



## STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

<b>DOCKET NO:</b> H-02	<b>BOARD MEETING:</b> August 12, 2025	<b>PROJECT NO:</b> 25-006	<b>PROJECT COST:</b>
<b>FACILITY NAME:</b> Maple Avenue Kidney Center	<b>CITY:</b> Melrose Park	Original: \$665,992	
<b>TYPE OF PROJECT:</b> Substantive	<b>HSA:</b> VII		

**PROJECT DESCRIPTION:** The Applicant (Oak Park Kidney Center, LLC, d/b/a Maple Avenue Kidney Center, LLC) proposes to establish an 18-station ESRD facility located at 1111 Superior Street, Melrose Park, Illinois. The Applicant notes that the project is the second phase in the relocation of the Maple Avenue Kidney Center from its initial location in Oak Park, which is being discontinued via Project #25-004. The project's cost is \$665,992, with an expected completion date of December 31, 2025.

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION**

- The Applicant (Oak Park Kidney Center, LLC, d/b/a Maple Avenue Kidney Center, LLC) is proposing the establishment of an 18-station ESRD facility located at 1111 Superior Street, Melrose Park, Illinois. This transaction primarily involves the relocation of services and is accompanied by the discontinuation of services for Maple Avenue Kidney Center, Oak Park (Project #25-004). The project's cost is \$665,992, with an expected completion date of December 31, 2025.
- Oak Park Kidney Center, Oak Lawn, is an existing 18-station End Stage Renal Dialysis (ESRD) facility, located at 610 South Maple Avenue, Suite 4100, Oak Lawn. The existing facility and its equipment need modernization/expansion, and the Applicant is unable to negotiate an extended lease at the current location.

### **PURPOSE OF THE PROJECT:**

- The project's purpose for relocating the existing 18-station Maple Avenue Kidney Center facility is to support a growing patient census at the facility while maintaining the ability to serve patients from the geographic service area. The Applicant notes that there have been significant advances in in-center hemodialysis treatments, which improve effectiveness, safety, and the overall patient experience. The Applicant proposes to incorporate value-based care, focusing on patient-centered treatment effectiveness to ensure better health outcomes for patients while optimizing the use of healthcare resources. The proposed relocation will also provide the opportunity to expand its capacity to serve its patient base with additional stations and services, when needed. This enables the applicant to better meet their long-term planning goals for the service area. The Applicant notes that the project/facility will also result in a more collaborative approach to CKD management by building partnerships with local hospitals, nephrology practices, and community health organizations. The relocation of the Maple Avenue Kidney Center will further the Applicant's commitment to providing equitable access to high-quality dialysis care for Planning Area 07 and its medically underserved populations, including elderly patients and those experiencing socioeconomic barriers to dialysis services.

### **SUMMARY**

- There is a calculated excess of 81 ESRD stations in the HSA 7 ESRD Planning Area. Utilization in the 10-mile GSA with 50-ESRD facilities and 908 stations is 53.75% as of June 2025. There is a surplus of stations in this 10-mile GSA, and the existing facilities within the 10-mile GSA have sufficient capacity to accommodate the demand identified by the Applicants.

<b>Criterion</b>	<b>Non-Compliant</b>
77 Ill. Adm.. Code 1110.230 (b) (1) – Planning Area Need	As of June 30, 2025, there is a calculated excess of 81 ESRD stations in the HSA 7 ESRD Planning Area. The HSA VII ESRD Planning Area has a total of 1,516 stations with an average occupancy of approximately 55%. <b>(See Table at the end of this report)</b>
77 Ill. Adm.. Code 1110. 230 (c) (6) Unnecessary Duplication of Service	There is a surplus of ESRD stations within the 10-mile GSA, based on a comparison of the ratio of stations to population in the State of Illinois. Utilization in the 10-mile GSA with 50-ESRD facilities and 908 stations is 53.75% as of June 2025. <b>(See Table Four, page 12 of this report)</b>
77 Ill Admin, Code 1110.230(I) – Relocation of Facilities	The Applicant did not meet the State utilization standard (80%) for the four quarters before the submission of this application. (See Table Five)
77 Ill Admin, Code 1120.140(c) Reasonableness of Project Costs	The Applicant provided contingency costs that amount to 11.7% of the new construction cost, which exceeds the State standard of 10%



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## STATE BOARD STAFF REPORT

### Project #25-006

### Maple Avenue Kidney Center, Melrose Park

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Oak Park Kidney Center LLC, d/b/a Maple Avenue Kidney Center, LLC
Facility Name	Maple Avenue Kidney Center
Location	1111 Superior Street, Suite 204, Melrose Park, Illinois
Permit Holder	Oak Park Kidney Center LLC, d/b/a Maple Avenue Kidney Center, LLC
Operating Entity	Oak Park Kidney Center LLC, d/b/a Maple Avenue Kidney Center, LLC
Owner of Site	Lakeland Holdings 2020, LLC
Completion Date	December 31, 2025

### **I. Project Description**

The Applicant (Oak Park Kidney Center LLC, d/b/a Maple Avenue Kidney Center, LLC) is proposing the establishment of an 18-station ESRD facility located at 1111 Superior Street, Suite 204, Melrose Park, Illinois, as part of a relocation of an existing 18-station ESRD facility that will be discontinued via Certificate of Need Project #25-004. The project's cost is \$665,992, with an expected completion date of December 31, 2025.

### **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. State Board Staff finds the proposed project is **not** in conformance with the provisions of 77 ILAC 1120 (Part 1120).

### **III. General Information**

The Applicant is Oak Park Kidney Center LLC, d/b/a Maple Avenue Kidney Center, LLC. Oak Park Kidney Center LLC, d/b/a Maple Avenue Kidney Center, LLC, is jointly owned by Hamid Humayun, M.D. (66.7%) and Vaseem Qureshi, M.D (33.3%). This Application for Permit is subject to review under Part 1110 and Part 1120. Financial commitment will occur after permit approval.

Oak Park Kidney Center, LLC, operates under the assumed name of Maple Avenue Kidney Center, LLC. Oak Park Kidney Center, LLC, was organized in November 2021 as an Illinois-based limited liability company and adopted the assumed name in October 2022. Maple Avenue Kidney Center LLC is an independent physician-owned/operated entity with only one facility under its ownership structure. The existing facility, located at 610 South Maple Avenue, Oak Park, is limited in space and cannot accommodate future

renovations or expansions. The application for discontinuation of the existing facility is Project #25-004. There was no public hearing requested, and the State Board did not receive any letters of support or opposition.

**IV. Health Service Area**

**HSA 7 ESRD planning area** includes DuPage and Suburban Cook County. There is a calculated excess of 81 stations in this planning area. As of June 30, 2025, there are 1,520 stations and 82 ESRD facilities in this planning area.

**V. Project Uses and Sources of Funds**

The Applicant is funding this project with \$200,000 in cash and the fair market value of the lease, which is \$465,992. The Applicant is estimating a start-up and operating deficit of \$2,865,000.

<b>TABLE TWO</b>				
Project Uses and Sources of Funds				
Uses of Funds	Reviewable	Non-Reviewable	Total	% of Total
New Construction Contracts	\$85,000	\$55,000	\$140,000	21%
Contingencies	\$10,000	\$4,000	\$14,000	2.1%
Architectural and Engineering Fees	\$5,000	\$5,000	\$10,000	1.5%
Consulting and Other Fees	\$5,000	\$31,000	\$36,000	5.4%
FMV of Leased Space	\$326,194	\$139,798	\$465,992	70%
Total Uses of Funds	\$431,194	\$234,798	\$665,992	100.00%
Source of Funds				
Cash and Securities	\$105,000	\$95,000	\$200,000	30%
Leases	\$326,194	\$139,798	\$465,992	70%
Total Sources of Funds	\$431,194	\$234,798	\$665,992	100.00%

**VI. Background of the Applicant, Purpose of Project, Safety Net Impact Statement, and Alternatives – Information Requirements**

**A) Background of the Applicants**

The Applicant is Oak Park Kidney Center, LLC, d/b/a Maple Avenue Kidney Center, LLC. The Applicant attests that the Oak Park ESRD facility is the only healthcare facility under its ownership and that no adverse actions have been taken against this facility during the three years preceding the filing of this application. The Applicant also attests that there have been no individuals cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. The Applicant attests that no person has been charged with fraudulent conduct or any act involving moral turpitude, and certifies that they are not in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order, or directive of any court or governmental agency.

The Applicant has granted the HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to, official records of the DPH or other State agencies; licensing or certification records of different states, when applicable; and records of nationally recognized accreditation organizations.

**B) Purpose of the Project**

The Applicant states that the purpose of relocating the existing 18-station Maple Avenue Kidney Center facility is to support a growing patient census at the facility while maintaining the ability to serve patients from the geographic service area. The Applicant proposes to incorporate value-based care, focusing on patient-centered treatment effectiveness, to ensure better health outcomes for patients while optimizing the use of healthcare resources. The proposed relocation will also provide the opportunity to expand its capacity to serve its patient base with additional stations and services, when needed, which allows the Applicant to better meet their long-term planning goals for the service area. The relocation of the Maple Avenue Kidney Center will further the Applicant's commitment to providing equitable access to high-quality dialysis care for Planning Area 07 and its medically underserved populations, including elderly patients and those experiencing socioeconomic barriers to dialysis services.

**C) Safety Net Services**

According to the Applicants, this proposed relocation will have little to no impact on the essential safety net services in the community.

<b>TABLE THREE</b>			
Safety Net Impact Statement			
	2020	2021	2022
Medicaid			
Number of Outpatient	0	10	9
Medicaid Revenue	\$0	\$184,568	\$116,112
Charity Care			
Number of Outpatient	0	0	0
Net Patient Revenue	\$2,040,413	\$3,376,284	\$3,492,232
Cost of Charity Care	\$0	\$31,800	\$37,200
Amount of Charity Care	\$0	\$53,000	\$62,000

**D) Alternatives to the Proposed Project**

1. Maintain / Improve Facility in Current Location. No Financial Cost
  3. Utilize Other Existing Facilities. No Additional Cost
  3. Pursue a Different Project. Increased Costs
  4. Project as Proposed. \$665,992
- 1) The Applicants rejected the first alternative due to an inability to secure a long-term lease with the landlord of the property that would include much-needed infrastructure improvements.
  - 2) While the Applicant believes access to needed dialysis services is precedent, the referral of its patients to other globally based dialysis providers is not conducive to the core service principles of the Applicant and these facilities, which are not designed or equipped to provide patient-driven care, which the Applicant fully supports. Due to these variances in patient service values, the Applicant rejected this alternative.
  - 3) The Applicant notes having considered the option of establishing a replacement facility with more ESRD stations but rejected this alternative because they did not want to lead the State Board to the conclusion that this project was contemplated as a means to expand its service line, without having a defined patient base to justify sufficient operations.
  - 4) The Applicant expended significant resources to design a project that balanced the established regulations with the stated Board preferences to meet the needs of the patient population. The Applicant believes that the chosen option will provide services commensurate with their patient-driven directives while adhering to the established methodologies for ESRD services in the service area.

## **VII. Size of the Project and Projected Utilization**

### **A) Criterion 1110.120 (a) - Size of Project**

1) The applicant shall document that the physical space proposed for the project is necessary and appropriate. The proposed square footage cannot deviate from the square footage range indicated in Appendix B, or exceed the square footage standard in Appendix B if the standard is a single number, unless square footage can be justified by documenting, as described in subsection (a)(2).

The Applicants propose relocating an 18-station ESRD facility to a location with 6,500 square feet (4,000 square feet clinical and 2,500 square feet non-clinical), resulting in approximately 362 square feet per station. This appears reasonable when compared to the State Board Standard of 650 GSF per station. The Applicants have successfully addressed this criterion.

### **B) Criterion 1110.120 (b) - Project Services Utilization**

The applicant shall document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B. The number of projected years shall not exceed the number of documented historical years.

The Applicant reports treating 53 ESRD patients, serving 117 CKD 4/5 patients, and 126 CKD 2/3 patients at the Oak Park facility, which is being discontinued, resulting in an operational capacity of 49.07%. It is expected that existing patients will transfer to the new ESRD facility upon completion of the project. The application contains a patient referral letter from Dr. Hamid Humayan, M.D., the facility's Medical Director, agreeing to the referral of at least 29% of its current population of CKD 4/5 patients (34). If those patients materialize, the Applicants will serve a total of 87 ESRD patients by the second year after project completion, resulting in an operational capacity of 80.5% which is above the State Board's target occupancy of 80%. The Applicants have successfully addressed this criterion.

$$\left[ \begin{array}{l} 87 \text{ patients} \times 156 \text{ treatment per year} \div 18 \text{ stations} \times 936 \text{ treatments per station per year} \\ 13,572 \text{ treatments} \div 16,848 \text{ treatments} = 80.5\% \end{array} \right]$$



## VIII. In-Station Renal Dialysis

PROJECT TYPE	REQUIRED REVIEW CRITERIA
Establishment of Services or Facility	(b)(1) – Planning Area Need – 77 Ill. Adm.. Code 1100 (formula calculation)
	(b)(2) – Planning Area Need – Service to Planning Area Residents
	(b)(3) – Planning Area Need – Service Demand – Establishment of In-Center Hemodialysis
	(b)(5) – Planning Area Need – Service Accessibility
	(c)(1) – Unnecessary Duplication of Services
	(c)(2) – Maldistribution
	(c)(3) – Impact of Project on Other Area Providers
	(e) – Staffing
	(f) – Support Services
	(g) – Minimum Number of Stations
	(h) – Continuity of Care
	(i) – Relocation (if applicable)
	(j) – Assurances

### A) Criterion 1110.230 (b) (1) -Planning Area Need

The applicant shall document that the number of stations to be established or added is necessary to serve the planning area's population, based on the following:

#### 1) 77 Ill. Adm. Code 1100

- A) The number of stations to be established for in-center hemodialysis is in conformance with the projected station deficit specified in 77 Ill. Adm.. Code 1100, as reflected in the latest updates to the Inventory.
- B) The number of stations proposed shall not exceed the number of the projected deficit, to meet the health care needs of the population served, in compliance with the utilization standard specified in 77 Ill. Adm.. Code 1100.

The applicant proposes to establish an 18-station ERSD facility. Due to the discontinuation of 18 stations at the Applicant's current facility in Oak Park (CON Application #25-004), no additional stations will be added to the service area. The HSA VII ESRD Planning Area has a total of 1,520 stations with an average operational census of approximately 56%. The Applicant notes that the proposed facility is located in a designated healthcare shortage area. However, as of June 2025, there is a calculated excess of 81 ESRD stations in this planning area. Based on the most current station need information available to the State Board, the Applicants have not met the requirements of this criterion.

### 2) Criterion 1110.230 (b) (2) - Service to Planning Area Residents

- A) Applicants proposing to establish or add stations shall document that the primary purpose of the project will be to provide necessary health care 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.
- B) Applicants proposing to add stations to an existing in-center hemodialysis service shall provide patient origin information for all admissions for the last 12-month period, verifying that at

least 50% of admissions were residents of the area. For all other projects, applicants shall document that at least 50% of the projected patient volume will be from residents of the area.

C) Applicants proposing to expand an existing in-center hemodialysis service shall submit patient origin information by zip code, based upon the patient's legal residence (other than a health care facility).

The Applicant attests that approximately 80% of the patients reside within the 10-mile GSA (See pages 62-71 of the Application for Permit), and the Applicant provided a referral letter from Dr. Humayan, the Medical Director at Maple Avenue Kidney Center. The Doctor attests he has 117 CKD Level 4 and Level 5 patients in his practice, with 53 patients receiving dialysis services at the current facility. Dr. Humayan believes that at least 34 of the 117 CKD 4/5 patients will utilize the proposed new facility within the second year of its operation. Based upon the information submitted and reviewed the Applicants have met the requirements of this criterion.

### **3) Criterion 1110.230 (b) (3) - Service Demand – Establishment of In-Center Hemodialysis Service**

The number of stations proposed to establish a new in-center hemodialysis service is necessary to accommodate the service demand experienced annually by the existing applicant facility over the last 2-year period, as evidenced by historical and projected referrals, or, if the applicant proposes to establish a new facility, the applicant shall submit projected referrals. The applicant shall document subsection (b)(3)(A) and either subsection (b)(3)(B) or (C).

#### **A) Historical Referrals**

i) If the applicant is an existing facility, the applicant shall document the number of referrals to other facilities, for each proposed category of service, for each of the latest 2 years.

ii) Documentation of the referrals shall include patient origin by zip code; name and specialty of referring physician; name and location of the recipient facility.

#### **B) Projected Referrals**

The applicant shall provide physician referral letters that attest to:

i) The physician's total number of patients (by facility and zip code of residence) who have received care at existing facilities located in the area, as reported to The Renal Network at the end of the year for the most recent 3 years and the end of the most recent quarter.

ii) The number of new patients (by facility and zip code of residence) located in the area, as reported to The Renal Network, that the physician referred for in-center hemodialysis for the most recent year.

iii) An estimated number of patients (transfers from existing facilities and pre-ESRD, as well as respective zip codes of residence) that the physician will refer annually to the applicant's facility within 24 months after project completion, based upon the physician's practice experience. The anticipated number of referrals cannot exceed the physician's documented historical caseload.

iv) An estimated number of existing patients who are not expected to continue requiring in-center hemodialysis services due to a change in health status (e.g., the patients received kidney transplants or expired).

v) The physician's notarized signature, the typed or printed name of the physician, the physician's office address, and the physician's specialty.

vi) Verification by the physician that the patient referrals have not been used to support another pending or approved CON application for the subject services; and

vii) Each referral letter shall contain a statement attesting that the information submitted is true and correct, to the best of the physician's belief.

The Applicant notes that there are communities surrounding the ESRD facility that are designated as medically underserved areas, as defined by the Health Resources and Services Administration. The Applicant has provided a referral letter from Dr. Humayan, M.D., Medical Director of Maple Avenue Kidney Center, which provides historical patient

information regarding 117 patients with CKD levels 4 and 5 residing in the planning area. There are 53 patients currently receiving services at the existing facility who are expected to transfer to the proposed new facility. In his physician referral letter, Dr. Humayan predicts that 34 of the 117 patients with CKD 4/5 will utilize the new facility within the first year after project completion. According to the Applicants, this estimate takes into consideration attrition due to patient death, transplant, and return of proper kidney function. The Applicants have documented sufficient demand and have met the requirements of this criterion.

#### **5) Criterion 1110.230 (b) (5) - Service Accessibility**

The number of stations being established or added for the subject category of service is necessary to improve access for planning area residents. The applicant shall document the following:

**A) Service Restrictions**

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

- i) The absence of the proposed service within the planning area.
- ii) Access limitations due to payor status of patients, including, but not limited to, individuals with health care coverage through Medicare, Medicaid, managed care, or charity care.
- iii) Restrictive admission policies of existing providers.
- iv) 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, high infant mortality, 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.
- v) For purposes of this subsection (b)(5) only, all services within the established radii outlined in subsection (b)(5)(C) meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100.

**B) Supporting Documentation**

The applicant shall provide the following documentation concerning existing restrictions to service access:

- i) The location and utilization of other planning area service providers.
- ii) Patient location information by zip code.
- iii) independent time-travel studies.
- iv) A certification of waiting times.
- v) Scheduling or admission restrictions that exist in area providers.
- vi) An assessment of area population characteristics that document that access problems exist.
- vii) Most recently published IDPH Hospital Questionnaire.
- C) The travel radius for purposes of subsection (b)(5)(A)(v) is:
  - i) For applicant facilities located in the counties of Cook and DuPage, the radius shall be 5 miles.
  - ii) For applicant facilities located in the counties of Lake, Kane and Will, the radius shall be 10 miles.
  - iii) For applicant facilities located in the counties of Kankakee, Grundy, Kendall, DeKalb, McHenry, Winnebago, Champaign, Sangamon, Peoria, Tazewell, Rock Island, Monroe, Madison and St. Clair, the radius shall be 15 miles.
  - iv) For applicant facilities located in any other area of the State, the radius shall be 19 miles.

The Applicant notes the proposed ESRD facility is surrounded by areas designated as medically underserved. According to the June 2025 Inventory Update, there are 82 ESRD facilities in the HSA 7 ESRD Planning Area with a calculated excess of 81 stations and an average utilization of 54.75%. There is no absence of service in the planning area nor is there access limitations due to payor status of patients or restrictive admission policies of existing providers. There are 50 ESRD facilities within 10-miles of the proposed facility with a total of 908 stations and an average utilization of 53.75% (See Table Four).

The Applicants state “the proposed facility is located in a community that is surrounded by medically underserved areas (“MUA”) and the majority of the patients that benefit from the facility reside in these MUAs.” (See Application for Permit pages 72-77).

<b>TABLE FOUR</b> Facilities in the 5-mile GSA				
Facility	City	Stations	Utilization	Star Rating
US Renal Care Oakbrook Dialysis	Downers Grove	13	0.00%	3
Fresenius Kidney Care Downers Grove	Downers Grove	16	38.5%	4
Fresenius Kidney Care Willowbrook	Willowbrook	20	50%	5
Fresenius Kidney Care Lombard	Lombard	12	58.3%	3
DaVita Salt Creek Dialysis	Villa Park	12	47.2%	4
NxStage Kidney Care Oak Brook	Oak Brook	8	30%	3
Nocturnal Dialysis Spa	Villa Park	12	30%	N/A
US Renal Care Villa Park Dialysis	Villa Park	13	0.0%	3
Fresenius Kidney Care Elmhurst	Elmhurst	28	62.5%	3
Fresenius Kidney Care Westchester	Westchester	22	34%	3
Fresenius Kidney Care Des Plaines	Des Plaines	16	60.4%	3
Fresenius Kidney Care Summit	Summit	14	78.6%	2
Fresenius Kidney Care Midway	Chicago	12	69.4%	3
DaVita Cicero Dialysis	Cicero	12	51.4%	4
Brighton Park Dialysis	Chicago	16	71.9%	2
Fresenius Kidney Care Berwyn	Berwyn	30	51.1%	3
Fresenius Kidney Care Melrose Park	Melrose Park	18	64.8%	4
Fresenius Kidney Care North Avenue	Melrose Park	24	51%	5
Fresenius Kidney Care River Forest	River Forest	24	60.4%	4
Fresenius Kidney Care Norridge	Norridge	16	64.5%	4
Norwood Park Dialysis	Chicago	14	50%	2
Fresenius Kidney Care Oak Park	Oak Park	12	77.8%	4
Fresenius Kidney Care West Suburban	Oak Park	46	55.4%	3
Fresenius Kidney Care Cicero	Cicero	20	81.7%	3
Lawndale Dialysis	Chicago	16	74%	3
Fresenius Kidney Care Austin Community	Chicago	20	47.5%	1
Montclare Dialysis Center	Chicago	16	55.2%	3
DaVita Brickyard Dialysis	Chicago	12	58.3%	3
Fresenius Kidney Care West Belmont	Chicago	17	74.5%	2
Irving Park Dialysis	Chicago	12	70.8%	3
Fresenius Kidney Care North Kilpatrick	Chicago	28	64.8%	4
DaVita Big Oaks Dialysis Center	Niles	12	62.5%	3
SAH Dialysis Center at 26 <sup>th</sup> Street	Chicago	15	45.6%	3
DaVita Little Village	Chicago	16	71.8%	3
Fresenius Kidney Care Chicago Westside	Chicago	24	34.7%	3
Stroger Hospital Cook County Dialysis	Chicago	9	0.0%	2
University of Illinois Hospital Dialysis	Chicago	26	71.8%	3
Garfield Kidney Center	Chicago	24	63.9%	2

<b>TABLE FOUR</b> Facilities in the 5-mile GSA				
Facility	City	Stations	Utilization	Star Rating
Fresenius Kidney Care Humboldt Park	Chicago	34	60.8%	3
Fresenius Kidney Care West Metro	Chicago	12	40.3%	1
Fresenius Kidney Care Chicago	Chicago	21	58.7%	2
West Side Dialysis Center	Chicago	12	41.7%	3
Circle Medical Management, Inc.	Chicago	24	61.8%	2
Fresenius Kidney Care West Willow	Chicago	12	54.2%	2
DaVita Logan Square	Chicago	28	44%	3
Fresenius Kidney Care Logan Square	Chicago	16	59.4%	2
Fresenius Kidney Care Northcenter	Chicago	16	65.6%	3
DaVita Lincoln Park Dialysis	Chicago	22	37.1%	3
Nephron Dialysis Center	Chicago	16	83.3%	3
Total Stations/Average Utilization and Average Star Rating		908	53.75%	2.76

1. Shading identifies ESRD Facilities operating at a target occupancy of above.

**B) Criterion 1110.230 (c) - Unnecessary Duplication/Maldistribution**

1) The applicant shall document that the project will not result in unnecessary duplication. The applicant shall provide the following information:

A) A list of all zip code areas that are located, in total or in part, within the established radii outlined in subsection (c)(4) 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 population); and

C) The names and locations of all existing or approved health care facilities located within the established radii outlined in subsection (c)(4) of the project site that provide the categories of station service that are proposed by the project.

2) The applicant shall document 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, stations, and services characterized by such factors as, but not limited to:

A) A ratio of stations to population that exceeds one and one-half times the State average.

B) Historical utilization (for the latest 12-month period before submission of the application) for existing facilities and services that are below the utilization standard established under 77 Ill. Adm.. Code 1100; or

C) Insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards.

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 77 Ill. Adm.. Code 1100; and

B) Will not lower, to a further extent, the utilization of other area hospitals that are currently (during the latest 12-month period) operating below the occupancy standards.

4) The travel radius for purposes of subsection (c)(1) is:

A) For applicant facilities located in the counties of Cook and DuPage, the radius shall be 5 miles.

B) For applicant facilities located in the counties of Lake, Kane, and Will, the radius shall be 10 miles.

C) For applicant facilities located in the counties of Kankakee, Grundy, Kendall, DeKalb, McHenry, Winnebago, Champaign, Sangamon, Peoria, Tazewell, Rock Island, Monroe, Madison, and St. Clair, the radius shall be 15 miles.

D) For applicant facilities located in any other area of the State, the radius shall be 19 miles.

**Ratio of Stations to Population:** There are 25 zip codes within a 10-mile radius, with a total population of 509,854 residents. There are 908 stations in the GSA. The ratio of stations to population is 1 station per 562 residents within this 10-mile radius. The ratio of stations to population is 1 station per 2,578 residents in the State of Illinois. The ratio of stations to population in the 10-mile GSA is 1.5 times the ratio of stations to population in the State of Illinois. Based upon the comparison of the ratio of stations to population, there is a surplus of stations in this general service area.

**Facilities:** There are 50 ESRD facilities within the GSA, with 908 stations, and an average utilization of 53.75% (See Table Four). Only two of the 50 ESRD facilities in the GSA are operating at the target occupancy of 80%. There are underutilized ESRD facilities in this 10-mile GSA that can accommodate the demand identified by the Applicants.

**Impact:** The Applicant states all the identified patients for the proposed facility are either current patients or will result from referrals from Dr. Humayan and are on a pre-ESRD list. According to the Applicants, no patients will be transferred from any other existing dialysis facilities. The Applicants believe the proposed dialysis facility will not lower utilization of other area providers that are operating below the target utilization standard, and this relocation will not result in any changes to the HSA 7 station inventory.

**C) Criterion - 1110.230 (e) - Staffing**

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and The Joint Commission staffing requirements can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed employment applications, or a narrative explanation of how the proposed staffing will be achieved.

**Staffing:** Dr. Hamid Humayan, M.D., will serve as the Medical Director for Maple Avenue Kidney Center, Melrose Park. A copy of the physician's curriculum vitae has been provided as required, and the staffing matrix will consist of 3 rotating licensed Nephrologists. The Applicants state that at all times, the facility will maintain a patient-to-staff ratio of at least 4 to 1 on the treatment floor. An RN will be on duty at all times that the unit is in operation. The State Board Staff relies on the fact that the facility will be certified for Medicare and Medicaid participation, ensuring the appropriate staffing, support services, and continuity of care.

**D) Criterion 1110.230 (f) - Support Services – Review Criterion**

An applicant proposing to establish an in-center hemodialysis category of service must submit a certification from an authorized representative that attests to each of the following:

- 1) Participation in a dialysis data system.
- 2) Availability of support services consisting of clinical laboratory service, blood bank, nutrition, rehabilitation, psychiatric, and social services; and
- 3) Provision of training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training provided at the proposed facility, or the existence of a signed, written agreement for provision of these services with another facility.

The Applicant provided the necessary attestation that the facility will participate in a dialysis data system, will have available support services consisting of clinical laboratory service, blood bank, nutrition, rehabilitation, psychiatric and social services, and patients

will have access to training for self-care dialysis, self-care instructions and home dialysis and peritoneal dialysis (See page 83 of the Application for Permit).

**E) Criterion 1110.230 (g) - Minimum Number of Stations**

The minimum number of in-center hemodialysis stations for an End Stage Renal Disease (ESRD) facility is:

- 1) Four dialysis stations for facilities outside an MSA.
- 2) Eight dialysis stations for a facility within an MSA.

The Applicant will meet the minimum number of stations, eight, within the Chicago-Naperville-Joliet-Gary, IL-IN-WI, Metropolitan Statistical Area (MSA) with the establishment of an 18-station facility. The applicant proposes 18 stations at the new location. The Applicant has successfully addressed this criterion.

**F) Criterion 1110.230 (h) - Continuity of Care**

An applicant proposing to establish an in-center hemodialysis category of service shall document that a signed, written affiliation agreement or arrangement is in effect for the provision of inpatient care and other hospital services. Documentation shall consist of copies of all such contracts.

The Applicant provided an affiliation agreement with Resilience Healthcare-West Suburban Medical Center, as required on pages 86-90 of the Application for Permit.

**G) Criterion 1110.230 (i) - Relocation of Facilities – Review Criterion**

This criterion may only be used to justify the relocation of a facility from one location within the planning area to another within the same planning area. It may not be used to explain the addition of any new stations. A request for relocation of a facility requires the discontinuation of the current category of service at the existing site and the establishment of a new category of service at the proposed location. The applicant shall document the following:

- 1) That the existing facility has met the utilization targets detailed in 77 Ill. Adm.. Code 1100.630 for the latest 12-month period for which data is available; and
- 2) That the proposed facility will improve access to care for the existing patient population.

As shown in the Table below, the applicant's 18-station facility did not achieve target occupancy or above for the past four quarters, according to the most recent information available from the State Board. The Applicants believe the proposed facility will improve access to care in the GSA. Based upon the information provided and reviewed the Applicants have not met the requirements of this criterion.

<b>TABLE FIVE</b>					
Maple Avenue Kidney Center, Oak Lawn					
	2024	2024	2025	2025	
	September 2024	December 2024	March 2025	June 2025	Average
Stations	18	18	18	18	18
Patients	53	48	59	50	52.5
Utilization	49%	44.4%	54.6%	46.3%	48.6%
Standard	80%	80%	80%	80%	80%

**H) Criterion 1110.230 (j) - Assurances**

The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that:

- 1) By the second year of operation after the project completion, the applicant will achieve and maintain the utilization standards specified in 77 Ill. Adm.. Code 1100 for each category of service involved in the proposal; and
- 2) An applicant proposing to expand or relocate in-center hemodialysis stations will achieve and maintain compliance with the following adequacy of hemodialysis outcome measures for the latest 12-month period for which data are available:
  - ≥ 85% of the hemodialysis patient population achieves a urea reduction ratio (URR) of ≥ 65%, and ≥ 85% of the hemodialysis patient population achieves a Kt/V Daugirdas II of 1.2.

The Applicants have provided the necessary assurance that they will achieve a target occupancy of 80% within two years of operation and that the quality measures identified by the State Board will be met at the proposed facility. The Applicants have provided the required assurance on page 91 of the Application for Permit.

**VIII. Financial Viability and Economic Feasibility**

**A) Criterion 1120.120 – Availability of Funds**

The Applicant is funding this project with \$200,000 cash and the fair market value of the lease totaling \$465,992. The Applicant is estimating a start-up and operating deficit of \$2,865,000. The Applicant provided a copy of the lease for the new building, a letter from Chase Bank indicating their willingness to finance the \$200,000 allocated for this project, and tax returns from 2023 that establish financial viability. The Applicants consider this financial information confidential and have not posted it on the State Board's website. Still, it has been included in the information forwarded to the State Board Members. Based on the Board Staff's review of the statements, the Applicants have sufficient cash to fund the proposed project and operate the proposed facility.

**B) Criterion 1120.130 - Financial Viability**

**a) Financial Viability Waiver**

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

- 1) all project capital expenditures, including capital expended through a lease, are entirely funded through internal resources (cash, securities, or received pledges); or  
HFSRB NOTE: Documentation of internal resources availability shall be available as of the date the application is deemed complete.
- 2) the applicant's current debt financing or projected debt financing is insured or anticipated to be insured by Municipal Bond Insurance Association Inc. (MBIA) or its equivalent; or  
HFSRB NOTE: MBIA Inc. is a holding company whose subsidiaries provide financial guarantee insurance for municipal bonds and structured financial projects. MBIA coverage is used to promote credit enhancement, as MBIA would pay the debt (both principal and interest) in case of the bond issuer's default.



3) The applicant provides a third-party surety bond or performance bond letter of credit from an A-rated guarantor (insurance company, bank, or investing firm) guaranteeing project completion within the approved financial and project criteria.

The Applicants have qualified for the financial waiver.

**A) Criterion 1120.140 (a) - Reasonableness of Financing Arrangements**

**B) Criterion 1120.140 (b) - Conditions of Debt Financing**

Applicants with projects involving debt financing 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 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.

The Applicants are leasing the proposed site from a related party (Lease at Application for Permit pages 93-101), a reasonableness of financing letter (application, p. 102), and a letter from Chase Bank that indicates their willingness to extend a \$200,000 line of credit (application, p. 103).

**C) Criterion 1120.140 (c) - Reasonableness of Project and Related Costs Criterion**

The Applicants shall document that the estimated project costs are reasonable and shall document compliance with the following:

**New Construction Costs** are \$85,000, or \$21.25 per square foot ( $\$85,000 \div 4,000 = \$21.25$ ). This appears reasonable when compared to the State Board Standard of \$342.14 per GSF.

**Contingency Costs** are \$10,000 or 11.7% of the new construction. This appears high when compared to the State Board Standard of 10%.

**Architectural and Engineering Fees** are \$5,000 or 5.3% of new construction and contingency fees. This appears reasonable when compared to the State Board Standard of 9.75%-14.63%.

The State Board does not have a standard for these costs.

Consulting and Other Fees	\$5,000
FMV of Leased Space	\$326,194

**D) Criterion 1120.140 (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 costs refer to the fully allocated expenses for salaries, benefits, and supplies related to 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.

The Applicant stated that the operating cost per treatment is \$265, and the net revenue is \$350 per treatment. The Applicant has met the requirements of Projected Operating Costs and the Total Effect of the Project on Capital Costs.

<b>Table Six</b> <b>Projected Financial Performance</b> <b>Maple Avenue Kidney Center</b>		
<b>Category</b>	<b>Year 1</b>	<b>Year 2</b>
<b>Revenue</b>		
Commercial	\$1,550,000	\$1,600,000
Medicare	\$900,000	\$940,000
Medicare Advantage	\$1,150,000	\$1,200,000
Medicaid	\$30,000	\$35,000
Medicaid Risk	\$300,000	\$320,000
Total Current Revenue	\$3,735,000	\$3,895,000
<b>Expenses</b>		
Personnel Costs	\$1,500,000	\$1,550,000
Medical Supplies	\$575,000	\$600,000
Fixed Expenses	\$280,000	\$290,000
Other Expenses	\$510,000	\$520,000
Total Operating Expenses	\$2,865,000	\$2,960,000
<b>Net Operating Income</b>		
Total Net Revenue/Total Operating Expenses	\$870,000	\$935,000
Net Operating Income EBITDA	\$910,000	\$975,000
<b>Per Treatment Metrics</b>		
Net Revenue Per Treatment	\$340	\$350

Total Operating Costs Per Treatment	\$260	\$265
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<b>TABLE SEVEN</b> <b>Dialysis Facilities in the HSA VII ESRD Planning Area</b>					
<b>ESRD Facility</b>	<b>Ownership</b>	<b>City</b>	<b>Stations</b>	<b>Utilization</b>	<b>Star Rating</b>
ARA-South Barrington Dialysis	ARA	S. Barrington	14	35.71%	4
Neomedica Dialysis Ctrs - Evanston	DaVita	Evanston	20	73.33%	3
RCG-South Holland	DaVita	South Holland	24	67.36%	3
Olympia Fields Dialysis Center	DaVita	Matteson	24	34.03%	2
Country Hills Dialysis	DaVita	Country Club Hills	24	36.81%	2
Hazel Crest Dialysis	DaVita	Hazel Crest	20	48.33%	3
Arlington Heights Dialysis	DaVita	Arlington Heights	18	35.19%	2
Chicago Heights Dialysis	DaVita	Chicago Heights	16	34.38%	3
Buffalo Grove Dialysis	DaVita	Buffalo Grove	16	59.38%	3
Schaumburg Dialysis	DaVita	Schaumburg	22	34.85%	4
Stony Creek Dialysis	DaVita	Oak Lawn	14	58.33%	3
Harvey Dialysis	DaVita	Harvey	18	38.89%	1
Big Oaks Dialysis	DaVita	Niles	12	56.94%	5
Palos Park Dialysis	DaVita	Orland Park	12	55.56%	2
DaVita Chicago Ridge	DaVita	Worth	16	41.67%	1
DaVita Tinley Park	DaVita	Tinley Park	12	69.44%	3
Calumet City Dialysis	DaVita	Calumet City	16	80.21%	3
DaVita Salt Creek Dialysis	DaVita	Villa Park	12	37.50%	2
DaVita Geneva Crossing Dialysis	DaVita	Carol Stream	14	63.10%	3
DaVita Oak Meadows Dialysis	DaVita	Oak Lawn	12	33.33%	4
DaVita Melrose Village	DaVita	Melrose Village	12	40.28%	1
DaVita Rutgers Park Dialysis	DaVita	Woodridge	12	37.50%	1
DaVita Cicero Dialysis	DaVita	Cicero	12	43.06%	4
DaVita Glenview Dialysis	DaVita	Glenview	16	63.54%	4
Dialysis Care Center of Oak Lawn	DCC	Oak Lawn	12	77.38%	2
Dialysis Care Center of Olympia Fields	DCC	Olympia Fields	24	47.22%	2
Dialysis Care Center Hazel Crest	DCC	Hazel Crest	12	91.67%	1
Dialysis Care Center Evergreen Park	DCC	Evergreen Park	16	55.21%	1
Dialysis Care Center Vollmer	DCC	Chicago Heights	16	69.79%	1
Downers Grove Dialysis Center	Fresenius	Downers Grove	16	42.71%	3
Oak Park Dialysis Center	Fresenius	Oak Park	12	90.28%	4
Elk Grove Dialysis Center	Fresenius	Elk Grove Village	28	54.17%	3
Central DuPage Dialysis Center	Fresenius	West Chicago	16	56.25%	2
Fresenius Medical Care South Suburban	Fresenius	Olympia Fields	27	51.23%	3
Fresenius Medical Care Westchester	Fresenius	Westchester	22	42.42%	4
Fresenius Medical Care Northwest	Fresenius	Norridge	16	66.67%	3
Neomedica Dialysis Ctrs. - Rolling Meadows	Fresenius	Rolling Meadows	24	59.72%	3
West Suburban Hosp. Dialysis Unit	Fresenius	Oak Park	46	59.78%	4

<b>TABLE SEVEN</b> <b>Dialysis Facilities in the HSA VII ESRD Planning Area</b>					
<b>ESRD Facility</b>	<b>Ownership</b>	<b>City</b>	<b>Stations</b>	<b>Utilization</b>	<b>Star Rating</b>
FMC Berwyn	Fresenius	Berwyn	30	51.67%	3
Dialysis Center of America - Crestwood	Fresenius	Crestwood	24	43.75%	2
Blue Island Dialysis Ctr	Fresenius	Blue Island	28	48.21%	2
Fresenius Medical Care South Holland	Fresenius	South Holland	24	85.42%	2
Fresenius Medical Care Evergreen Park	Fresenius	Evergreen Park	30	42.78%	2
Fresenius Medical Care Hoffman Estates	Fresenius	Hoffman Estates	20	56.67%	3
Fresenius Medical Care Orland Park	Fresenius	Orland Park	18	45.37%	4
Glenview Dialysis Center	Fresenius	Glenview	20	45.83%	4
Fresenius Medical Care Melrose Park	Fresenius	Melrose Park	18	62.04%	5
Lutheran General - Neomedica	Fresenius	Niles	32	38.02%	4
North Avenue Dialysis Center	Fresenius	Melrose Park	24	56.94%	4
Fresenius Medical Care Hazel Crest	Fresenius	Hazel Crest	16	59.38%	2
Fresenius Medical Care Elmhurst	Fresenius	Elmhurst	28	71.43%	4
Fresenius Medical Care Glendale Heights	Fresenius	Glendale Heights	29	56.32%	3
RCG Skokie	Fresenius	Skokie	14	77.38%	3
RCG - Mid America Evanston	Fresenius	Evanston	14	63.10%	2
Alsip Dialysis Center	Fresenius	Alsip	20	49.17%	3
FMC Dialysis Services of Willowbrook	Fresenius	Willowbrook	20	43.33%	4
FMC Dialysis Services - Burbank	Fresenius	Burbank	26	48.08%	3
FMC Lincolnwood	Fresenius	Lincolnwood	16	30.21%	4
Fresenius Medical Care Merrionette Park	Fresenius	Merionette Park	24	81.94%	3
Fresenius Medical Care of Naperville North	Fresenius	Naperville	21	44.44%	4
Fresenius Medical Care of West Chicago	Fresenius	West Chicago	12	65.28%	5
Fresenius Medical Care of Deerfield	Fresenius	Deerfield	12	36.11%	3
Fresenius Medical Care -Lombard	Fresenius	Lombard	12	59.72%	2
Fresenius Medical Care Palatine	Fresenius	Palatine	17	88.24%	5
Fresenius Medical Care Steger	Fresenius	Steger	18	38.89%	3
Fresenius Medical Care River Forest	Fresenius	River Forest	24	56.94%	4
Fresenius Medical Care Cicero	Fresenius	Cicero	20	88.33%	3
Fresenius Medical Care Oak Forest	Fresenius	Oak Forest	12	93.06%	3
Fresenius Medical Care Des Plaines	Fresenius	Des Plaines	16	65.63%	3
NxStage Oak Brook	Fresenius	Oak Brook	8	25.00%	2
Fresenius Medical Care Lemont	Fresenius	Lemont	12	40.28%	1
Fresenius Medical Care Summit	Fresenius	Summit	14	71.43%	2
Fresenius Medical Care Chicago Heights	Fresenius	Chicago Heights	12	38.89%	2
Fresenius Medical Care Schaumburg	Fresenius	Schaumburg	16	54.17%	5
Fresenius Kidney Care Mount Prospect	Fresenius	Mount Prospect	16	76.04%	4
Fresenius Medical Care Woodridge	Fresenius	Woodridge	12	36.11%	4
Loyola Dialysis Center	Loyola	Maywood	30	61.11%	3

<b>TABLE SEVEN</b> <b>Dialysis Facilities in the HSA VII ESRD Planning Area</b>					
<b>ESRD Facility</b>	<b>Ownership</b>	<b>City</b>	<b>Stations</b>	<b>Utilization</b>	<b>Star Rating</b>
USRC Streamwood Dialysis	USRC	Streamwood	13	38.46%	4
USRC Oak Brook	USRC	Downers Grove	13	55.13%	3
US Renal Care Hickory Hills	USRC	Hickory Hills	13	57.69%	4
US Renal Care Villa Park	USRC	Villa Park	13	67.95%	3
Maple Avenue Kidney Center		Oak Park	18	54.63%	1
Nocturnal Dialysis		Villa Park	12	15.28%	NA
			1,516	54.57%	2.96

Maple Avenue Ki...  
1111 Superior St  
Melrose Park, IL  
60160  
Relocate

Maple Avenue Ki...  
610 S Maple Ave  
Oak Park, IL 60304  
Discontinuation