STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-09	BOARD MEETING: July 24, 2018	PROJECT NO: 18-012	PROJECT COST: Original: $0
FACILITY NAME: Beacon Hill		CITY: Lombard	
TYPE OF PROJECT: Substantive			HSA: VII

PROJECT DESCRIPTION: The Applicants (Lifespace Communities, Inc. d/b/a Beacon Hill and Lifespace Inc.) propose the elimination of the continuum care retirement community variance (CCRC Variance). There is no cost to this project. The anticipated completion date is July 24, 2018.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Lifespace Communities, Inc. d/b/a Beacon Hill and Lifespace Inc.) propose the elimination of the continuum care retirement community variance (CCRC Variance). There is no cost to this project. The anticipated completion date is July 24, 2018.
- Beacon Hill was granted a Continuum of Care Retirement Community (CCRC) Variance in 1989. At that time there was an excess of 295 LTC Beds in the 7-C LTC Planning Area. Under the State Board rules in effect at that time if there was a calculated excess of LTC beds in a Planning Area Applicants applying to establish a long term care facility were required to address a Variance to the Computed Bed Need. The CCRC variance allowed the Applicants to serve the residents of the retirement community and **not** residents from the service area at large.
- The State Board is being asked to approve the removal of a CCRC variance to allow Beacon Hill to make the 110 LTC available to the residents of the service area.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Applicants are before the State Board because the project proposes to establish a health care facility as required by 20 ILCS 3920/3.
- One of the objectives of the Health Facilities Planning Act is *"to assess the financial burden to patients caused by unnecessary health care construction and modification. Evidence-based assessments, projections and decisions will be applied regarding* ***capacity, quality, value and equity*** *in the delivery of health care services in Illinois. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process."* [20 ILCS 3960/2]

PURPOSE OF PROJECT

- **The Applicant stated the following:** *"The purpose of this application is to allow Beacon Hill, a senior living community located in Lombard, to* ***admit residents to its skilled nursing unit from the service area at large*** *rather than limiting admissions strictly to existing residents of the Beacon Hill continuing care retirement community ("CCRC")"*

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but none was requested. No letters of opposition were received by the State Board Staff. Four letters of support for the project were received [See page 13 of the report].

SUMMARY:

- Beacon Hill is a 110-bed LTC facility serving the residents of the continuum care retirement community. As can be seen from Table One below, Beacon Hill has averaged over 90% occupancy for the past 5-years. Based upon this historical occupancy, the Applicants state that the facility would have between 4-16 LTC beds available for occupancy by the community at large at any one-time. The Applicants argue that should the State Board approve this project the use of the additional beds will allow Beacon Hill to keep the cost of care for all residents of the retirement community at the lowest feasible cost and to provide benevolent care for residents who need financial assistance. Removal of the CCRC variance would allow Beacon Hill to provide services to a limited number of admissions from outside of the retirement community only to the extent those beds are not needed by the Beacon Hill resident population.

- There is a calculated excess of 121 long term care beds in the 7-C LTC Planning Area. However this calculated excess of LTC beds are not taken into consideration as part of the review of this Application for Permit. Board Staff Notes: When this facility was originally approved the 110 long term care beds were added to the number of long term care beds in the 7-C LTC Planning Area and have been included in the bed need calculation since that time. Because no beds are being added and the existing 110 beds have already been included in the excess beds the bed need or excess is not taken into consideration for this project.
- Should the State Board approve this project the calculated excess of 121 LTC beds will not change. Beacon Hill's 110 beds have been included when calculating the need or excess of beds in the 7-C Long Term Planning Area.
- No LTC beds are being added and it appears that the Applicants will provide service to the residents of the 7-C Planning Area as all patients of the 110 bed long term care facility reside in the retirement community.
- There are 35 additional LTC facilities in the 7-C LTC Planning Area with an average utilization of approximately 75%.

Criteria	**Reasons of Non Compliance**
77 ILAC 1125.570 – Service Accessibility	There is no absence of service in the 7-C LTC Planning Area as there are a total of 36 LTC facilities (including Beacon Hill) with 5,839 LTC beds in the 7-C LTC Planning Area. No evidence of access limitations due to the payor status of patients has been identified or restrictive admission policies of existing providers. The area population and existing care system does not appear to exhibit indicators of medical care problems.
77 ILAC 1125 (d) (1) (2) and (3)) – Unnecessary Duplication of Service, Mal-distribution of Service, Impact on Other Facilities	There are existing facilities in the 7-C Planning Area not operating at target occupancy and it appears that these facilities have the capacity to accommodate the demand identified by this project.

STATE BOARD STAFF REPORT
Beacon Hill
PROJECT #18-012

APPLICATION SUMMARY/CHRONOLOGY	
Applicants	Lifespace Communities, Inc. d/b/a Beacon Hill and Lifespace Inc
Facility Name	Beacon Hill
Location	2400 S. Finley Road, Lombard, Illinois
Application Received	March 12, 2018
Application Deemed Complete	March 12, 2018
Review Period Ends	July 10, 2018
Permit Holder	Lifespace Communities, Inc. d/b/a Beacon Hill and Lifespace Inc
Operating Entity/Licensee	Lifespace Communities, Inc.
Owner of the Site	Lifespace Communities, Inc.
Project Financial Commitment Date	July 24, 2018
Gross Square Footage	61,655 BGSF
Project Completion Date	July 24, 2018
Expedited Review	No
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

I. The Proposed Project

The Applicants (Lifespace Communities, Inc. d/b/a Beacon Hill and Lifespace Inc.) propose the elimination of the continuum care retirement community variance (CCRC Variance). There is no cost to this project. The anticipated completion date is July 24, 2018.

II. Summary of Findings

A. State Board Staff finds the proposed project is **not** in conformance with the provisions of 77 ILAC 1110 (Part 1110).

B. 77 ILAC 1120 (Part 1120) is **not applicable as there is no cost to this project.**

III. General Information

Beacon Hill is sponsored by and affiliated with Lifespace Communities, Inc., a 42-year old not-for-profit provider located in Des Moines, Iowa, that owns and operates twelve continuing care retirement communities in five states including Oak Trace and Beacon Hill in Downers Grove and Lombard, respectively. Beacon Hill opened in 1984 and consists of 378 independent living apartments and 110 general long-term care beds. Beacon Hill is a life care community licensed under the Illinois Life Care Facilities Act.

In 1982 the Illinois General Assembly enacted the Illinois Life Care Facilities Act (210 ILCS 40/1) that authorized the Illinois Department of Public Health to regulate residency agreements, referred to as "Life Care Contracts," that require an entrance fee and include personal, nursing, or medical care, in addition to the residency arrangement. The act empowers the Department to issue permits allowing facilities to enter into Life Care Contracts, and charges the Department with responsibility for monitoring those facilities for compliance with the act and the code. At present, approximately 100 facilities or campus communities in Illinois hold one or more permits to offer and to enter into Life Care Contracts issued by the Department. In all, these facilities and campus communities encompass more than 23,000 living units that can be occupied under life care contracts. Most Illinois life care facilities and campus communities are located within the greater Chicago metropolitan area. [Source: http://www.idph.state.il.us/about/lifecare.htm]

IV. Health Planning Area

Beacon Hill is located in Health Service Area VII and Long Term Care Planning Area 7-C. There are a total of 36 nursing care facilities (including Beacon Hill) in the 7-C Planning Area with 5,839 LTC beds with 4,668 Medicare and 4,179 Medicaid Certified Beds. Beacon Hill has 21 beds certified for Medicare and none certified for Medicaid. There is a calculated excess of 121 LTC beds in this Planning Area as of June 2018. Average utilization in the 7-C Planning Area in 2016 was approximately 75%. Approximately 6% (350 Beds) of the licensed beds were not set-up in 2016 in the 7-C Planning Area.

V. Project Costs and Sources of Funds

There are no costs to this project.

VI. Purpose of the Project, Alternatives to the Project

A) Criterion 1125.320 – Purpose of the Project

To demonstrate compliance with this criterion the Applicants must document that the project will provide health services that improve the long-term nursing care or well-being of the market area population to be served. The applicant shall define the planning area or market area, or other, per the applicant's definition.

The Applicants stated the following:
"The purpose of this application is to allow Beacon Hill, a senior living community located in Lombard, to admit residents to its skilled nursing unit from the service area at large rather than limiting admissions strictly to existing residents of the Beacon Hill continuing care retirement community ("CCRC").

Beacon Hill has been serving seniors in Lombard and the surrounding communities since 1984 and currently consists of 378 independent living apartments, and 110-bed licensed nursing facility. Beacon Hill is a life care community licensed under the Illinois Life Care Facilities Act. Beacon Hill is located in Health Service Area

007, Health Planning Area 7-C and currently operates the long term care facility under a CCRC variance.

Beacon Hill has historically maintained average occupancy at or greater than 90% in the general long term care facility by serving residents from within the retirement community. In recent years, Beacon Hill has experienced a decline in occupancy in the long term care facility. Occupancy was 92.5%, 92.0% and 90.3% in 2015, 2016 and 2017, respectively. Occupancy varies and, at any given time, Beacon Hill has between 4-14 beds available. Removal of the CCRC variance would allow Beacon Hill to accept admissions from the Planning Area to increase average occupancy levels during times of lower demand from the existing resident population.

Beacon Hill realizes significant losses in revenue due to unoccupied long term care beds every year. Lifespace estimates that if the facility could fill five unoccupied long term care beds from outside admissions, the increase in operating revenue would approximate $520,000 based on the current daily private pay rate of $285. The financial strength of the Community allows Beacon Hill to keep the cost of care for all residents at the lowest feasible cost and to provide benevolent care for residents who need financial assistance. Beacon Hill provided benevolent care for eleven residents in 2016 totaling approximately $177,000 and eight residents in 2017 totaling approximately $125,000.

Beacon Hill's priority remains to provide long term care services for the residents of Beacon Hill. Removal of the CCRC variance, as proposed under this Project, would allow Beacon Hill to provide services to a limited number of admissions from outside of the retirement community only to the extent those beds are not needed by the Beacon Hill resident population. Additionally, Beacon Hill has physical plant and site restrictions and does not intend to increase the number of long term care beds in service. Since Beacon Hill has been operational since 1984, it is well known to referral sources (hospitals, physicians, social workers, etc.) within the Planning Area that the long term care facility operates under a CCRC variance and is not able to accept admissions from outside of the senior living community. Beacon Hill receives inquiries from prospective residents and Beacon Hill has to notify the prospects that they are not able to apply for admission to the long term care facility. Beacon Hill estimates that approximately one to three inquiries per month are denied due to the CCRC variance. Additionally, Lifespace is currently executing a modernization and expansion of Beacon Hill's sister campus in Downers Grove, Oak Trace, that will ultimately result in downsizing and replacing the existing long term care facility in a new building located on the same parcel of land to modernize the nursing facility. On March 14, 2017, Oak Trace's application for permit relative to the new modernized nursing facility was approved by the Illinois Health Facilities and Services Review Board (Project Number 16-056). The project will result in a reduction of the number of general long term care beds at Oak Trace from 160 semi-private beds to 102 rooms (90 private rooms and 6 semi-private rooms). Oak Trace had 296 admissions from outside of the senior living community in 2017. While Lifespace anticipates being able to meet demand from outside admissions for

long term care services at Oak Trace, in the event of an unexpected increase in demand the opportunity to refer to Beacon Hill would provide another option for seniors." [Application for Permit pages 53-54]

B) Criterion 1125.330 – Alternatives to the Proposed Project

To demonstrate compliance with this criterion the Applicants must document that the proposed project is the most effective or least costly alternative for meeting the LTC needs of the population to be served by the project.

Do Nothing:

This alternative was rejected because according to the Applicants the restrictive admission policy of Beacon Hill limits the long term care options offered to seniors in Planning Area 7-C and there has been a decline in occupancy in the long term care facility. Average annual occupancy was 92.5%, 92.0% and 90.3% in 2015, 2016 and 2017, respectively. This reduction is consistent with a reduction in average length of stay which has been noted industry wide. Occupancy of the long term care facility varies and, at any given time, Beacon Hill's facility has between 4 and 14 beds available. The Applicants argue without any flexibility to fill the available long term beds from outside admissions, Beacon Hill experiences months when occupancy falls below 90% which negatively impacts the budgeting process and could potentially have a long term financial impact on the Community. With an average daily payment rate in 2017 of $274, the lower occupancy for the year compared to the 2015 average occupancy rate resulted in the loss of $200,000 in revenue. Loss of revenue impacts the ability for Beacon Hill to keep the cost of care for all residents at the lowest feasible cost and to provide benevolent care for residents who need financial assistance.

VII. General Long Term Care Review Requirement

A) Criterion 1125.520 –Background of the Applicants

To document compliance with this criterion the Applicant must demonstrate that it is fit, willing and able, and *has the qualifications, background and character, to adequately provide a proper standard of* LTC *service for the community*. [20 ILCS 3960/6] In evaluating the qualifications, background and character of the applicant, HFSRB shall consider whether adverse actions have been taken against the applicant, or against any LTC facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application. An LTC facility is considered "owned or operated" by every person or entity that owns, directly or indirectly, an ownership interest. If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by that person or entity.

1. The Applicant stated *"Please be advised that no disciplinary action relative to "Adverse Action" as defined under Section 1125.140 of the rules of the Illinois Health Facilities and Services Review Board has been adjudicated against Lifespace Communities, Inc., or any Illinois health care facility owned or operated by it, directly or indirectly, within three (3) years preceding the filing of this Certificate of Need permit application*[1] [Application for Permit page 62]

[1] "Adverse Action" means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations. As defined in Section 1-129 of the Nursing Home Care Act [210 ILCS 45], ***"Type 'A' violation"*** *means a violation of* the Nursing Home Care *Act or of the rules promulgated there under which creates a*

2. The Applicant stated: *"I hereby authorize the State Board and State Agency access to information from any licensing/certification agency in order to verify any and all documentation or information submitted in relation to this Certificate of Need application. I further authorize the Illinois Health Facilities and Services Review Board (HFSRB) and the Illinois Department of Public Health to obtain any additional documentation or information that is deemed necessary for the review of the application as it pertains to Section 1125.520 of the HFSRB Rules"* [Application for Permit page 63]

3. Licensure was provided by the Applicants as required for Beacon Hills and Oak Trace [Application for Permit pages 58-61]

4. Certificates of Good Standing and Certificate of Existence (State of Iowa) were provided as required [Application for Permit pages 36-37].

5. The site is owned by Lifespace Communities, Inc and evidence of this can be found pages 39-42 of the Application for Permit.

6. Projects with no construction or modernization are not required to provide evidence of compliance with Executive Order 2006-5 and the Illinois State Agency Historic Resources Preservation Act.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANT (77 ILAC 1110.520)

B) Criterion 1125.530 –Planning Area Need

To demonstrate compliance with this criterion the Applicants must document that the number of beds to be established or added is necessary to serve the planning area's population, based on the following:

a) <u>Bed Need Determination</u>

To demonstrate compliance with this sub-criterion the Applicants must document
1) The number of beds to be established for general LTC is in conformance with the projected bed need specified and reflected in the latest updates to the HFSRB Inventory.
2) The number of beds proposed shall meet or exceed the occupancy standard specified in Section 1125.210(c).

1. The facility is located in the 7-C long term care planning area. There is an excess of 121 LTC beds in the 7-C planning area as of April 2018. This 121-bed excess includes the Applicants 110 beds. The Applicants are currently allowed to provide long term care service to residents of the life care community only under the CCRC Variance. Should the State Board approve this project the Applicants will be able to

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condition or occurrence relating to the operation and maintenance of a facility presenting a substantial probability that risk of death or serious mental or physical harm to a resident will result there from or has resulted in actual physical or mental harm to a resident. As defined in Section 1-128.5 of the Nursing Home Care Act, *a* ***"Type AA violation"*** *means a violation of* the *Act or of the rules promulgated there under which creates a condition or occurrence relating to the operation and maintenance of a facility that proximately caused a resident's death.* [210 ILCS 45/1-129]

provide care to the residents of the 7-C planning area, therefore allowing these 110 beds to be available to the resident of the community with no increase in the number of beds in the community.

2. Over the past 5-years the Applicants have averaged in excess of 90% occupancy and with no increase in the number of beds it would appear that the Applicants will continue to meet the State Board Standard.

b) <u>Service to Planning Area Residents</u>

To demonstrate compliance with this sub-criterion the Applicants proposing to establish or add beds shall document that the primary purpose of the project will be to provide necessary LTC to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

Beacon Hill has maintained average occupancy at or greater than 90% in the general long term care facility by serving residents from within the retirement community. The long term care facility at Beacon Hill had 144 admissions in 2016 and 119 admissions in 2017 from current residents. Beacon Hill's priority remains to provide long term care services for the residents of Beacon Hill. Removal of the CCRC variance, as proposed under this Project, would allow Beacon Hill to provide services to a limited number of admissions from outside of the retirement community only to the extent those beds are not needed by the Beacon Hill resident population.

<u>James K. Standish Beacon Hill Administrator</u> stated *"We anticipate that referrals to Beacon Hill will arise subsequent to hospital discharge from Good Samaritan Hospital, Central DuPage Hospital, Edward Hospital, Elmhurst Hospital, Loyola University Medical Center and Amita Health Adventist Medical Center. We would also anticipate periodic referrals from other sources such as physicians, word-of-mouth, based on Beacon Hill's online presence and social service agencies.*

<u>Mohammad. Siddique, MD, CMD, Medical Director Beacon Hill and Vyjayanthi Atluri, MD,</u> CMD, physicians from Midwest Geriatrics, LLC stated "*In the past twelve months, we have referred approximately 50-75 patients to other long-term care facilities. The ZIP code of residence of those patients is not readily available, but my practice serves primarily patients in the immediate area."*

<u>Summary</u>

The Applicants are not requesting additional LTC beds and should the State Board approve this project an excess of 121 LTC beds will remain in the 7-C Long Term Planning Area. Based upon the 5-year average utilization of 90% it appears that the Applicants will remain or exceed the State Board's target occupancy. The Applicants will provide service to the residents of the 7-C Planning Area as all patients of the 110 bed long term care facility currently reside in the retirement community in the 7-C Planning Area.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 ILAC 1110.530)

C) Criterion 1125.540 - Service Demand

To demonstrate compliance with this criterion the Applicants must document that the number of beds proposed to establish a new general long-term care service is necessary to accommodate the service demand experienced annually by the existing applicant facility over the latest two-year period, as evidenced by historical and projected referrals, or if the applicant proposes to establish a new LTC facility, the applicant shall submit projected referrals. The applicant shall document subsection (c) and subsection (d) or (e).

As stated above the Applicants are not requesting additional beds. As seen in the Table below the Applicants have averaged in excess of the State Board's Target occupancy of 90% over the past 5-years.

James K. Standish Beacon Hill Administrator stated: *"While we expect our census to generally remain within the same range as historical occupancy levels, removal of the CCRC variance as contemplated in the Certificate of Need Application, would allow Beacon Hill to fill approximately three to six general long term care beds from outside of the Beacon Hill community and we believe it will continue to meet target occupancy in the future."*

TABLE ONE
Utilization of Beacon Hill Past Five Years

Year	2012	2013	2014	2015	2016
# of Beds	110	110	110	110	110
Days	36,295	37,338	37,868	37,113	37,076
ADC	99.44	102.30	103.75	101.68	101.58
Utilization	90.40%	93.00%	94.32%	92.44%	92.34%

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE DEMAND (77 ILAC 1110.540)

D) Criterion 1125.570 - Service Accessibility

To document compliance with this criterion the Applicant must document that the number of beds being established or added for each category of service is necessary to improve access for planning area residents.

a) Service Restrictions

The applicant shall document that at least one of the following factors exists in the planning area, as applicable:

1) The absence of the proposed service within the planning area;

2) Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care or charity care;

3) Restrictive admission policies of existing providers;

4) The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health

Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population;

5) For purposes of this Section 1125.570 only, all services within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) meet or exceed the occupancy standard specified in Section

There is no absence of service in the 7-C LTC Planning Area as there are a total of 36 LTC facilities (including Beacon Hill) with 5,839 LTC beds in the 7-C LTC Planning Area. There are no access limitations due to the payor status of patients or restrictive admission policies of existing providers. The area population and existing care system does not appear to exhibit indicators of medical care problems.

The Applicants stated the following in regards to this criterion:

"The proposed Project seeks removal of the current restriction on admissions which only allows the existing long term care facility to accept residents of Beacon Hill's retirement community. By removing the CCRC variance, Beacon Hill will be able to admit residents from the service area at large. This improves access for residents in Planning Area 7-C where Beacon Hill is located.

Additionally, the restriction on admissions has caused challenges at Beacon Hill's sister community, Oak Trace in Downer's Grove (which is also located in Planning Area 7-C). Oak Trace operates a 160 bed long term care facility under an open Certificate of Need. Despite Oak Trace's ability to accept admissions from outside of the retirement community, the facility reports challenges with social workers and other referral sources who assume that Oak Trace also operates under a CCRC variance similarly to Beacon Hill. Removal of the CCRC variance would eliminate confusion among the referral sources. A letter from Michelle Hart-Carlson, Administrator of the Oak Trace Health Center, is provided in this Attachment 17 documenting the issues experienced at Oak Trace caused by the CCRC variance at Beacon Hill."

Summary

Based upon the above it does not appear there is a service access issue in the 7-C LTC Planning Area for long term care service as there are existing facilities not at the target occupancy of 90% within the 7-C LTC Planning Area.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION SERVICE ACCESSIBLITY (77 ILAC 1125.570)

E) Criterion 1125.580 - Unnecessary Duplication/Maldistribution

To demonstrate compliance with this criterion the Applicants must document

a) that the project will not result in an unnecessary duplication.

b) that the project will not result in maldistribution of services. Maldistribution exists when the identified area (within the planning area) has an excess supply of facilities, beds and services.

c) that, within 24 months after project completion, the proposed project:

1) **Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and**
2) **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.**

1. There are 35 additional long term care facilities within the 7-C Planning Area and within 30 minutes of the Beacon Hill facility with an average utilization of 75%. [See Table at the end of this report]
2. The population within 30 minutes of the proposed facility is 1,722,650. There are 5,839 beds in the 7-C LTC Planning Area resulting in a ratio of 1 bed for every 296 residents. The State of Illinois ratio is 1 bed for every 133 residents. There is <u>not a surplus of LTC beds</u> in the 7-C Planning Area based upon this methodology.
3. The Applicants stated the following: *"Beacon Hill has historically maintained average occupancy at or greater than 90% in the general long term care facility by serving residents from within the retirement community. Beacon Hill's priority will remain to provide long term care services for the residents of Beacon Hill. Removal of the CCRC variance, as proposed under this Project, would allow Beacon Hill to provide services to a limited number of admissions from outside of the retirement community only to the extent those beds are not needed by the Beacon Hill resident population. Due to the limited number of additional admission expected, the proposed Project will have a minimal impact if any on other providers and will not lower the utilization at other area providers below the occupancy standards specified in Section 1125.210(c) and will not lower, to a further extent, the utilization at other area facilities that are currently operating below the occupancy standards."*

<u>Summary</u>

There are existing facilities in the 7-C Planning Area not operating at target occupancy and it appears that these facilities have capacity to accommodate the demand identified by this project.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION/MALDISTRIBUTION (77 ILAC 1110.580)

F) Criterion 1125.590 - Staffing Availability

To document compliance with this criterion the Applicants must document that relevant clinical and professional staffing needs for the proposed project were considered and that staffing requirements of licensure, certification and applicable accrediting agencies can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

The Applicant stated the following:

"The Applicant currently employs 29 Licensed Nurses and 41 CNAs and runs its health center staffing based on resident needs and an Hour per Patient Day (HPPD) ratio. Under this model, the current staffing breakdown is 1.641 hours for

Licensed Nurses (above the CMS average of 1.41) and 2.433 hours for CNAs (above the CMS average of 2.27). Overall, the Applicant's staffing numbers are 4.074 hours per resident of combined licensed nursing and CNA care compared to a CMS average of 3.68 hours. The Applicant is currently staffed to budget for 101 residents (91.82% occupancy); however, based on favorable staffing hours and ratios, Applicant is able to easily accommodate additional residents while maintaining an exceptional quality of care."

The facility is currently operating and is in compliance with Medicare Staffing (5-Star Rating) requirements; therefore it appears that sufficient staff will be available to provide the necessary care.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING (77 ILAC 1110.590)

G) Criterion 1125.600 - Bed Capacity

To demonstrate compliance with this criterion the Applicants must document that 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.

The Applicants' facility is below the 250-bed maximum number of beds allowed by the State Board for a general LTC facility. The Applicants have successfully addressed this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BED CAPACITY (77 ILAC 1110.600)

H) 1125.610 - Community Related Functions

To demonstrate compliance with this criterion the Applicants must 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.

Letters of support were provided from the following:

1) Melanie Chavin, MS, MNA - Chief Program Officer of the Alzheimer's Association Illinois Chapter
2) Michelle Hart- Carlson - Administrator of the Oak Trace Health Center
3) Chester Delvaux - Chairman of the Beacon Hill Resident Finance Committee
4) Valerie B. Stevenson - Member of the Beacon Hill Resident Finance Committee

"The Beacon Hill Finance Committee is a comprised of eleven members who are residents of Beacon Hill. The Finance Committee members are elected by residents to provide the Community with input and suggestions on behalf of all residents at the Beacon Hill Community. The Finance Committee meets monthly to review the Community's financials. The Committee questions financial variances and provides feedback pertaining to ways in which the Community may generate additional

revenue and reduce costs so that we are good stewards. Non-members who are invited to Finance Committee meetings include the Executive Director, Director of Finance, and Health Care Administrator. We have the support of the Resident Finance Committee for this proposal because it will help to manage the cost of their residency and health care at a time in their life when they are living on their fixed retirement savings."

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION COMMUNITY RELATED FUNCTIONS (77 ILAC 1110.610)

I) Criterion 1125.620 - Project Size

To document compliance with this criterion 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 of Appendix A, unless the additional GSF can be justified by documenting one of the following:

The facility's total building gross square footage is 61,655 BGSF or 561 BGSF per Bed. The State Board's Standard for LTC beds is 435-713 BGSF per bed. The Applicants have successfully addressed this criterion.

61,655 BGSF ÷ 110 beds = 561 BGSF per bed

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECT SIZE (77 ILAC 1110.620)

J) Section 1125.630 - Zoning

To document compliance with this criterion the Applicants must document one of the following:

a) The property to be utilized has been zoned for the type of facility to be developed;
b) Zoning approval has been received; or
c) A variance in zoning for the project is to be sought.

The Applicants stated the following:
"The proposed project does not involve new construction and can be accommodated within the current long term care facility. The site where Beacon Hill is located is designated as R5PD, Residential 5 Planned Development which is appropriate for the current and intended use." [Application for Permit page 217]

Based upon the attestation of the Applicants as stated above the Applicants have met the requirements of this criterion

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ZONING (77 ILAC 1110.630)

K) Criterion 1125.640 – Assurances

To demonstrate compliance with this criterion 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.

The Applicants stated the following:

"In compliance with Section 1125.640 of the rules of the Illinois Health Facilities and Services Review Board, Lifespace Communities, Inc. as operator of Beacon Hill, hereby attests that, Beacon Hill maintains an annual average occupancy at or above the 90% standard specified on an ongoing basis. Beacon Hill will continue to maintain occupancy at or above of 90% as specified in 77 Ill. Adm. Code 112S.210(c) for the general long term care category of service." [Application for Permit pages 219-220]

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.640)

VIII. 1125.800 - Financial Viability and Economic Feasibility

There is no cost to this project; therefore these criteria are not applicable.

TABLE TWO
Facilities in the 7-C LTC Planning Area

Facility	City	HSA	Planning Area	Beds (1)	Occupancy (2)	Adjusted Time (3)	Star Rating (4)
Beacon Hill	Lombard	007	Planning Area 7-C	110	92.10%	0	5
Lexington Health Care Center-Lombard	Lombard	007	Planning Area 7-C	224	72.20%	2.3	1
Providence Of Downers Grove	Downers Grove	007	Planning Area 7-C	145	56.20%	6.9	4
Oak Brook Healthcare Centre	Oak Brook	007	Planning Area 7-C	156	65.10%	8.05	5
Lexington Of Elmhurst	Elmhurst	007	Planning Area 7-C	145	66.30%	11.5	5
Alden-Valley Ridge Rehab &Care	Bloomingdale	007	Planning Area 7-C	207	86.60%	12.65	3
Park Place Christian Community	Elmhurst	007	Planning Area 7-C	37	89.20%	13.8	5
Brookdale Plaza Lisle	Lisle	007	Planning Area 7-C	55	81.80%	13.8	2
West Suburban Nursing & Rehab Center	Bloomingdale	007	Planning Area 7-C	259	73.00%	14.95	1
Manorcare Of Hinsdale	Hinsdale	007	Planning Area 7-C	202	70.20%	14.95	3
Manorcare Of Westmont	Westmont	007	Planning Area 7-C	149	67.30%	14.95	2
Community Nsg & Rehab Center	Naperville	007	Planning Area 7-C	153	54.90%	16.1	4
Lexington Hlth Care Ctr-Bloomingdale	Bloomingdale	007	Planning Area 7-C	166	79.80%	17.25	5
Forest View Rehab & Nursing Center	Itasca	007	Planning Area 7-C	144	72.00%	18.4	2
The Springs At Monarch Landing	Naperville	007	Planning Area 7-C	96	56.10%	18.4	5
Wheaton Care Center	Wheaton	007	Planning Area 7-C	123	92.70%	18.4	1
Tabor Hills Healthcare Facility, Inc.	Naperville	007	Planning Area 7-C	211	75.30%	19.55	5
Wynscape	Wheaton	007	Planning Area 7-C	209	51.10%	19.55	4
Windsor Park Manor	Carol Stream	007	Planning Area 7-C	80	77.00%	20.7	5
Oak Trace	Downers Grove	007	Planning Area 7-C	160	62.70%	20.7	4
St. Patrick's Residence	Naperville	007	Planning Area 7-C	209	86.40%	20.7	5
Dupage Convalescent Center	Wheaton	007	Planning Area 7-C	368	87.90%	20.7	4
Elmhurst Extended Care Center	Elmhurst	007	Planning Area 7-C	108	60.50%	21.85	5
Alden Estates Of Naperville	Naperville	007	Planning Area 7-C	203	66.00%	21.85	3
Manor Care - Naperville	Naperville	007	Planning Area 7-C	118	57.40%	21.85	2
Meadowbrook Manor	Naperville	007	Planning Area 7-C	245	91.90%	21.85	Na

TABLE TWO
Facilities in the 7-C LTC Planning Area

Facility	City	HSA	Planning Area	Beds (1)	Occupancy (2)	Adjusted Time (3)	Star Rating (4)
Abbington Rehab & Nursing Ctr	Roselle	007	Planning Area 7-C	82	80.80%	21.85	4
Bria of Westmont	Westmont	007	Planning Area 7-C	215	65.30%	21.85	4
Elmbrook Nursing	Elmhurst	007	Planning Area 7-C	180	89.50%	23.00	4
West Chicago Terrace Nursing Home	West Chicago	007	Planning Area 7-C	120	92.20%	24.15	3
Burgess Square	Westmont	007	Planning Area 7-C	203	63.70%	24.15	5
Chateau Nursing & Rehabilitation Center	Willowbrook	007	Planning Area 7-C	150	87.10%	24.15	1
Bridgeway Christian Village Rehab & Snf	Bensenville	007	Planning Area 7-C	226	76.40%	25.3	1
Brookdale Burr Ridge	Burr Ridge	007	Planning Area 7-C	30	68.30%	26.45	4
Wood Glen Nursing & Rehab Center	West Chicago	007	Planning Area 7-C	213	83.60%	26.45	5
Winfield Woods Healthcare Center	Winfield	007	Planning Area 7-C	138	93.90%	28.75	5

1. Number of Beds as December 31, 2016 – IDPH LTC Survey
2. Occupancy as of December 31, 2016 – IDPH LTC Survey
3. Adjusted Time take from Map Quest and adjusted per 77 ILAC 1100.510 (d)
4. Star Rating taken from the Medicare Compare Website

BEACON HILL
2400 SOUTH FINLEY ROAD
LOMBARD, IL. 60148

Reference Numbers

Facility ID	6000772	
Health Service Area	007	
Planning Service Area	703	Planning Area 7-C
County	043	York Township

Administrator
Jim Standish

Contact Person and Telephone
Jim Standish
630-620-5850

Registered Agent Information
CT Corporation System
208 S. Lasalle St. Suite 814

Date Questionnaire Completed 3/6/2017

Continuing Care Retirement Community

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	0
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	1
Medicare Recipient	0
Mental Illness	1
Non-Ambulatory	0
Non-Mobile	0
Public Aid Recipient	0
Under 65 Years Old	0
Unable to Self-Medicate	0
Ventilator Dependent	1
Infectious Disease w/ Isolation	0
Other Restrictions	0
No Restrictions	0

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2016

Residents on 1/1/2016	104
Total Admissions 2016	144
Total Discharges 2016	145
Residents on 12/31/2016	103

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	3
Endocrine/Metabolic	0
Blood Disorders	0
*Nervous System Non Alzheimer	7
Alzheimer Disease	8
Mental Illness	38
Developmental Disability	0
Circulatory System	13
Respiratory System	5
Digestive System	2
Genitourinary System Disorders	5
Skin Disorders	0
Musculo-skeletal Disorders	8
Injuries and Poisonings	6
Other Medical Conditions	4
Non-Medical Conditions	4
TOTALS	103

Total Residents Diagnosed as Mentally Ill 38

Total Residents Reported as Identified Offenders 0

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

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED BEDS	MEDICAID CERTIFIED BEDS
Nursing Care	110	110	106	110	103	7	21	0
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		
TOTAL BEDS	110	110	106	110	103	7	21	0

FACILITY UTILIZATION - 2016

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

LEVEL OF CARE	Medicare Pat. days	Medicare Occ. Pct.	Medicaid Pat. days	Medicaid Occ. Pct.	Other Public Pat. days	Private Insurance Pat. days	Private Pay Pat. days	Charity Care Pat. days	TOTAL Pat. days	Licensed Beds Occ. Pct.	Peak Beds Set Up Occ. Pct.
Nursing Care	2904	37.8%	0	0.0%	0	541	31560	2071	37076	92.1%	92.1%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	2904	37.8%	0	0.0%	0	541	31560	2071	37076	92.1%	92.1%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2016

AGE GROUPS	NURSING CARE Male	NURSING CARE Female	SKL UNDER 22 Male	SKL UNDER 22 Female	INTERMED. DD Male	INTERMED. DD Female	SHELTERED Male	SHELTERED Female	TOTAL Male	TOTAL Female	GRAND TOTAL
Under 18	0	0	0	0	0	0	0	0	0	0	0
18 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 74	0	1	0	0	0	0	0	0	0	1	1
75 to 84	2	14	0	0	0	0	0	0	2	14	16
85+	13	73	0	0	0	0	0	0	13	73	86
TOTALS	15	88	0	0	0	0	0	0	15	88	103

BEACON HILL
2400 SOUTH FINLEY ROAD
LOMBARD, IL. 60148

Classification Numbers

Facility ID	6000772	
Health Service Area	007	
Planning Service Area	703	Planning Area 7-C
County	043	York Township

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	9	0	0	3	85	6	103
Skilled Under 22	0	0	0	0	0	0	0
Intermediate D		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	9	0	0	3	85	6	103

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	304	274
Skilled Under 22	0	0
Intermediate DD	0	0
Sheltered Care	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Asian	0	0	0	0	0
American Indian	0	0	0	0	0
Black	0	0	0	0	0
Hawaiian/Pacific Isl.	0	0	0	0	0
White	103	0	0	0	103
Race Unknown	0	0	0	0	0
Total	103	0	0	0	103

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	103	0	0	0	103
Ethnicity Unknown	0	0	0	0	0
Total	103	0	0	0	103

FACILITY STAFFING

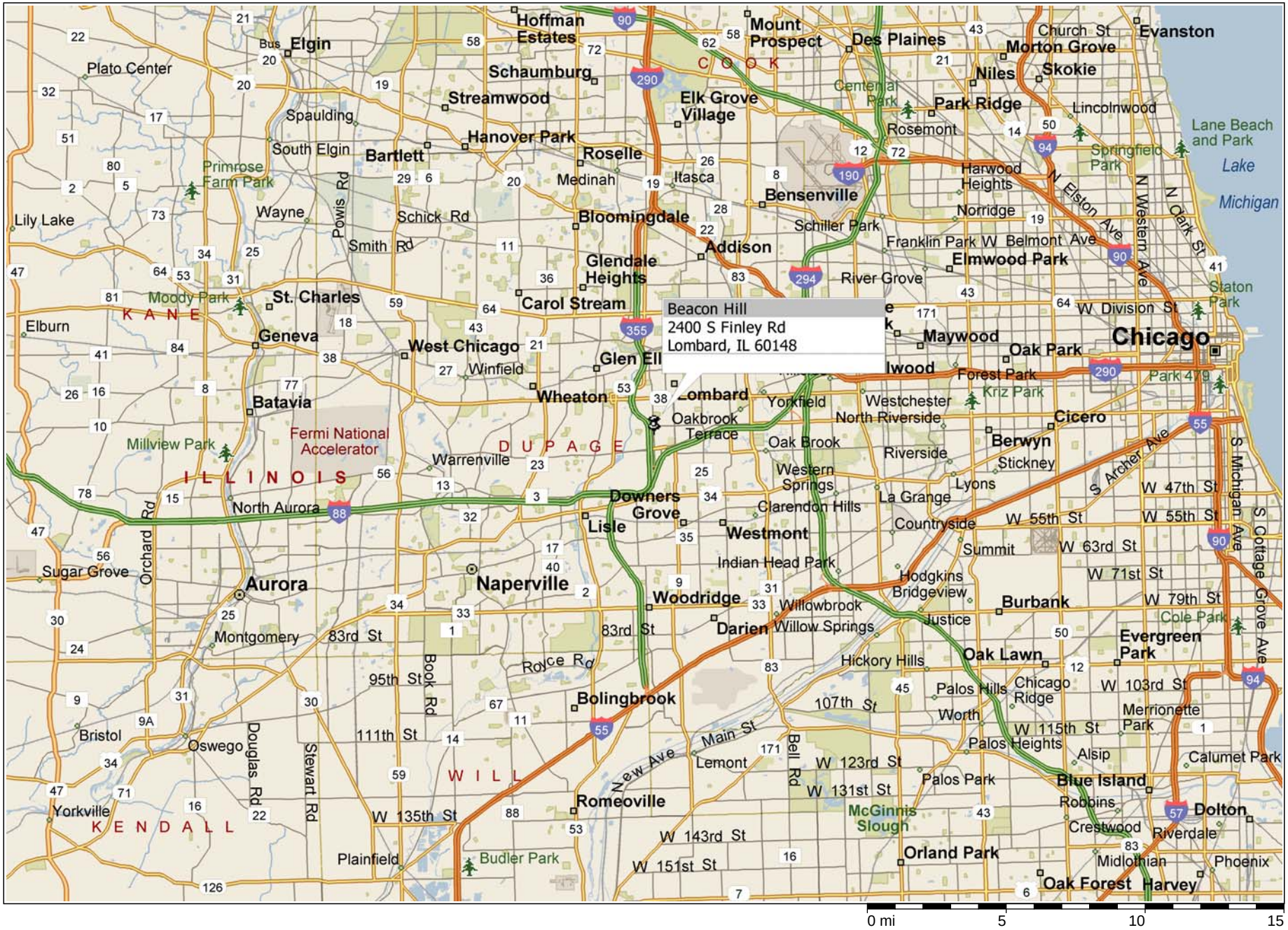
Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	22.00
LPN's	3.50
Certified Aides	42.00
Other Health Staff	2.00
Non-Health Staff	9.50
Totals	81.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
25.9%	0.0%	0.0%	4.9%	69.3%	100.0%		
1,594,119	0	0	300,387	4,268,340	6,162,846	101,445	1.6%

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

18-012 Beacon Hill - Lombard



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