

# **Lake County Illinois**

*Lake County Courthouse and Administrative Complex  
18 N. County Street  
Waukegan, IL 60085-4351*



## **Agenda Report - Final**

**Tuesday, April 28, 2015**

**1:00 PM**

**Assembly Room, 10th Floor**

**Health and Community Services Committee**

1. Call to Order
2. Pledge of Allegiance
3. Approval of Minutes

3.1 [15-0416](#)

Minutes from January 6, 2015.

**Attachments:** [HCS Minutes 1 6 15 Final.pdf](#)

4. Added to Agenda
5. Public Comment
6. Old Business
7. New Business

**WINCHESTER HOUSE**

7.1 [15-0436](#)

Joint resolution authorizing a contract with Transitional Care Management (TCM), Rosemont, Illinois, for a three year term for the lease and replacement of Winchester House in an amount not to exceed \$6,714,433 and an emergency appropriation of \$1,931,957 for fiscal year (FY) 2015 for the one time payment of working cash.

- Following extensive research, the Winchester House Advisory Board recommended the issuance of a Request for Proposal (RFP) to solicit proposals from qualified entities in the private sector for leasing the existing Winchester House facility, becoming the licensee, and providing for a replacement facility by the end of the term of the lease.
- On July 8, 2014, the County Board directed the County Administrator's Office to publish a RFP for the purpose of evaluating the interest and feasibility of leasing the existing facility to a qualified vendor to operate the facility as the license holder and who shall provide for a privately operated replacement facility.
- A RFP was extended to 80 vendors, of which 12 requested documents and proposals were received from two vendors.
- An interdepartmental committee comprised of representatives from the Winchester House Advisory Board, the County Administrator's Office, State's Attorney's Office, and the Finance and Administrative Services Department evaluated the proposals.
- Based on the criteria set forth in the RFP, it has been determined that the proposal submitted by TCM, Rosemont, Illinois, is the most qualified and most favorable for Lake County.
- Pursuant to the terms of the lease agreement, TCM will lease the existing facility and will construct a replacement facility suitable to house the existing residents in a fully operational skilled nursing facility at the conclusion of the term of the agreement.
- The proposed agreement is for a three year term in an amount not to exceed \$6,714,433.
- The Winchester House Advisory Board unanimously approved the recommendation at its April 20, 2015 meeting.

- Funding for the FY2015 amount of \$1,099,521 is included in the FY2015 Annual Budget previously approved by the County Board with the remaining to be appropriated over the 3 year term.
- An emergency appropriation of \$1,931,957 is recommended for FY2015 for the one time payment of working cash.

**Attachments:** [Executive Summary of Lease and Management Agreement with TCM](#)

[Draft Lease](#)

**7.2**     **[15-0441](#)**

Joint resolution authorizing an Operations Transfer Agreement (OTA) with Transitional Care Management (TCM), Rosemont, Illinois, for the Lease and Replacement of Winchester House.

- Following the recommended approval of a contract for the lease and replacement of Winchester House an OTA is required for the orderly transition of the management and operations of the facility.
- Lake County has negotiated an OTA with the recommended vendor TCM, Rosemont, Illinois, to outline the necessary documentation and procedural requirements necessary to transfer the management of the operations of the facility.
- The OTA provides for a 90 day timeframe from the execution of the lease document and the initial start date of the management and operations of the facility to complete the transfer.
- It is recommended that the Purchasing Agent be hereby authorized and directed to execute the OTA upon execution of the lease.
- The Winchester House Advisory Board unanimously recommended approval of the OTA at its April 20, 2015 meeting.

**Attachments:** [Draft OTA](#)

**7.3**     **[15-0445](#)**

Joint resolution authorizing a professional services contract with Transitional Care Management (TCM), Rosemont, Illinois, for collection and management of past accounts receivables and annual cost reporting for Medicare and Medicaid for Winchester House in an amount not to exceed \$365,000.

- As part of the Request for Proposal for the lease and replacement of Winchester House, it is necessary to enter into a secondary professional services agreement for the collection and management of past accounts receivables for Winchester House.
- As part of its Best and Final Offer, TCM, Rosemont, Illinois, provided a 5 percent fee for tier one of the collection and management of past accounts receivables and a 35 percent fee for those identified as tier two.
- In addition, TCM has established a set annual fee of \$15,000 for the creation and filing of the annual cost reporting required for Medicare and Medicaid for Winchester House and a fee of \$125 per hour for any audit services required during the term of the agreement.
- The initial term of the agreement shall be for one year with the option for an additional four, one year renewals.
- It is estimated that the cost of the agreement would not exceed \$365,000 and would be finalized once the operations transfer has been completed and a final accounts receivable aging report is submitted to the County by the outgoing management

- company.
- It is recommended that the Purchasing Agent be hereby authorized and directed to execute the professional services agreement with TCM, Rosemont, Illinois, upon the completion of the operations transfer and receipt of the final accounts receivable aging report.
- The Winchester House Advisory Board unanimously recommended approval of the professional service contract at its April 20, 2015 meeting.

**Attachments:** [WH Post Closing Pricing](#)

8. **Executive Session**
9. **County Administrator's Report**
10. **Adjournment**