



Fact Sheet

- Total available beds: 360
- Number of employees: 192
- The Winchester House Advisory Board, which consists of individuals with healthcare and financial expertise, conducted extensive analysis of Winchester House's operations, finances, market position, and other factors.
- The analysis showed that revenues remained relatively flat, while expenses increased. Revenue is threatened at the State and Federal levels due to proposed cuts to Medicare and Medicaid. Additionally, Winchester House is significantly above the market in the area of wages and benefits.
- The advisory board concluded that the existing financial model was not sustainable and a new Winchester House would not be able to operate within the approved property tax levy. The board submitted a recommendation to the county board to explore contracting with a private company to manage day-to-day operations, and control costs.
- The County Board approved issuing an invitation for private firms to submit bids in June 2011. The County received two bid responses – Health Dimensions Group (HDG) and Prism Healthcare.
- A review panel made up of representatives from the Winchester House Advisory Board, and key county personnel evaluated the responses and conducted site visits. The review panel identified HDG as the lowest responsive, responsible bidder and the panel recommended awarding a service contract to HDG.
- The recommendation will be discussed by the County Board's Health and Human Services Committee, as well as the Financial and Administrative Committee in September. The County Board is expected to vote on the agreement at its October 11 meeting.
- Winchester House will continue to operate and provide high quality of care under the management of a private operator. Lake County, through the Winchester House Advisory Board and the Health and Community Services Committee of the County Board, as well as the County Board itself, will maintain active oversight of Winchester House operations.

- Remaining in the current facility is not a feasible option because it is outdated and in need of repair. The estimated cost for repairs to the current facility is estimated at \$20 million, which would be extremely costly to taxpayers, as well as disruptive to Winchester House residents.
- Estimated total project cost of the new facility is \$36 million.
- If approved, the County will work with the new operator on facility specifications. It is estimated that the County will break ground on the new facility in early summer 2012, and the facility would likely open in late 2013.



History/Timeline:

1847-1942 – Lake County purchased the Winchester House property and operates the “Lake County Poor Farm” to provide services to Lake County’s indigent population.

1942 - A portion of the existing facility was originally constructed with a capacity of approximately 100 residents.

1959 - A two wing addition was added to the original building to increase the capacity to approximately 156 residents.

1970 - The current five story resident tower was constructed on the north side of the existing building, which increased the capacity of Winchester House to approximately 481 residents.

1982 – Lake County voters approve a referendum (with a 60% majority) authorizing a property tax levy amount of .025 to support the operations of Winchester House.

2005 - The County Board commissioned several studies relating to Winchester House's management and financial performance, its position in the skilled nursing services market, projections regarding future senior care demand, and the feasibility of a new facility.

2005 – Lake County hired Management Performance Associates (MPA) to conduct a study to evaluate the management and operations at Winchester House. MPA submitted a report titled “Winchester House Management Analysis” that aimed to clarify the management practices and procedures at Winchester House, along with an analysis and recommendations on policies and procedures for managing the facility.

2006 - MPA submitted a Market Study which included a plan to align Winchester House operations with the current and future markets, while better defining the mission of the facility.

2007- MPA submitted the “Winchester House Transition Plan” that identified the options related to maintaining a sustainable financial model. This study made recommendations on building a new facility, and the likely census size and mix that would contribute to a sustainable financial model.

2007 - The County Board established the Winchester House Advisory Board, made up of Lake County residents with extensive healthcare and financial expertise and two members of the County Board, to investigate and evaluate the financial feasibility of constructing a new facility within the parameters of the 1982 referendum.

2008 – MPA performed a Market Study Update to validate the size of a new facility to assure that the market will support the census requirements. This study recommended that the new facility be 175 beds.

2009 – MPA submitted a “Financial Operating and Capital Report” that provides a framework for a financial model, including such factors as potential facility size, cost, projected debt service costs, and issues related to moving toward resident centered care.

May 2011 – In order to continue the mission of Winchester House and remain a provider of skilled nursing care in Lake County, the Winchester House Advisory Board recommended that Lake County consider contracting with a private company to manage operations. The recommendation came after many months of evaluating the facility's operational performance, financial management, market position, and financial viability of a new facility.

May 2011 – The Lake County Health and Community Services Committee reviews recommendation from the Winchester House Advisory Board.

June 2011 – Lake County issued an invitation for private firms to submit bids. Two firms submitted bids which were reviewed by an ad hoc committee made up of representatives from the advisory board and county staff.

September 2011 - The ad hoc committee recommends awarding the contract to Health Dimensions Group. The County Board’s Health and Human Services Committee, as well as the Financial and Administrative Committee will discuss the recommendation and give direction.

October 2011 - The County Board approved the agreement at its October 11 meeting.