



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

May 6, 2016

VIA EMAIL
CERTIFIED LETTER
RETURN RECEIPT REQUESTED

Charles Sheets
Polsinelli
161 N. Clark Street, Suite 4200
Chicago, Illinois 60601-3316

Re: Transitional Care of Lake County

Chuck:

We need additional information for Project #16-012. We need either an explanation or further documentation of the following:

1. The Village of Mundelein letter states the proposed facility will be 60 beds dedicated to short term stay, 50 beds dedicated to memory care, and 75 beds dedicated to long term care. Is this representative of how the 185 beds are going to be allocated? [Application for permit page 173]. How many of the 185 beds will be in private rooms?
2. The projected payor mix for the proposed facility by patient days.
 - for short term stay patients;
 - for memory care patients;
 - for long term care patients.
3. The number of proposed beds to be certified for Medicare.
 - for short term stay patients;
 - for memory care patients;
 - for long term care patients.
4. The number of proposed beds to be certified for Medicaid.
 - for short term stay patients;
 - for memory care patients;
 - for long term care patients.
5. The projected average length of stay
 - for short term stay patients;
 - for memory care patients;
 - for long term care patients.

6. Please provide the assumptions used to prepare the projected financial information. This information should include
 - the projected number of admissions by payor source,
 - the projected number of patient days by payor source,
 - and occupancy percentage for all years presented.
 - the assumed Medicaid rate
 - the assumed Medicare rate
 - the assumed managed care rate
 - the assumed private pay rate
7. How long after licensure will Medicare and Medicaid certification be applied for?
8. Itemization of the following costs including identification of item and the items' cost:
 - consulting and other fees;
 - movable equipment;
 - other costs to be capitalized.
9. Please provide evidence of the ownership of the property.
10. The referral letters did not reference the nursing homes of the referred residents. Please provide an explanation for this.
11. A narrative of how staffing for the proposed new facility will be achieved?
12. Below we have listed the ownership structure of the licensee/operating entity. Is our understanding correct?
 - 43.60% - Jerry Williamson
 - 41.90% - Horace Winchester
 - 4.25% - Brian Cloch
 - 4.25% - Brad Haber
 - 1.00% - Kurt Read
 - 2.5% - David Weiss
 - 2.5% - Jeff Cook
13. An explanation of the equity financing being provided from US Freedom Capital. Is this a loan or equity financing as part of the EB5 program?
14. I am unclear how Innovative Health, LLC can have final control of the licensee operating entity when according to the organizational chart submitted they control only ten percent of the licensee operating entity. [Application for Permit page 32] Please provide an explanation for this.

15. I am unclear what this statement means “they [the applicants] have committed that every resident of Winchester House wanting to reside in the new facility will have the opportunity to do so.”

1. Does this statement mean these residents have to go through the admission process again?
2. Does this statement mean that all who request to reside in the new facility no matter their payor status will be accommodated?

This project is tentatively scheduled for the June 21, 2016 meeting. Any delay in providing the above requested information could extend the review of this project to the scheduled August 2016 Meeting.

Should you have any questions or concerns please contact Mike Constantino or George Roate of at Mike.Constantino@illinois.gov or George.Roate@illinois.gov or 217.782.3516.

Sincerely,

A handwritten signature in black ink that reads "Mike Constantino". The signature is written in a cursive style with a large initial "M" and a long horizontal stroke at the end.

Mike Constantino