

Appended as **ATTACHMENT-10C** is a listing of the Subject facility's resident admissions' origin data, identifying the number derived from the 30-minute market contour and/or the 7-E Planning Service Area.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

Planning Area 7-E currently shows a need for 192 additional beds. By providing a more modern atmosphere, the capacity for more private and double rooms to accommodate market demand, the elimination of most institutional 3 and 4 bed wards, the added space for more activity areas, living and dining areas, and the extra amenities all contribute to a modernize facility and provides more resident satisfaction and with less frustration and confrontational issues. In addition a modernized facility also provides the employees a working environment that would be a more pleasing and desirable workplace.

ATTACHMENT-10

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS** Continued iii

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The project's goal is to serve and provide general long-term care services to residents within the identified planning area as identified since there is an outstanding need for additional beds in the 7-E Planning area. This goal will be measured by the Applicant's ability to maintain a level of occupancy as supported in the financial projections. It should be noted that this is the first phase of a two part project. Ultimately, the entire facility will be replaced. Upon completion of phase two, the Applicant will more ably reach and maintain the optimal utilization as set-forth by this Board's rules.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

No major modernization will be under taken within the existing building as this is the first of two phases. The second phase will replace the original building altogether.

A letter from the Applicant's architect, Steven Sussholz, AIA of SAS Architects & Planners is appended as **ATTACHMENT-10D** provides a total facility evaluation and remedial cost estimate for required corrections. SAS Architects and Planners summarized the existing building with the following:

"at the end of the day, if all improvements were made, Ownership would still end up with a 41,000sf 1960'a era looking building, with low ceilings and/or exposed roof construction, next to no insulation in the exterior walls (resulting in high operation costs) and patient rooms with communal non-handicapped accessible patient toilet rooms accessible only from the corridors."

ATTACHMENT-10

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 PALOS HILLS HEALTHCARE PALOS HILLS

PALOS HILLS HEALTHCARE
 10428 SOUTH ROBERTS
 PALOS HILLS, IL 60465
 Reference Numbers Facility ID 6070068
 Health Service Area 007 Planning Service Area 705

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other	Public	Insurance	Private	Charity	TOTALS
Nursing Care	18	109	0	3	11	0	0	141
Skilled Under 22	0	0	0	0	0	0	0	0
Intermediate DD	0	0	0	0	0	0	0	0
Sheltered Care	18	109	0	3	11	0	0	141

RESIDENTS BY RACIALETHNICITY GROUPING

RACE	Nursing	Skilled22	ICF/DD	Shelter	Totals
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	26	0	0	0	26
Hawaiian/Pac. Isl.	0	0	0	0	0
White	115	0	0	0	115
Race Unknown	0	0	0	0	0
Total	141	0	0	0	141

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity
35.2%	67.1%	0.0%	0.5%	7.2%	0.0%
3,051,970	4,940,873	0	43,420	822,990	0

*Charity Expense does not include expenses which may be considered a community benefit.

FACILITY NOTES
 9/22/2010 Change of ownership occurred.
 9/22/2010 Name changed from Palos Hill Extended Care.
 4/23/2010 Permit to discontinue existing facility and establish a replacement facility was abandoned.

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 PALOS HILLS HEALTHCARE PALOS HILLS

PALOS HILLS HEALTHCARE
 10428 SOUTH ROBERTS
 PALOS HILLS, IL 60465
 Reference Numbers Facility ID 6070068
 Health Service Area 007 Planning Service Area 705

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	Count
Aggressive/Alc-Social	0
Chronic Alcoholism	0
Neoplasms	7
Endocrine/Metabolic	14
Blood Disorders	3
Nervous System Non Alzheimer	13
Alzheimer Disease	14
Mental Illness	7
Developmental Disability	0
Circulatory System	30
Respiratory System	14
Digestive System	7
Genitourinary System Disorders	12
Skin Disorders	2
Musculo-skeletal Disorders	14
Injuries and Poisonings	0
Other Medical Conditions	4
Non-Medical Conditions	0
TOTALS	141

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	PEAK	PEAK	BEDS	BEDS	AVAILABLE	MEDICARE	MEDICAID
Nursing Care	174	157	174	141	92	135	183
Skilled Under 22	0	0	0	0	0	0	0
Intermediate DD	0	0	0	0	0	0	0
Sheltered Care	0	0	0	0	0	0	0
TOTAL BEDS	174	157	174	141	92	135	183

FACILITY UTILIZATION - 2011

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity
Nursing Care	5655	39817	55.1%	0	173	4599
Skilled Under 22	0	0	0.0%	0	0	0
Intermediate DD	0	0	0.0%	0	0	0
Sheltered Care	5655	39817	55.1%	0	173	4599

BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity
Nursing Care	5655	39817	55.1%	0	173	4599
Skilled Under 22	0	0	0.0%	0	0	0
Intermediate DD	0	0	0.0%	0	0	0
Sheltered Care	5655	39817	55.1%	0	173	4599

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

AGE GROUPS	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered	Total
Under 18	0	0	0	0	0
18 to 44	2	1	0	0	3
45 to 59	22	15	0	0	37
60 to 64	15	5	0	0	20
65 to 74	10	10	0	0	20
75 to 84	11	22	0	0	33
85+	6	20	0	0	26
TOTALS	68	73	0	0	141

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2010 PALOS HILLS HEALTHCARE

PALOS HILLS HEALTHCARE
 10420 SOUTH ROBERTS
 PALOS HILLS, IL 60465
 Reference Numbers Facility ID 6010088
 Health Services Area 007 Planning Services Area 705

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	12	102	0	0	16	0	130
Skilled Under 22	0	0	0	0	0	0	0
Intermediate DD	0	0	0	0	0	0	0
Sheltered Care	0	0	0	0	0	0	0
TOTALS	12	102	0	0	16	0	130

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing	Skilled	ICF/DD	Sheltered	TOTALS
Asian	0	0	0	0	0
Amer. Indian	0	0	0	0	0
Black	20	0	0	0	20
Hispanic	0	0	0	0	0
White	110	0	0	0	110
Race Unknown	0	0	0	0	0
Total	130	0	0	0	130

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Expense as % of Total Net Revenue
30.9%	66.1%	0.0%	0.2%	12.8%	0.0%	0.0%
1,242,000	2,273,000	0	9,650	518,000	0	
TOTALS	4,083,650	0	9,650	518,000	0	

*Charity Expenses does not include expenses which may be considered a community benefit.

CHOW 9/22/2010 Change of ownership occurred.
 Name Change 9/22/2010 Name changed from Palos Hill Extended Care.
 07-034 4/20/2010 Permit to discontinue existing facility and establish a replacement facility was abandoned.

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2010 PALOS HILLS HEALTHCARE

PALOS HILLS HEALTHCARE
 10420 SOUTH ROBERTS
 PALOS HILLS, IL 60465
 Reference Numbers Facility ID 6010088
 Health Services Area 007 Planning Services Area 705

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	Count
Aggressive/Alch-Socbil	0
Chronic Alcoholism	5
Developmentally Disabled	24
Blood Disorders	0
Nervous System Men Alzheimer	7
Alzheimer Disease	5
Mental Illness	9
Developmental Disability	4
Circulatory System	50
Respiratory System	3
Digestive System	4
Genitourinary System Disorders	7
Skin Disorders	1
Musculo-skeletal Disorders	5
Injuries and Poisonings	0
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	130

ADMISSIONS AND DISCHARGES - 2010

Category	1/1/2010	12/31/2010
Residents on 1/1/2010	120	342
Total Admissions 2010	332	332
Total Discharges 2010	130	130
Residents on 12/31/2010	0	0
Identified Offenders	0	0

FACILITY UTILIZATION - 2010

LEVEL OF CARE	PEAK	BEDES	BEDES IN USE	MEDICARE CERTIFIED	MEDICARE CERTIFIED	Medicaid	Private	Charity	Peak Beds
Nursing Care	203	154	138	135	183	0	0	0	120
Skilled Under 22	0	0	0	0	0	0	0	0	342
Intermediate DD	0	0	0	0	0	0	0	0	332
Sheltered Care	0	0	0	0	0	0	0	0	130
TOTAL BEDS	203	154	138	135	183	0	0	0	822

BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Peak Beds
Nursing Care	4445	30051	63.9%	0	5490	0	62.2%
Skilled Under 22	0	0	0.0%	0	0	0	0.0%
Intermediate DD	0	0	0.0%	0	0	0	0.0%
Sheltered Care	4445	30051	53.9%	0	5490	0	62.4%
TOTALS	8890	60102	53.9%	0	10980	0	62.4%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2010

AGE GROUPS	NURSING CARE		SKILLED UNDER 22		INTERMEDIATE DD		SHELTERED		GRAND TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Under 18	0	0	0	0	0	0	0	0	0	0
18 to 44	4	2	0	0	0	0	0	0	4	2
45 to 59	21	16	0	0	0	0	0	0	21	16
60 to 64	5	6	0	0	0	0	0	0	5	6
65 to 74	8	7	0	0	0	0	0	0	8	7
75 to 84	6	10	0	0	0	0	0	0	6	10
85+	5	26	0	0	0	0	0	0	5	26
TOTALS	51	78	0	0	0	0	0	0	51	78

LONG-TERM CARE FACILITY UPDATES
9/16/2011 - 5/16/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
Planning Area 7-C	11-055	10/13/2011	Transitional Care Center Of Naperville, Naperville	Permit issued to establish a 120 bed Nursing care facility at Arbiter Court and East Diehl Road in Naperville.	
	Bed Change	10/13/2011	Beacon Hill, Lombard	Added 2 nursing care beds; facility now has 110 nursing care beds.	
	CHOW	1/3/2012	Burgess Square, Westmont	Change of ownership occurred.	
	Bed Change	2/9/2012	Dupage Convalescent Home, Wheaton	Discontinued 140 Nursing Care beds. Facility now has 368 Nursing Care beds.	
	12-006	4/17/2012	Elmhurst Memorial Hospital, Elmhurst	Permit issued to discontinue 38 bed Skilled Care (Long-Term Care) category of service.	
	07-071	4/17/2012	Park Place Christian Village, Elmhurst	Permit abandoned.	
	Name Change	4/17/2012	Park Place Christian Village, Elmhurst	Formerly Park Place Christian Community.	
	12-007	4/17/2012	Park Place Christian Village, Elmhurst	Permit issued to establish a facility with 37 Nursing Care beds.	
	07-042	6/1/5400	Marianjoy Rehab Hospital Wheaton	Completed project to establish 20 bed skilled nursing (long-term care) category of service.	
	CHOW	6/27/2012	West Chicago Terrace, West Chicago	Change of ownership occurred.	
	Name Change	6/27/2012	West Chicago Terrace Nursing Home, West Chicago	Formerly West Chicago Terrace.	
	Licensure	8/1/2012	Park Place Christian Community, Elmhurst	Facility licensed for operation with 37 Nursing Care beds.	
	12-036	10/31/2012	Healthcare Center at Monarch Landing, Naperville	Received permit to establish a facility with 96 Nursing Care beds.	
	Name Change	11/30/2012	Winfield Woods Healthcare Center, Winfield	Formerly Winfield Woods.	
	Planning Area 7-D	Bed Change	9/29/2011	Greek American Rehab & Care Center, Wheeling	Facility discontinued 6 Nursing Care beds; facility now has 198 Nursing Care beds.
		Name Change	1/3/2012	Oakridge Healthcare Center, Hillside	Name changed from Oakridge Nursing & Rehab. Center.
		CHOW	1/3/2012	Oakridge Healthcare Center, Hillside	Change of ownership occurred.
Planning Area 7-E	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	City location corrected from Berwyn to Stickney.	
	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Record corrected to indicate facility location in Stickney, not Berwyn as previously indicated.	
	CHOW	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Change of ownership occurred.	
	Name Change	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Name changed from Pershing Convalescent Center.	
	CHOW	1/13/2012	Crestwood Care Centre, Crestwood	Change of Ownership occurred.	
	Bed Change	2/29/2012	Manorcare Of South Holland, South Holland	Added 16 Nursing Care beds to existing facility; facility now has 216 Nursing Care beds.	
	11-104	4/17/2012	Mcallister Nursing & Rehab(Permit), Tinley Park	Permit issued to add 89 Nursing Care beds to existing facility; facility now authorized for 200 beds.	
	12-003	4/17/2012	Holy Family Villa(Permit), Palos Park	Permit issued to add 30 Nursing Care beds to existing facility; facility now authorized for 129 beds.	
	Bed Change	5/17/2012	Manorcare Of Homewood, Homewood	Added 12 Nursing Care beds to existing facility; facility now has 132 Nursing Care beds.	
	CHOW	6/27/2012	Crestwood Terrace, Crestwood	Change of Ownership occurred.	
	Name Change	6/27/2012	Crestwood Terrace Nursing Center,	Name changed from Crestwood Terrace.	
	Name Change	8/2/2012	Symphony of Crestwood, Crestwood	Formerly Crestwood Care Centre.	
CHOW	11/1/2012	Burnham Healthcare, Burnham	Change of Ownership occurred.		
Name Change	11/1/2012	River Oaks Healthcare Rehabilitation Center, Burnham	Formerly Burnham Healthcare.		
Health Service Area 8					
Kane	Name Change	10/1/2011	Heritage Health - Elgin, Elgin	Formerly Heritage Manor - Elgin.	
	Closure	10/13/2011	Fox River Pavilion, Aurora	Facility deemed closed; 99 Nursing care beds removed from inventory by Board order.	

LONG-TERM CARE FACILITY UPDATES

9/16/2011 - 5/16/2013

CALCULATED BED NEEDS

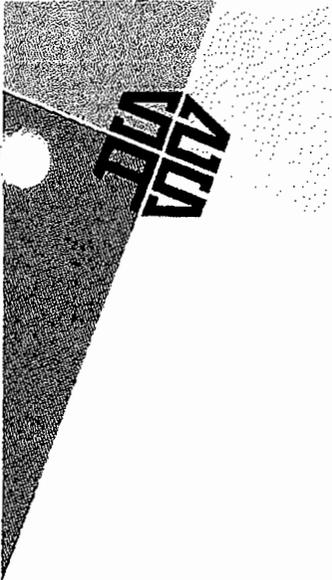
Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	369	7
Jasper	82	57	25
Jefferson	424	346	78
Johnson/Massac	338	301	37
Lawrence	325	340	(15)
Marion	862	603	259
Perry	207	210	(3)
Randolph	580	490	90
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	351	3
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7194	(1231)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	4791	418
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6841	339
Planning Area 7-C	6867	6026	841
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4733	542
McHenry	1501	1037	464
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2840	639
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	172	50
Rock Island	1243	1342	(99)
HEALTH SERVICE AREA 11			
Clinton	432	357	75
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2289	(187)

Palos Hills Extended Care
Patient Origin for Admissions for 12-Months ending March 2013

Community	Zipcode	# of Admissions	zip codes within 30 min adj travel time	zip codes within 15 min adj travel time	zip codes within PSA 705
East Chicago, IN	46312	6			
Whiting, IN	46394	2			
Gary, IN	46408	1			
Merrillville, IL	46410	1			
Elmhurst, IL	60126	2			
Forest Park, IL	60130	3	Yes		
Franklin Park, IL	60131	1			
Lombard, IL	60148	1			
Maywood, IL	60153	10	Yes		
Hillside, IL	60162	3	Yes		
Northlake, IL	60164	3			
Stone Park, IL	60165	1			
St. Charles, IL	60175	1			
South Elgin, IL	60177	1			
Wheaton, IL	60187	1			
Oak Park, IL	60302	1			
Berwyn, IL	60402	2	Yes		
Blue Island, IL	60406	8	Yes		Yes
Calumet City, IL	60409	2			Yes
Lynwood, IL	60411	6			Yes
Chicago Ridge, IL	60415	7	Yes	Yes	Yes
Coal City, IL	60416	1			
Dolton, IL	60419	1			Yes
Flossmoor, IL	60422	1			Yes
Frankfort, IL	60423	1			
Glenwood, IL	60425	1			Yes
Harvey, IL	60426	3	Yes		Yes
Homewood, IL	60430	3	Yes		Yes
Joliet, IL	60433	2			
Joliet, IL	60435	1			
Homewood, IL	60436	1			
Bollingbrook, IL	60440	1	Yes		
Lockport, IL	60441	1	Yes		
Matteson, IL	60443	3	Yes		Yes
Crestwood, IL	60445	9	Yes		Yes
Mimooka, IL	60447	1			
Oak Forest, IL	60452	1	Yes		Yes
Oak Lawn, IL	60453	11	Yes	Yes	Yes
Bridgeview, IL	60455	7	Yes	Yes	Yes
Hometown, IL	60456	1	Yes		Yes
Hickory Hills, IL	60457	7	Yes	Yes	Yes
Justice, IL	60458	2	Yes	Yes	Yes
Burbank, IL	60459	2	Yes	Yes	Yes
Olympia Fields, IL	60461	1			Yes
Orland Park, IL	60462	3	Yes		Yes
Palos Heights, IL	60463	5	Yes	Yes	Yes
Palos Park, IL	60464	3	Yes	Yes	Yes
Palos Hills, IL	60465	11	Yes	Yes	Yes
Park Forest, IL	60466	2			
Orland Park, IL	60467	3	Yes		Yes
Posen, IL	60469	1	Yes		Yes
Richton Park, IL	60471	4			Yes
Robbins, IL	60472	4	Yes		Yes
South Holland, IL	60473	1	Yes		Yes
Tinley Park, IL	60477	7	Yes		Yes
Country Club Hills, IL	60478	3	Yes		Yes
Worth, IL	60482	8	Yes	Yes	Yes

Palos Hills Extended Care
Patient Origin for Admissions for 12-Months ending March 2013

Orland Hills, IL	60487	1	Yes		Yes
Homer Glen, IL	60491	2	Yes		
Batavia, IL	60510	1			
McCook, IL	60525	3	Yes		Yes
La Grange Park, IL	60526	1	Yes		
Burr Ridge, IL	60527	2	Yes		
North Aurora, IL	60542	1			
Riverside, IL	60546	1	Yes		
Sandwich, IL	60548	1			
Westmont, IL	60559	1	Yes		
Chicago, IL	60607	1			
Chicago, IL	60608	3	Yes		
Chicago, IL	60609	4			
Chicago, IL	60610	1			
Chicago, IL	60617	4			
Chicago, IL	60619	2	Yes		
Chicago, IL	60620	4	Yes		
Chicago, IL	60621	2			
Chicago, IL	60624	1			
Indian Head Park, IL	60625	3			
Chicago, IL	60628	12			
Chicago, IL	60629	6	Yes		
Chicago, IL	60630	1			
Chicago, IL	60632	2	Yes		
Burnham, IL	60633	2			
Chicago, IL	60636	2	Yes		
Chicago, IL	60638	3	Yes		
Chicago, IL	60643	6	Yes		
Chicago, IL	60644	2			
Chicago, IL	60649	3			
Chicago, IL	60652	7	Yes		
Chicago, IL	60655	2	Yes		
Chicago, IL	60660	2			
Alsip, IL	60803	7	Yes	Yes	Yes
Cicero, IL	60804	1	Yes		
Evergreen Park, IL	60805	4	Yes		Yes
Riverdale, IL	60827	2	Yes		
Kankakee, IL	60901	1			
Rockford, IL	61108	1			
Kewanee, IL	61443	1			
Cottage Hills, IL	62018	1			
San Antonio, TX	78249	1			
LB	no zip listed	14			
CE	no zip listed				
LL	no zip listed				
WW	no zip listed				
PM	no zip listed				
SN	no zip listed				
NS	no zip listed				
KS	no zip listed				
YG	no zip listed				
KK	no zip listed				
KK	no zip listed				
LF	no zip listed				
GW	no zip listed				
DG	no zip listed				
TOTAL ADMISSIONS		302	195	70	144
known zip codes		288	65%	23%	48%
			68%	24%	50%



SAS ARCHITECTS & PLANNERS

630 DUNDEE ROAD NORTHBROOK, ILLINOIS 60062
TEL 847-564 8333 FAX 847-564 9989

**Palos Hills Healthcare
10426 South Roberts Road
Palos Hills, Illinois**

February 18, 2013

Facility Evaluation and Remedial Cost Estimate

Existing Facility Description:

Palos Hills Healthcare is a single story 41,140 square foot, 203-bed Skilled and Intermediate Care facility constructed in the late 1964 with additions added at a later dates. The facility is located on a 2.22-acre site surrounded by streets on three sides. There are presently 135 licensed skilled care beds and 68-licensed intermediate care bed. The site presently has parking for 51 cars with loading and trash pick-up space at the southwest corner of the site.

The building construction would be classified as NFPA Type 2(111) protected non-combustible. The exterior and interior have load bearing with a pre-cast concrete roof structure with an asphalt roof system that is almost 28 years old. The mechanical system consists of a perimeter hot water baseboard system and some window air conditioning units. Outside air ventilation is limited and not ducted into the patient rooms. The building has a fire sprinkler system and a fire alarm system.

The existing facility has primarily located in 3-bed rooms with some semi-private and private rooms. None of the majority of the patient rooms do not have direct access from the room to the patient toilet. Patient must access the toilet rooms from the corridor and the doors swing out into the corridor infringing on the required clear corridor width as well as posing a safety hazard to people walking in the corridor. At a number of instances two 3-bed rooms share a single toilet room located in the corridor. None of the patient toilet rooms are handicapped accessible.

Patient activity space is insufficient for a 203-bed facility and is limited to 3 Dining rooms and a single Activity room due to space constraints. Patient outdoor space is essential non-existent being limited to a narrow court located between the north and middle wing. Employee spaces, including break rooms, education/classroom areas and locker rooms are either do not exist or are too small. There is also no storage space in the building for patients or the facility.

Finally there appears to be a foundation problem along the east wall by the front entrance that is indicated by the interior floor slab noticeably sloping to the east.

Estimate of Renovation & Major Capital Improvement Cost:

Item #1: Remove existing roofing and roof insulation and replace with a new EPDM single ply roof system over new insulation with an average 'R' value = 30. Additionally remove and replace existing perimeter gravel stop and fascia due to the new roof insulation. **Estimated Cost: \$325,000.00**

Item #2: Remove and replace existing windows with new thermally broken aluminum window with 1" insulated glass. **Estimated Cost: \$120,000.00**

Item #3: Replace original boiler with 2 new high efficiency units each sized for 75% of the building load so that the building would remain heated in case of the boiler failure. **Estimated Cost: \$90,000.00**

Item #4: Replace window air conditioning units with a new roof mounted central air conditioning units ducting air into each patient rooms, corridors and all occupied rooms. Additionally replace all patient room toilet exhaust fans with new units that run 24/7 as well as upgrade the electrical service and distribution to accommodate the additional electrical loads. **Estimated Cost: \$1,445,000.00.**

Item #5: Rebuild all patient toilet rooms so that toilets are accessible from the patient's room and that 50% of the toilet rooms are handicapped accessible: **Estimated Cost: There is insufficient space available to make this modification.**

Item #6: Replace the existing hot water system that cannot maintain sufficient hot water in the 100 to 110 degree temperature range: **Estimated Cost: \$60,000.00.**

Item #7: Renovate existing public and staff toilet room to comply with the Illinois Handicapped Accessibility requirements: **Estimated Cost: \$40 – 50,000.00 depending on condition of existing sanitary piping.**

Item #8: Investigate and repair settlement along the east exterior wall: **Estimated Cost: Not possible to establish a cost until the cause of the settlement is identified and the magnitude of the repair work can be established.**

Item #9: Provide additional Office space, staff space, building and patient storage, expanded therapy space and patient activity areas: **Estimate Cost: There is no room to expand within the existing building envelope. A new addition with the following space would be needed:**

a. 6 Administration offices:	860sf
b. Patient storage:	2030sf
c. Building Storage:	1000sf
d. Therapy Suite:	2000sf
e. Patient Activity Areas (4):	1200sf
f. Patient Living Rooms (3):	1800sf
g. Staff Lounge, Toilets & Locker Rooms:	840sf
h. Classroom/Conference Room:	280sf
Total Addition Area:	10010sf @ \$150/sf = \$1,501,500.00

Item #10. Dining Rooms are too small and not even serve 50% of the patient population at a single seating while the existing kitchen has not been upgraded since constructed and does not meet the needs of the facility. **Estimated Cost: There is no available room to expand either the Dining Rooms, add additional Dining rooms or expand the kitchen due to its location in the center of the building. Expanding or adding new Dining rooms would require the elimination of existing patient rooms which is not acceptable therefore a new Kitchen would be the solution and the former Kitchen space remodeled into additional Dining. A new Kitchen addition, added to the addition delineated in item #9 would be about 1500sf and would cost \$300,000.00 for the space and approximately \$225,000.00 for the Kitchen equipment.**

Item #11: The original nurse call system is antiquated and should be replaced with a new computer based wireless system. **Estimated Cost: \$80,000.00.**

Item #12: Patient room furniture is old and the wardrobes do not provide sufficient cloth storage space for the patients. **Estimated cost: Wardrobes - \$101,500.00; Dressers/night tables - \$81,200.00; Beds and Mattresses - \$304,500.00.**

Item #13: Patient room doors and toilet room doors are metal with many not latching correctly and need replacement. **Estimated Cost:**

a. 85-90 solid core wood doors:	\$36,000.00
b. Remove existing doors:	\$ 9,000.00
c. Hang new doors and install new hardware:	\$18,000.00
d. New hardware include swing-free door closers:	\$54,000.00

Total Cost: \$117,000.00

Item #14: The existing patient bedrooms are crowded and do not meet the space requirements as well as a patient's environmental needs for a modern day nursing facility. Many of the patient room walls are exposed concrete block and painted concrete ceilings. Multi-bed rooms are crowded and provide prevent patients from having visitor space near their beds of adequate circulation within the rooms. Part of the problem could be alleviated if all rooms were repositioned as semi-private rooms but this would require that construction of a new nursing wing so that the licensed capacity could be maintained. **Estimated cost: 40-bed nursing unit @ 350sf per bed @ \$175.00 per square foot = \$2,450,000.00.**

Item #15: 51 parking spaces for a 203-bed nursing home is insufficient. A facility of this capacity should have at a minimum 1 parking space per 3 beds (68 spaces) plus 1 parking space for each employee on the largest shift (40 spaces) for a total of an additional 57 parking spaces. **Estimated Cost: If land where available the cost would be \$175,000.00. If space for a on-grade storm water detention basin is not available then the required on-site storm water detention capacity will need to be provided in a vault located under the new parking lot. This type of detention cost approximately \$250,000.00 per acre-foot.**

At the end of the day, if all the improvements were made, Ownership would still end up with a 41,000sf 1960's era looking building, with low ceilings and/or exposed roof construction, next to no insulation in the exterior walls (resulting in high operation costs) and patient rooms with communal non-handicapped accessible patient toilet rooms accessible only from the corridors.

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS** Continued iv

Criterion 1125.330 – Alternatives

1. Identify ALL of the alternatives to the proposed project:

Alternative options must include:

- a. Proposing a project of greater or lesser scope and cost;

The concept of this proposed project has been undertaken for several years. Under previous ownership an application for a total replacement facility was submitted and approved by the Health Facilities and Services Review Board in December 2007 under Project No. 07-084. The project was ultimately abandoned due to the change in ownership in 2010. This change resulted in the new owners reviewing their options since there were several building issues that needed to be addressed in order to satisfy the market place. Those options considered included: 1) discontinuation; 2) modernize existing structure; 3) construct replacement facility; 4) project as proposed.

DISCONTINUATION

The marketability of this existing facility has been limited mainly because of the facility's size of 41,292 gross square feet or only 203 square feet per bed which is less than twice the amount of the current minimum standard of 435 square feet. There are currently only four private rooms and one double room with the remaining rooms being three and four bed wards which affects the marketability of the facility and the overall occupancy rate being experienced. During Calendar Years 2010, 2011 and 2012 the occupancy reported in the Illinois Long-Term Care Profiles were 62.4%, 63.7% and 68.1% respectively. The alternative of a lesser scope would be to maintain the status quo which would not address the building issues or the experienced occupancy rates. Only those options of a greater scope were considered.

ATTACHMENT-11

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS** *Continued v*

Cost

There would be no capital cost to this alternative. This facility was designed as institutional with mainly three and four bed wards. The function and purpose is contrary to current trends in the long term care industry which are to provide more homelike atmosphere with an increase in private rooms and additional amenity space. Current licensure standards stress preference for more private and semiprivate rooms over three and four bed wards. In addition the trend in long term care focuses on short term rehabilitative care resulting in shorter average lengths of stay days. It is the long term objective to completely demolish the existing structure which would not be completed until after Phase II of the Applicant's long range plan. The additional costs that are not readily known are the losses realized by the community in terms of real estate taxes (\$255,263 for end of year 2010), a tangible resource of accessible nursing services and all of the jobs that the facility currently provides (the facility has operating expenses for nursing costs, employee welfare costs, housekeeping and plant costs, laundry and linen costs and dietary costs that together total \$6,352,461 according to the 2011 Long Term Care Cost Reports from the Department of Health Care and Family Services appended as **ATTACHMENT-11A**). Thus, this alternative would also be considered rather expensive given the accessibility issues to long-term care services which has determined that including all 203 licensed nursing beds at said facility, there is a large need for 192 additional nursing care beds. Please refer to **ATTACHMENT-11B** for the latest update to the 2011 Inventory of Health Care Facilities and Services and Need Determinations. With the existing resident population and the additional need for nursing care beds and services, the alternative of Discontinuation was considered non-viable.

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS Continued vi

Patient Access

To discontinue the Subject facility would further increase the bed need in the planning area from 192 beds to 395 additional beds. This planning area has already seen a net reduction of over 1,000 beds in the past 5 years. A discontinuation would only result in forcing area residents to look outside the community and possibly the planning area for care through the promotion of an outdated traditional (institutional) environment. This increase in the State's calculated bed need would further restrict patient access to long-term care nursing services. Therefore, this alternative was considered not viable.

Quality

The discontinuation of a facility would have an impact on the residents being displaced. The level of quality currently being provided is completely diminished by this alternative. Thus, this alternative was considered not viable.

Financial Benefit

The discontinuation of the Palos Hills Healthcare would eliminate any potential for benefits, financial or otherwise. Therefore, this alternative was considered and disregarded.

MODERNIZE EXISTING STRUCTURE

Once the alternative of discontinuing the Subject nursing care facility was abandoned, and the determination was made that the existing health care resource known as Palos Hills Healthcare was a needed resource, the alternatives for consideration turned to better utilization of the existing beds. This alternative looks solely at improving the existing structure.

Cost

Based upon the proposed project's construction cost and the State's norm of renovation costs being seventy percent of new construction plus contingency amounts, the cost of

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS Continued vii

renovating the existing building could run between \$5,951,003 (derived from the cost per square feet basis) and \$20,112,726 (derived from the cost per bed basis). On a gross square footage basis, the cost of construction contracts plus contingency equate to \$144.12 per gross square foot with 41,292 gross square feet of existing space. On the per bed basis the construction contracts plus contingency cost equates to \$121,161 per bed over 140 remaining (existing) beds. As the new construction contracts plus contingency amounts of the project as being proposed equate to \$14,712,454, the potential of spending up to \$20 million appears to be wasteful. The result of the potential increased costs would be met with the decrease in bed capacity and thus, the means of repaying the debt or making a return on the funds spent. Therefore, the potential increase in project cost for a fewer number of beds renders this alternative as invalid.

Patient Access

It is presumed for consistency sake that if the existing building would be renovated, the nursing beds that would remain would equal 140 as with the proposed project. Therefore, this alternative would reduce accessibility to nursing care services not maintain or increase accessibility. As there is an outstanding need for nursing beds in the 7-E Planning Service Area, this alternative would further exacerbate the problem of inaccessibility.

Quality

The issue as presented here is about accessibility and not quality. The Applicant has recently purchased the Subject facility and continues to offer its commitment to the highest quality of care. However, the facility's only drawback is its physical plant environment, which under this alternative, would only mask the issues and put them off for a limited time. The entire building needs to be replaced; the question is to do it all in one scheme or in a phased and controlled project.

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS Continued viii

Due to the physical plant layout and design, it would be difficult to phase the renovations of the existing building. Therefore, it would appear the quickest way for modernization would be the displacement of the existing residents so the entire facility could be renovated at one time. The level of quality currently being provided is thereby completely diminished by this alternative. Thus, this alternative was considered not viable.

Financial Benefit

The benefit of this alternative is the prolonged useful life of Palos Hills Healthcare. The downside of this alternative is that the residents will have to be displaced, all income will cease, the licensed bed compliment will be lessened by one third, and the mortgage would be significantly increased. This analysis illustrates that the costs outweigh the benefits both financial and otherwise; thus, this alternative was disregarded.

CONSTRUCT REPLACEMENT FACILITY

The Applicant's discernment process is evaluating potential alternatives for the existing Palos Hills Healthcare facility has lead proved the value of the existing health care resource in that the service is needed and should not be discontinued. It has shown the Applicant that the cost of solely renovating the existing facility would diminish accessibility at a great cost and ultimately, the inevitable (total project replacement) would only be delayed. Being mindful of these issues, the next logical alternative would be to totally replace the existing 203-bed facility.

Cost

The cost of this alternative using the proposed construction cost per gross square feet (\$205.89/gsf) and the Health Facilities and Services Review Board's top range for gross square footage (713gsf/bed) equates to \$29,800,313. Although this is higher than the project as proposed by more than double (\$15,087,859), the proposed project is only phase one of a two

ATTACHMENT-11

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS** *Continued ix*

part project. Therefore, the cost is most likely comparable to the cost of both phases of the proposed project.

Patient Access

One of the few negatives of this alternative is that patient access will only be improved for the 203 bed being replaced while the 192-bed outstanding need for additional nursing services in the 7-E PSA will not be affected.

There is also an issue of replacing the existing building on-site without disturbing or displacing the existing residents. This issue represents a temporary patient accessibility issue also.

Quality

The issue as presented here is about accessibility and not quality. The Applicant has recently purchased the Subject facility and continues to offer its commitment to the highest quality of care. This alternative maintains and even slightly improved utilization through the better utilization of existing beds. However, it does not work toward the alleviation of the outstanding need for additional nursing care services.

Financial Benefit

The issue with this alternative is how to pay for it. This alternative puts the additional debt of a replacement facility on top of the existing mortgage with limited improvement in scope and size to produce additional revenues to allow the project to be financially feasible. Moreover, undertaking the total replacement as one project requires immediate equity which could threaten the financial stability of the facility. For these reasons this alternative was considered not viable.

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS** Continued x

PROJECT AS PROPOSED

Cost

Evaluating equivalent alternatives, the new construction contracts and contingencies for the project as proposed are \$14,712,454.

Patient Access

The proposed, as with the immediate previous alternative, provide for the better utilization of 64 existing nursing care beds; thus improving accessibility. However, the proposed alternative is the only one that effectively improves the outstanding need for additional nursing beds and services from a current need for 192 beds to a resultant need for 171 beds. Therefore, a total of 85 beds that are documented as necessary or needed will be more accessible. Although this does not completely alleviate the need for additional nursing beds and services, it does its part. For this reason this alternative was considered the most viable.

Quality

The issue as presented here is about accessibility and not quality. The Applicant has recently purchased the Subject facility and continues to offer its commitment to the highest quality of care. However, it would be amiss for this Applicant not to recognize that physical plant environment effects perceived quality. Perceived quality has implications on residents, their family members and the Staff. Providing an enjoyable (aesthetically pleasing) place to work may be one of the most important ways to improve actual quality. The facility staff from the housekeeping staff to the health care workers and management set the tone for the facility. Currently, the Applicant has 203 nursing beds in 41,292 gross square feet of space. This equates to only 203.4gsf/bed, an extremely tight environment in which the residents and staff have to coexist. Such a tight facility presents its own set of challenges of which employee and resident

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS Continued xi

satisfaction are among the highest. Upon project completion, the project will have 503gsf/bed or 112,750 gross square feet. This will undoubtedly positively affect quality, both perceived and actual. For this reason, this alternative made the most sense.

Financial Benefit

The benefits to this alternative both financial and otherwise are that accessibility is improved for both the facility and the in the greater 7-E Planning Service Area; improved quality and physical environment is achieved for residents, family members and staff; and the improvements can be done in a financially responsible manner in which operations are not interrupted for both residents and the Applicant. The ability to phase this project has multifaceted implications for this project. The Applicant can afford the project without putting the existing operations into jeopardy and it will improve the revenue stream which will allow for the second phase of the project. It is the intent of the Applicant to fill the addition and operate it to fund the final phase of the project to make the entire project feasible. The financial benefits and the benefits of improved accessibility and quality provided this Applicant with the rational to proceed with this alternative over all others.

- b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

The alternative of the project as proposed proposes the utilization of existing health care resources over the establishment of new nursing services. Moreover, it does not in its entirety address the outstanding need for nursing care beds and services. Upon project approval and completion there will still be a need for 171 nursing care beds. Therefore, it would appear that the intent of this item to utilize existing health care providers is the intent of this project.

ATTACHMENT-11

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS** Continued xii

- c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

Essentially, the project as being proposed is the embodiment of this item. Palos Hills Healthcare, an existing underutilized health care resource will be improved to better serve the population proposed to be serviced.

- d. Provide the reasons why the chosen alternative was selected.

The financial benefits and the benefits of improved accessibility and quality provided this Applicant with the rational to proceed with this alternative over all others.

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

The issue as presented here is about accessibility and not quality. The Applicant states and continues to offer its commitment to the highest quality in care and in physical plant environment; therefore, this issue is not germane.

FOR BHF USE					

LL1

IMPORTANT NOTICE
 THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-308. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

2011
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2011)

I. IDPH License ID Number: 0051136

Facility Name: PALOS HILLS HEALTHCARE

Address: 10426 SOUTH ROBERTS ROAD PALOS HILLS City 60465 Zip Code

County: COOK

Telephone Number: (708) 598-3460 **Fax #** (708) 598-0520

HFS ID Number: _____

Date of Initial License for Current Owners: 07/01/10

Type of Ownership:

<input type="checkbox"/> VOLUNTARY, NON-PROFIT	<input checked="" type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL
Charitable Corp.	Individual	State
Trust	Partnership	County
IRS Exemption Code _____	Corporation	Other _____
	"Sub-S" Corp.	
	X Limited Liability Co.	
	Trust	
	Other _____	

In the event there are further questions about this report, please contact:
Name: BOB KAGDA **Telephone Number:** (847) 675-3585
Email Address: _____

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2011 to 12/31/2011 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider	(Signed) _____ (Type or Print Name) NATAN WEISS (Date) _____
Paid Preparer	(Signed) _____ (Type or Print Name) BOB KAGDA (Title) MEMBER (Date) _____ (SEE ATTACHED ACCOUNTANTS' REPORT)

(Firm Name and Address) KRUPNICK, BOKOR, KAGDA & BROOKS, LTD
 3750 W DEVON, LINCOLNWOOD, IL 60712-1124
(Telephone) (847) 675-3585 **Fax** (847) 675-5777

MAIL TO: BUREAU OF HEALTH FINANCE
 ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
 201 S. Grand Avenue East
 Springfield, IL 62763-0001 **Phone #** (217) 782-1630

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds

1	2	3	4
Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period
135	Skilled (SNF)	135	49,275
68	Skilled Pediatric (SNF/PED)	68	24,820
	Intermediate (ICF)		
	Intermediate/DD		
	Sheltered Care (SC)		
	ICF/DD 16 or Less		
203	TOTALS	203	74,095

B. Census-For the entire report period.

1	2	3	4	5
Level of Care	Patient Days by Level of Care and Primary Source of Payment	Private Pay	Other	Total
8 SNF			5,651	5,651
9 SNF/PED				
10 ICF	39,488	4,255	173	43,916
11 ICF/DD				
12 SC				
13 DD 16 OR LESS				
14 TOTALS	39,488	4,255	5,824	49,567

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 66.90%

D. How many bed-hold days during this year were paid by the Department? 0 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy) NONE

F. Does the facility maintain a daily midnight census? YES

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? YES NO

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? YES NO

I. On what date did you start providing long term care at this location? Date started 07/01/2010

J. Was the facility purchased or leased after January 1, 1978? YES Date 07/01/2010 NO

K. Was the facility certified for Medicare during the reporting year? YES NO if YES, enter number of beds certified 118 and days of care provided 5,651

Medicare Intermediary ADMINASTAR FEDERAL

IV. ACCOUNTING BASIS ACCRUAL MODIFIED CASH* CASH*

Is your fiscal year identical to your tax year? YES NO

Tax Year: 12/31/2011 Fiscal Year: 12/31/2011

* All facilities other than governmental must report on the accrual basis.

Operating Expenses	Costs Per General Ledger					Reclassification	Reclassified Total	Adjustments	Adjusted Total	FOR BHF USE ONLY	
	Salary/Wage	Supplies	Other	Total						8	9
A. General Services											
1 Dietary	332,007	25,371	18,260	375,638				(7,477)	368,161		
2 Food Purchase		296,692		296,692				(373)	296,319		
3 Housekeeping	240,094	34,136		274,230					274,230		
4 Laundry	99,322	13,275	2,694	115,291					115,291		
5 Heat and Other Utilities			137,748	137,748					137,748		
6 Maintenance	73,004	63,487	19,793	156,284					156,284		
7 Other (specify):*			24,952	24,952					24,952		
8 TOTAL General Services	744,427	432,961	203,447	1,380,835				(7,850)	1,372,985		
B. Health Care and Programs											
9 Medical Director			13,000	13,000					13,000		
10 Nursing and Medical Records	2,438,199	326,924	82,768	2,847,891				(12,569)	2,835,322		
10a Therapy			5,424	5,424					5,424		
11 Activities	105,707	2,953	2,685	111,345					111,345		
12 Social Services	98,550	70	2,080	100,700					100,700		
13 CNA Training											
14 Program Transportation			213	213					213		
15 Other (specify):*											
16 TOTAL Health Care and Programs	2,642,456	329,947	106,170	3,078,573				(12,569)	3,066,004		
C. General Administration											
17 Administrative	84,773		385,186	469,959				10,996	480,955		
18 Directors Fees											
19 Professional Services			169,646	169,646				(67,206)	102,440		
20 Dues, Fees, Subscriptions & Promotions			86,083	86,083				(11,495)	74,588		
21 Clerical & General Office Expenses	207,770	27,116	34,527	269,413				63,144	332,557		
22 Employee Benefits & Payroll Taxes			732,133	732,133					732,133		
23 Inservice Training & Education			500	500				567	1,067		
24 Travel and Seminar											
25 Other Admin. Staff Transportation			2,908	2,908				4,784	7,692		
26 Insurance-Prop.Liab.Malpractice			156,465	156,465				2,189	158,654		
27 Other (specify):*			66,000	66,000				(42,614)	23,386		
28 TOTAL General Administration	292,543	27,116	1,633,448	1,953,107				(39,635)	1,913,472		
29 TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,679,426	790,024	1,943,065	6,412,515				(60,054)	6,352,461		

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.
 NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

2010 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME PALOS HILLS HEALTHCARE COUNTY COOK
 FACILITY IDPH LICENSE NUMBER 0051176
 CONTACT PERSON REGARDING THIS REPORT BOB NAJDA
 TELEPHONE (847) 675-2585 FAX # (847) 675-5777

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2010 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2010.

	(A)	(B)	(C)	(D)
	Tax Index Number	Property Description	Total Tax	Tax Applicable to Nursing Home
1.	21-14-224-003-0000	NURSING HOME	\$ 3,580.98	\$ 3,580.98
2.	21-14-224-004-0000	NURSING HOME	\$ 3,580.98	\$ 3,580.98
3.	21-14-224-017-0000	NURSING HOME	\$ 248,101.28	\$ 248,101.28
4.			\$	\$
5.			\$	\$
6.			\$	\$
7.			\$	\$
8.			\$	\$
9.			\$	\$
10.			\$	\$
		TOTALS	\$ 255,263.24	\$ 255,263.28

B. Real Estate Tax Cost Allocation

Does any portion of this tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES NO

If YES, attach an explanation and a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the original 2010 tax bills which were listed in Section A to this statement. Be sure to use the 2010 tax bill which is normally paid during 2011.

PLEASE NOTE: Payment information from the Internet or otherwise is not considered acceptable tax bill documentation. Facilities located in Cook County are required to provide copies of their original second installment tax bill.

37	Improvement Type**	3	4	5	6	7	8	9
		Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
37	REROOFED PROPERTY USING SINGLE PLY MODIFIED							
38	BITUMEN; INSTALL 6 NEW RETRO FIT DRAINS	2011	35,700	54	27.5	54		54
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								
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59								
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61								
62								
63								
64								
65								
66								
67								
68								
69								
70	TOTAL (lines 4 thru 69)		228,545	10,808		10,808		15,962

**Improvement type must be detailed in order for the cost report to be considered complete.

LONG-TERM CARE FACILITY UPDATES
9/16/2011 - 5/16/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Planning Area 7-C	11-055	10/13/2011	Transitional Care Center Of Naperville, Naperville	Permit issued to establish a 120 bed Nursing care facility at Arbiter Court and East Diehl Road in Naperville.
	Bed Change	10/13/2011	Beacon Hill, Lombard	Added 2 nursing care beds; facility now has 110 nursing care beds.
	CHOW	1/3/2012	Burgess Square, Westmont	Change of ownership occurred.
	Bed Change	2/9/2012	Dupage Convalescent Home, Wheaton	Discontinued 140 Nursing Care beds. Facility now has 368 Nursing Care beds.
	12-006	4/17/2012	Elmhurst Memorial Hospital, Elmhurst	Permit issued to discontinue 38 bed Skilled Care (Long-Term Care) category of service.
	07-071	4/17/2012	Park Place Christian Village, Elmhurst	Permit abandoned.
	Name Change	4/17/2012	Park Place Christian Village, Elmhurst	Formerly Park Place Christian Community.
	12-007	4/17/2012	Park Place Christian Village, Elmhurst	Permit issued to establish a facility with 37 Nursing Care beds.
	07-042	6/1/5400	Marianjoy Rehab Hospital Wheaton	Completed project to establish 20 bed skilled nursing (long-term care) category of service.
	CHOW	6/27/2012	West Chicago Terrace, West Chicago	Change of ownership occurred.
	Name Change	6/27/2012	West Chicago Terrace Nursing Home, West Chicago	Formerly West Chicago Terrace.
	Licensure	8/1/2012	Park Place Christian Community, Elmhurst	Facility licensed for operation with 37 Nursing Care beds.
	12-036	10/31/2012	Healthcare Center at Monarch Landing, Naperville	Received permit to establish a facility with 96 Nursing Care beds.
	Name Change	11/30/2012	Winfield Woods Healthcare Center, Winfield	Formerly Winfield Woods.
	Planning Area 7-D	Bed Change	9/29/2011	Greek American Rehab & Care Center, Wheeling
Name Change		1/3/2012	Oakridge Healthcare Center, Hillside	Name changed from Oakridge Nursing & Rehab. Center.
CHOW		1/3/2012	Oakridge Healthcare Center, Hillside	Change of ownership occurred.
Planning Area 7-E	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	City location corrected from Berwyn to Stickney.
	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Record corrected to indicate facility location in Stickney, not Berwyn as previously indicated.
	CHOW	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Change of ownership occurred.
	Name Change	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Name changed from Pershing Convalescent Center.
	CHOW	1/13/2012	Crestwood Care Centre, Crestwood	Change of Ownership occurred.
	Bed Change	2/29/2012	Manorcare Of South Holland, South Holland	Added 16 Nursing Care beds to existing facility; facility now has 216 Nursing Care beds.
	11-104	4/17/2012	Mcallister Nursing & Rehab(Permit), Tinley Park	Permit issued to add 89 Nursing Care beds to existing facility; facility now authorized for 200 beds.
	12-003	4/17/2012	Holy Family Villa(Permit), Palos Park	Permit issued to add 30 Nursing Care beds to existing facility; facility now authorized for 129 beds.
	Bed Change	5/17/2012	Manorcare Of Homewood, Homewood	Added 12 Nursing Care beds to existing facility; facility now has 132 Nursing Care beds.
	CHOW	6/27/2012	Crestwood Terrace, Crestwood	Change of Ownership occurred.
	Name Change	6/27/2012	Crestwood Terrace Nursing Center, Crestwood	Name changed from Crestwood Terrace.
	Name Change	8/2/2012	Symphony of Crestwood, Crestwood	Formerly Crestwood Care Centre.
CHOW	11/1/2012	Burnham Healthcare, Burnham	Change of Ownership occurred.	
Name Change	11/1/2012	River Oaks Healthcare Rehabilitation Center, Burnham	Formerly Burnham Healthcare.	
Health Service Area 8				
Kane	Name Change	10/1/2011	Heritage Health - Elgin, Elgin	Formerly Heritage Manor - Elgin.
	Closure	10/13/2011	Fox River Pavilion, Aurora	Facility deemed closed; 99 Nursing care beds removed from inventory by Board order.

LONG-TERM CARE FACILITY UPDATES

9/16/2011 - 5/16/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	369	7
Jasper	82	57	25
Jefferson	424	346	78
Johnson/Massac	338	301	37
Lawrence	325	340	(15)
Marion	862	603	259
Perry	207	210	(3)
Randolph	580	490	90
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	351	3
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7194	(1231)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	4791	418
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6841	339
Planning Area 7-C	6867	6026	841
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4733	542
McHenry	1501	1037	464
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2840	639
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	172	50
Rock Island	1243	1342	(99)
HEALTH SERVICE AREA 11			
Clinton	432	357	75
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2289	(187)

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA *Continued*

GENERAL LONG-TERM CARE

Criterion 1125.520 – Background of the Applicant

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

Appended as ATTACHMENT-12A, identify all nursing facilities owned and operated by the Applicant or its related entities. A copy of all the aforementioned facilities' licenses and certifications as applicable are appended under ATTACHMENT-12B.

2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.

The required documentation with regards to adverse action, as required under 1125.520, c) 2, is appended as ATTACHMENT-12C. It should be noted that the ownership and operating entity of the proposed Palos Hills Healthcare do not have any adverse action taken against them.

3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.

The above requested authorization for the Health Facilities and Services Review Board and the Department of Public Health access to information is appended as ATTACHMENT-12D.

4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

This item is not germane.

ATTACHMENT-12



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

Ownership Information

PALOS HILLS HEALTHCARE

10426 SOUTH ROBERTS
PALOS HILLS IL 60465

ADMINISTRATOR MATTHEW GIDLEY
TELEPHONE 708-598-3460

MICHAEL KAPLAN
has ownership interest in the following long term care entities

Facility	Percentage Owned
----------	------------------

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[Residents](#)

[Primary Diagnosis](#)

[Age Gender & Level of Care](#)

[Racial / Ethnic Groups](#)

[Patient Days](#)

[Level of Care](#)

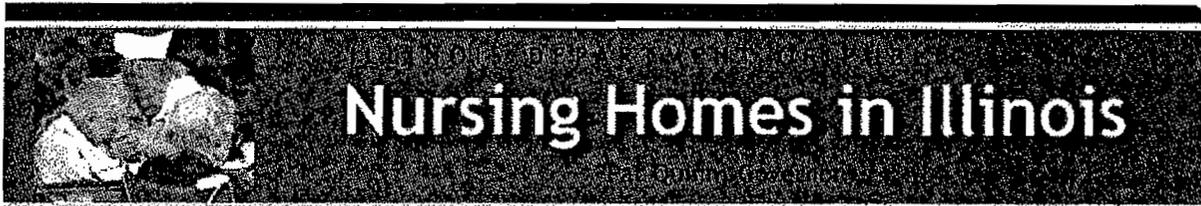
[Payment Source](#)

[Private Payment Rates](#)

idph online home

nursing homes in Illinois

ATTACHMENT-12A



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
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- Illinois Health Care Worker Registry
- Centers for Medicare and Medicaid Services Nursing Home Quality Initiative

Ownership Information

PALOS HILLS HEALTHCARE

10426 SOUTH ROBERTS
PALOS HILLS IL 60465

ADMINISTRATOR MATTHEW GIDLEY
TELEPHONE 708-598-3460

DANIEL WEISS
has ownership interest in the following long term care entities

Facility	Percentage Owned
<u>RIVER OAKS HLTHCARE REHAB CTR</u>	23.75
<u>GENEVA NURSING & REHAB CENTER</u>	33.33
<u>BELLEVILLE HEALTHCARE & REHAB</u>	12.33
<u>ATRIUM HC & REHAB CTR-CAHOKIA</u>	30.00
<u>WESTMONT NURSING AND REHAB CTR</u>	20.00
<u>PALOS HILLS HEALTHCARE</u>	16.67

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idph online home  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

Ownership Information

PALOS HILLS HEALTHCARE

10426 SOUTH ROBERTS
PALOS HILLS IL 60465

ADMINISTRATOR MATTHEW GIDLEY
TELEPHONE 708-598-3460

NATAN WEISS
has ownership interest in the following long term care entities

Facility	Percentage Owned
<u>RIVER OAKS HLTHCARE REHAB CTR</u>	23.75
<u>GENEVA NURSING & REHAB CENTER</u>	33.33
<u>BELLEVILLE HEALTHCARE & REHAB</u>	8.39
<u>ATRIUM HC & REHAB CTR-CAHOKIA</u>	30.00
<u>PALOS HILLS HEALTHCARE</u>	16.67

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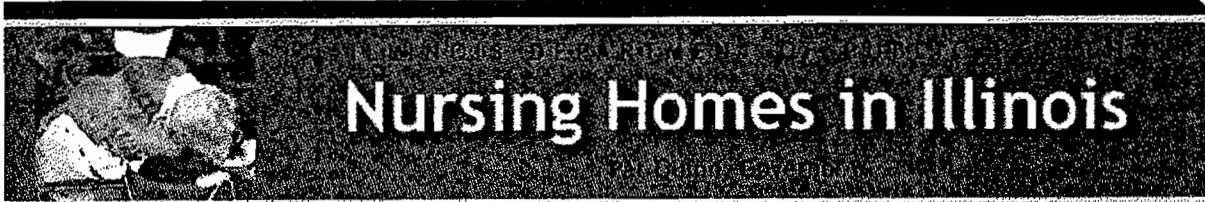
[Racial / Ethnic Groups](#)

[Patient Days](#)

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- Who Regulates Nursing Homes?
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- 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

Ownership Information

PALOS HILLS HEALTHCARE

10426 SOUTH ROBERTS
PALOS HILLS IL 60465

ADMINISTRATOR MATTHEW GIDLEY
TELEPHONE 708-598-3460

AVRUM WEINFELD
has ownership interest in the following long term care entities

Facility	Percentage Owned
<u>RIVER OAKS HLTHCARE REHAB CTR</u>	23.75
<u>GENEVA NURSING & REHAB CENTER</u>	33.33
<u>WESTMONT NURSING AND REHAB CTR</u>	20.00
<u>PALOS HILLS HEALTHCARE</u>	16.66

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- [Primary Diagnosis](#)
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Patient Days

- [Level of Care](#)
- [Payment Source](#)
- [Private Payment Rates](#)

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2123363
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRES 10/31/2013	ISSUE 8682	LICENSE NUMBER 0052043
-----------------------	---------------	---------------------------

LONG TERM CARE LICENSE
SKILLED 171
INTERMEDIATE 178

UNRESTRICTED 309 TOTAL SEES

NURSE

07/26/13

REVER LAKE HEALTHCARE REHAB CTR
14500 SOUTH MANISTEE
MOUNTAIN ILL 60533

FEE RECEIPT NO.



State of Illinois 2109876

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

LA' MAK HASBROUCK, MD, MPH
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

Effective Date	Category	License Number
12/11/2013	BGBE	0051136
LONG TERM CARE LICENSE		
SKILLED	135	
INTERMEDIATE	068	
UNRESTRICTED	203	TOTAL BEDS

BUSINESS ADDRESS

LICENSEE

PALOS HILLS HEALTHCARE, LLC

PALOS HILLS HEALTHCARE
19425 SOUTH ROBERTS
PALOS HILLS

EFFECTIVE DATE: 12/12/12

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/87 •



State of Illinois 2109866

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

LA MAR HASBROUCK, MD, MPH
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	L.D. NUMBER
12/01/2012	B68E	0050120
LONG TERM CARE LICENSE		
SKILLED	166	
INTERMEDIATE	049	
UNRESTRICTED 215 TOTAL BEDS		

BUSINESS ADDRESS

LICENSEE

WESTMONT NURSING AND REHABILITATION CENTER,

WESTMONT NURSING AND REHAB CTR

6501 S CASS AVE

WESTMONT

IL 60559

EFFECTIVE DATE: 12/02/12
The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/87 •

State of Illinois
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

LA MAR MASEROUCK, MD, MPH
 DIRECTOR

Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
03/30/2013	863E	0051540

LONG TERM CARE LICENSE
 SKILLED

UNRESTRICTED 107 TOTAL BEDS

BUSINESS ADDRESS
 LICENSEE

GENEVA NURSING AND REHABILITATION CENTER,LL
 GENEVA NURSING & REHAB CENTER
 1101 EAST STATE STREET
 GENEVA, ILLINOIS 60134
 EXPIRES 03/30/12

The seal of the State of Illinois is hereby acknowledged.

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois
 Department of Public Health
 LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	LIC. NUMBER
03/30/2013	863E	0051540

LONG TERM CARE LICENSE
 SKILLED

UNRESTRICTED 107 TOTAL BEDS

REGION 7

06/20/12

GENEVA NURSING & REHAB CENTER
 1101 EAST STATE STREET
 GENEVA IL 60134

FEE RECEIPT NO.

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2098113

Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	EX. NUMBER
08/28/2013	BCRS	002A078

LONG TERM CARE LICENSE
SKILLED
INTERMEDIATE 090

UNRESTRICTED 152 TOTAL BEDS

REGION 4

07/25/12

BELLEVILLE HEALTHCARE & REHAB
150 NORTH 27TH STREET
BELLEVILLE IL 62226

FEE RECEIPT NO.

State of Illinois 2098113 Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes, Rules and Regulations and is hereby authorized to engage in the activity as indicated below:

DAI MAR HANSEN
DIRECTOR

Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE	CATEGORY	EX. NUMBER
08/28/2013	BCRS	002A078

LONG TERM CARE LICENSE
SKILLED
INTERMEDIATE 090

UNRESTRICTED 152 TOTAL BEDS

BUSINESS ADDRESS

LICENSEE

BELLEVILLE HEALTHCARE & REHABILITATION CENT.

BELLEVILLE HEALTHCARE & REHAB

150 NORTH 27TH STREET

BELLEVILLE IL 62226

Issued under the authority of the State of Illinois 4/97

State of Illinois 2042536

Department of Public Health

LICENSE PERMIT CERTIFICATION REGISTRATION

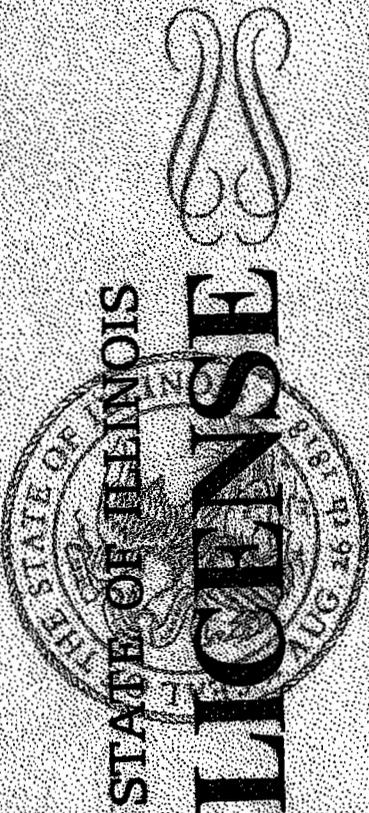
The holder of this license is authorized to practice the profession of **LABORATORY TECHNICIAN** in the State of Illinois. This license is valid for the term indicated on the license and is subject to the provisions of the Illinois Public Health Code, Chapter 210, Sections 210.01 through 210.10.

NAME: ARNOLD, JAMES
EXPIRES: 12/31/2011

LABORATORY TECHNICIAN	REG. NO. 2042536	DOB: 01/15/1978
LONG TERM CARE LICENSE SKILLED NURSING CARE INTERMEDIATE CARE		
ISSUED: 12/31/2011		

BUSINESS ADDRESS

LABORATORY TECHNICIAN
LABORATORY TECHNICIAN
LABORATORY TECHNICIAN



Be it known that this facility is licensed to engage in the activities specified in the annual license certificate displayed below for the period designated in that certificate.

This Document is valid only so long as a current license certificate is displayed at right.



State of Illinois 2053250
Department of Public Health

LICENSE PERMIT CERTIFICATION REGISTRATION

This facility, firm or corporation, whose name appears on this certificate, has complied with the provisions of the Illinois Statutes establishing and regulating and is hereby authorized to engage in the activity as indicated below.

CRAIG CONVICTION, M.D.
ACTING DIRECTOR

EXPIRES DATE	05/16/2013	YEAR	0002050
LONG TERM CARE LICENSE			
ENTRANCE DATE 2/10			
UNRESTRICTED 210 TOTAL BEDS			

BUSINESS ADDRESS
 LICENSEE
 LAKE PARK CENTER PARTNERSHIP
 LAKE PARK CENTER
 215 WASHINGTON PARK
 WASHINGTON, ILL. 60091
ILLINOIS DEPARTMENT OF PUBLIC HEALTH, 500 S. MICHIGAN ST., CHICAGO, ILL. 60605

State of Illinois 2047763
Department of Public Health



LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations, and is hereby authorized to engage in the activity as indicated below.

DAVID T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRATION DATE	CATEGORY	TX NUMBER
08/19/2013	BGDE	0043406
LONG TERM CARE LICENSE		
SKILLED 064		
INTERMEDIATE 048		
UNRESTRICTED 112 TOTAL BEDS		

BUSINESS ADDRESS
LICENSEE

ST HEALTH PROPERTIES, L.L.C.
WOODSIDE EXTENDED CARE
120 WEST 26TH STREET
SO CHICAGO, ILL 60611
03/08/2013

The fees of this license are as follows: License Fee \$1000.00, Renewal Fee \$500.00, Application Fee \$100.00, and a \$100.00 fee for each additional bed.

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY/AS AN IDENTIFICATION

State of Illinois 2047763
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	TX NUMBER
08/19/2013	BGDE	0043406
LONG TERM CARE LICENSE		
SKILLED 064		
INTERMEDIATE 048		
UNRESTRICTED 112 TOTAL BEDS		

07/28/11
WOODSIDE EXTENDED CARE
120 WEST 26TH STREET
SO CHICAGO, ILL 60611

FEE RECEIPT NO.



April 15, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Ms. Avery:

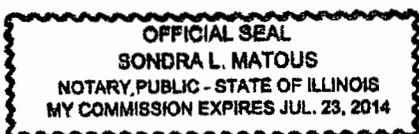
Please be advised that no Adverse action as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Sincerely,

Daniel Weiss

Subscribed and sworn to me
this 15th day of April, 2013

Sondra L. Matous
Notary Public



ATTACHMENT-12C

NICHOLAS J. LYNN
DIRECT DIAL: +1 312 499 6731
PERSONAL FAX: +1 312 277 6789
E-MAIL: NJLynn@duanemorris.com

APR 16 2013

www.duanemorris.com

April 15, 2013

Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities
and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, Illinois 62761

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HOUSTON
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BALTIMORE
WILMINGTON
MIAMI
PITTSBURGH
NEWARK
LAS VEGAS
CHERRY HILL
BOCA RATON
LAKE TAHOE

MEXICO CITY
ALLIANCE WITH
MIRANDA & ESTAVILLO

Re: Palos Hills Healthcare LLC

Dear Mr. Constantino:

We represented Weiss Management Group, Inc. in connection with prior Illinois Department of Public Health (“IDPH”) cases involving its facilities, Westmont Nursing and Rehabilitation Center LLC (“Westmont”), Docket No. NH 11-C0280; and Belleville Healthcare & Rehabilitation Center, Inc. (“Belleville”), Docket No. NH 11-S0259. It is our understanding that the Illinois Health Facilities and Services Review Board (“Planning Board”) has requested information regarding IDPH’s alleged Type A violations regarding these cases, in connection with Palos Hills Healthcare LLC’s application for a certificate of need. Please consider the following information.

Westmont Nursing and Rehabilitation Center LLC

As a result of an August 3, 2011 survey at Westmont, IDPH issued the facility a Notice of Type “A” Violation and Order to Abate or Eliminate (“Notice of Type A Violation”), alleging violations of several Sections of IDPH’s Skilled Nursing and Intermediate Care Facilities Code (“Code”); a Notice of Conditional License and conditional license for the term November 5, 2011 to May 4, 2012; a Notice of Fine Assessment in the amount of \$12,500; and a Notice of Placement on IDPH’s Quarterly List of Violators (“IDPH’s Notices”). Westmont timely requested a hearing to contest IDPH’s Notices and applicable Statement of Deficiencies (“SOD”) because IDPH’s allegations were totally inconsistent with its determination as a result of the federal certification survey conducted regarding the same January 24, 2011 incident.

DUANE MORRIS LLP

190 SOUTH LASALLE STREET, SUITE 3700 CHICAGO, IL 60603-3433

PHONE: +1 312 499 6700 FAX: +1 312 499 6701

ATTACHMENT-12C

Michael Constantino
Illinois Health Facilities
and Services Review Board
April 15, 2013
Page 2

In response to the federal certification survey, Westmont timely filed its request for an informal dispute resolution (“IDR”) with the Michigan Peer Review Organization (“MPRO”). As a result of the MPRO IDR, which involved the same facts as Docket No. NH 11-C0280, MPRO recommended, and IDPH concurred, that the single alleged deficiency of F333 and alleged immediate jeopardy determination be deleted.

MPRO’s recommendation adopted the position taken by Westmont in its written IDR, as well as that presented during the telephone IDR, in that IDPH and its SOD provided no evidence of facility action or inaction related to a January 24, 2011 incident, but simply speculated and conjectured. Specifically, MPRO stated that:

[T]he SOD does not contain any facts that the actions of facility staff caused the incident with R1 that can be supported. There would have to be assumptions to lead to a conclusion that a deficient practice for F333 occurred or any other tag. An assumption was made that the complaint investigation referenced but not detailed in the SOD dated 03/21/2011 is directly related to R1’s incident on 01/24/2011 and is a deficient practice under F333. The [MPRO] reviewers cannot support this assumption.

MPRO added that the SOD did not contain interviews with facility staff who provided care to R1 before, during, or after the incident on January 24, 2011; and did not contain any investigation of the pharmacy services or the medication records of controlled substances.

On or about November 6, 2012, the parties entered into a Consent Agreement and Request for Final Order (“Consent Agreement”) in Docket No. NH 11-C0280 wherein IDPH deleted the alleged violations of Sections 300.1650(d)(1), 300.1650(d)(2), and 300.3240(a) of the Code [an owner, licensee, administrator, employee or agent of a facility shall not abuse or neglect a resident]; withdrew the Notice of Conditional License and conditional license, and reinstated Westmont’s unrestricted license to the date the conditional license was imposed; and amended the fine to \$7,500. When considering the cost of hearing versus settlement, Westmont decided, for economic reasons, to avoid the expense of litigation and settle the case. The Consent Agreement stated that it was a compromise and settlement; that it shall not be considered an admission of fault of any kind by Westmont; that it was entered into solely for the purpose of settlement; and that it does not constitute an admission of any liability or wrongdoing by Westmont, its parent, subsidiaries, or other related entities, or each of its directors, officers, employees, agents, successors, assigns, and attorneys. In accordance with the Consent Agreement and IDPH’s Final Order, Westmont paid the amended fine within 30 days after receipt of the Final Order.

Michael Constantino
Illinois Health Facilities
and Services Review Board
April 15, 2013
Page 3

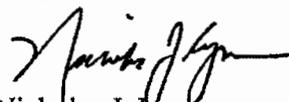
Belleville Healthcare & Rehabilitation Center, Inc.

On or about August 4, 2011, IDPH conducted a licensure survey at Belleville, as a result of which it issued a Notice of Type A Violation, alleging violations of several Sections of the Code; a Notice of Conditional License and conditional license for the term October 21, 2011 to April 20, 2012; a Notice of Fine Assessment in the amount of \$12,500; and a Notice of Placement on IDPH's Quarterly List of Violators ("IDPH's Notices"). Belleville timely requested a hearing to contest IDPH's Notices and applicable Statement of Deficiencies.

On or about February 29, 2012, the parties entered into a Consent Agreement wherein IDPH deleted the alleged violation of Section 300.3240(a) of the Code [an owner, licensee, administrator, employee or agent of a facility shall not abuse or neglect a resident]; withdrew the Notice of Conditional License and conditional license, and reinstated Belleville's unrestricted license to the date the conditional license was imposed; and amended the fine to \$8,125. When considering the cost of hearing versus settlement, Belleville decided, for economic reasons, to avoid the expense of litigation and settle the case. The Consent Agreement stated that it was a compromise and settlement; that it shall not be considered an admission of fault of any kind by Belleville; that it was entered into solely for the purpose of settlement; and that it does not constitute an admission of any liability or wrongdoing by Belleville, its parent, subsidiaries, or other related entities, or each of its directors, officers, employees, agents, successors, assigns, and attorneys.

In accordance with the fully signed Consent Agreement and Final Order, Belleville paid IDPH the amended fine within 30 days after receipt of the Final Order.

Very truly yours,


Nicholas J. Lynn

NJL:me



April 15, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Ms. Avery:

I hereby authorize the Health Facilities Planning Board and the Illinois Department of Public Health (IDPH) access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. I further authorize the Illinois Department of Public Health to obtain any additional documentation or information that said agency deems necessary for the review of this Application as it pertains to 1125.520.(3).

Sincerely,

Daniel Weiss

ATTACHMENT-12D

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued ii

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov> and click on “Health Facilities Inventories & Data”.

According to the May 16, 2013 Long Term Care Facilities Inventory update, there is a calculated need of 192 beds in the 7-E Planning Area. The proposed project is the modernization and expansion of the existing facility from 203 long-term care beds to 224 long-term care beds. The addition of 21 beds is well within the calculated need. A copy of the State’s latest update to the Inventory of Health Care Facilities and Services and Need Determination is appended as **ATTACHMENT-13A**.

2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.

The Applicant’s admission origin data for Palos Hills Healthcare is appended as **ATTACHMENT-13B**. This data illustrates that 68% of the known residents’ zip code of origin are derived from the primary market area of the 30-minute travel time contour. Moreover, 50% of the resident’s admissions are from within the 7-E Planning Service Area. The zip code areas were provided from the Microsoft MapPoint North America 2009 software utilizing the HFSRB’s mapped PSA’s. Please refer to the map appended as **ATTACHMENT-13C**.

3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

Appended as **ATTACHMENT-13D** are three hospital letters (from Little Company of Mary, Advocate Christ Medical Center and Palos Community Hospital) providing the proposed and historical referrals. Collectively, these hospitals have identified 8,205 referrals to nursing

ATTACHMENT-13

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued III

facilities in the most recent 12-month period; that includes referrals made to the subject facility during that same time. Moreover, these hospitals collectively estimate that they can make 347 annual referrals for the next two years.

LONG-TERM CARE FACILITY UPDATES
9/16/2011 - 5/16/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
Planning Area 7-C	11-055	10/13/2011	Transitional Care Center Of Naperville, Naperville	Permit issued to establish a 120 bed Nursing care facility at Arbitrator Court and East Diehl Road in Naperville.	
	Bed Change	10/13/2011	Beacon Hill, Lombard	Added 2 nursing care beds; facility now has 110 nursing care beds.	
	CHOW	1/3/2012	Burgess Square, Westmont	Change of ownership occurred.	
	Bed Change	2/9/2012	Dupage Convalescent Home, Wheaton	Discontinued 140 Nursing Care beds. Facility now has 368 Nursing Care beds.	
	12-006	4/17/2012	Elmhurst Memorial Hospital, Elmhurst	Permit issued to discontinue 38 bed Skilled Care (Long-Term Care) category of service.	
	07-071	4/17/2012	Park Place Christian Village, Elmhurst	Permit abandoned.	
	Name Change	4/17/2012	Park Place Christian Village, Elmhurst	Formerly Park Place Christian Community.	
	12-007	4/17/2012	Park Place Christian Village, Elmhurst	Permit issued to establish a facility with 37 Nursing Care beds.	
	07-042	6/1/5400	Marianjoy Rehab Hospital Wheaton	Completed project to establish 20 bed skilled nursing (long-term care) category of service.	
	CHOW	6/27/2012	West Chicago Terrace, West Chicago	Change of ownership occurred.	
	Name Change	6/27/2012	West Chicago Terrace Nursing Home, West Chicago	Formerly West Chicago Terrace.	
	Licensure	8/1/2012	Park Place Christian Community, Elmhurst	Facility licensed for operation with 37 Nursing Care beds.	
	12-036	10/31/2012	Healthcare Center at Monarch Landing, Naperville	Received permit to establish a facility with 96 Nursing Care beds.	
	Name Change	11/30/2012	Winfield Woods Healthcare Center, Winfield	Formerly Winfield Woods.	
	Planning Area 7-D	Bed Change	9/29/2011	Greek American Rehab & Care Center, Wheeling	Facility discontinued 6 Nursing Care beds; facility now has 198 Nursing Care beds.
		Name Change	1/3/2012	Oakridge Healthcare Center, Hillside	Name changed from Oakridge Nursing & Rehab. Center.
CHOW		1/3/2012	Oakridge Healthcare Center, Hillside	Change of ownership occurred.	
Planning Area 7-E	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	City location corrected from Berwyn to Stickney.	
	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Record corrected to indicate facility location in Stickney, not Berwyn as previously indicated.	
	CHOW	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Change of ownership occurred.	
	Name Change	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Name changed from Pershing Convalescent Center.	
	CHOW	1/13/2012	Crestwood Care Centre, Crestwood	Change of Ownership occurred.	
	Bed Change	2/29/2012	Manorcare Of South Holland, South Holland	Added 16 Nursing Care beds to existing facility; facility now has 216 Nursing Care beds.	
	11-104	4/17/2012	Mcallister Nursing & Rehab(Permit), Tinley Park	Permit issued to add 89 Nursing Care beds to existing facility; facility now authorized for 200 beds.	
	12-003	4/17/2012	Holy Family Villa(Permit), Palos Park	Permit issued to add 30 Nursing Care beds to existing facility; facility now authorized for 129 beds.	
	Bed Change	5/17/2012	Manorcare Of Homewood, Homewood	Added 12 Nursing Care beds to existing facility; facility now has 132 Nursing Care beds.	
	CHOW	6/27/2012	Crestwood Terrace, Crestwood	Change of Ownership occurred.	
	Name Change	6/27/2012	Crestwood Terrace Nursing Center, Crestwood	Name changed from Crestwood Terrace.	
	Name Change	8/2/2012	Symphony of Crestwood, Crestwood	Formerly Crestwood Care Centre.	
CHOW	11/1/2012	Burnham Healthcare, Burnham	Change of Ownership occurred.		
Name Change	11/1/2012	River Oaks Healthcare Rehabilitation Center, Burnham	Formerly Burnham Healthcare.		
Health Service Area 8					
Kane	Name Change	10/1/2011	Heritage Health - Elgin, Elgin	Formerly Heritage Manor - Elgin.	
	Closure	10/13/2011	Fox River Pavilion, Aurora	Facility deemed closed; 99 Nursing care beds removed from inventory by Board order.	

LONG-TERM CARE FACILITY UPDATES

9/16/2011 - 4/23/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	369	7
Jasper	82	57	25
Jefferson	424	346	78
Johnson/Massac	338	301	37
Lawrence	325	340	(15)
Marion	862	603	259
Perry	207	210	(3)
Randolph	580	490	90
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	351	3
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7194	(1231)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	4791	418
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6841	339
Planning Area 7-C	6867	6026	841
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4733	542
McHenry	1501	1037	464
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2840	639
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	172	50
Rock Island	1243	1342	(99)
HEALTH SERVICE AREA 11			
Clinton	432	357	75
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2289	(187)

Palos Hills Extended Care
Patient Origin for Admissions for 12-Months ending March 2013

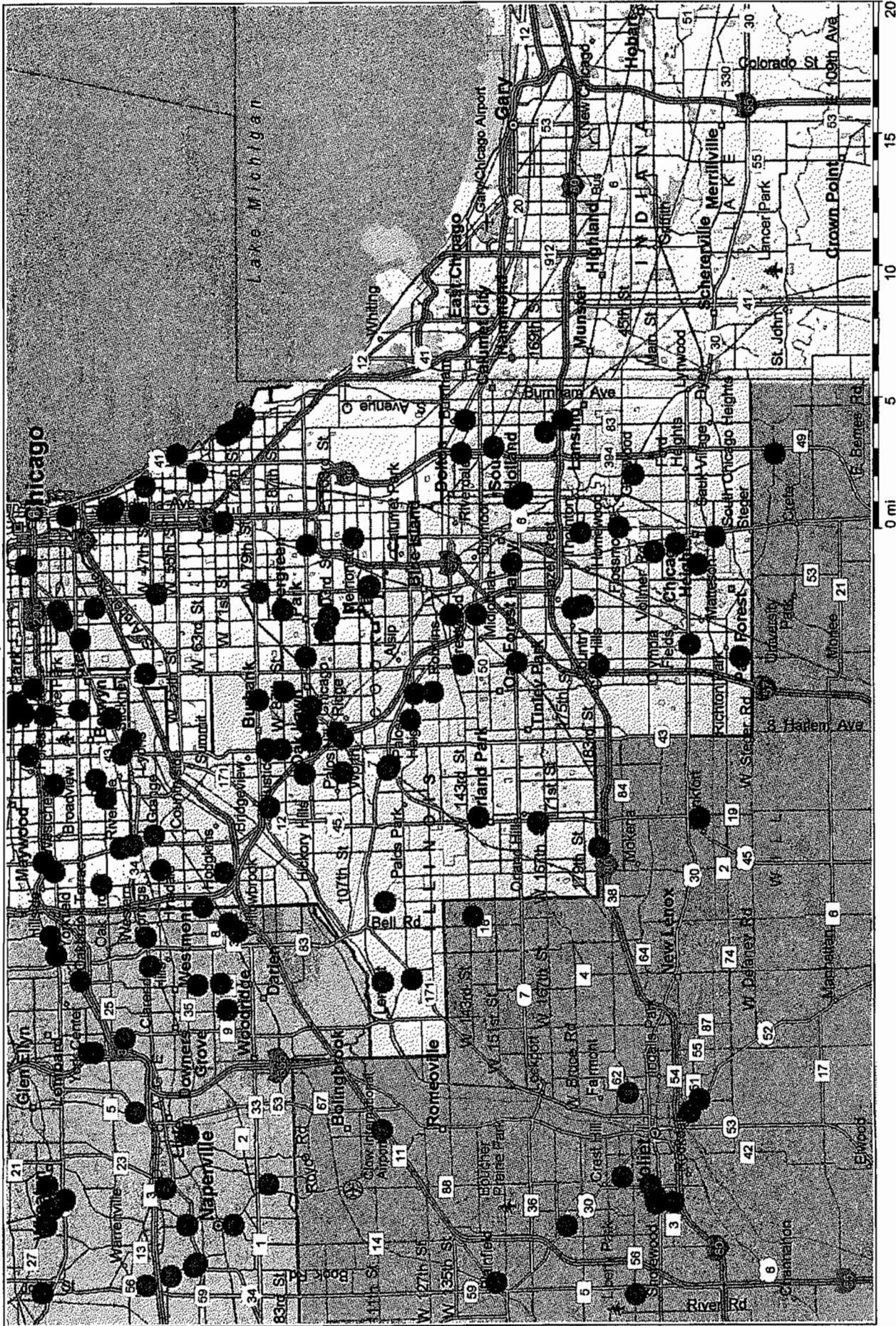
Community	Zipcode	# of Admissions	zip codes within 30 min adj travel time	zip codes within 15 min adj travel time	zip codes within PSA 705
East Chicago, IN	46312	6			
Whiting, IN	46394	2			
Gary, IN	46408	1			
Merrillville, IL	46410	1			
Elmhurst, IL	60126	2			
Forest Park, IL	60130	3	Yes		
Franklin Park, IL	60131	1			
Lombard, IL	60148	1			
Maywood, IL	60153	10	Yes		
Hillside, IL	60162	3	Yes		
Northlake, IL	60164	3			
Stone Park, IL	60165	1			
St. Charles, IL	60175	1			
South Elgin, IL	60177	1			
Wheaton, IL	60187	1			
Oak Park, IL	60302	1			
Berwyn, IL	60402	2	Yes		
Blue Island, IL	60406	8	Yes		Yes
Calumet City, IL	60409	2			Yes
Lynwood, IL	60411	6			Yes
Chicago Ridge, IL	60415	7	Yes	Yes	Yes
Coal City, IL	60416	1			
Dolton, IL	60419	1			Yes
Flossmoor, IL	60422	1			Yes
Frankfort, IL	60423	1			
Glenwood, IL	60425	1			Yes
Harvey, IL	60426	3	Yes		Yes
Homewood, IL	60430	3	Yes		Yes
Joliet, IL	60433	2			
Joliet, IL	60435	1			
Homewood, IL	60436	1			
Bolingbrook, IL	60440	1	Yes		
Lockport, IL	60441	1	Yes		
Matteson, IL	60443	3	Yes		Yes
Crestwood, IL	60445	9	Yes		Yes
Mimooka, IL	60447	1			
Oak Forest, IL	60452	1	Yes		Yes
Oak Lawn, IL	60453	11	Yes	Yes	Yes
Bridgeview, IL	60455	7	Yes	Yes	Yes
Hometown, IL	60456	1	Yes		Yes
Hickory Hills, IL	60457	7	Yes	Yes	Yes
Justice, IL	60458	2	Yes	Yes	Yes
Burbank, IL	60459	2	Yes	Yes	Yes
Olympia Fields, IL	60461	1			Yes
Orland Park, IL	60462	3	Yes		Yes
Palos Heights, IL	60463	5	Yes	Yes	Yes
Palos Park, IL	60464	3	Yes	Yes	Yes
Palos Hills, IL	60465	11	Yes	Yes	Yes
Park Forest, IL	60466	2			
Orland Park, IL	60467	3	Yes		Yes
Posen, IL	60469	1	Yes		Yes
Richton Park, IL	60471	4			Yes
Robbins, IL	60472	4	Yes		Yes
South Holland, IL	60473	1	Yes		Yes
Tinley Park, IL	60477	7	Yes		Yes
Country Club Hills, IL	60478	3	Yes		Yes
Worth, IL	60482	8	Yes	Yes	Yes

Palos Hills Extended Care
Patient Origin for Admissions for 12-Months ending March 2013

Orland Hills, IL	60487	1	Yes		Yes
Homer Glen, IL	60491	2	Yes		
Batavia, IL	60510	1			
McCook, IL	60525	3	Yes		Yes
La Grange Park, IL	60526	1	Yes		
Burr Ridge, IL	60527	2	Yes		
North Aurora, IL	60542	1			
Riverside, IL	60546	1	Yes		
Sandwich, IL	60548	1			
Westmont, IL	60559	1	Yes		
Chicago, IL	60607	1			
Chicago, IL	60608	3	Yes		
Chicago, IL	60609	4			
Chicago, IL	60610	1			
Chicago, IL	60617	4			
Chicago, IL	60619	2	Yes		
Chicago, IL	60620	4	Yes		
Chicago, IL	60621	2			
Chicago, IL	60624	1			
Indian Head Park, IL	60625	3			
Chicago, IL	60628	12			
Chicago, IL	60629	6	Yes		
Chicago, IL	60630	1			
Chicago, IL	60632	2	Yes		
Burnham, IL	60633	2			
Chicago, IL	60636	2	Yes		
Chicago, IL	60638	3	Yes		
Chicago, IL	60643	6	Yes		
Chicago, IL	60644	2			
Chicago, IL	60649	3			
Chicago, IL	60652	7	Yes		
Chicago, IL	60655	2	Yes		
Chicago, IL	60660	2			
Alsip, IL	60803	7	Yes	Yes	Yes
Cicero, IL	60804	1	Yes		
Evergreen Park, IL	60805	4	Yes		Yes
Riverdale, IL	60827	2	Yes		
Kankakee, IL	60901	1			
Rockford, IL	61108	1			
Kewanee, IL	61443	1			
Cottage Hills, IL	62018	1			
San Antonio, TX	78249	1			
LB	no zip listed	14			
CE	no zip listed				
LL	no zip listed				
WW	no zip listed				
PM	no zip listed				
SN	no zip listed				
NS	no zip listed				
KS	no zip listed				
YG	no zip listed				
KK	no zip listed				
KK	no zip listed				
LF	no zip listed				
GW	no zip listed				
DG	no zip listed				

TOTAL ADMISSIONS	302	195	70	144
known zip codes	288	65%	23%	48%
		68%	24%	50%

General LTC Map - HSA 6 & 7



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The Technology to Heal, the Mission to Care

2800 West 97th Street, Evergreen Park, IL, 60804

www.LCMH.org

Palos Hills Healthcare
10426 S Roberts Road
Palos Hills, Illinois
60465

March 6, 2013

Dear Mr. Weiss,

This letter is being written on behalf of Little Company of Mary Hospital. Our Hospital recommends the addition and renovation project proposed for Palos Hills Healthcare. We support your application for CON Board Approval.

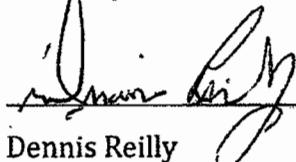
Our Hospital can attest to 1,496 patients who have received care at existing facilities located in the area during the 12 months prior to this letter. (see attached for the residents home zip code(s)).

We estimate that the number of Patients the Hospital will refer annually to the facility within a 24-month period after project completion will be 100, this is a reasonable expectation based on our historical LTC Case Load. These referrals have not been used to support another pending or approved CON application for the subject services.

We look forward to working with you and commend your efforts to improve the quality of care and quality of life for those served in our community.

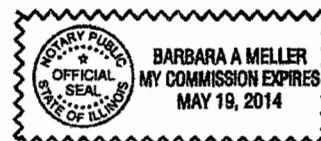
If there is anything we can do to be of assistance, please do not hesitate to contact me directly,

Sincerely,

 3/7/13
Dennis Reilly Date

Chief Executive Officer


Notary



ATTACHMENT-13D

ZIP	COUNT	
60620	285	CHICAGO
60643	240	CALUMET CITY
60453	137	CHICAGO
60805	120	EVERGREEN PARK
60628	103	CHICAGO
60655	82	CHICAGO
60652	79	CHICAGO
60415	33	CHICAGO RIDGE
60629	33	
60459	27	
60636	25	
60803	25	
60619	21	
60617	17	
60445	16	
60456	13	
60649	12	
60406	11	
60455	11	
60463	11	
60457	10	
60465	10	
60621	9	
60827	8	
60462	7	
60609	7	
60638	6	
60430	5	
60477	5	
60608	5	
60615	5	
60637	5	
60409	4	
60439	4	
60452	4	
60458	4	
60467	4	
60473	4	
60478	4	
60632	4	
60653	4	
60464	3	
60612	3	

ZIP	COUNT
60616	3
60623	3
60624	3
60642	3
46407	2
60419	2
60425	2
60426	2
60471	2
60472	2
60482	2
60487	2
60626	2
6020	1
11203	1
33311	1
39652	1
45244	1
45246	1
46356	1
46394	1
46637	1
47960	1
49031	1
49045	1
60130	1
60169	1
60178	1
60181	1
60411	1
60423	1
60438	1
60441	1
60446	1
60466	1
60490	1
60504	1
60515	1
60525	1
60526	1
60542	1
60561	1
60600	1

ZIP	COUNT
60601	1
60605	1
60618	1
60633	1
60640	1
60645	1
60656	1
63366	1
90043	1
92071	1
98391	1
	1496

 **Advocate
Christ Medical Center**

4440 West 95th Street || Oak Lawn, IL 60453 || T: 708.684.8000 || advocatehealth.com

April 3, 2013

Palos Hills Healthcare
10426 S Roberts Road
Palos Hills, IL 60465

Dear Mr. Weiss:

This letter is being written on behalf of Advocate Christ Medical Center. Our Medical Center strongly recommends the addition and renovation project proposed for Palos Hills Healthcare. We support your application for CON Board Approval.

Our Medical Center can attest to 3,499 patients who have received care at existing facilities located in the defined service area (Palos Hills, Palos Park, Palos Heights, Chicago Ridge, Oak Lawn, Evergreen Park, Hickory Hills, Crestwood, Bridgeview, Orland Park and Willow Springs) during the 12 months prior to this letter. Patients referred to facilities within this service area came from 114 different zip codes – please refer to table (attached).

We estimate that the number of patients the Medical Center will refer to the applicant within a 24-month period after project completion will be 150 or 70-80 cases per year. This is a reasonable expectation based on our historical LTC Case Load. These referrals have not been used to support another pending or approved CON application for the subject services.

We look forward to working with you and commend your efforts to improve the quality of care and quality of life for those served in our community.

If there is anything we can do to be of assistance, please do not hesitate to contact me directly.

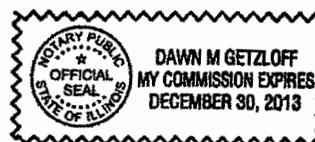
Sincerely,



Kenneth Lukhard Date
President



Notary



Patient Zip Codes - 2012			
10453	60422	60469	60630
30045	60423	60471	60631
30107	60425	60472	60632
33764	60426	60473	60633
33809	60428	60477	60636
34275	60429	60478	60637
46311	60430	60481	60638
46322	60438	60482	60640
46392	60439	60487	60641
46404	60440	60491	60643
46582	60441	60501	60645
49047	60443	60513	60649
54313	60445	60525	60651
54545	60446	60532	60652
60002	60448	60544	60653
60030	60451	60559	60655
60031	60452	60561	60657
60060	60453	60608	60660
60073	60455	60609	60714
60090	60456	60613	60803
60120	60457	60615	60804
60133	60458	60616	60805
60155	60459	60617	60827
60402	60462	60619	60901
60406	60463	60620	60914
60409	60464	60621	61560
60411	60465	60623	61705
60415	60466	60628	
60419	60467	60629	

*Sources: ECIN & Midas



Palos Community Hospital

12251 S. 80th Avenue Palos Heights, Illinois 60463 (708) 923-4000

Executive Offices

April 3, 2013

Mr. Evan Lafer
BRIA Health Services
3856 West Oakton
Suite 250
Skokie, Illinois 60076

Dear Mr. Lafer:

In response to your recent inquiry, Palos Community Hospital referred 3,210 patients to skilled nursing facilities during 2012, including 167 to Palos Hills Healthcare.

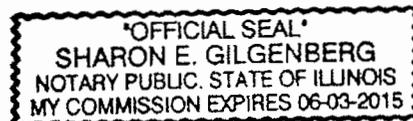
Palos Community Hospital will continue to refer patients as appropriate to your facility in the future as you increase your capacity and continue to provide the necessary level of care including dialysis services.

Good luck with your CON application.

Sincerely,

Timothy J. Brosnan
Vice President, Planning & Community Relations

TJB:gmk



Sharon E. Gilgenberg
4/3/2013

ATTACHMENT-13D

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA *Continued iv*

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The applicant shall document #1 and either #2 or #3:

1. Historical Service Demand

- a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.

In CY2011 and CY2010, the facility reported utilization rates of 62.4% and 63.4% respectively. The issue is not one of filling the beds as it is one of a number of beds not being marketable. Hence, the need to replace the beds in a market area with a number of additional beds needed to support the additional debt service. The historical utilization in this case is not indicative of historical demand as there is an identified need for 192 additional nursing beds in the PSA. See **ATTACHMENT-14A** for the May 16, 2013 Update to the Inventory of Health Care Facilities and Services and Need Determinations.

- b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.

This item is not applicable.

2. Projected Referrals

The applicant shall provide documentation as described in Section 1125.540(d).

Appended as **ATTACHMENT-14B** are three hospital letters providing, to the best of their abilities, proposed and historical referrals. Collectively, these hospitals have identified 8,205 referrals to nursing facilities in the most recent 12-month period; that includes referrals

ATTACHMENT-14

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued v

made to the subject facility during that same time. Moreover, these hospitals collectively estimate that they can make 347 annual referrals for the next two years.

3. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).**

This item is not germane.

LONG-TERM CARE FACILITY UPDATES
9/16/2011 - 5/16/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION	
Planning Area 7-C	11-055	10/13/2011	Transitional Care Center of Naperville, Naperville	Permit issued to establish a 120 bed Nursing care facility at Arbiter Court and East Diehl Road in Naperville.	
	Bed Change	10/13/2011	Beacon Hill, Lombard	Added 2 nursing care beds; facility now has 110 nursing care beds.	
	CHOW	1/3/2012	Burgess Square, Westmont	Change of ownership occurred.	
	Bed Change	2/9/2012	Dupage Convalescent Home, Wheaton	Discontinued 140 Nursing Care beds. Facility now has 368 Nursing Care beds.	
	12-006	4/17/2012	Elmhurst Memorial Hospital, Elmhurst	Permit issued to discontinue 38 bed Skilled Care (Long-Term Care) category of service.	
	07-071	4/17/2012	Park Place Christian Village, Elmhurst	Permit abandoned.	
	Name Change	4/17/2012	Park Place Christian Village, Elmhurst	Formerly Park Place Christian Community.	
	12-007	4/17/2012	Park Place Christian Village, Elmhurst	Permit issued to establish a facility with 37 Nursing Care beds.	
	07-042	6/1/5400	Marianjoy Rehab Hospital Wheaton	Completed project to establish 20 bed skilled nursing (long-term care) category of service.	
	CHOW	6/27/2012	West Chicago Terrace, West Chicago	Change of ownership occurred.	
	Name Change	6/27/2012	West Chicago Terrace Nursing Home, West Chicago	Formerly West Chicago Terrace.	
	Licensure	8/1/2012	Park Place Christian Community, Elmhurst	Facility licensed for operation with 37 Nursing Care beds.	
	12-036	10/31/2012	Healthcare Center at Monarch Landing, Naperville	Received permit to establish a facility with 96 Nursing Care beds.	
	Name Change	11/30/2012	Winfield Woods Healthcare Center, Winfield	Formerly Winfield Woods.	
	Planning Area 7-D	Bed Change	9/29/2011	Greek American Rehab & Care Center, Wheeling	Facility discontinued 6 Nursing Care beds; facility now has 198 Nursing Care beds.
		Name Change	1/3/2012	Oakridge Healthcare Center, Hillside	Name changed from Oakridge Nursing & Rehab. Center.
		CHOW	1/3/2012	Oakridge Healthcare Center, Hillside	Change of ownership occurred.
Planning Area 7-E	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	City location corrected from Berwyn to Stickney.	
	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Record corrected to indicate facility location in Stickney, not Berwyn as previously indicated.	
	CHOW	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Change of ownership occurred.	
	Name Change	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Name changed from Pershing Convalescent Center.	
	CHOW	1/13/2012	Crestwood Care Centre, Crestwood	Change of Ownership occurred.	
	Bed Change	2/29/2012	Manorcare Of South Holland, South Holland	Added 16 Nursing Care beds to existing facility; facility now has 216 Nursing Care beds.	
	11-104	4/17/2012	Mcallister Nursing & Rehab(Permit), Tinley Park	Permit issued to add 89 Nursing Care beds to existing facility; facility now authorized for 200 beds.	
	12-003	4/17/2012	Holy Family Villa(Permit), Palos Park	Permit issued to add 30 Nursing Care beds to existing facility; facility now authorized for 129 beds.	
	Bed Change	5/17/2012	Manorcare Of Homewood, Homewood	Added 12 Nursing Care beds to existing facility; facility now has 132 Nursing Care beds.	
	CHOW	6/27/2012	Crestwood Terrace, Crestwood	Change of Ownership occurred.	
	Name Change	6/27/2012	Crestwood Terrace Nursing Center,	Name changed from Crestwood Terrace.	
	Name Change	8/2/2012	Symphony of Crestwood, Crestwood	Formerly Crestwood Care Centre.	
	CHOW	11/1/2012	Burnham Healthcare, Burnham	Change of Ownership occurred.	
Name Change	11/1/2012	River Oaks Healthcare Rehabilitation Center, Burnham	Formerly Burnham Healthcare.		
Health Service Area 8					
Kane	Name Change	10/1/2011	Heritage Health - Elgin, Elgin	Formerly Heritage Manor - Elgin.	
	Closure	10/13/2011	Fox River Pavilion, Aurora	Facility deemed closed; 99 Nursing care beds removed from inventory by Board order.	

LONG-TERM CARE FACILITY UPDATES

9/16/2011 - 5/16/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	369	7
Jasper	82	57	25
Jefferson	424	346	78
Johnson/Massac	338	301	37
Lawrence	325	340	(15)
Marion	862	603	259
Perry	207	210	(3)
Randolph	580	490	90
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	351	3
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7194	(1231)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	4791	418
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6841	339
Planning Area 7-C	6867	6026	841
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4733	542
McHenry	1501	1037	464
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2840	639
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	172	50
Rock Island	1243	1342	(99)
HEALTH SERVICE AREA 11			
Clinton	432	357	75
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2289	(187)



The Technology to Heal, the Mission to Care

7800 West 95th Street, Evergreen Park, IL 62805
www.LCMB.org

Palos Hills Healthcare
10426 S Roberts Road
Palos Hills, Illinois
60465

March 6, 2013

Dear Mr. Weiss,

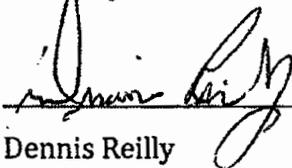
This letter is being written on behalf of Little Company of Mary Hospital. Our Hospital recommends the addition and renovation project proposed for Palos Hills Healthcare. We support your application for CON Board Approval.

Our Hospital can attest to 1,496 patients who have received care at existing facilities located in the area during the 12 months prior to this letter. (see attached for the residents home zip code(s)).

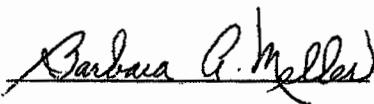
We estimate that the number of Patients the Hospital will refer annually to the facility within a 24-month period after project completion will be 100, this is a reasonable expectation based on our historical LTC Case Load. These referrals have not been used to support another pending or approved CON application for the subject services.

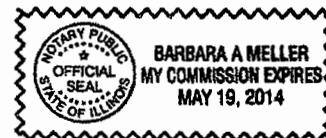
We look forward to working with you and commend your efforts to improve the quality of care and quality of life for those served in our community. If there is anything we can do to be of assistance, please do not hesitate to contact me directly,

Sincerely,

 3/7/13
Dennis Reilly Date

Chief Executive Officer


Notary



ATTACHMENT-14B

ZIP	COUNT	
60620	285	CHICAGO
60643	240	Calumet City
60453	137	CHICAGO
60805	120	EVERGREEN PARK
60628	103	CHICAGO
60655	82	CHICAGO
60652	79	CHICAGO
60415	33	CHICAGO RIDGE
60629	33	
60459	27	
60636	25	
60803	25	
60619	21	
60617	17	
60445	16	
60456	13	
60649	12	
60406	11	
60455	11	
60463	11	
60457	10	
60465	10	
60621	9	
60827	8	
60462	7	
60609	7	
60638	6	
60430	5	
60477	5	
60608	5	
60615	5	
60637	5	
60409	4	
60439	4	
60452	4	
60458	4	
60467	4	
60473	4	
60478	4	
60632	4	
60653	4	
60464	3	
60612	3	

ZIP	COUNT
60616	3
60623	3
60624	3
60642	3
46407	2
60419	2
60425	2
60426	2
60471	2
60472	2
60482	2
60487	2
60626	2
6020	1
11203	1
33311	1
39652	1
45244	1
45246	1
46356	1
46394	1
46637	1
47960	1
49031	1
49045	1
60130	1
60169	1
60178	1
60181	1
60411	1
60423	1
60438	1
60441	1
60446	1
60466	1
60490	1
60504	1
60515	1
60525	1
60526	1
60542	1
60561	1
60600	1

ZIP	COUNT
60601	1
60605	1
60618	1
60633	1
60640	1
60645	1
60656	1
63366	1
90043	1
92071	1
98391	1
	1496

 **Advocate
Christ Medical Center**

4440 West 95th Street || Oak Lawn, IL 60453 || T: 708.684.8000 || advocatehealth.com

April 3, 2013

Palos Hills Healthcare
10426 S Roberts Road
Palos Hills, IL 60465

Dear Mr. Weiss:

This letter is being written on behalf of Advocate Christ Medical Center. Our Medical Center strongly recommends the addition and renovation project proposed for Palos Hills Healthcare. We support your application for CON Board Approval.

Our Medical Center can attest to 3,499 patients who have received care at existing facilities located in the defined service area (Palos Hills, Palos Park, Palos Heights, Chicago Ridge, Oak Lawn, Evergreen Park, Hickory Hills, Crestwood, Bridgeview, Orland Park and Willow Springs) during the 12 months prior to this letter. Patients referred to facilities within this service area came from 114 different zip codes - please refer to table (attached).

We estimate that the number of patients the Medical Center will refer to the applicant within a 24-month period after project completion will be 150 or 70-80 cases per year. This is a reasonable expectation based on our historical LTC Case Load. These referrals have not been used to support another pending or approved CON application for the subject services.

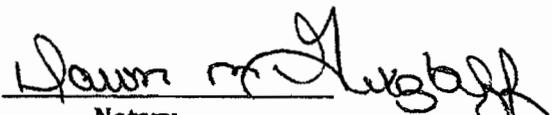
We look forward to working with you and commend your efforts to improve the quality of care and quality of life for those served in our community.

If there is anything we can do to be of assistance, please do not hesitate to contact me directly.

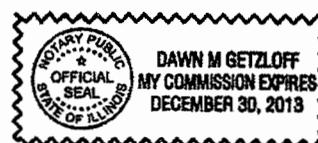
Sincerely,



Kenneth Lukhard Date
President



Notary



ATTACHMENT-14B

Patient Zip Codes - 2012			
10453	60422	60469	60630
30045	60423	60471	60631
30107	60425	60472	60632
33764	60426	60473	60633
33809	60428	60477	60636
34275	60429	60478	60637
46311	60430	60481	60638
46322	60438	60482	60640
46392	60439	60487	60641
46404	60440	60491	60643
46582	60441	60501	60645
49047	60443	60513	60649
54313	60445	60525	60651
54545	60446	60532	60652
60002	60448	60544	60653
60030	60451	60559	60655
60031	60452	60561	60657
60060	60453	60608	60660
60073	60455	60609	60714
60090	60456	60613	60803
60120	60457	60615	60804
60133	60458	60616	60805
60155	60459	60617	60827
60402	60462	60619	60901
60406	60463	60620	60914
60409	60464	60621	61560
60411	60465	60623	61705
60415	60466	60628	
60419	60467	60629	

*Sources: ECIN & Midas



Palos Community Hospital

12251 S. 80th Avenue Palos Heights, Illinois 60463 (708) 923-4000

Executive Offices

April 3, 2013

Mr. Evan Lafer
BRIA Health Services
3856 West Oakton
Suite 250
Skokie, Illinois 60076

Dear Mr. Lafer:

In response to your recent inquiry, Palos Community Hospital referred 3,210 patients to skilled nursing facilities during 2012, including 167 to Palos Hills Healthcare.

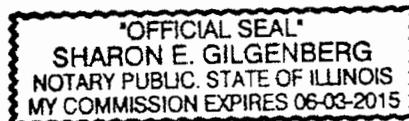
Palos Community Hospital will continue to refer patients as appropriate to your facility in the future as you increase your capacity and continue to provide the necessary level of care including dialysis services.

Good luck with your CON application.

Sincerely,

Timothy J. Brosnan
Vice President, Planning & Community Relations

TJB:gmk



Sharon E. Gilgenberg
4/3/2013

ATTACHMENT-14B

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued vi

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.
2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff; or
 - e. A narrative explanation of how the proposed staffing will be achieved.

Appended as **ATTACHMENT-19A**, is the existing staffing pattern for the 203 bed facility and the proposed staffing patterns for the proposed 224 nursing care beds, by position title. This project, considered as Phase I, will result in an increase in full time equivalents, from 153.84 full time equivalents to 225.66, a net increase of 71.82 full time equivalents. It should be noted that the existing and proposed staffing levels more than meet IDPH Licensure minimum requirements as well as JCAHO staffing recommendations.

The staffing levels will be achieved through pre-planned advertising and recruitment campaigns. The plan is to employ all staff in all departments prior to opening the new facility. The staff will be trained in the existing facility to allow for easy transition.

ATTACHMENT- 19

Palos Hills Healthcare for existing building, proposed building, combined total.

Department	Existing 203 beds	Proposed 107 beds	Total 224 Beds
Office	4.10	3.4	7.50
Activities	5.43	3.5	8.93
C.N.A./Rehab aides	50.58	37.36	87.94
Dietary	12.70		12.70
Housekeeping	10.19	6.56	16.75
Nurses	49.00	14	63.00
MDS CAREPLANS	2.00	1	3.00
Maintenance	2.00	1	3.00
Medical Records	1.00	1	2.00
Laundry	5.25		5.25
Social Service	4.00	2	6.00
Administrator	1.00	1	2.00
Marketing	1.00		1.00
DON	1.00	1	2.00
ADON	1.00		1.00
Restorative Nurse	1.00		1.00
Evening Nurse Supervisor	1.00		1.00
Weekend sup	0.60		0.60
Clinical educator	1.00		1.00
			0.00
Total payroll hours	153.84	71.82	225.66

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued vii

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

This project is for a 224 bed long-term care facility. As this is less than the 250-bed level, this item is not germane.

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued VIII

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

Appended as **ATTACHMENT-21A** are eleven (11) letters of support from Kenneth J. Nolan, Treasurer of City of Palos Hills; Christopher J. Vandenberg, President & Owner of Trace Ambulance Service, Inc.; Steven C. Greenwald, Msw, Lcsw, President/CEO of SocialWork Consultation Group, Inc.; Rebecca Lerfelt, Assistant Director of PLOWS Council on Aging; Jennifer Fullerton, Executive Director of Hickory Hills Park District; Marguerite Hodek, President Board of Trustees of North Palos Fire Protection District; William Hanson, Alderman, 3rd Ward of City of Palos Hills; Pauline Stratton, Alderman, 2nd Ward of City of Palos Hills; Marty Kleefisch, Alderman, 1st Ward of City of Palos Hills; Gerald R. Bennett, Mayor of City of Palos Hills; Phyllis Majka, President of The Hills Chamber of Commerce.

ATTACHMENT- 21



CITY OF PALOS HILLS

GERALD R. BENNETT
Mayor

RUDY A. MULDERINK
City Clerk

KENNETH J. NOLAN
City Treasurer

ALDERMEN

Martin Kleefisch
Joan E. Knox

Pauline A. Stratton
Mark Brachman

A. J. Pasek
William J. Hanson

Ricky L. Moore
Joe Marrotta

Frank J. Williams
Mary Ann Schultz

March 27, 2013

To Whom It May Concern:

Palos Hills Healthcare has been a valuable asset to our community for many years. They have provided quality service to their residents. I fully support their plans for the expansion and renovation of their current facility.

The City of Palos Hills is looking forward to a continued relationship with Palos Hills Healthcare for many years in the future.

Sincerely,

Kenneth J. Nolan
Treasurer
City of Palos Hills

ATTACHMENT-21A



Ambulance Service, Inc.

8400 West 183rd Place
Tinley Park, IL 60487

Phone
(708) 532-0088

Fax
(708) 633-1622

Patient Account Information
(708) 614-1343

March 30, 2013

Matthew Gidley, LNHA
Administrator
Palos Hills Healthcare
10426 South Roberts Road
Palos Hills, Illinois 60465

Dear Mr. Gidley:

My name is Christopher Vandenberg and I am the President of Trace Ambulance. I have worked as an EMT, call taker, dispatcher and executive with Trace over the years since the company began in 1995. Our company operates thirty-two (32) ambulances in the south suburbs and employs more than one-hundred eight (180) Emergency Medical Technicians and Paramedics.

Palos Hills Healthcare has been a business associate of Trace Ambulance for many years. I have known the facility to be a leader in the health care community. I have witnessed, first-hand, the quality of patient care given to their residents. The various services provided as well as the commitment to their residents make them a premier skilled nursing facility in the south suburbs.

I strongly recommend and offer my support for the approval of the certificate of need for the new building site. With the current surge in population of the south suburbs as well as the increasing age of the patient population, this "certificate" is needed more than ever. I feel it will have a very positive impact on the community and the resident of Palos Hills Healthcare serves.

Thank you for the opportunity to voice my opinion on this matter.

Sincerely,

Christopher J. Vandenberg
President & Owner

Member of American Ambulance Association

ATTACHMENT-21A

SocialWork Consultation Group, Inc.

Steven C. Greenwald, Msw, Lcsw
1104 Hunter Road
Glenview, IL 60025-3223

March 26, 2013

C.O.N. recommendation letter for Palos Healthcare (Bria Management)

To whom it may concern:

I am pleased to write this letter in support of Bria Management's objective to gain permission to build a modern, state-of-the art facility in Palos Hills.

I have known Mr. Daniel Weiss, Mr. Natan Weiss and Mr. Avrum Weinfeld for many years and I can assure you without hesitation, that their commitment to provide the best possible care to Illinois' seniors is unparalleled. Bria demonstrates exceptional values including integrity, compassion and honesty. Bria has consistently demonstrated a positive attitude toward residents, resident family members, staff, business associates and the State Survey Agency. The company is constantly seeking new and innovative ways to best serve their clients. Bria truly goes "the extra mile."

In my experience over many years of involvement with Bria, I have observed a top level management team, high staff to patient ratios, a strong commitment to improving each home's physical plant and a compelling desire to be recognized as a leader in the long-term care field.

I strongly support Bria's plan to build a modern and luxurious facility to replace the existing structure. My associates and I endorse Bria's plan 100% and are proud to have the opportunity to work with this organization.

Sincerely,

Steven C. Greenwald

Steven C. Greenwald, Msw, Lcsw
President/CEO of SocialWork Consultation Group, Inc.

847.729.9980 • fax 847.729.9522 • www.swcginc.com • info@swcginc.com

ATTACHMENT-21A



PLOWS COUNCIL ON AGING

7808 WEST COLLEGE DRIVE - SUITE 5E • PALOS HEIGHTS, IL 60463
Phone: 708-361-0219

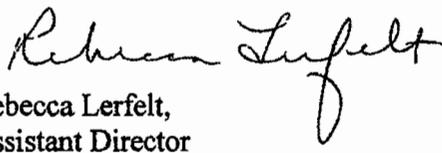
April 2, 2013

To whom it may concern,

The PLOWS Council on Aging has been asked to send a letter of support for the expansion project that Palos Hills Healthcare has under consideration. Our agency has worked with Palos Hills Healthcare for many years and has always had an extremely positive relationship with the facility. Due to the number of aging in this area, it is often difficult for individuals in need of long term care to find a bed, especially if he/she is on Medicaid. Many times Palos Hills Healthcare has accepted patients who have not done well in other places but they have thrived there. In addition, we have appreciated Palos Hills Healthcare's willingness to accept Medicaid and help people so efficiently through the process.

We would be delighted to see Palos Hills Healthcare expand its operations. If you would like any further information, please feel free to contact me.

Sincerely yours,


Rebecca Lerfelt,
Assistant Director

ATTACHMENT-21A

PALOS

LEMONT

ORLAND

WORTH

Hickory Hills Park District

INCORPORATED FEBRUARY 1961

BOARD OF COMMISSIONERS

Joann Jerantowski
Patrick Kosnick
Jeff Michaels
Sandy Morgan
Walter Potacki

Jennifer Fullerton, Executive Director
Dan Malek, Recreation Director
Jim Murphy, Maintenance Director
Tammy Muth, Administrative Assistant

April 2, 2013

To whom it may concern:

This letter is to address my support of a new replacement facility for the Palos Hills Healthcare in Palos Hills. The facility is aging and is in need to expand. The population in Hickory Hills has been growing and extended care facilities are in great demand now and in the future.

The Hickory Hills Park District is in support of expanding the Palos Hills Extended Care. We hope that you will support it to.

Sincerely,


Jennifer Fullerton
Executive Director

I:Jennifer/Letter/Palos Hills Extended

ATTACHMENT-21A

8047 WEST 91st PLACE • HICKORY HILLS, ILLINOIS 60457-2098 • (708) 598-1233 • FAX (708) 598-0084



NORTH PALOS FIRE PROTECTION DISTRICT

STATION #1

Administrative Headquarters
10629 S. Roberts Road
Palos Hills, IL 60465
Phone: (708) 974-4474
Fax: (708) 974-0626

STATION #2

8913 W. 95th Street
Palos Hills, IL 60465
Phone: (708) 233-1798
Fax: (708) 974-9974

STATION #3

7116 W. 111th Street
Worth, IL 60482
Phone: (708) 923-6885
Fax: (708) 923-6895

April 4, 2013

TRUSTEES

Marguerite F. Hodek
Samir Khalil
Frank Bennett

Matthew Gidley, Administrator
Palos Hills Healthcare
10426 S Roberts Rd
Palos Hills, IL 60465

COMMISSIONERS

Leo M. Miller
Gerald A. Sawyer
Richard Karl

Dear Matt,

CHIEF

De I. Russell

As President of the Board of Trustees for the North Palos Fire Protection District, I am writing this letter in support of the construction of the new Palos Hills Healthcare facility located in Palos Hills.

FIRE PREV. BUREAU

B/C Russell R. Carlson

Our organization has worked closely with the facility since its inception. We have many seniors in our community that have used and may need the services provided by Palos Hills Healthcare in the future.

TRAINING BUREAU

B/C Paul F. Mackin

We are in support of the proposed facility and we feel it will benefit the care provided to its Residents.

PUBLIC ED. BUREAU

B/C Christopher G. Perry, Sr.

Sincerely,

EMS BUREAU

Lt. Mark Folsom

Marguerite Hodek, President
Board of Trustees

ATTACHMENT-21A



CITY OF PALOS HILLS

GERALD R. BENNETT
Mayor

RUDY A. MULDERINK
City Clerk

KENNETH J. NOLAN
City Treasurer

ALDERMEN

Martin Kleefisch
Joan E. Knox

March 27, 2013

Pauline A. Stratton
Mark Brachman

A. J. Pasek
William J. Hanson

To Whom It May Concern:

Ricky L. Moore
Joe Marrotta

Frank J. Williams
Mary Ann Schultz

As an Alderman of the City of Palos Hills I write this letter in support of the Palos Hills Healthcare facility located in the City of Palos Hills. I feel there is a need in this community for the services they have available not only to our residents but throughout this entire southwest suburban area. This state-of-the-art facility when completed will give better quality care to its residents along with enhancing the surrounding property.

I look forward to the proposed expansion and their continued quality care.

Sincerely,

William Hanson
Alderman, 3rd Ward
City of Palos Hills

ATTACHMENT-21A



CITY OF PALOS HILLS

GERALD R. BENNETT
Mayor

RUDY A. MULDERINK
City Clerk

KENNETH J. NOLAN
City Treasurer

ALDERMEN

*Martin Kleefisch
Joan E. Knox*

March 27, 2013

*Pauline A. Stratton
Mark Brachman*

*A. J. Pasek
William J. Hanson*

To Whom It May Concern:

*Ricky L. Moore
Joe Marrotta*

As an Alderman of the City of Palos Hills I write this letter in support of the Palos Hills Healthcare facility located in the City of Palos Hills. I feel there is a need in this community for the services they have available not only to our residents but throughout this entire southwest suburban area. This state-of-the-art facility when completed will give better quality care to its residents along with enhancing the surrounding property.

*Frank J. Williams
Mary Ann Schultz*

I look forward to the proposed expansion and their continued quality care.

Sincerely,

Pauline Stratton
Alderman, 2nd Ward
City of Palos Hills

ATTACHMENT-21A



CITY OF PALOS HILLS

GERALD R. BENNETT
Mayor

RUDY A. MULDERINK
City Clerk

KENNETH J. NOLAN
City Treasurer

ALDERMEN

Martin Kleefisch
Joan E. Knox

March 27, 2013

Pauline A. Stratton
Mark Brachman

A. J. Pasek
William J. Hanson

To Whom It May Concern:

Ricky L. Moore
Joe Marrotta

As an Alderman of the City of Palos Hills I write this letter in support of the Palos Hills Healthcare facility located in the City of Palos Hills. I feel there is a need in this community for the services they have available not only to our residents but throughout this entire southwest suburban area. This state-of-the-art facility when completed will give better quality care to its residents along with enhancing the surrounding property.

Frank J. Williams
Mary Ann Schultz

I look forward to the proposed expansion and their continued quality care.

Sincerely,

Marty Kleefisch
Alderman, 1st Ward
City of Palos Hills

ATTACHMENT-21A



OFFICE OF THE MAYOR

GERALD R. BENNETT
Mayor

March 27, 2013

To Whom It May Concern:

As Mayor of the City of Palos Hills I write this letter in support of the Palos Hills Healthcare facility located in the City of Palos Hills. This facility has operated in excess of 30 years in our community and has provided an outstanding service to those in need of extended care living. The operators of this facility have always been in complete cooperation with both the City of Palos Hills and the North Palos Fire Protection District in providing complete support in the health, safety and welfare of its residents.

Furthermore, I have spoken to the owner, Mr. Daniel Weiss, regarding his plans for expansion and renovation to his existing facility, and as Mayor I am in complete support of his project. The Palos Hills Healthcare facility has been an asset to our community and we greatly encourage their continuing quality operation and look forward to the proposed replacement facility. Should you have any further questions, please do not hesitate in contacting my office at 708-598-1711.

Sincerely,

Gerald R. Bennett
Mayor
City of Palos Hills

GRB/mh

ATTACHMENT-21A



The Hills Chamber of Commerce
Serving the Communities of Hickory Hills and Palos Hills

April 1, 2013

Matt Gidley
Administrator
Palos Hills Health Care
10426 South Roberts Road
Palos Hills, IL 60465

Dear Mr. Gidley:

As President of the Hills Chamber of Commerce it has been brought to my attention that your facility is planning on expanding. As a longtime business owner and resident of Palos Hills I know there has been a need for a larger facility with the advanced care and diagnostics you will be offering with your expansion. This long overdue renovation will not only satisfy potential clients but will provide employment opportunities and a beautification for our residential neighbors.

It is a fact that the Palos area is one of the most popular and stable communities in the Southwest area and is in acute need of the type of upgrades your facility will be offering.

On behalf of the Chamber and Executive Board, I want to offer our support for this long awaited and sorely needed care facility.

Sincerely,

Phyllis Majka
President

P.O. Box 1164
Bridgeview, IL 60455-1164
Telephone: 708-364-7739
Fax: 708-364-7735
E-Mail: info@thehillschamber.com
www.thehillschamber.com

ATTACHMENT-21A

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued ix

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

It should be noted that the proposed project is in compliance with the criterion as the full bed compliment of 224 nursing beds will be provided in 112,750 gross square feet, which calculates to 503.3 gross square feet per bed, within the range of 435-713 gross square feet per bed.

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued x

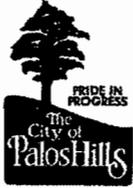
Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

Appended as **ATTACHMENT-23A**, is a letter from The City of Palos Hill's Gerald R. Benner, Mayor. The letter indicates that the existing facility is appropriately zoned and the zoning application for the proposed project is pending before the City Council.

ATTACHMENT- 23



OFFICE OF THE MAYOR

GERALD R. BENNETT
Mayor

March 26, 2013

Re: Palos Hills Healthcare
10426 South Roberts Road
Palos Hills, IL 60465

To whom it may concern:

This letter is to advise the Illinois Health Facilities and Services Review Board that the Palos Hills Healthcare site is presently zoned to permit the operation of the existing nursing home facility.

Furthermore pending before the City Council is an application by Palos Hills Healthcare requesting zoning approval for their proposed replacement facility.

If there are any further questions, please feel free to contact me at my office at, (708) 598-3400.

Sincerely,

Gerald R. Bennett
Mayor
City of Palos Hills

ATTACHMENT-23A

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued xi

Criterion 1125.640 – Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.
2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

The proposed project is for the modernization and expansion of a free standing nursing care facility and not a continuum of care campus. Therefore, item number 2 above is not applicable to this project. Appended as **ATTACHMENT-24A**, is a letter signed by the Applicant addressing item number 1. Moreover, it should be noted that this is phase one of a two part project. Fill-up of the replacement and expanded building is separate and distinct from the original building. After project completion and in anticipation of phase two, the total replacement of the then to be 140 original remaining nursing beds and demolition of said building, may extend this fill-up schedule.

ATTACHMENT- 24



April 15, 2013

Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

To Whom it may concern:

I hereby attest and understand that, by the second year of operation after the project completion, Palos Hills Healthcare will achieve and maintain the occupancy standards specified in 77 Ill, Adm. Code 1100 for the proposed nursing category of service.

Sincerely,

Daniel Weiss
Applicant

ATTACHMENT-24A

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA *Continued xii*

Section 1125.650 Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:
 - a. High cost of maintenance;
 - b. Non-compliance with licensing or life safety codes;
 - c. Changes in standards of care (e.g., private versus multiple bed rooms); or
 - d. Additional space for diagnostic or therapeutic purposes.

The proposed project involves modernization of 63 of the 203 existing nursing category of Long-Term Care bed service, as the bed areas to be modernized are functionally obsolete due to the ever evolving nursing care industry in which more private rooms are needed and desired. The issues in maintaining multiple (3 & 4) bed-bedrooms are more than just marketability, although that is a significant influence. The industry has seen all new hospitals comply with new facilities providing long-term care, yet long-term care falls behind. The other important change in standards of care comes from infection control and privacy issues. Infection control issues more readily affect utilization levels as Palos Hills Healthcare has 8-four bed ward rooms and 55-three bed ward rooms. The bathrooms in the existing building are all communal, located off of the hallways and not connected to the resident's rooms. A resident in need of isolation or who has compatibility or gender issues potentially limit or prevent admission of the other beds in those ward rooms. Please note that phase one (this project) will address and eliminate all four bed wards (8 rooms) and 39 (out of the 55 existing) of the three-bed ward rooms. The issue of privacy is also of such importance as it is of personal dignity and self awareness of the residents. Finally, as set forth the in the Health Facilities and Services Planning Act (20 ILCS 3960.Section 12.15) it is an objective of the Act to improve the overall number of private bed rooms within the facility. It is for these issues that this project is being proposed.

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued xlii

Section 1125.650 Modernization (Continued ii)

2. Documentation shall include the most recent:
 - a. IDPH and CMMS inspection reports; and
 - b. Accrediting agency reports.

Appended as **ATTACHMENT-25A** is a letter from the Applicant's architect asserting that the facility will ultimately need to be replaced. It was for this reason that the project was determined to be for a two phase total replacement.

3. Other documentation shall include the following, as applicable to the factors cited in the application:
 - a. Copies of maintenance reports;
 - b. Copies of citations for life safety code violations; and
 - c. Other pertinent reports and data.

A letter from the Applicant's architect asserting that the facility will ultimately need to be replaced is appended as **ATTACHMENT-25A**. It was for this reason that the project was determined to be for a two phase total replacement.

4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

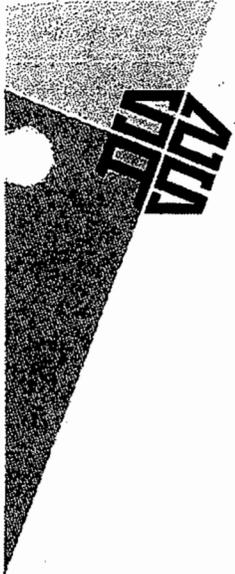
In CY2011 and CY2010, the facility reported utilization rates of 62.4% and 63.4% respectively. The issue is not one of filling the beds as it is one of a number of beds not being marketable. Hence, the need to replace the beds in a market area with a number of additional beds needed to support the additional debt service. The historical utilization in this case is not indicative of historical demand as there is an identified need

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA *Continued xiv*

Section 1125.650 Modernization (Continued iii)

for 192 additional nursing beds in the PSA. See **ATTACHMENT-25B** for the May 16, 2013 Update to the Inventory of Health Care Facilities and Services and Need Determinations.

Moreover, appended as **ATTACHMENT-25C** are three hospital letters providing, to the best of their abilities, proposed and historical referrals. Collectively, these hospitals have identified 8,205 referrals to nursing facilities in the most recent 12-month period; that includes referrals made to the subject facility during that same time. It should be known that these hospitals collectively estimate that they can make 347 annual referrals for the next two years, thus, filling the facility should not be an issue.



SAS ARCHITECTS & PLANNERS

630 DUNDEE ROAD NORTHBROOK, ILLINOIS 60062
TEL 847-564 8333 FAX 847-564 9989

**Palos Hills Healthcare
10426 South Roberts Road
Palos Hills, Illinois**

February 18, 2013

Facility Evaluation and Remedial Cost Estimate

Existing Facility Description:

Palos Hills Healthcare is a single story 41,140 square foot, 203-bed Skilled and Intermediate Care facility constructed in the late 1964 with additions added at a later dates. The facility is located on a 2.22-acre site surrounded by streets on three sides. There are presently 135 licensed skilled care beds and 68-licensed intermediate care bed. The site presently has parking for 51 cars with loading and trash pick-up space at the southwest corner of the site.

The building construction would be classified as NFPA Type 2(111) protected non-combustible. The exterior and interior have load bearing with a pre-cast concrete roof structure with an asphalt roof system that is almost 28 years old. The mechanical system consists of a perimeter hot water baseboard system and some window air conditioning units. Outside air ventilation is limited and not ducted into the patient rooms. The building has a fire sprinkler system and a fire alarm system.

The existing facility has primarily located in 3-bed rooms with some semi-private and private rooms. None of the majority of the patient rooms do not have direct access from the room to the patient toilet. Patient must access the toilet rooms from the corridor and the doors swing out into the corridor infringing on the required clear corridor width as well as posing a safety hazard to people walking in the corridor. At a number of instances two 3-bed rooms share a single toilet room located in the corridor. None of the patient toilet rooms are handicapped accessible.

Patient activity space is insufficient for a 203-bed facility and is limited to 3 Dining rooms and a single Activity room due to space constraints. Patient outdoor space is essential non-existent being limited to a narrow court located between the north and middle wing. Employee spaces, including break rooms, education/classroom areas and locker rooms are either do not exist or are too small. There is also no storage space in the building for patients or the facility.

Finally there appears to be a foundation problem along the east wall by the front entrance that is indicated by the interior floor slab noticeably sloping to the east.

Estimate of Renovation & Major Capital Improvement Cost:

Item #1: Remove existing roofing and roof insulation and replace with a new EPDM single ply roof system over new insulation with an average 'R' value = 30. Additionally remove and replace existing perimeter gravel stop and fascia due to the new roof insulation. **Estimated Cost: \$325,000.00**

Item #2: Remove and replace existing windows with new thermally broken aluminum window with 1" insulated glass. **Estimated Cost: \$120,000.00**

Item #3: Replace original boiler with 2 new high efficiency units each sized for 75% of the building load so that the building would remain heated in case of the boiler failure. **Estimated Cost: \$90,000.00**

Item #4: Replace window air conditioning units with a new roof mounted central air conditioning units ducting air into each patient rooms, corridors and all occupied rooms. Additionally replace all patient room toilet exhaust fans with new units that run 24/7 as well as upgrade the electrical service and distribution to accommodate the additional electrical loads. **Estimated Cost: \$1,445,000.00.**

Item #5: Rebuild all patient toilet rooms so that toilets are accessible from the patient's room and that 50% of the toilet rooms are handicapped accessible: **Estimated Cost: There is insufficient space available to make this modification.**

Item #6: Replace the existing hot water system that cannot maintain sufficient hot water in the 100 to 110 degree temperature range: **Estimated Cost: \$60,000.00.**

Item #7: Renovate existing public and staff toilet room to comply with the Illinois Handicapped Accessibility requirements: **Estimated Cost: \$40 – 50,000.00 depending on condition of existing sanitary piping.**

Item #8: Investigate and repair settlement along the east exterior wall: **Estimated Cost: Not possible to establish a cost until the cause of the settlement is identified and the magnitude of the repair work can be established.**

Item #9: Provide additional Office space, staff space, building and patient storage, expanded therapy space and patient activity areas: **Estimate Cost: There is no room to expand within the existing building envelope. A new addition with the following space would be needed:**

a. 6 Administration offices:	860sf
b. Patient storage:	2030sf
c. Building Storage:	1000sf
d. Therapy Suite:	2000sf
e. Patient Activity Areas (4):	1200sf
f. Patient Living Rooms (3):	1800sf
g. Staff Lounge, Toilets & Locker Rooms:	840sf
h. Classroom/Conference Room:	280sf
Total Addition Area:	10010sf @ \$150/sf = \$1,501,500.00

Item #10. Dining Rooms are too small and not even serve 50% of the patient population at a single seating while the existing kitchen has not been upgraded since constructed and does not meet the needs of the facility. **Estimated Cost: There is no available room to expand either the Dining Rooms, add additional Dining rooms or expand the kitchen due to its location in the center of the building. Expanding or adding new Dining rooms would require the elimination of existing patient rooms which is not acceptable therefore a new Kitchen would be the solution and the former Kitchen space remodeled into additional Dining. A new Kitchen addition, added to the addition delineated in item #9 would be about 1500sf and would cost \$300,000.00 for the space and approximately \$225,000.00 for the Kitchen equipment.**

Item #11: The original nurse call system is antiquated and should be replaced with a new computer based wireless system. **Estimated Cost: \$80,000.00.**

Item #12: Patient room furniture is old and the wardrobes do not provide sufficient cloth storage space for the patients. **Estimated cost: Wardrobes - \$101,500.00; Dressers/night tables - \$81,200.00; Beds and Mattresses - \$304,500.00.**

Item #13: Patient room doors and toilet room doors are metal with many not latching correctly and need replacement. **Estimated Cost:**

a. 85-90 solid core wood doors:	\$36,000.00
b. Remove existing doors:	\$ 9,000.00
c. Hang new doors and install new hardware:	\$18,000.00
d. New hardware include swing-free door closers:	\$54,000.00

Total Cost: \$117,000.00

Item #14: The existing patient bedrooms are crowded and do not meet the space requirements as well as a patient's environmental needs for a modern day nursing facility. Many of the patient room walls are exposed concrete block and painted concrete ceilings. Multi-bed rooms are crowded and provide prevent patients from having visitor space near their beds of adequate circulation within the rooms. Part of the problem could be alleviated if all rooms were repositioned as semi-private rooms but this would require that construction of a new nursing wing so that the licensed capacity could be maintained. **Estimated cost: 40-bed nursing unit @ 350sf per bed @ \$175.00 per square foot = \$2,450,000.00.**

Item #15: 51 parking spaces for a 203-bed nursing home is insufficient. A facility of this capacity should have at a minimum 1 parking space per 3 beds (68 spaces) plus 1 parking space for each employee on the largest shift (40 spaces) for a total of an additional 57 parking spaces. **Estimated Cost: If land where available the cost would be \$175,000.00. If space for a on-grade storm water detention basin is not available then the required on-site storm water detention capacity will need to be provided in a vault located under the new parking lot. This type of detention cost approximately \$250,000.00 per acre-foot.**

At the end of the day, if all the improvements were made, Ownership would still end up with a 41,000sf 1960's era looking building, with low ceilings and/or exposed roof construction, next to no insulation in the exterior walls (resulting in high operation costs) and patient rooms with communal non-handicapped accessible patient toilet rooms accessible only from the corridors.

LONG-TERM CARE FACILITY UPDATES
9/16/2011 - 5/16/2013
CHANGES TO GENERAL LONG-TERM CARE

PLANNING AREA	ACTION	EFFECTIVE DATE	FACILITY	DESCRIPTION
Planning Area 7-C	11-055	10/13/2011	Transitional Care Center Of Naperville, Naperville	Permit issued to establish a 120 bed Nursing care facility at Arbiter Court and East Diehl Road in Naperville.
	Bed Change	10/13/2011	Beacon Hill, Lombard	Added 2 nursing care beds; facility now has 110 nursing care beds.
	CHOW	1/3/2012	Burgess Square, Westmont	Change of ownership occurred.
	Bed Change	2/9/2012	Dupage Convalescent Home, Wheaton	Discontinued 140 Nursing Care beds. Facility now has 368 Nursing Care beds.
	12-006	4/17/2012	Elmhurst Memorial Hospital, Elmhurst	Permit issued to discontinue 38 bed Skilled Care (Long-Term Care) category of service.
	07-071	4/17/2012	Park Place Christian Village, Elmhurst	Permit abandoned.
	Name Change	4/17/2012	Park Place Christian Village, Elmhurst	Formerly Park Place Christian Community.
	12-007	4/17/2012	Park Place Christian Village, Elmhurst	Permit issued to establish a facility with 37 Nursing Care beds.
	07-042	6/1/5400	Marlanjoy Rehab Hospital Wheaton	Completed project to establish 20 bed skilled nursing (long-term care) category of service.
	CHOW	6/27/2012	West Chicago Terrace, West Chicago	Change of ownership occurred.
	Name Change	6/27/2012	West Chicago Terrace Nursing Home, West Chicago	Formerly West Chicago Terrace.
	Licensure	8/1/2012	Park Place Christian Community, Elmhurst	Facility licensed for operation with 37 Nursing Care beds.
	12-036	10/31/2012	Healthcare Center at Monarch Landing, Naperville	Received permit to establish a facility with 96 Nursing Care beds.
	Name Change	11/30/2012	Winfield Woods Healthcare Center, Winfield	Formerly Winfield Woods.
	Planning Area 7-D	Bed Change	9/29/2011	Greek American Rehab & Care Center, Wheeling
Name Change		1/3/2012	Oakridge Healthcare Center, Hillside	Name changed from Oakridge Nursing & Rehab. Center.
CHOW		1/3/2012	Oakridge Healthcare Center, Hillside	Change of ownership occurred.
Planning Area 7-E	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	City location corrected from Berwyn to Stickney.
	Correction	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Record corrected to indicate facility location in Stickney, not Berwyn as previously indicated.
	CHOW	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Change of ownership occurred.
	Name Change	1/6/2012	Pershing Gardens Healthcare Center, Stickney	Name changed from Pershing Convalescent Center.
	CHOW	1/13/2012	Crestwood Care Centre, Crestwood	Change of Ownership occurred.
	Bed Change	2/29/2012	Manorcare Of South Holland, South Holland	Added 16 Nursing Care beds to existing facility; facility now has 216 Nursing Care beds.
	11-104	4/17/2012	Mcallister Nursing & Rehab(Permit), Tinley Park	Permit issued to add 89 Nursing Care beds to existing facility; facility now authorized for 200 beds.
	12-003	4/17/2012	Holy Family Villa(Permit), Palos Park	Permit issued to add 30 Nursing Care beds to existing facility; facility now authorized for 129 beds.
	Bed Change	5/17/2012	Manorcare Of Homewood, Homewood	Added 12 Nursing Care beds to existing facility; facility now has 132 Nursing Care beds.
	CHOW	6/27/2012	Crestwood Terrace, Crestwood	Change of Ownership occurred.
	Name Change	6/27/2012	Crestwood Terrace Nursing Center,	Name changed from Crestwood Terrace.
	Name Change	8/2/2012	Symphony of Crestwood, Crestwood	Formerly Crestwood Care Centre.
CHOW	11/1/2012	Burnham Healthcare, Burnham	Change of Ownership occurred.	
Name Change	11/1/2012	River Oaks Healthcare Rehabilitation Center, Burnham	Formerly Burnham Healthcare.	
Health Service Area 8				
Kane	Name Change	10/1/2011	Heritage Health - Elgin, Elgin	Formerly Heritage Manor - Elgin.
	Closure	10/13/2011	Fox River Pavillon, Aurora	Facility deemed closed; 99 Nursing care beds removed from inventory by Board order.

LONG-TERM CARE FACILITY UPDATES

9/16/2011 - 5/16/2013

CALCULATED BED NEEDS

Planning Area	Calculated Beds Needed	Approved Beds	Additional Beds Needed or Excess Beds ()
HEALTH SERVICE AREA 5			
Alexander/Pulaski	124	83	41
Bond	172	198	(26)
Clay	133	209	(76)
Crawford	246	220	26
Edwards/Wabash	175	139	36
Effingham	490	432	58
Fayette	255	261	(6)
Franklin	442	390	52
Gallatin/Hamilton/Saline	684	590	94
Hardin/Pope	95	113	(18)
Jackson	376	369	7
Jasper	82	57	25
Jefferson	424	346	78
Johnson/Massac	338	301	37
Lawrence	325	340	(15)
Marion	862	603	259
Perry	207	210	(3)
Randolph	580	490	90
Richland	360	309	51
Union	351	293	58
Washington	172	263	(91)
Wayne	133	169	(36)
White	354	351	3
Williamson	600	543	57
HEALTH SERVICE AREA 6			
Planning Area 6-A	5963	7194	(1231)
Planning Area 6-B	4252	4178	74
Planning Area 6-C	5209	4791	418
HEALTH SERVICE AREA 7			
Planning Area 7-A	4482	3323	1159
Planning Area 7-B	7180	6841	339
Planning Area 7-C	6867	6026	841
Planning Area 7-D	2519	2904	(385)
Planning Area 7-E	9328	9136	192
HEALTH SERVICE AREA 8			
Kane	3322	2894	428
Lake	5275	4733	542
McHenry	1501	1037	464
HEALTH SERVICE AREA 9			
Grundy	260	265	(5)
Kankakee	1290	1368	(78)
Kendall	219	185	34
Will	3479	2840	639
HEALTH SERVICE AREA 10			
Henry	452	500	(48)
Mercer	222	172	50
Rock Island	1243	1342	(99)
HEALTH SERVICE AREA 11			
Clinton	432	357	75
Madison	2048	2193	(145)
Monroe	435	250	185
St. Clair	2102	2289	(187)



The Technology to Heal, the Mission to Care

7800 West 95th Street, Evergreen Park, IL, 60805
www.LCMH.org

Palos Hills Healthcare
10426 S Roberts Road
Palos Hills, Illinois
60465

March 6, 2013

Dear Mr. Weiss,

This letter is being written on behalf of Little Company of Mary Hospital. Our Hospital recommends the addition and renovation project proposed for Palos Hills Healthcare. We support your application for CON Board Approval.

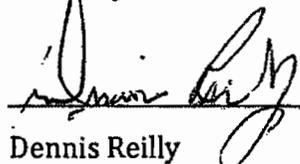
Our Hospital can attest to 1,496 patients who have received care at existing facilities located in the area during the 12 months prior to this letter. (see attached for the residents home zip code(s)).

We estimate that the number of Patients the Hospital will refer annually to the facility within a 24-month period after project completion will be 100, this is a reasonable expectation based on our historical LTC Case Load. These referrals have not been used to support another pending or approved CON application for the subject services.

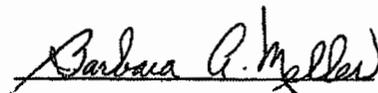
We look forward to working with you and commend your efforts to improve the quality of care and quality of life for those served in our community.

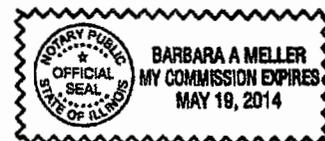
If there is anything we can do to be of assistance, please do not hesitate to contact me directly,

Sincerely,

 3/7/13
Dennis Reilly Date

Chief Executive Officer


Notary



ATTACHMENT-25C

ZIP	COUNT	
60620	285	CHICAGO
60643	240	CALUMET CITY
60453	137	CHICAGO
60805	120	EVERGREEN PARK
60628	103	CHICAGO
60655	82	CHICAGO
60652	79	CHICAGO
60415	33	CHICAGO RIDGE
60629	33	
60459	27	
60636	25	
60803	25	
60619	21	
60617	17	
60445	16	
60456	13	
60649	12	
60406	11	
60455	11	
60463	11	
60457	10	
60465	10	
60621	9	
60827	8	
60462	7	
60609	7	
60638	6	
60430	5	
60477	5	
60608	5	
60615	5	
60637	5	
60409	4	
60439	4	
60452	4	
60458	4	
60467	4	
60473	4	
60478	4	
60632	4	
60653	4	
60464	3	
60612	3	

ZIP	COUNT
60616	3
60623	3
60624	3
60642	3
46407	2
60419	2
60425	2
60426	2
60471	2
60472	2
60482	2
60487	2
60626	2
6020	1
11203	1
33311	1
39652	1
45244	1
45246	1
46356	1
46394	1
46637	1
47960	1
49031	1
49045	1
60130	1
60169	1
60178	1
60181	1
60411	1
60423	1
60438	1
60441	1
60446	1
60466	1
60490	1
60504	1
60515	1
60525	1
60526	1
60542	1
60561	1
60600	1

RUN DATE: 07/20/2011 09:11:26 AM / 12:26:31 / 12DIS DISPOSITION = "SNF OR SNF PA" ADM SOURCE NOT = "SBEF 3"

ZIP	COUNT
60601	1
60605	1
60618	1
60633	1
60640	1
60645	1
60656	1
63366	1
90043	1
92071	1
98391	1
	1496

ATTACHMENT-25C

 **Advocate
Christ Medical Center**

4440 West 95th Street || Oak Lawn, IL 60453 || T: 708.684.8000 || advocatehealth.com

April 3, 2013

Palos Hills Healthcare
10426 S Roberts Road
Palos Hills, IL 60465

Dear Mr. Weiss:

This letter is being written on behalf of Advocate Christ Medical Center. Our Medical Center strongly recommends the addition and renovation project proposed for Palos Hills Healthcare. We support your application for CON Board Approval.

Our Medical Center can attest to 3,499 patients who have received care at existing facilities located in the defined service area (Palos Hills, Palos Park, Palos Heights, Chicago Ridge, Oak Lawn, Evergreen Park, Hickory Hills, Crestwood, Bridgeview, Orland Park and Willow Springs) during the 12 months prior to this letter. Patients referred to facilities within this service area came from 114 different zip codes – please refer to table (attached).

We estimate that the number of patients the Medical Center will refer to the applicant within a 24-month period after project completion will be 150 or 70-80 cases per year. This is a reasonable expectation based on our historical LTC Case Load. These referrals have not been used to support another pending or approved CON application for the subject services.

We look forward to working with you and commend your efforts to improve the quality of care and quality of life for those served in our community.

If there is anything we can do to be of assistance, please do not hesitate to contact me directly.

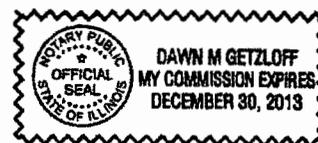
Sincerely,



Kenneth Lukhard Date
President



Notary



ATTACHMENT-25C

Patient Zip Codes - 2012			
10453	60422	60469	60630
30045	60423	60471	60631
30107	60425	60472	60632
33764	60426	60473	60633
33809	60428	60477	60636
34275	60429	60478	60637
46311	60430	60481	60638
46322	60438	60482	60640
46392	60439	60487	60641
46404	60440	60491	60643
46582	60441	60501	60645
49047	60443	60513	60649
54313	60445	60525	60651
54545	60446	60532	60652
60002	60448	60544	60653
60030	60451	60559	60655
60031	60452	60561	60657
60060	60453	60608	60660
60073	60455	60609	60714
60090	60456	60613	60803
60120	60457	60615	60804
60133	60458	60616	60805
60155	60459	60617	60827
60402	60462	60619	60901
60406	60463	60620	60914
60409	60464	60621	61560
60411	60465	60623	61705
60415	60466	60628	
60419	60467	60629	

*Sources: ECIN & Midas



Palos Community Hospital

12251 S. 80th Avenue Palos Heights, Illinois 60463 (708) 923-4000

Executive Offices

April 3, 2013

Mr. Evan Lafer
BRIA Health Services
3856 West Oakton
Suite 250
Skokie, Illinois 60076

Dear Mr. Lafer:

In response to your recent inquiry, Palos Community Hospital referred 3,210 patients to skilled nursing facilities during 2012, including 167 to Palos Hills Healthcare.

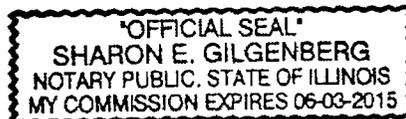
Palos Community Hospital will continue to refer patients as appropriate to your facility in the future as you increase your capacity and continue to provide the necessary level of care including dialysis services.

Good luck with your CON application.

Sincerely,

Timothy J. Brosnan
Vice President, Planning & Community Relations

TJB:gmk



Sharon E. Gilgenberg
4/3/2013

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued i

Criterion 1125.800 Estimated Total Project Cost

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

- a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:

Appended as ATTACHMENT-27A is a letter from Sanford Bokor, CPA with Krupnick Bokor Kagda & Brooks, Ltd, documenting that the Applicant has the funds in excess of the equity portion of this project. Moreover, please refer to the operating entity's tax return appended as ATTACHMENT-27B that shows that through the facility's annual operations profits through 2016, the facility's operations can fund the equity portion of this project.

- d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:

3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;

Appended as ATTACHMENT-27C is a letter from The Private Bank and Trust Company's Bluma Broner, Managing Director providing the terms and conditions and stating its expectations in making the loan.

ATTACHMENT-27



**KRUPNICK
BOKOR
KAGDA
& BROOKS, LTD.**

CERTIFIED PUBLIC ACCOUNTANTS

3750 West Devon Avenue, Lincolnwood, Illinois 60712-1124 • Tel: 847-675-3585 • Fax: 847-675-5777

May 29, 2013

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Ms. Avery:

In documentation of item 1120.120 Availability of Funds (a) Cash and Securities, please be advised that I am familiar with the financial condition of the sponsor, Palos Hills Healthcare Center and PM Nursing & Rehab, and wish to advise you that they have sufficient finances (in excess of the \$2.8 million) necessary to fund the equity required for the project.

If you have any questions, please do not hesitate to contact my office.

Sincerely,

Sanford Bokor
Certified Public Accountant

Notarization:

Subscribed and sworn to before me
this 29 day of May, 2013.

Signature of Notary

Seal



U.S. Return of Partnership Income

OMB No. 1545-0099

For calendar year 2011, or tax year beginning _____, ending _____
EXTENSION GRANTED TO 09/15/12

2011

A Principal business activity NURSING HOME	Print or type.	Name of partnership PALOS HILLS HEALTHCARE, LLC	D Employer identification number 27-2979337
B Principal product or service NURSING SERVICE		Number, street, and room or suite no. If a P.O. box, see the instructions. 3856 W OAKTON	E Date business started 07/01/2010
C Business code number 623000		City or town, state, and ZIP code SKOKIE IL 60076	F Total assets \$ 3,848,700.

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
(6) Technical termination - also check (1) or (2)

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year **6**

J Check if Schedules C and M-3 are attached

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Merchant card and third-party payments (including amounts reported on Form(s) 1099-K). For 2011, enter -0-	1a	0.	
	b Gross receipts or sales not reported on line 1a	1b	7,874,985.	
	c Total. Add lines 1a and 1b	1c	7,874,985.	
	d Returns and allowances plus any other adjustments to line 1a	1d		
	e Subtract line 1d from line 1c	1e	7,874,985.	
	2 Cost of goods sold (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1e	3	7,874,985.	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4		
5 Net farm profit (loss) (attach Schedule F (Form 1040))	5			
6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6			
7 Other income (loss) (attach statement)	7	SEE STATEMENT 1	100.	
8 Total income (loss). Combine lines 3 through 7	8		7,875,085.	
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9		3,679,426.
	10 Guaranteed payments to partners	10		
	11 Repairs and maintenance	11		16,261.
	12 Bad debts	12		
	13 Rent	13		232,000.
	14 Taxes and licenses	14	SEE STATEMENT 2	530,769.
	15 Interest	15		29,093.
	16 a Depreciation (if required, attach Form 4562)	16a	75,017.	
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		75,017.
	17 Depletion (Do not deduct oil and gas depletion.)	17		
	18 Retirement plans, etc.	18		
	19 Employee benefit programs	19		
	20 Other deductions (attach statement)	20	SEE STATEMENT 3	2,310,704.
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		6,873,270.
22 Ordinary business income (loss). Subtract line 21 from line 8	22		1,001,815.	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Sign Here _____ Date _____

May the IRS discuss this return with the preparer shown below (see Instr. J)? Yes No

Paid Preparer Use Only	Print/Type preparer's name SANFORD BOKOR, CPA	Preparer's signature _____	Date _____	Check <input type="checkbox"/> if self-employed	PTIN P00283458
	Firm's name KRUPNICK BOKOR KAGDA & BROOKS, LTD.	Firm's EIN 36-3553179			
	Firm's address 3750 W. DEVON AVENUE LINCOLNWOOD, IL 60712	Phone no. (847) 675-3585			

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box: a <input type="checkbox"/> Domestic general partnership b <input type="checkbox"/> Domestic limited partnership c <input checked="" type="checkbox"/> Domestic limited liability company d <input type="checkbox"/> Domestic limited liability partnership e <input type="checkbox"/> Foreign partnership f <input type="checkbox"/> Other ▶				Yes	No
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?				X	
3 At the end of the tax year: a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X	
4 At the end of the tax year, did the partnership: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below				X	
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation		(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below				X	
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital	

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$ 1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2011, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) ▶ <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions	X	
b If "Yes," did you or will you file all required Form(s) 1099?	X	
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ DANIEL WEISS	Identifying number of TMP ▶ 339-72-3609
If the TMP is an entity, name of TMP representative ▶	Phone number of TMP ▶
Address of designated TMP ▶ 6625 N CENTRAL PARK AVE	
LINCOLNWOOD, IL 60712	

U.S. Return of Partnership Income

OMB No. 1545-0099

2012

For calendar year 2012, or tax year beginning _____ ending _____

A Principal business activity	Name of partnership PALOS HILLS HEALTHCARE, LLC	D Employer identification number 27-2979337
B Principal product or service	Print or type. Number, street, and room or suite no. If a P.O. box, see the instructions. 6865 N LINCOLN AVE	E Date business started 07/01/2010
C Business code number	City or town, state, and ZIP code LINCOLNWOOD IL 60712	F Total assets \$ 5,909,755.
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return (6) <input type="checkbox"/> Technical termination - also check (1) or (2)		
H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ _____		
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ <u>4</u>		
J Check if Schedules C and M-3 are attached <input type="checkbox"/>		

Caution. Include *only* trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales	1a 9,345,967.	
	b Returns and allowances	1b	
	c Balance. Subtract line 1b from line 1a		1c 9,345,967.
	2 Cost of goods sold (attach Form 1125-A)		2
	3 Gross profit. Subtract line 2 from line 1c		3 9,345,967.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)		4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))		5
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		6
7 Other income (loss) (attach statement)	SEE STATEMENT 1	7 1,200.	
8 Total income (loss). Combine lines 3 through 7		8 9,347,167.	
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)		9 4,078,896.
	10 Guaranteed payments to partners		10
	11 Repairs and maintenance		11 22,786.
	12 Bad debts		12
	13 Rent		13 717,660.
	14 Taxes and licenses	SEE STATEMENT 2	14 942,287.
	15 Interest		15 44,302.
	16 a Depreciation (if required, attach Form 4562)	16a 41,835.	
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b	16c 41,835.
	17 Depletion (Do not deduct oil and gas depletion.)		17
	18 Retirement plans, etc.		18
	19 Employee benefit programs		19
	20 Other deductions (attach statement)	SEE STATEMENT 3	20 2,685,232.
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20		21 8,532,998.
22 Ordinary business income (loss). Subtract line 21 from line 8		22 814,169.	

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below (see Instr. 1)?		
	Signature of general partner or limited liability company member manager _____ Date _____		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Paid Preparer Use Only	Print/Type preparer's name SANFORD BOKOR, CPA	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P00283458
	Firm's name ▶ KRUPNICK BOKOR KAGDA & BROOKS, LTD.			Firm's EIN ▶ 36-3553179	
	Firm's address ▶ 3750 W. DEVON AVENUE LINCOLNWOOD, IL 60712			Phone no. (847) 675-3585	

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2012)

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box: a <input type="checkbox"/> Domestic general partnership b <input type="checkbox"/> Domestic limited partnership c <input checked="" type="checkbox"/> Domestic limited liability company d <input type="checkbox"/> Domestic limited liability partnership e <input type="checkbox"/> Foreign partnership f <input type="checkbox"/> Other ▶				Yes	No
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?				X	
3 At the end of the tax year: a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X	
4 At the end of the tax year, did the partnership: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below				X	
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below				X	
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital	
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details				X	
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$ 1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.				X	
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?				X	
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?				X	
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?				X	
10 At any time during calendar year 2012, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶				X	

Schedule B Other Information (continued)

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)	<input type="checkbox"/>	
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		
18a Did you make any payments in 2012 that would require you to file Form(s) 1099? See instructions	X	
b If "Yes," did you or will you file required Form(s) 1099?	X	
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return.		
20 Enter the number of partners that are foreign governments under section 892.		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	▶ DANIEL WEISS	Identifying number of TMP	▶ 339-72-3609
If the TMP is an entity, name of TMP representative	▶	Phone number of TMP	▶
Address of designated TMP	▶ 6625 N CENTRAL PARK AVE LINCOLNWOOD, IL 60712		

Form 1065 (2012)



THE PRIVATE BANK
AND TRUST COMPANY

April 16, 2013

To Avrum Weinfeld:

We have worked with you and your affiliates for several years. You have been excellent customers, handling all accounts as agreed. In all of the loans, you and your affiliates have provided the equity necessary for a successful transaction.

The Bank would consider providing construction financing for the addition to the Palos Hills Extended Care Center, in Palos Hills, IL. The construction loan would be for approximately \$17,000,000, which will represent no more than 80% of the allowable costs, priced on a floating rate basis, with a floor of approximately 6.5%, secured by the subject facility. We would also contemplate funding a permanent loan or continue the temporary loan for a reasonable time to allow other permanent financing to be obtained. Additionally, we would consider providing an operating working capital line of credit, limited to the lower of i) \$2,500,000 or ii) 80% of eligible receivables. The line of credit would be secured by a blanket lien on all receivables and eligible receivables would be defined and agreed upon prior to funding.

It is important to note that this is not a commitment and that a commitment would be subject to the successful completion of a thorough due diligence and approval process, including finalization of terms and conditions, formal approval by the Bank's loan committee, and documentation acceptable to the Bank and its counsel in its sole discretion. Any final commitment would also require approval of the Certificate of Need from the Health Facilities and Services Review Board.

Please feel free to contact me as noted below.

Sincerely,

Bluma Broner
Managing Director
(312) 564-1222
bbroner@theprivatebank.com

cc: Fritz Kieckhefer

ATTACHMENT-27C

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued II

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Appended as **ATTACHMENT-29A**, are the historical and proforma financial statements for the ownership, operating and combined entities. Please note that this Applicant only took control of the ownership entity in 2012 and does not have a full year of historical statements. Moreover, it took control of the operations in 2010, therefore; it does not have a full three years of history. Since the historical statements are not audited, the Applicant has provided the first three pages of its 2011 and 2012 tax return (appended as **ATTACHMENT-29B**) in further support validating the documentation that is provided.

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Appended as **ATTACHMENT-29C** are the worksheets calculating the owners, operators and combined entities ratios for the applicable three historical years as well as for the projected year of 2018.

PALOS HILLS HEALTHCARE, LLC
10426 SOUTH ROBERTS
PALOS HILLS, IL 60465

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PALOS HILLS HEALTHCARE, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2012

ATTACHMENT-29A

Krupnick Bokor Kagda & Brooks, Ltd.
Certified Public Accountants
3750 W Devon Ave
Lincolnwood, IL 60712

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Palos Hills Healthcare, LLC
10426 SOUTH ROBERTS
PALOS HILLS, IL 60465

We have compiled the accompanying balance sheet of Palos Hills Healthcare, LLC as of December 31, 2012, and the related statement of income for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

Krupnick, Bokor, Kagda & Brooks, Ltd.
Certified Public Accountants

April 23, 2013

ATTACHMENT-29A

PALOS HILLS HEALTHCARE, LLC
BALANCE SHEET
DECEMBER 31, 2012

ASSETS

CURRENT ASSETS

CASH AND CASH EQUIVALENTS	\$ 54,933	
ACCOUNTS RECEIVABLE - PATIENTS	5,228,926	
LESS: ALLOWANCE FOR BAD DEBTS	(240,000)	
EMPLOYEE LOANS, ADV WAGE ASSGN	2,807	
DUE FROM LESSOR	377,243	
PREPAID EXPENSES	<u>250,657</u>	
TOTAL CURRENT ASSETS		\$ 5,674,566

PROPERTY AND EQUIPMENT:

LEASEHOLD IMPROVEMENTS	243,918	
FURNITURE & EQUIPMENT	112,122	
COMPUTER SOFTWARE	<u>8,251</u>	
TOTAL COST	364,291	
LESS: ACCUMULATED DEPRECIATION	<u>(137,171)</u>	
NET PROPERTY & EQUIPMENT		<u>227,120</u>

OTHER ASSETS

CONSTRUCTION ESCROW ACCOUNTS	<u>8,069</u>	
TOTAL OTHER ASSEST		<u>8,069</u>

TOTAL ASSETS		<u>\$ 5,909,755</u>
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See Independent Accountant's Compilation Report

PALOS HILLS HEALTHCARE, LLC
BALANCE SHEET
DECEMBER 31, 2012

LIABILITIES AND PARTNERS' EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE-TRADE	\$	860,021	
ACCOUNTS PAYABLE-INSURANCE		76,202	
ACCRUALS:			
OPERATING EXPENSES	\$	11,630	
PAYROLL		194,597	
MANAGEMENT FEES		<u>411,541</u>	
			617,768
PAYROLL TAXES PAYABLE		25,567	
NOTE PAYABLE- LINE OF CREDIT		<u>2,096,829</u>	
TOTAL CURRENT LIABILITIES			3,676,387

PARTNERS' EQUITY

MEMBERS CAPITAL		1,510,916	
NET INCOME FOR THE PERIOD		<u>722,452</u>	
TOTAL PARTNERS' EQUITY			<u>2,233,368</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY			<u>\$ 5,909,755</u>

See Independent Accountant's Compilation Report

PALOS HILLS HEALTHCARE, LLC
STATEMENT OF INCOME AND EXPENSE

	FOR THE YEAR ENDED <u>DEC. 31, 2012</u>	<u>PCT</u>	PER PATIENT <u>DAY</u>
INCOME			
ROUTINE SERVICES	\$ 8,829,033	90.3	\$ 175.249
ANCILLARY INCOME (LOSS)	<u>948,189</u>	<u>9.7</u>	<u>18.821</u>
TOTAL INCOME	<u>9,777,222</u>	<u>100.0</u>	<u>194.070</u>
OPERATING EXPENSES			
NURSING COSTS	3,291,935	33.7	65.342
EMPLOYEE WELFARE COSTS	742,464	7.6	14.737
HOUSEKEEPING & PLANT COSTS	657,048	6.7	13.042
LAUNDRY & LINEN COSTS	123,571	1.3	2.453
DIETARY COSTS	<u>690,158</u>	<u>7.1</u>	<u>13.699</u>
TOTAL OPERATING EXPENSES	<u>5,505,176</u>	<u>56.3</u>	<u>109.273</u>
INCOME BEFORE GENERAL AND ADMINISTRATIVE EXPENSES			
	4,272,046	43.7	84.796
GENERAL & ADMINISTRATIVE			
	<u>1,094,438</u>	<u>11.2</u>	<u>21.724</u>
INCOME BEFORE CAPITAL CHARGES			
	3,177,608	32.5	63.073
CAPITAL CHARGES			
	<u>1,458,714</u>	<u>14.9</u>	<u>28.954</u>
NET INCOME BEFORE OTHER INCOME			
	1,718,894	17.6	34.119
OTHER INCOME (EXPENSE)			
	<u>(996,442)</u>	<u>(10.2)</u>	<u>(19.779)</u>
NET INCOME OR (LOSS)			
	<u>\$ 722,452</u>	<u>7.4</u>	<u>\$ 14.340</u>

See Independent Accountant's Compilation Report

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ATTACHMENT-29A

PALOS HILLS HEALTHCARE, LLC
SCHEDULE OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>PATIENT</u> <u>DAYS</u>	<u>AVERAGE</u> <u>PATIENTS</u> <u>PER DAY</u>	<u>GROSS</u> <u>INCOME</u>	<u>PERCENT</u> <u>TO</u> <u>INCOME</u>	<u>PER</u> <u>PATIENT</u> <u>DAY</u>	<u>AVERAGE</u> <u>PER MONTH</u>
ROUTINE SERVICES						
PRIVATE	3,913	10.7	\$ 573,004	5.9	146.436	\$ 4,454.10
MEDICARE	6,758	18.5	1,762,200	18.0	260.758	7,931.39
NET MEDICARE	6,758	18.5	1,762,200	18.0	260.758	7,931.39
MEDICAID	37,595	102.7	6,078,815	62.2	161.692	4,918.13
HOSPICE	1,691	4.6	280,968	2.9	166.155	5,053.88
MANAGED CARE	423	1.2	134,046	1.4	316.894	9,638.86
TOTAL ROUTINE CARE	50,380	137.7	\$ 8,829,033	90.3	175.249	\$ 5,330.49

See Independent Accountant's Compilation Report

PALOS HILLS HEALTHCARE, LLC
SCHEDULE OF ANCILLARY REVENUE AND COSTS

FOR THE YEAR ENDED
DECEMBER 31, 2012

	<u>INCOME</u>	<u>COST</u>	<u>NET</u>
ANCILLARY REVENUE			
MEDICAL SUPPLIES	\$ 18,385	\$ 10,318	\$ 8,067
DRUGS	922,805	227,778	695,027
RADIOLOGY	4,005	1,388	2,617
LABORATORY	27,245	8,296	18,949
PHYSICAL THERAPY	1,980,605	360,079	1,620,526
SPEECH THERAPY	232,990	103,289	129,701
OCCUPATIONAL THERAPY	445,040	293,770	151,270
RENTALS	3,991	-	3,991
OTHER SERVICES	13,612	-	13,612
TOTAL ANCILLARY	<u>3,648,678</u>	<u>1,004,918</u>	<u>2,643,760</u>
LESS CONTRACTUAL ADJUSTMENTS	<u>(1,695,571)</u>	<u>-</u>	<u>(1,695,571)</u>
TOTAL ANCILLARY INCOME	<u>\$ 1,953,107</u>	<u>\$ 1,004,918</u>	<u>\$ 948,189</u>

See Independent Accountant's Compilation Report

PALOS HILLS HEALTHCARE, LLC
UTILIZATION STATISTICS

	FOR THE YEAR ENDED <u>DEC. 31, 2012</u>	<u>PCT</u>
PATIENT DAYS AVAILABLE	74,298	100.0
PATIENT DAYS UTILIZATION	<u>50,380</u>	<u>67.8</u>
UNUTILIZED	<u><u>23,918</u></u>	<u><u>32.2</u></u>

See Independent Accountant's Compilation Report

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ATTACHMENT-29A

PALOS HILLS HEALTHCARE, LLC
SCHEDULE OF OPERATING EXPENSES

	FOR THE YEAR ENDED DEC. 31, 2012	<u>PCT</u>	PER PATIENT <u>DAY</u>
NURSING COSTS:			
NURSING LABOR COSTS:			
DIRECTOR	\$ 91,088	0.9	\$ 1.808
ASSISTANT DIRECTOR	74,733	0.8	1.483
REGISTERED NURSES	311,888	3.2	6.191
LICENSED PRACTICAL NURSES	1,023,378	10.5	20.313
NURSES AIDES	908,205	9.3	18.027
CARE PLAN COORDINATOR	143,705	1.5	2.852
TOTAL NURSING SALARIES	<u>2,552,997</u>	<u>26.1</u>	<u>50.675</u>
OTHER HEALTHCARE SALARIES			
SOCIAL WORKER	130,965	1.3	2.600
ACTIVITIES	117,847	1.2	2.339
TOTAL OTHER SALARIES	<u>248,812</u>	<u>2.5</u>	<u>4.939</u>
TOTAL NURSING LABOR COSTS	<u>2,801,809</u>	<u>28.7</u>	<u>55.614</u>
OTHER NURSING COSTS:			
MEDICAL & NURSING SUPPLIES	288,703	3.0	5.731
EQUIPMENT RENTAL-NURSING	9,883	0.1	0.196
COST OF OXYGEN	9,296	0.1	0.185
COST OF PRESCRIPTIONS	38,241	0.4	0.759
PATIENT TRANSPORTATION	804	-	0.016
ACTIVITY PROGRAM EXPENSE	4,949	0.1	0.098
SOCIAL SERVICE SUPPLIES	3,450	-	0.068
CONSULTANTS:			
ACTIVITY REHABILITATION	1,830	-	0.036
SOCIAL REHABILITATION	1,725	-	0.034
PHYSICAL THERAPY	14,888	0.2	0.296
OCCUPATIONAL THERAPY	13,468	0.1	0.267
MEDICAL RECORDS	1,140	-	0.023
PHARMACY	7,248	0.1	0.144
SPEECH THERAPY	4,509	-	0.089
MEDICAL DIRECTOR	24,000	0.2	0.476
RESPIRATORY	35,992	0.4	0.714
NURSING PROGRAM CONSULTANT	30,000	0.3	0.595
TOTAL NURSING COSTS	<u>\$ 3,291,935</u>	<u>33.7</u>	<u>\$ 65.342</u>

See Independent Accountant's Compilation Report

SCHEDULE "B-2"**PALOS HILLS HEALTHCARE, LLC
SCHEDULE OF OPERATING EXPENSES**

	FOR THE YEAR ENDED DEC. 31, 2012	PCT	PER PATIENT DAY
EMPLOYEES HEALTH AND WELFARE			
PAYROLL TAXES	\$ 414,540	4.2	\$ 8.228
WORKM ANS COMP INSURANCE	135,314	1.4	2.686
WORKM ANS COMP INSURANCE-AUDIT	39,030	0.4	0.775
HOSPITALIZATION	144,720	1.5	2.873
EMPLOYEE BENEFITS - OTHER	8,860	0.1	0.176
TOTAL EMPLOYEE WELFARE	\$ 742,464	7.6	\$ 14.737
HOUSEKEEPING AND PLANT COSTS			
HOUSEKEEPING SALARIES	\$ 295,180	3.0	\$ 5.859
MAINTENANCE SALARIES	103,963	1.1	2.064
TOTAL PLANT SALARIES	399,143	4.1	7.923
HOUSEKEEPING SUPPLIES	43,602	0.4	0.865
GROUNDS MAINTENANCE	6,600	0.1	0.131
EQUIP. MAINTENANCE & REPAIR	788	-	0.016
EQUIPMENT RENTAL	1,774	-	0.035
BUILDING MAINTENANCE & SUPP	49,973	0.5	0.992
SCAVENGER	25,181	0.3	0.500
FIRE SERVICE	8,374	0.1	0.166
GAS HEAT	36,109	0.4	0.717
ELECTRICITY	42,015	0.4	0.834
WATER	42,435	0.4	0.842
FURNISHING SUPPLIES	1,054	-	0.021
TOTAL HOUSEKEEPING & PLANT	\$ 657,048	6.7	\$ 13.042

See Independent Accountant's Compilation Report

PALOS HILLS HEALTHCARE, LLC
SCHEDULE OF OPERATING EXPENSES

	FOR THE YEAR ENDED <u>DEC. 31, 2012</u>	<u>PCT</u>	PER PATIENT <u>DAY</u>
LAUNDRY AND LINEN COSTS			
LAUNDRY SALARIES	\$ 103,111	1.1	\$ 2.047
LAUNDRY SUPPLIES	7,967	0.1	0.158
LAUNDRY EQUIP REPAIRS & MAINT	2,986	-	0.059
LINEN REPLACEMENTS	<u>9,507</u>	<u>0.1</u>	<u>0.189</u>
TOTAL LAUNDRY & LINEN COSTS	<u>\$ 123,571</u>	<u>1.3</u>	<u>\$ 2.453</u>
 DIETARY			
SALARIES	\$ 351,202	3.6	\$ 6.971
FOOD	295,431	3.0	5.864
DIETARY SUPPLIES	29,622	0.3	0.588
SALES TAX	18	-	-
REPAIRS & MAINTENANCE	385	-	0.008
DIETITIAN-CONSULTANT	<u>13,500</u>	<u>0.1</u>	<u>0.268</u>
TOTAL DIETARY	<u>\$ 690,158</u>	<u>7.1</u>	<u>\$ 13.699</u>

See Independent Accountant's Compilation Report

SCHEDULE "B-3"**PALOS HILLS HEALTHCARE, LLC**
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

	FOR THE YEAR ENDED <u>DEC. 31, 2012</u>	<u>PCT</u>	PER PATIENT <u>DAY</u>
GENERAL & ADMINISTRATIVE:			
SALARIES:			
ADMINISTRATOR	\$ 95,565	1.0	\$ 1.897
CLERICAL	277,412	2.8	5.506
WARD CLERK	78,893	0.8	1.566
ADV & PROMO-NON PAT RELATED	21,776	0.2	0.432
BANK CHARGES	1,684	-	0.033
EMPLOYEE WANT ADS	45,341	0.5	0.900
EMPLOYEE BACKGROUND CHECK	2,801	-	0.056
CONTRIBUTIONS	1,000	-	0.020
DATA PROCESSING	28,013	0.3	0.556
DUES & SUBSCRIPTIONS	9,675	0.1	0.192
CABLE T.V.	4,557	-	0.090
EDUCATION & SEMINARS	2,107	-	0.042
EQUIPMENT RENTAL	8,807	0.1	0.175
EQUIPMENT REPAIRS & MAINT.	18,627	0.2	0.370
GENERAL INSURANCE	165,306	1.7	3.281
LICENSES AND PERMITS	2,972	-	0.059
OFFICE EXPENSES	31,899	0.3	0.633
BOOKKEEPING/ADMINISTRATIVE SERV	160,705	1.6	3.190
PENALTIES	767	-	0.015
POSTAGE	3,550	-	0.070
MESSENGER SERVICE	6,193	0.1	0.123
PROFESSIONAL FEES	75,568	0.8	1.500
LEGAL SETTLEMENT	3,333	-	0.066
TELEPHONE	27,945	0.3	0.555
AUTO LEASING	5,227	0.1	0.104
TRAVEL	14,715	0.2	0.292
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 1,094,438	11.2	\$ 21.724

See Independent Accountant's Compilation Report

SCHEDULE "B-4"**PALOS HILLS HEALTHCARE, LLC**
SCHEDULE OF OTHER INCOME AND (EXPENSE)

	FOR THE YEAR ENDED <u>DEC. 31, 2012</u>	<u>PCT</u>	PER PATIENT <u>DAY</u>
OTHER INCOME AND (EXPENSE):			
VENDING COMMISSIONS	1,200	-	0.024
IDPA - LICENSE FEE	(376,155)	(3.8)	(7.466)
BAD DEBTS - OTHER	(612,344)	(6.3)	(12.155)
INTEREST INCOME	99	-	0.002
CHANGE OF STATUS ADJUSTMENTS	107,089	1.1	2.126
OTHER EXPENSE ADJUSTMENTS	<u>(116,331)</u>	<u>(1.2)</u>	<u>(2.309)</u>
TOTAL OTHER INCOME AND (EXPENSE)	<u>\$ (996,442)</u>	<u>(10.2)</u>	<u>\$ (19.779)</u>

See Independent Accountant's Compilation Report

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ATTACHMENT-29A

SCHEDULE "B-5"

PALOS HILLS HEALTHCARE, LLC
SCHEDULE OF CAPITAL CHARGES

	FOR THE YEAR ENDED <u>DEC. 31, 2012</u>	<u>PCT</u>	PER PATIENT <u>DAY</u>
CAPITAL CHARGES:			
RENT BUILDING & R.E.TAXES	717,660	7.3	14.245
RENT - STORAGE	4,926	0.1	0.098
INTEREST-INSURANCE	3,097	-	0.061
INTEREST- LOC	41,205	0.4	0.818
MANAGEMENT FEES	647,241	6.6	12.847
DEPRECIATION	<u>44,585</u>	<u>0.5</u>	<u>0.885</u>
TOTAL CAPITAL CHARGES	<u>\$ 1,458,714</u>	<u>14.9</u>	<u>\$ 28.954</u>

See Independent Accountant's Compilation Report

PALOS HILLS HEALTHCARE, LLC
SCHEDULE OF SALARIES

	FOR THE YEAR ENDED <u>DEC. 31, 2012</u>	<u>PCT</u>	PER PATIENT <u>DAY</u>
NURSING SALARIES			
DIRECTOR	91,088	0.9	1.808
ASSISTANT DIRECTOR	74,733	0.8	1.483
R.N.	311,888	3.2	6.191
L.P.N.	1,023,378	10.5	20.313
NURSE AIDE	908,205	9.3	18.027
CARE PLAN COORDINATOR	<u>143,705</u>	<u>1.5</u>	<u>2.852</u>
TOTAL NURSING SALARIES	2,552,997	26.1	50.675
OTHER HEALTHCARE SALARIES			
SOCIAL REHAB	130,965	1.3	2.600
ACTIVITIES DEPARTMENT	<u>117,847</u>	<u>1.2</u>	<u>2.339</u>
TOTAL OTHER HEALTHCARE	248,812	2.5	4.939
TOTAL NURSING - ACTIVITIES	2,801,809	28.7	55.614
HOUSEKEEPING AND PLANT COST			
HOUSEKEEPING SALARIES	295,180	3.0	5.859
MAINTENANCE SALARIES	<u>103,963</u>	<u>1.1</u>	<u>2.064</u>
TOTAL PLANT	399,143	4.1	7.923
LAUNDRY SALARIES	<u>103,111</u>	<u>1.1</u>	<u>2.047</u>
DIETARY SALARIES	<u>351,202</u>	<u>3.6</u>	<u>6.971</u>
GENERAL & ADMINISTRATIVE			
ADMINISTRATOR	95,565	1.0	1.897
CLERICAL	277,412	2.8	5.506
WARD CLERK	<u>78,893</u>	<u>0.8</u>	<u>1.566</u>
TOTAL GENERAL & ADMINISTRATIVE SALARIES	<u>451,870</u>	<u>4.6</u>	<u>8.969</u>
TOTAL SALARIES	<u>4,107,135</u>	<u>42.0</u>	<u>81.523</u>
EMPLOYEE WELFARE COSTS TO TOTAL SALARIES	<u>\$ 742,464</u>	<u>7.6</u>	<u>\$ 14.737</u>

See Independent Accountant's Compilation Report

Palos Hills E: ded Care
 Balance Sheet - Assets
 Palos Hills Healthcare, LLC

	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>
PHHC Asset			
<u>Balance Sheet</u>			
<u>Current Assets</u>			
Cash And Cash Equivalents	\$ 1,895,050.00	\$ 2,550,750.00	\$ 3,312,200.00
Accounts Receivable Patients	\$ 3,072,413.00	\$ 3,920,125.00	\$ 4,300,464.00
Less: Allowance for Bab Debts	<u>\$ (360,000.00)</u>	<u>\$ (360,000.00)</u>	<u>\$ (360,000.00)</u>
Total Current Assets	\$ 4,607,463.00	\$ 6,110,875.00	\$ 7,252,664.00
<u>Property and Equipment</u>			
Leashold Improvements	\$ 1,744,000.00	\$ 1,744,000.00	\$ 1,744,000.00
Furniture and Equipment	\$ 112,122.00	\$ 112,122.00	\$ 112,122.00
Computer Software	<u>\$ 8,250.00</u>	<u>\$ 8,250.00</u>	<u>\$ 8,250.00</u>
Total Costs	<u>\$ 1,864,372.00</u>	<u>\$ 1,864,372.00</u>	<u>\$ 1,864,372.00</u>
Less: Accumulated Depreciation	<u>\$ (257,000.00)</u>	<u>\$ (377,000.00)</u>	<u>\$ (497,000.00)</u>
Net Property & Equipment	<u>\$ 1,607,372.00</u>	<u>\$ 1,487,372.00</u>	<u>\$ 1,367,372.00</u>
<u>Total Assets</u>	<u>\$ 6,214,835.00</u>	<u>\$ 7,598,247.00</u>	<u>\$ 8,620,036.00</u>

Palos Hills E...ted Care
 Balance Sheet...Liabilities
 Palos Hills Healthcare, LLC

	12/31/2016	12/31/2017	12/31/2018
PHHC Balance Sheet			
Liabilities & Partners Equity			
Current Liabilities			
Accounts Payable Trade	\$ 553,000.00	\$ 628,000.00	\$ 540,000.00
Accounts Payable Insurance	\$ 96,200.00	\$ 117,000.00	\$ 100,000.00
Accruals:			
Operating Expenses	\$ 12,600.00	\$ 37,000.00	\$ 25,000.00
Payroll	\$ 174,600.00	\$ 202,000.00	\$ 97,000.00
Management Fees	\$ 52,550.00	\$ 159,550.00	\$ 42,500.00
Payroll Taxes Payable	\$ 239,750.00	\$ 398,550.00	\$ 164,500.00
Due to Lessor	\$ 29,400.00	\$ 34,000.00	\$ 32,000.00
Note Payable Line of Credit	\$ 123,000.00	\$ 123,000.00	\$ 123,000.00
	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00
<u>Total Current Liabilities</u>	\$ 3,541,350.00	\$ 3,800,550.00	\$ 3,459,500.00
Partners Equity			
Members Capital	\$ 3,000,022.00	\$ 2,673,485.00	\$ 3,797,697.00
Net income for Period	\$ (326,537.00)	\$ 1,124,212.00	\$ 1,362,839.00
<u>Total Partners Equity</u>	\$ 2,673,485.00	\$ 3,797,697.00	\$ 5,160,536.00
<u>Total Liabilities & Partner' Equity</u>	\$ 6,214,835.00	\$ 7,598,247.00	\$ 8,620,036.00

Palos Hills Extended Care
Cash Flow
Palos Hills Healthcare, LLC

Cash Flow Statements

PHHC Cash Flow

Period Ending	12/31/2016	12/31/2017	12/31/2018
Net Income (Loss)	\$ (326,537.00)	\$ 1,124,212.00	\$ 1,362,839.00
Operating Activities Cash flow			
Depreciation	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Increase in Bad Debt Allowance	\$ 120,000.00		
Decrease (Increase in) Accounts Receivable	\$ (212,780.00)	\$ (847,712.00)	\$ (380,339.00)
Increase (Decrease) in liabilities (A/P,Taxes,Etc.)	\$ 1,814,863.00	\$ 259,200.00	\$ (341,050.00)
Capital expenditures (Leasehold Improvements)	\$ (1,500,000.00)		
		<hr/>	
Net Increase in Cash	<u>\$ 15,546.00</u>	<u>\$ 655,700.00</u>	<u>\$ 761,450.00</u>

Palos Hills E: ded Care
Balance Sheet - Assets
PM Nursing and Rehabilitation, LLC

PM <u>Balance Sheet</u>	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
<u>Current Assets</u>							
Cash And Cash Equivalents	\$ (396)	\$ 230,000	\$ 460,000	\$ 474,159	\$ 965,894	\$ 1,286,559	\$ 1,607,936
Real Estate Tax Escrow	\$ 140,638	\$ 150,000	\$ 150,000	\$ 241,762	\$ 600,000	\$ 600,000	\$ 600,000
<u>Total Current Assets</u>	<u>\$ 140,242</u>	<u>\$ 380,000</u>	<u>\$ 610,000</u>	<u>\$ 715,921</u>	<u>\$ 1,565,894</u>	<u>\$ 1,886,559</u>	<u>\$ 2,207,936</u>
<u>Property and Equipment</u>							
Building & other Depreciable Assets	\$ 1,636,707	\$ 1,636,707	\$ 1,636,707	\$ 1,636,707	\$ 14,136,707	\$ 14,136,707	\$ 14,136,707
Less: Accumulated Depreciation	\$ (40,218)	\$ (80,436)	\$ (120,654)	\$ (160,872)	\$ (685,872)	\$ (1,210,872)	\$ (1,735,872)
Intangible Assets	\$ 1,291,708	\$ 1,291,708	\$ 1,291,708	\$ 1,291,708	\$ 1,291,708	\$ 1,291,708	\$ 1,291,708
Less accumulated Amortization	\$ (80,334)	\$ (360,668)	\$ (541,002)	\$ (721,336)	\$ (801,336)	\$ (881,336)	\$ (961,336)
Land	\$ 1,461,890	\$ 1,461,890	\$ 1,461,890	\$ 1,461,890	\$ 2,086,890	\$ 2,086,890	\$ 2,086,890
Development Costs	\$ 17,712	\$ 17,712	\$ 17,712	\$ 17,712	\$ -	\$ -	\$ -
<u>Total Property & Equipment</u>	<u>\$ 4,287,465</u>	<u>\$ 3,966,913</u>	<u>\$ 3,746,361</u>	<u>\$ 3,525,809</u>	<u>\$ 16,028,097</u>	<u>\$ 15,423,097</u>	<u>\$ 14,818,097</u>
<u>Total Assets</u>	<u>\$ 4,427,707</u>	<u>\$ 4,346,913</u>	<u>\$ 4,356,361</u>	<u>\$ 4,241,730</u>	<u>\$ 17,593,991</u>	<u>\$ 17,309,656</u>	<u>\$ 17,026,033</u>

Palos Hills Extended Care
Balance Sheet
PM Nursing and Rehabilitation, LLC

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
PM							
Current Liabilities							
Accrued Real Estate Taxes Payable	\$ 94,181	\$ 95,000	\$ 95,000	\$ 95,000	\$ 600,000	\$ 600,000	\$ 600,000
Mortgage Notes Payable less than 1 year	\$ 396,249	\$ 300,000	\$ 250,000	\$ 34,159	\$ 184,965	\$ 198,360	\$ 212,468
Total Current Liabilities	\$ 490,430	\$ 395,000	\$ 345,000	\$ 129,159	\$ 784,965	\$ 798,360	\$ 812,468
All nonrecourse Loans	\$ 1,764,706	\$ 1,549,342	\$ 1,378,790	\$ 1,250,000	\$ -	\$ -	\$ -
Tenants Deposits	\$ 5,315	\$ 5,315	\$ 5,315	\$ 5,315	\$ -	\$ -	\$ -
Mortgage Payable Long Term	\$ 1,770,021	\$ 1,554,657	\$ 1,384,105	\$ 1,255,315	\$ 14,065,035	\$ 13,866,675	\$ 13,654,207
Total Long term Liabilities					\$ 14,065,035	\$ 13,866,675	\$ 13,654,207
Partners Equity							
Partners Capital	\$ 1,936,707	\$ 2,167,256	\$ 2,397,256	\$ 2,627,256	\$ 2,857,256	\$ 2,743,991	\$ 2,644,621
Net income for Period	\$ 494,054	\$ 400,000	\$ 400,000	\$ 400,000	\$ (113,265)	\$ (99,370)	\$ (85,263)
Distributions	\$ (263,505)	\$ (170,000)	\$ (170,000)	\$ (170,000)	\$ -	\$ -	\$ -
Total Partners Equity	\$ 2,167,256	\$ 2,397,256	\$ 2,627,256	\$ 2,857,256	\$ 2,743,991	\$ 2,644,621	\$ 2,559,358
Total Liabilities & Partner Equity	\$ 4,427,707	\$ 4,346,913	\$ 4,356,361	\$ 4,241,730	\$ 17,593,991	\$ 17,309,656	\$ 17,026,033

Palos Hills E: ... ded Care
 Profit and Loss
 PM Nursing and Rehabilitation, LLC

	12/31/2016	12/31/2017	12/31/2018
PM			
Gross Rents	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Interest Expense	\$ (991,515)	\$ (978,120)	\$ (964,013)
Utilities	\$ (500)	\$ (500)	\$ (500)
Depreciation	\$ (525,000)	\$ (525,000)	\$ (525,000)
Amortization	\$ (80,500)	\$ (80,000)	\$ (80,000)
Accounting and Audit Expense	\$ (15,000)	\$ (15,000)	\$ (15,000)
Office Expense	\$ (500)	\$ (500)	\$ (500)
LLC Annual Fees	\$ (250)	\$ (250)	\$ (250)
	\$ (1,613,265)	\$ (1,599,370)	\$ (1,585,263)
Net Income (Loss)	\$ (113,265)	\$ (99,370)	\$ (85,263)

Palos Hills Extended Care
Cash Flow Statement
PN Nursing and Rehabilitation, LLC

PM Cash Flow Statement

Period Ending	12/31/2016	12/31/2017	12/31/2018
Net Income (Loss)	\$ (113,265)	\$ (99,370)	\$ (85,263)
Operating Activities Cash flow			
Depreciation and Amortization	\$ 605,000	\$ 605,000	\$ 605,000
Principal reduction	\$ -	\$ (184,965)	\$ (198,360)
Net Increase in Cash	<u>\$ 491,735</u>	<u>\$ 320,665</u>	<u>\$ 321,377</u>

Cash Flow Statements

Period Ending	12/31/2016	12/31/2017	12/31/2018
Net Income (Loss)	\$ (326,537.00)	\$ 1,124,212.00	\$ 1,362,839.00
Operating Activities Cash flow			
Depreciation	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Increase in Bad Debt Allowance	\$ 120,000.00		
Decrease (Increase in) Accounts Receivable	\$ (212,780.00)	\$ (847,712.00)	\$ (380,339.00)
Increase (Decrease) in liabilities (A/P,Taxes,Etc.)	\$ 1,814,863.00	\$ 259,200.00	\$ (341,050.00)
Capital expenditures (Leasehold Improvements)	\$ (1,500,000.00)		
Distributions Paid	\$ -		
Net Increase in Cash	<u>\$ 15,546.00</u>	<u>\$ 655,700.00</u>	<u>\$ 761,450.00</u>

12/31/2018

12/31/2017

12/31/2016

Balance Sheet
Liabilities & Partners Equity

Current Liabilities			
Accounts Payable Trade	\$ 540,000.00		
Accounts Payable Insurance	\$ 100,000.00		
Accruals:			
Operating Expenses	\$ 25,000.00		
Payroll	\$ 97,000.00		
Management Fees	\$ 42,500.00		
Payroll Taxes Payable	\$ 164,500.00		
Due to Lessor	\$ 32,000.00		
Note Payable Line of Credit	\$ 123,000.00		
	\$ 2,500,000.00		
<u>Total Current Liabilities</u>		\$ 3,800,550.00	\$ 3,459,500.00
Partners Equity			
Members Capital	\$ 3,797,697.00		
Net income for Period	\$ 1,362,839.00		
		\$ 3,797,697.00	\$ 5,160,536.00
<u>Total Partners Equity</u>		\$ 7,598,247.00	\$ 8,620,036.00
<u>Total Liabilities & Partner' Equity</u>			

<u>Balance Sheet</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>
<u>Current Assets</u>			
Cash And Cash Equivalents	\$ 1,895,050.00		\$ 3,312,200.00
Accounts Receivable Patients	\$ 3,072,413.00		\$ 4,300,464.00
Less: Allowance for Bab Debts	<u>\$ (360,000.00)</u>		<u>\$ (360,000.00)</u>
Total Current Assets	\$ 4,607,463.00	\$ 6,110,875.00	\$ 7,252,664.00
<u>Property and Equipment</u>			
Leashold Improvements	\$ 1,744,000.00		\$ 1,744,000.00
Furniture and Equipment	\$ 112,122.00		\$ 112,122.00
Computer Software	<u>\$ 8,250.00</u>		<u>\$ 8,250.00</u>
Total Costs	<u>\$ 1,864,372.00</u>		<u>\$ 1,864,372.00</u>
Less: Accumulated Depreciation	<u>\$ (257,000.00)</u>		<u>\$ (497,000.00)</u>
Net Property & Equipment	<u>\$ 1,607,372.00</u>	<u>\$ 1,487,372.00</u>	<u>\$ 1,367,372.00</u>
<u>Total Assets</u>	<u>\$ 6,214,835.00</u>	<u>\$ 7,598,247.00</u>	<u>\$ 8,620,036.00</u>
	\$ 6,214,835.00	\$ 7,598,247.00	\$ 8,620,036.00
	\$ -	\$ -	\$ -
	\$ 1,895,050.00	\$ 2,550,750.00	\$ 3,312,200.00

Palos Hills Pro Forma Financials 2016

Account Description	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	42705	Annual
	31.00	29.00	31.00	30.00	31.00	30.00	31.00	31.00	30.00	31.00	30.00	ppd	366
Revenue													
Medicare Part A	426250	478500	562650	577500	647900	660000	716100	750200	759000	818400	825000	852500	550
Private	62000	63800	74400	78000	86800	90000	99200	105400	108000	117800	120000	124000	200
Managed Care	12400	11600	12400	12000	12400	12000	24800	24800	24000	24800	24000	24800	400
Public Aid	511500	478500	521730	504900	531960	514800	531960	537075	519750	547305	534600	552420	165
Total Rev	1012150	1032400	1171180	1172400	1279060	1276800	1372060	1417475	1410750	1508305	1503600	1553720	266.37
Nursing Administration	0	0	0	0	0	0	0	0	0	0	0	0	0
Wages - DON	16667	16667	16667	16667	16667	16667	16667	16667	16667	16667	16667	16666.7	3.3912
Wages - ADON	7083	7083	7083	7083	7083	7083	7083	7083	7083	7083	7083	7083.33	1.4412
Wages - Vacation/Holiday/Sick	0	0	0	0	0	0	0	0	0	0	0	0	0
Education	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	0.3052
Nursing Consultant	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	1.2208
Nursing	0	0	0	0	0	0	0	0	0	0	0	0	0
Wages - R.N.	83333	83333	83333	83333	83333	83333	83333	83333	83333	83333	83333	83333.3	16.956
Wages - L.P.N.	166667	166667	166667	166667	166667	166667	166667	166667	166667	166667	166667	166667	33.912
Wages - Aides	133333	133333	133333	133333	133333	133333	133333	133333	133333	133333	133333	133333	27.129
Wages-Care Plan Coordinator	18750	18750	18750	18750	18750	18750	18750	18750	18750	18750	18750	18750	3.815
Wages-Ward Clerk	5250	5250	5250	5250	5250	5250	5250	5250	5250	5250	5250	5250	1.0682
Medical Director	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5416.67	1.1021
Pharmacy House stock	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	0.6104
Nursing Supplies	14744	14744	14744	14744	14744	14744	14744	14744	14744	14744	14744	14744.3	3
Oxygen PA	0	0	0	0	0	0	0	0	0	0	0	0	0
Nursing Supplies Large Items	500	500	500	500	500	500	500	500	500	500	500	500	0.1017
Medical Records Consultant	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079.42	0.6266
Pharmacy Consultant	600	600	600	600	600	600	600	600	600	600	600	600	0.1221
Pharmacy Part A	600	600	600	600	600	600	600	600	600	600	600	600	0.1221
i.V. Therapt Part A	17825	20010	23529	24150	27094	27600	29946	31372	31740	34224	34500	35650	5.7249
Physical Therapy A	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	0.2035
Occupational Therapy A	32550	36540	42966	44100	49476	50400	54684	57288	57960	62496	63000	65100	10.454
Speech Therapy A	31000	34800	40920	42000	47120	48000	52080	54560	55200	59520	60000	62000	9.9564
Amulance	6200	6960	8184	8400	9424	9600	10416	10912	11040	11904	12000	12400	1.9913
Equipment Part A	400	400	400	400	400	400	400	400	400	400	400	400	0.0814
Oxygen Part A	417	417	417	417	417	417	417	417	417	417	417	416.667	0.0848
	208	208	208	208	208	208	208	208	208	208	208	208.333	0.0424
													2,500

Palos Hills Pro Forma Financials 2017

Account Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	ppd	Annual
	31.00	28.00	31.00	30.00	31.00	30.00	31.00	31.00	30.00	31.00	30.00	31.00		365
Revenue														
Medicare Part A	886600	800800	886600	891000	920700	891000	954800	988900	990000	1057100	1056000	1091200	550	11,414,700
Private	124000	117600	130200	132000	136400	132000	142600	142600	138000	142600	144000	148800	200	1,630,800
Managed Care	24800	22400	24800	36000	37200	36000	49600	49600	48000	49600	48000	49600	400	475,600
Public Aid	552420	498960	552420	544500	562650	554400	588225	588225	569250	588225	569250	588225	165	6,756,750
Total Rev	1587820	1E+06	1594020	1603500	1656950	1613400	1735225	1769325	1745250	1837525	1817250	1877825	285.4	20,277,850
Nursing Administration	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Wages - DON	16667	16667	16667	16667	16667	16667	16667	16667	16667	16667	16667	16667	2.815	200,000
Wages - ADON	7083	7083	7083	7083	7083	7083	7083	7083	7083	7083	7083	7083	1.196	85,000
Wages - Vacation/Holiday/Sick	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Education	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	0.253	18,000
Nursing Consultant	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	1.013	72,000
Nursing	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Wages - R.N.	125000	125000	125000	125000	125000	125000	125000	125000	125000	125000	125000	125000	21.11	1,500,000
Wages - L.P.N.	208333	208333	208333	208333	208333	208333	208333	208333	208333	208333	208333	208333	35.19	2,500,000
Wages - Aides	175000	175000	175000	175000	175000	175000	175000	175000	175000	175000	175000	175000	29.56	2,100,000
Wages-Care Plan Coordinator	18750	18750	18750	18750	18750	18750	18750	18750	18750	18750	18750	18750	3.167	225,000
Wages-Ward Clerk	5250	5250	5250	5250	5250	5250	5250	5250	5250	5250	5250	5250	0.887	63,000
Medical Director	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	0.915	65,000
Pharmacy House stock	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	0.676	48,000
Nursing Supplies	17762	17762	17762	17762	17762	17762	17762	17762	17762	17762	17762	17762	3	213,141
Oxygen PA	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Nursing Supplies Large Items	500	500	500	500	500	500	500	500	500	500	500	500	0.084	6,000
Medical Records Consultant	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	0.52	36,953
Pharmacy Consultant	800	800	800	800	800	800	800	800	800	800	800	800	0.135	9,600
Pharmacy Part A	800	800	800	800	800	800	800	800	800	800	800	800	0.135	9,600
I.V. Therapt Part A	37076	33488	37076	37260	38502	37260	39928	41354	41400	44206	44160	45632	6.719	477,342
Physical Therapy A	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	0.169	12,000
Occupational Therapy A	67704	61152	67704	68040	70308	68040	72912	75516	75600	80724	80640	83328	12.27	871,668
Speech Therapy A	64480	58240	64480	64800	66960	64800	69440	71920	72000	76880	76800	79360	11.68	830,160
Ambulance	12896	11648	12896	12960	13392	12960	13888	14384	14400	15376	15360	15872	2.337	166,032
Equipment Part A	400	400	400	400	400	400	400	400	400	400	400	400	0.068	4,800
Oxygen Part A	417	417	417	417	417	417	417	417	417	417	417	417	0.07	5,000
	208	208	208	208	208	208	208	208	208	208	208	208	0.035	2,500

Palos Hills Pro Forma Financials 2018

Account Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	11/1/201	Dec-18	Annual
	31.00	28.00	31.00	30.00	31.00	30.00	31.00	31.00	30.00	31.00	30.00	31.00	ppd
Days													365
Revenue													
Medicare Part A	1091200	985600	1125300	1089000	1125300	1122000	1159400	1159400	1122000	1159400	1122000	1159400	550
Private	148800	134400	148800	144000	148800	144000	148800	148800	144000	148800	144000	148800	200
Managed Care	49600	44800	49600	48000	49600	48000	49600	49600	48000	49600	48000	49600	400
Public Aid	572880	517440	572880	554400	572880	554400	572880	572880	554400	572880	554400	572880	165
Total Rev	1862480	2E+06	1896580	1835400	1896580	1868400	1930680	1930680	1868400	1930680	1868400	1930680	298
Nursing Administration	0	0	0	0	0	0	0	0	0	0	0	0	0
Wages - DON	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	2.781
Wages - ADON	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	1.192
Wages - Vacation/Holiday/Sick	0	0	0	0	0	0	0	0	0	0	0	0	0
Education	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	0.238
Nursing Consultant	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	0.954
Nursing	0	0	0	0	0	0	0	0	0	0	0	0	0
Wages - R.N.	129167	129167	129167	129167	129167	129167	129167	129167	129167	129167	129167	129167	20.53
Wages - L.P.N.	216667	216667	216667	216667	216667	216667	216667	216667	216667	216667	216667	216667	34.44
Wages - Aides	180833	180833	180833	180833	180833	180833	180833	180833	180833	180833	180833	180833	28.74
Wages-Care Plan Coordinator	19167	19167	19167	19167	19167	19167	19167	19167	19167	19167	19167	19167	3.046
Wages-Ward Clerk	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	0.861
Medical Director	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	0.861
Pharmacy House stock	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	0.636
Nursing Supplies	18875	18875	18875	18875	18875	18875	18875	18875	18875	18875	18875	18875	3
Oxygen PA	0	0	0	0	0	0	0	0	0	0	0	0	0
Nursing Supplies Large Items	500	500	500	500	500	500	500	500	500	500	500	500	0.079
Medical Records Consultant	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	3079	0.489
Pharmacy Consultant	800	800	800	800	800	800	800	800	800	800	800	800	0.127
Pharmacy Part A	800	800	800	800	800	800	800	800	800	800	800	800	0.127
I.V. Therapt Part A	45632	41216	47058	45540	47058	46920	48484	48484	46920	48484	46920	48484	7.433
Physical Therapy A	83328	75264	85932	83160	85932	85680	88536	88536	85680	88536	85680	88536	13.57
Occupational Therapy A	79360	71680	81840	79200	81840	81600	84320	84320	81600	84320	81600	84320	12.93
Speech Therapy A	15872	14336	16368	15840	16368	16320	16864	16864	16320	16864	16320	16864	2.585
Ambulance	400	400	400	400	400	400	400	400	400	400	400	400	0.064
Equipment Part A	417	417	417	417	417	417	417	417	417	417	417	417	0.066
Oxygen Part A	208	208	208	208	208	208	208	208	208	208	208	208	0.033

1065

U.S. Return of Partnership Income

OMB No. 1545-0099

Form Department of the Treasury Internal Revenue Service

For calendar year 2011, or tax year beginning EXTENSION GRANTED TO 09/15/12 ending

2011

Partnership information including Principal business activity (NURSING HOME), Name of partnership (PALOS HILLS HEALTHCARE, LLC), Employer identification number (27-2979337), Date business started (07/01/2010), Business code number (623000), City or town, state, and ZIP code (SKOKIE, IL 60076), and Total assets (\$ 3,848,700).

Check applicable boxes (Initial return, Final return, Name change, Address change, Amended return), Check accounting method (Cash, Accrual, Other), Number of Schedules K-1 (6), and Check if Schedules C and M-3 are attached.

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Table with 22 rows for Income and Deductions. Income section includes Merchant card payments, Gross receipts, Returns and allowances, Cost of goods sold, Gross profit, Ordinary income, Net farm profit, Net gain, and Other income. Deductions section includes Salaries and wages, Guaranteed payments, Repairs and maintenance, Bad debts, Rent, Taxes and licenses, Interest, Depreciation, Depletion, Retirement plans, Employee benefit programs, and Other deductions. Total ordinary business income is 1,001,815.

Declaration section: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature section: Print/Type preparer's name (SANFORD BOKOR, CPA), Preparer's signature, Date, Check self-employed, PTIN (P00283458), Firm's name (KRUPNICK BOKOR KAGDA & BROOKS, LTD.), Firm's EIN (36-3553179), Firm's address (3750 W. DEVON AVENUE, LINCOLNWOOD, IL 60712), and Phone no. ((847) 675-3585).

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:		Yes	No
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other ▶		
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?			X
3 At the end of the tax year:			
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership			X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership			X
4 At the end of the tax year, did the partnership:			
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below			X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		Yes	No
			X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$ 1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2011, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) ▶ <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions	X	
b If "Yes," did you or will you file all required Form(s) 1099?	X	
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ DANIEL WEISS	Identifying number of TMP ▶ 339-72-3609
If the TMP is an entity, name of TMP representative ▶	Phone number of TMP ▶
Address of designated TMP ▶ 6625 N CENTRAL PARK AVE	
LINCOLNWOOD, IL 60712	

1065

Form Department of the Treasury Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2012, or tax year beginning ending

OMB No. 1545-0098

2012

Partnership information section including Principal business activity (NURSING HOME), Name of partnership (PALOS HILLS HEALTHCARE, LLC), Address (6865 N LINCOLN AVE, LINCOLNWOOD, IL 60712), Employer identification number (27-2979337), Date business started (07/01/2010), and Total assets (\$ 5,909,755).

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Table with 22 rows detailing Income (lines 1-8) and Deductions (lines 9-21). Total ordinary business income (loss) is 814,169.

Signature and preparer information section. Includes signature of Sanford Bokor, CPA, and firm information for Krupnick Bokor Kagda & Brooks, Ltd.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 1065 (2012)

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:		Yes	No	
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership			
c <input checked="" type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership			
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other ▶			
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?			X	
3 At the end of the tax year:				
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership			X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership			X	
4 At the end of the tax year, did the partnership:				
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below			X	
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below			X	
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details			X	
6 Does the partnership satisfy all four of the following conditions?				
a The partnership's total receipts for the tax year were less than \$250,000.				
b The partnership's total assets at the end of the tax year were less than \$ 1 million.				
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.				
d The partnership is not filing and is not required to file Schedule M-3			X	
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.				
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?			X	
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?			X	
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?			X	
10 At any time during calendar year 2012, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶			X	

Schedule B Other Information (continued)

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)	<input type="checkbox"/>	
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		
18a Did you make any payments in 2012 that would require you to file Form(s) 1099? See instructions	X	
b If "Yes," did you or will you file required Form(s) 1099?	X	
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return.		
20 Enter the number of partners that are foreign governments under section 892.		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	▶ DANIEL WEISS	Identifying number of TMP	▶ 339-72-3609
If the TMP is an entity, name of TMP representative	▶	Phone number of TMP	▶
Address of designated TMP	▶ 6625 N CENTRAL PARK AVE LINCOLNWOOD, IL 60712		

Form 1065 (2012)

PALOS HILLS EXTENDED CARE
VIABILITY RATIOS WORKSHEET
LTC FACILITY OWNER - PM NURSING AND REHABILITATION, LLC

	2010	2011	2012	2018
<u>CURRENT RATIO</u>				
1. CURRENT ASSETS	N/A	N/A	\$ 140,242	\$ 2,207,936
2. CURRENT LIABILITIES	N/A	N/A	\$ 490,430	\$ 812,468
3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2)	N/A	N/A	0.3	2.7
<u>NET MARGIN PERCENTAGE</u>				
4. NET INCOME OR (LOSS)	N/A	N/A	\$ 494,054	\$ (85,263)
5. NET OPERATING REVENUE	N/A	N/A	\$ 739,020	\$ 1,500,000
6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5)	N/A	N/A	66.9%	-5.7%
<u>DEBT SERVICE COVERAGE</u>				
NET INCOME(LOSS) + DEPR +				
7. INTEREST + AMORTIZATION	N/A	N/A	\$ 693,035	\$ 1,483,750
8. PRINCIPAL + INTEREST	N/A	N/A	\$ 108,364	\$ 1,162,373
9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8)	N/A	N/A	6.4	1.3
<u>DEBT CAPITALIZATION RATIO</u>				
10. LONG TERM DEBT	N/A	N/A	\$ 1,770,021	\$ 13,654,207
11. LONG TERM DEBT + EQUITY	N/A	N/A	\$ 6,197,728	\$ 30,680,240
12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11)	N/A	N/A	28.6%	44.5%
<u>DAYS CASH</u>				
13. CASH AND INVESTMENTS	N/A	N/A	\$ (396)	\$ 1,607,936
14. OPER EXPENSE LESS DEPR/365	N/A	N/A	\$ 561	\$ (5,782)
15. DAY CASH ON HAND (LINE 13 / LINE 14)	N/A	N/A	-0.7	-278.1
<u>CUSHION RATIO</u>				
16. CASH AND INVESTMENTS	N/A	N/A	\$ (396)	\$ 1,607,936
17. MAX ANNUAL DEBT SERVICE	N/A	N/A	\$ 108,364	\$ 1,162,373
18. CUSHION (LINE 16 / LINE 17)	N/A	N/A	0.0	1.4

PALOS HILLS EXTENDED CARE
VIABILITY RATIOS WORKSHEET
LTC FACILITY OPERATOR - PALOS HILLS HEALTHCARE, LLC

	2010	2011	2012	2018
<u>CURRENT RATIO</u>				
1. CURRENT ASSETS	\$ 3,238,795	\$ 4,158,719	\$ 6,077,737	\$ 7,252,664
2. CURRENT LIABILITIES	\$ 2,691,961	\$ 2,850,646	\$ 4,106,558	\$ 3,459,500
3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2)	1.2	1.5	1.5	2.1
<u>NET MARGIN PERCENTAGE</u>				
4. NET INCOME OR (LOSS)	\$ 161,151	\$ 950,801	\$ 722,452	\$ 1,362,839
5. NET OPERATING REVENUE	\$ 3,789,725	\$ 7,868,508	\$ 9,777,222	\$ 22,501,200
6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5)	4.3%	12.1%	7.4%	6.1%
<u>DEBT SERVICE COVERAGE</u>				
NET INCOME(LOSS) + DEPR +				
7. INTEREST + AMORTIZATION	\$ 187,489	\$ 1,057,661	\$ 891,339	\$ 1,587,839
8. PRINCIPAL + INTEREST	\$ 280,115	\$ 129,093	\$ 580,306	\$ 1,605,000
9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8)	0.7	8.2	1.5	1.0
<u>DEBT CAPITALIZATION RATIO</u>				
10. LONG TERM DEBT	\$ 1	\$ 1	\$ 1	\$ 1
11. LONG TERM DEBT + EQUITY	0	0	0	0
12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11)	0	0	0	0
<u>DAYS CASH</u>				
13. CASH AND INVESTMENTS	\$ 1,390,036	\$ 528,104	\$ 458,104	\$ 3,312,200
14. OPER EXPENSE LESS DEPR/365	\$ 13,583	\$ 13,910	\$ 14,961	\$ 27,333
15. DAY CASH ON HAND (LINE 13 / LINE 14)	102.3	38.0	30.6	121.2
<u>CUSHION RATIO</u>				
16. CASH AND INVESTMENTS	\$ 1,390,036	\$ 528,104	\$ 458,104	\$ 3,312,200
17. MAX ANNUAL DEBT SERVICE	\$ 280,115	\$ 129,093	\$ 580,306	\$ 1,605,000
18. CUSHION (LINE 16 / LINE 17)	5.0	4.1	0.8	2.1

PALOS HILLS EXTENDED CARE
VIABILITY RATIOS WORKSHEET
LTC FACILITY OWNER OPERATOR COMBINED

	2010	2011	2012	2018
<u>CURRENT RATIO</u>				
1. CURRENT ASSETS	\$ 3,238,795	\$ 4,158,719	\$ 6,217,979	\$ 9,460,600
2. CURRENT LIABILITIES	\$ 2,691,961	\$ 2,850,646	\$ 4,596,988	\$ 4,271,968
3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2)	1.2	1.5	1.4	2.2
<u>NET MARGIN PERCENTAGE</u>				
4. NET INCOME OR (LOSS)	\$ 161,151	\$ 950,801	\$ 1,216,506	\$ 1,277,576
5. NET OPERATING REVENUE	\$ 3,789,725	\$ 7,868,508	\$ 10,516,242	\$ 24,001,200
6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5)	4.3%	12.1%	11.6%	5.3%
<u>DEBT SERVICE COVERAGE</u>				
NET INCOME(LOSS) + DEPR +				
7. INTEREST + AMORTIZATION	\$ 187,489	\$ 1,057,661	\$ 1,584,374	\$ 3,071,589
8. PRINCIPAL + INTEREST	\$ 280,115	\$ 129,093	\$ 688,670	\$ 1,162,373
9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8)	0.7	8.2	2.3	2.6
<u>DEBT CAPITALIZATION RATIO</u>				
10. LONG TERM DEBT	\$ 1	\$ 1	\$ 1,770,022	\$ 13,654,208
11. LONG TERM DEBT + EQUITY	\$ 3,303,113	\$ 4,376,805	\$ 12,510,655	\$ 39,300,277
12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11)	0.0%	0.0%	14.1%	34.7%
<u>DAYS CASH</u>				
13. CASH AND INVESTMENTS	\$ 1,390,036	\$ 528,104	\$ 457,708	\$ 4,920,136
14. OPER EXPENSE LESS DEPR/365	\$ 13,583	\$ 13,910	\$ 15,521	\$ 21,552
15. DAY CASH ON HAND (LINE 13 / LINE 14)	102.3	38.0	29.5	228.3
<u>CUSHION RATIO</u>				
16. CASH AND INVESTMENTS	\$ 1,390,036	\$ 528,104	\$ 457,708	\$ 4,920,136
17. MAX ANNUAL DEBT SERVICE	\$ 280,115	\$ 129,093	\$ 688,670	\$ 1,162,373
18. CUSHION (LINE 16 / LINE 17)	5.0	4.1	0.7	4.2

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued III

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

Appended as ATTACHMENT-30A, is the Applicant’s documentation of reasonable financing arrangements.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

Appended as ATTACHMENT-30B, is the Applicant’s documentation that the conditions of debt financing are reasonable.

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

	2018	
Salaries	\$ 8,854,815	
Benefits	\$ 1,060,800	
Supplies	\$ 538,998	
Total Operating Costs	\$10,454,613	
Patient Days	73,584	\$142.08/Patient Day

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

	2018	
Depreciation	\$ 525,000	
Interest Expense	\$ 964,013	
Amortization	\$ 80,000	
Total Capital Costs	\$ 1,569,013	
Patient Days	73,584	\$21.32/Patient Day

PM Nursing And Rehabilitation LLC
6865 N Lincoln
Lincolnwood, IL 60712

5/29/13

Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Certificate of Need Application for **PM Nursing And Rehabilitation LLC, Palos
Healthcare LLC**; reasonableness of financing arrangements

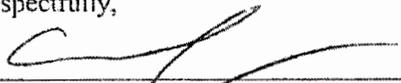
Dear Mr. Galassie:

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

Respectfully,



Board Member or Officer



Board Member or Officer

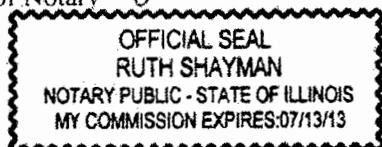
Notarization:

Subscribed and sworn to before me
this 29TH day of May 2013



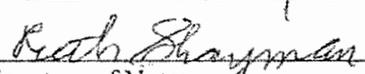
Signature of Notary

Seal



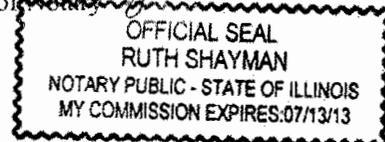
Notarization:

Subscribed and sworn to before me
this 29TH day of May 2013



Signature of Notary

Seal



ATTACHMENT-30A

PM Nursing and Rehabilitation LLC
6865 N Lincoln
Lincolnwood, IL 60712

05/29/13

Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Certificate of Need Application for PM Nursing and Rehabilitation LLC and Palos Healthcare LLC; conditions of debt financing

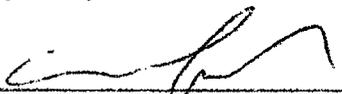
Dear Mr. Galassie:

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;
2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

Respectfully,

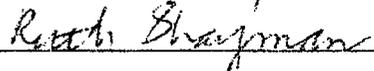


Board Member or Officer

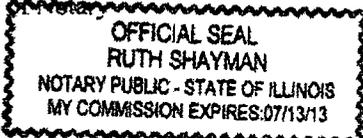


Board Member or Officer

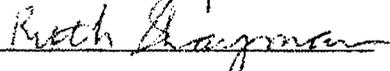
Notarization:
Subscribed and sworn to before me
this 29TH day of May 2013



Signature of Notary

Seal


Notarization:
Subscribed and sworn to before me
this 29TH day of May 2013



Signature of Notary

Seal
