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Transcript of Open Session Meeting

Date: January 15, 2019
Case: State of Illinois Health Facilities and Services Review Board

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ILLINOIS DEPARTMENT OF PUBLIC HEALTH

HEALTH FACILITIES AND SERVICES REVIEW BOARD

OPEN SESSION - MEETING

Bolingbrook, Illinois 60490

Tuesday, January 15, 2019

9:09 a.m.

BOARD MEMBERS PRESENT:

RICHARD SEWELL, Chairman

SENATOR DEANNA DEMUZIO

MARIANNE ETERNO MURPHY

JOHN MC GLASSON, SR.

RON MC NEIL

Job No. 223637A

Pages: 1 - 191

Reported by: Melanie L. Humphrey-Sonntag,

CSR, RDR, CRR, CRC, FAPR

ALSO PRESENT:

COURTNEY AVERY, Administrator

JEANNIE MITCHELL, General Counsel

MICHAEL CONSTANTINO, IDPH Staff

ANN GUILD, Compliance Manager

GEORGE ROATE, IDPH Staff

C O N T E N T S

C O N T E N T S C O N T I N U E D

C O N T E N T S C O N T I N U E D

P R O C E E D I N G S

CHAIRMAN SEWELL: We're going to call the meeting to order, give everyone a chance to find their seats.

So let's have a roll call, George.

MR. ROATE: Thank you, sir.

Senator Demuzio.

MEMBER DEMUZIO: Here.

MR. ROATE: Ms. Hemme is absent.

Mr. Johnson is absent.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, sir.

MR. ROATE: Dr. McNeil.

MEMBER MC NEIL: Present.

MR. ROATE: Ms. Murphy.

MEMBER MURPHY: Here.

MR. ROATE: Chairman Sewell.

CHAIRMAN SEWELL: Here.

MR. ROATE: Thank you.

That's five in attendance.

CHAIRMAN SEWELL: Thank you.

I want to make a change in the agenda to move the approval of the agenda to this point.

So can I have a motion to approve the

January 15, 2019, meeting agenda?

MEMBER DEMUZIO: Approved.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: Any discussion?

(No response.)

CHAIRMAN SEWELL: All in favor, voice vote, aye.

(Ayes heard.)

CHAIRMAN SEWELL: All right.

So now we are going to go into executive session.

Can I have a motion to go into closed session pursuant to Section 2(c)(1), 2(c)(5), 2(c)(11), and 2(c)(21) of the Open Meetings Act?

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: All in favor?

(Ayes heard.)

CHAIRMAN SEWELL: So we're going to ask our guests to, for a short time, leave the room, and we'll let you know when the executive session

has ended.

(At 9:10 a.m. the Board adjourned into executive session. Open session proceedings resumed at 9:25 a.m. as follows:)

CHAIRMAN SEWELL: All right. Let's come back in order.

We're down to 4B, settlement agreements.

St. Paul's Home. We need a motion to approve the amendment to the consent agreement in the Health Facilities and Services Review Board No. 15-10 on St. Paul's Home.

MEMBER MC NEIL: So moved.

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: A second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: Do you need a roll call?

MS. MITCHELL: Yeah, I think we should do a roll call.

CHAIRMAN SEWELL: Can we have a roll call?

MR. ROATE: Yes, sir.

Senator Demuzio.

MEMBER DEMUZIO: Yes.

MR. ROATE: Mr. McGlasson.

MEMBER MC GLASSON: Yes.

MR. ROATE: Dr. McNeil.
MEMBER MC NEIL: Yes.
MR. ROATE: Ms. Murphy.
MEMBER MURPHY: Yes.
MR. ROATE: Mr. Murphy -- or I'm sorry -- Mr. Sewell.
CHAIRMAN SEWELL: Yes.
MR. ROATE: 5 in the affirmative.
CHAIRMAN SEWELL: All right.
MS. MITCHELL: Scandal.
CHAIRMAN SEWELL: I know.
That's approved.
Okay. For the University of Illinois Medical Center, we're going to move that to the March meeting.
May I have a motion to have the administrator be the signatory to the amendments to consent agreement in the absence of a Board Chair.
May I have a motion on that.
MEMBER MC NEIL: So moved.
CHAIRMAN SEWELL: Is there a second?
MEMBER DEMUZIO: Second.
CHAIRMAN SEWELL: And we can have a voice

vote on that?

MS. MITCHELL: Yeah.

CHAIRMAN SEWELL: All in favor, aye.

(Ayes heard.)

CHAIRMAN SEWELL: Opposed?

(No response.)

CHAIRMAN SEWELL: Okay. It is established.

Let's go to -- okay -- approval of transcripts.

May I have a motion to approve the December 4, 2018, meeting transcript.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All in favor, aye.

(Ayes heard.)

CHAIRMAN SEWELL: Opposed?

(No response.)

CHAIRMAN SEWELL: It is approved.

Now we have a presentation by the National Kidney Foundation, insurance coverage for dialysis.

MS. MITCHELL: Can I have the Board members sit across the way like last time?

(An off-the-record discussion was held.)

MS. CRAIG: Thanks so much for having us today.

We are going to start by introducing ourselves. I'm Megan Craig. I'm the director of programs and interim co-CEO of the National Kidney Foundation of Illinois. We're here to talk about insurance.

So Brian O'Dea is going to do most of the speaking.

MR. O'DEA: Hi. I'm Brian O'Dea. I'm a board member and treasurer for the National Kidney Foundation of Illinois. I'm a certified medical practice executive, a CPA licensed to practice in Illinois, and I'm the administrator for one of the largest and oldest nephrology groups in the United States.

DR. PECK: Hi there. I'm Dr. Andrew Peck. I'm one of the nephrologists in the Mount Prospect region. I've been practicing as a nephrologist for eight years.

MR. O'DEA: I'd like to thank Chairman Sewell and the Board members for having us in to speak this morning. I think we know what we're

supposed to do. I just hope we can keep it interesting for you.

Insurance coverage for dialysis was a topic that you asked us to cover, so I'm going to start with a little bit of history.

Dialysis was an experimental therapy, and it was a controversial therapy when it first was starting to come into rather regular use in the 1960s. A lot of nephrologists didn't want to put money into dialysis because it's not a cure for the disease. It doesn't cure the disease, but it's a renal replacement therapy that's going to keep the patients alive, so it is a lifesaving therapy.

Illinois recognized that this was an important therapy for its citizens. Because of the scarcity of dialysis, there were actually panels that would decide who would get dialysis and who would not get dialysis. There could be -- a clergy member, social worker, members of the community, a nephrologist, and folks with other comorbidities in the late '60s, early '70s couldn't get dialysis. They were considered too sick to absorb this precious resource.

Illinois was very forward-thinking, and in about 1970 they budgeted about $2 million to pay for dialysis for the citizens of Illinois. They thought that would take care of the issue. Not really. It costs about $2 million to keep one dialysis unit open those days.

In 1972, in front of Congress in Washington, DC, a couple of dialysis patients dialyzed on the floor of Congress, showing that this is a safe, patent procedure that nobody's questioning the efficacy of, and Congress expanded coverage of Medicare for folks who were diagnosed with end stage renal disease, ESRD. So the only two ways you can get on Medicare right now, I think, are to achieve your 65th birthday or be diagnosed with ESRD.

Because of the expansion and, I think, the compassion and the foresight of the Congress, this has gone from an experimental, rare, tough therapy to get to something that is accessible to most people in the United States. So if you are diagnosed with ESRD in this country, I believe you will be dialyzed, regardless of your circumstances.

Right now, fast-forwarding to today, Medicare covers about 85 percent of the folks who are on renal replacement therapies; Medicaid, about 4 percent of the folks; private insurance, about 10; and self-pay or no pay or folks who just don't qualify for anything, about 1 percent.

Medicare doesn't really -- Medicare has kind of an informal -- what I would say -- this is more an opinion, so there will be some opinions sprinkled through here -- doesn't really pay for what it costs to provide a dialysis treatment.

If you look at the published notes of the large dialysis corporations, the big behemoths out there, Fresenius and DaVita, you'll see in their public records it costs them about 250, $260 to provide a dialysis treatment in a fully formed, populated unit.

Medicare pays about $235 per treatment, so they know that they're cost-shifting to the private insurers. The private insurers will pay more than that, and I think it's kind of a bargain that they've struck with Medicare.

After 30 months on private insurance -- say you have private insurance with Blue Cross or

at Aetna; pick your poison -- after 30 months they can -- what's called -- cross you over into Medicare so they don't have to keep you on private insurance for the length of the disease. And because of that bargain, private insurers know that they're going to be paying more to help shift the cost from the taxpayers to the private insurers.

Self-pay or no pay, it's always been -- I can only speak to our experience and to the experience of NANI, and we have never refused any patient for ability to pay. As a matter of fact, we try to keep that blinded from the physicians and keep that blinded from even our staff so there is no question about this.

We realize that if folks don't get dialyzed and folks don't get care, the outcome is dire, and we don't want that to ever enter into somebody's -- we don't want economics, whether it's the cost of drugs or anything else, to enter into the thinking of the physicians, so we try to keep that blinded.

We've had a hard time with some of the dialysis companies in taking folks who don't have

insurance. We've tried to negotiate deals with them that says, "Okay. We'll put one in DaVita, then we'll put one in Fresenius," and that's been very difficult for us to negotiate.

But by and large, as I said earlier, in this country I believe, despite your circumstances, you can receive renal replacement therapy.

Commercial payers -- I should have put on that bullet point, also, Medicare -- see dialysis patients as high cost and they are. I think in Medicare -- in Medicare dialysis patients are about 1 or 2 percent of the Medicare population and they're about 8 to 10 percent of the cost, of the total outlay for Medicare. And that's not just for dialysis, though. Most people with dialysis these days have a lot of comorbidities. They've got other things wrong with them, and they spend time in the hospital as well as being on dialysis, and the cost of care for these patients -- really, what I think are the sickest of the sick -- is very high. But it's a decision, again, that we have made, and I think it was the right decision.

Commercial payers and CMS are looking at ways to cut costs right now. CMS' Center for Innovation has come up with advanced alternative payment models, which are different ways to pay dialysis providers and physicians -- and, again, dialysis providers and physicians are not always aligned. Despite they often come in front of your Board together, they're not always aligned in the way that they want to approach the treatment and dialysis or approach the patient population or approach the folks -- the citizens of Illinois.

The advanced alternative payment models are trying to take -- are trying to change us from a fee-for-service model where a physician or dialysis provider gets paid for each time they see a patient or each time they provide a dialysis treatment -- which some folks think that incentivizes them to have more volume, you know, to see more people but -- to have more dialysis treatments -- to pay for performance.

Pay for performance, it's a -- speaking from our experience -- our group was one of the original six ESCOs which is an advanced alternative payment model in the country -- that's

an ESRD seamless care organization -- where we took on risk for dialysis patients.

They assigned us about 2500 dialysis patients who were in the Medicare program and said, "This is what we think it's going to cost to take care of them. If you can take care of them for a lower cost with a superior quality outcome" -- this isn't denying care. This is what I was concerned about when the program was first presented to us, it would be something like the HMOs back in the '90s where they would say, "Okay. You can't go see the doctor."

This is exactly the opposite of that where, if a nephrologist expands the care not just focusing on the kidney but making sure that the diabetes is treated, all the other comorbidities are treated to keep patients out of the hospital, keep them healthier, then we can save the entire system money.

The advanced alternative payment model for ESRD patients, the ESCO, was a great success in the first year, was a success in the second year. We've entered 2019 and it sunsets in 2020, but I think they're going to come up with a new

program or what they call ESCO 2 and that's going to continue.

Some of the commercial payers have seen the success of this, and commercial payers are coming out with their own pay-for-performance advanced alternative payment models, and some of the large dialysis organizations are pushing something called the PATIENTS Act, which is trying to work its way through Congress, which would be a codified experiment in pay for performance.

The American Kidney Patients and the American Society of Nephrologists have come out against the PATIENTS Act because they feel that it puts too much power into the hands of the LDOs and it doesn't incentivize transplants the way that the American Kidney Patients would like to see transplants incentivized.

And insurance companies now are entering the market. They see the cost of what it costs for their dialysis patients, and we have seen early blueprints of some insurance companies that are looking at opening up their own dialysis units and trying to put patients in their units despite the distance that it might take the patient to go

to those units.

So that's the pressure on the current payment system and the changes that I see that are going right now.

I tend to talk really fast. I'm from New York originally, so if I'm going too fast, please ask questions. I'll stop here to see if there are any.

MEMBER MC GLASSON: Yes, please.

You mentioned the $235 Medicare payment.

MR. O'DEA: Yes, approximately.

MEMBER MC GLASSON: Does that vary from site to site? Do you do cost reports to have an effect on the reimbursement for that individual center?

MR. O'DEA: It can vary. I don't have complete information on this.

I don't know -- I know there are cost reports that the LDOs put in, and I think they get reimbursed for patients that aren't paid correctly. I think that might be a Medicaid cost report, but I could be confused there.

You do get paid a little bit more for comorbidities. So if CMS has a patient that is

more complex, more difficult, that they will -- they will increase that payment then.

But I don't think, even with a very complex patient, that that payment is going to eclipse what it costs to provide -- what it costs the LDOs to provide the payments.

Do you want to --

DR. PECK: I can speak to that more specifically.

I think that's an average. I would imagine that, by unit, it probably does vary.

I think from our perspective it's interesting to add that, you know, payment of dialysis is important from a sort of global perspective for it to exist in the first place, but our priority is always focusing on the individual care of each patient, so regardless of the cost or ability to pay, that sort of care is our priority.

MEMBER MC GLASSON: Thank you.

MEMBER MC NEIL: How about on proactive medicine? Let's look at the patients themselves and -- what can we do proactively, having met with an endocrinologist last week, cardiologist, and a

kidney transplant surgeon -- there's a progression and namely from diabetes, which is a disease from the top down, eyes, then the kidneys.

And what can we do to back it up for intervention on the front end, as you say, as we go through the process?

MR. O'DEA: I think education is very important, and that's one of the key roles of the National Kidney Foundation of Illinois.

We have a KidneyMobile that we fund -- and the State of Illinois helps us fund that -- where we go out to areas, we test people and try to tell them whether or not they are at risk for CKD, which is the precursor to end stage renal disease, chronic kidney disease. It's a silent killer. You don't feel bad until you feel bad, and then it's kind of too late.

We do outreach to primary care physicians and endocrinologists. Our doctors will go at lunchtime and do lunch and learns and say, "These are the lab values that you need when you should refer the patient to the nephrologist" -- and we try to assure the doctors that we don't want to take over the care of the patient; we just want to

care for the kidney and can help keep the patient healthy.

But I think one of the issues is -- that I'm concerned about -- is our culture is to keep residual kidney function going. It's like I -- it's a little -- and this is a CPA talking medicine, so please take it with a very big grain of salt.

But it's a little bit like eyeglasses where, if you put somebody on dialysis too early, then their residual kidney function can go away, and I think that can be the worst thing. And if there's pressure for an unneeded unit, to try to fill it up, then I worry about that sometimes. But let me give you a real physician to answer that question.

DR. PECK: But, no, I think you're absolutely right. Sort of earlier management of diabetes, of hypertension -- this is our main goal in the office.

So, predialysis, this is our focus, to maintain kidney function for as long as possible, really use dialysis as a final, you know, last-ditch effort to save lives because it's not

anything that anyone wants to go through, but for people that need it, it is lifesaving.

MEMBER MC NEIL: Now, the national statistic is about five years on dialysis, is the average life span. It takes about 3.1 years to get a kidney.

DR. PECK: Uh-huh. Or longer.

MEMBER MC NEIL: And then for -- or longer. But that's average.

Then if you look at -- if a person doesn't change their behavior and gets a new kidney, then what happens?

So there's an entire process that you're dealing with there, I would think.

DR. PECK: Yeah.

I think the transplant university centers are really good at identifying who's a good candidate for that. A kidney transplant is also not a cure for kidney failure. It's another form of renal replacement therapy with medications and follow-up that's needed and, like you said, adherence to a new medical protocol.

So, yes, it does require close follow-up.

MS. CRAIG: And just to add a more

national perspective, the National Kidney Foundation has -- just last week, actually -- come out with new guidelines and a new program to help inform primary care physicians of when to refer to nephrology because there is a large -- we saw a large gap between being referred too early, so the nephrologist kind of referred right back to primary care, or, much more commonly, referring too late.

There were signs of serious kidney issues for a while -- protein in the urine, things that we look for early on -- and the primary care physicians weren't referring because they maybe didn't recognize it as as much of an issue and weren't keeping close enough track of the steady decline -- because it is usually a steady decline -- with exceptions. There are sometimes when it's just -- the kidney function falls off instantaneously -- or very quickly.

But with these new guidelines and this new program, we are hoping that across the country and in Illinois we'll be able to refer people earlier to do things like preemptive transplants where people don't go on dialysis at all, which improves

the long-term function of the transplanted kidney, as well.

So we are working on it. We see the gap, we see the issue, and we're trying to solve it.

CHAIRMAN SEWELL: Doesn't Medicare pay for care for people diagnosed with ESRD regardless of their age?

MR. O'DEA: Yes.

MS. CRAIG: However, the same is not true for transplant. So transplant centers generally will not take patients over a certain age.

MR. O'DEA: That's one of the issues that we're working on with the Renal Physician Association political action committee, is to get drugs -- transplant rejection drugs paid for for the life of the transport. They're only paid for for a certain period of time now and then they stop being paid for.

So you can get somebody a transplant, they can get their drugs covered by insurance until a date certain -- I'm sorry; I think it's two years or three years --

MS. CRAIG: It's three years.

MR. O'DEA: Three years. Thank you.

-- and then they lose their insurance coverage. And folks who can't afford their drugs then lose their kidneys. It's terrible.

MEMBER MC NEIL: So we're talking about two things. We're talking about monetary cost, you being a CPA, and then we're talking about human suffering and death within a given period -- well, for everybody -- a shorter period of time.

But the -- we've heard a number of like $97,500 a year for dialysis. Is that a true number?

MR. O'DEA: I've heard it -- that's at the high end of the range that I've heard. There are different folks who have looked at this and done studies.

I think it's closer to 83. You can figure for -- it's about 36,000 for dialysis treatment, and for the nephrologists -- an ESRD patient under a nephrologist's care, if the nephrologist sees him 4 times a month, 12 months a year, they'll receive about $3,000 for that effort.

The dialysis company -- if they -- if a patient gets dialyzed, say, 144 times a year -- would receive about $33,000 from CMS, and the rest

of that is hospitalization costs.

And I think that's why the advanced alternative payment models have recognized this. They feel, if nephrologists can take on more of the care rather than just -- you know, they're specially trained in the kidney and taking care of the kidney. If they could expand that and take care of the other comorbidities and help keep the patient out of the hospital, we could save the system a lot of money.

MEMBER MC NEIL: How about --

MR. O'DEA: Those costs are a lot higher for commercial payers --

THE COURT REPORTER: I'm sorry. Excuse me one second.

(An off-the-record discussion was held.)

MR. O'DEA: And the costs that I quoted are higher for in -- for commercial payers. These are Medicare costs now that we're talking about.

THE COURT REPORTER: Thank you.

MEMBER MC NEIL: As a nephrologist, then, versus going in three times a week for approximately four hours per session versus in-home seven days a week, difference in cost and

difference in effectiveness.

DR. PECK: Costs I don't know that I can speak to.

I think the main benefit is lifestyle. Patients who have to go someplace three times a week, like you said, for three to four hours sort of start viewing that as a part-time job; whereas, being able to be patient driven, providing most of your own care at home, sort of allows them to take ownership of that, to be more independent.

So we find that those patients do better, perhaps in part because they are so motivated and have taken ownership and sort of recognized that being an active participant in their care allows them to do better and be more independent and stay out of the hospital. So it's sort of a different population to a degree.

But, yeah, I'm not sure I can speak to the costs of those two.

MR. O'DEA: As far as the costs, if you just look at what it costs the system to take care of somebody who's on home therapy versus in-center therapy, the studies that I've seen, it's cheaper for somebody that's on home therapy.

Now, I'm not sure about the cart and the horse here because you have to be fairly healthy; you have to have a big enough home to keep all the supplies. Often, if you're -- especially if you're going to be on home hemo, you're going to need a partner to help you with the therapy.

So are these folks who are more interested in their health to begin with and are healthier because of that? Or is it the home therapy that's making them more healthy?

CMS is trying to encourage home therapies. If you put somebody on in-center hemo, CMS will not pay you for the first 90 days, but they'll pay you from Day One if somebody is on home therapy.

MEMBER MC NEIL: Could we provide, as a society, more help for those who would do in-home, rather than letting them do it all themselves but having a technician come in to help them X number -- would that be another way of dealing with it?

DR. PECK: I think the loss in that -- in having an individual, you know, actually go to a home to provide that -- you lose out on some of the efficiencies of being able to provide it

in-center. So I can't remember what the ratios are, but, you know, if you can have one nurse overseeing like two to four patients, that's different than having someone have to go to each patient's individual homes. I think the costs associated with doing it that way would be much higher.

I think part of the reason maybe costs at home are less is because they're sort of able to take on more of that role and to take that active role.

MR. O'DEA: I believe there's been some local coverage determinations with Medicare, too, that says if somebody -- if they're paying for the dialysis treatment at home, they will not also pay for a home caregiver. Some of them say they want one or the other.

MEMBER MC NEIL: We've heard a number like 67,000 at home or 60-some thousand at home versus 97- or 83-, as you say, so there is about a 25 percent gap there, somewhere in that neighborhood.

MR. O'DEA: I think that's largely the hospitalizations.

MEMBER MC NEIL: Oh.

DR. PECK: And that's another good point. The patients who are doing it in-home are faring better and staying out of the hospital more often, and so costs are lower associated with taking care of those folks since they're staying home more often.

MS. CRAIG: But, again, there's a difference in the kind of patient, in general, who is capable of and willing to do home hemo or home peritoneal dialysis.

DR. PECK: Certainly.

MR. O'DEA: What we're hoping for, too, is the new ESCO from CMS, that we're going to expand it -- that CMS will choose to expand and go back into CKD so that we can start looking at these patients not only when their kidneys have failed and they aren't being dialyzed but there can be incentives for the nephrologists to take care of CKD patients and keep them off of dialysis.

We don't want to see any incentive for somebody to feel like they have to fill up a center that is -- you know, may or may not have a need.

The financial stakeholders -- I think we kind of have gone over this. Hopefully, we're not taking up too much of your agenda. I think the dialysis providers are very good at what they do. They have great quality outcomes.

Really, I think they are both very, very good operators, the two big ones and the midtier ones, too. These are folks that care about the patients and want to make sure that the patients get good care.

The suppliers -- the folks who supply the machines and the drugs and everything else -- are financial stakeholders, the physicians, the payers, the patients, and, of course, I left off the citizens because, you know, as taxpayers, I think we are -- you know -- we are all responsible and have a financial stake in this disease, also.

MS. CRAIG: That's it. We're out of slides.

MS. MITCHELL: Thank you.

CHAIRMAN SEWELL: Thank you very much.

MR. O'DEA: Thank you, Mr. Chairman.

DR. PECK: Thank you.

(An off-the-record discussion was held.)

- - -

CHAIRMAN SEWELL: Okay. We're going to reconvene, and it's the point on the agenda for public participation.

Jeannie.

MS. MITCHELL: May I have the first group come up for Project 18-037, Cicero Dialysis.

Yolanda Gonzalez, Regina McPheeters, Felicia Rivera, Evelyn Shumate, and Amber White.

You will be given two minutes each to speak, and you do not have to speak in the order in which you were called. You can speak in any order. And when you begin your -- before you begin your comments, if you can spell your name for the benefit of the court reporter, that would be great.

And if you have handwritten comments, if you could please give it to Mike Constantino --

Mike, can you raise your hand?

Right there. And that's also for the benefit of the court reporter so that she can make sure that she types everything you say correctly.

Thank you.

MEMBER MC GLASSON: Again, this was -- what group are we talking on?

MS. MITCHELL: Cicero Dialysis, Project 18-037.

MEMBER MC GLASSON: Thank you.

MS. GONZALEZ: My name is Yolanda Gonzalez, and I support DaVita Cicero Dialysis.

Life is hard for people with kidney failure. We, as Hispanics, are vulnerable to it, and it hurts our poor the most, people already struggling to survive.

Mexicans here are adopting the American way of life. My son José Orduna is a university professor who studies immigration, and he calls this situation acculturation. This seems like a good thing, but the American diet has been bad for the health of Mexicans who are at a high risk of diabetes.

Due to cultural barriers and lack of access to care, poor people often wait to get care until their sickness is irreversible. Kidney failure affects Hispanics and African-Americans at rates far more than it affects the general public. Nearly 70 percent of people in Cicero are minorities. 94 percent of the patients at the Cicero Avenue clinic, which is full, are black or

Hispanics.

As you know, dialysis is not easy. It is a struggle to be well, to pay for care, to find transportation, to get to the clinic three times a week, to balance your illness with your life and your job. All of this is much, much harder when there are not enough dialysis treatment times. This is the case in Cicero.

Put yourself in the position of these patients. If you do miss a session, you cannot always make the treatment up, so the toxins build in your body and you may be hospitalized. It is so unnecessary with providers like DaVita ready to meet the demand.

Please approve Cicero Dialysis.

CHAIRMAN SEWELL: Thank you.

MS. RIVERA: Felicia Rivera, F-e-l-i- --

MS. MITCHELL: Can you please use the microphone?

MS. RIVERA: Sorry.

F-e-l-i-c-i-a. Last name, Rivera, R-i-v-e-r-a.

I'm Felicia Rivera. And as a Puerto Rican whose community is disproportionately affected by

kidney disease, I am here to support the DaVita's planned Cicero clinic.

The Health Impact Collaborative of Cook County study is a collaborative west suburban effort including local health departments and --

THE COURT REPORTER: Use the microphone, please.

(An off-the-record discussion was held.)

MS. RIVERA: -- other social service agencies spearheaded by Loyola Medical Center.

Loyola collected health to show that there are many health and social issues affecting people's health in Cicero. The study emphasizes that social and structural determinants of health, such as poverty, unequal access to community resources, unequal education funding and quality, racism, and environment are root causes of health inequities. These inequities create health disparities and impact access to screening and preventative health services. Overall, Cicero fares worse on most of the indicators than all of suburban Cook County as a whole.

We have the most basic problems like food insecurity. Many Cicero kids don't eat lunch --

or don't get lunch on days that they don't go to school, yet they are also obese due to limited food choices.

Loyola set obesity and access to care as priorities, but it is not clear that they have made progress due, in part, to the State budget cuts impacting access. Of tens of thousands lacking access, only 600 people a year get primary care with the Loyola Access to Care program.

Also, Loyola is working to get more people enrolled in Medicaid, but the State, to say it nicely, is slow to process applications for eligible poor people.

Adding a clinic in Cicero is essential. This is especially true for Puerto Ricans who, with assimilation, stray from their more healthy native diets. People suffering from health inequities need better access. With schedule availability, some miss work for appointments, many have unreliable cars --

MR. ROATE: Two minutes.

MS. RIVERA: Thank you.

MS. SHUMATE: My name is Evelyn Shumate -- E-v-e-l-y-n; Shumate spelled S-h-u-m-a-t-e -- and

I urge you to approve DaVita's proposed dialysis clinic in Cicero.

Kidney disease has affected my family in more ways than one, and I hope that by sharing my story, it will help you to understand the importance of dialysis access for patients.

As you may know, Hispanic and African-American individuals are impacted by kidney disease more than any other group in the United States. Relatedly, we are also disproportionately impacted by hypertension, diabetics, and lupus that often lead to kidney disease, and health care's adversely impacted by lack of income, education, and health insurance.

This is a serious problem, and there is no simple solution. With kidney transplants there is a major shortage of kidneys available, and there are also serious complications that can develop. Our family tragedy: My sister had a transplant but died from cancer caused from her antirejection drugs. My mom's kidney does not work. Dialysis is sparing her life, but it is only an option for her if she has help getting to her appointments.

I take her to her appointments every

Friday. Thank God I have other family to share this responsibility with, and I am also lucky that my job as a home care aide accommodates this routine so I don't lose wages. From my house to my mom's house and to dialysis is well over an hour one way. Even with our best efforts and her treatments, my mother is frequently hospitalized.

For many people when something comes up -- a car breaks down, a coworker needs coverage, the patient wakes up feeling very ill, or life somehow otherwise gets in the way -- people miss treatments. When clinics are full, they cannot make these treatments up, and they are often hospitalized again. These costly hospitalizations can be avoided with better access to dialysis care.

The difference to my mom's health and the health of others in her community would be night and day if there were additional dialysis options close to her home and with better treatment time and availability.

Please approve Cicero Dialysis to help families like mine. We really need this in the

neighborhood.

MS. WHITE: Hello. My name is Amber White, A-m-b-e-r W-h-i-t-e, and I'm a registered nurse at Methodist Hospital. I ask you to please approve DaVita's proposed dialysis clinic in Cicero.

Throughout my career as a nurse, I've seen many disease processes and how they affect the kidneys. Some of the more notable disease processes affecting the kidneys are leading to renal failure such as autoimmune diseases like lupus, nephritis, hypertension, and Type 2 diabetes.

According to DialysisPatients.org, there are currently 18,147 people on dialysis in the state of Illinois. According to the US Renal Data System, of all 50 states, end stage renal disease is most prevalent in the state of Illinois.

Due to the alarming disparity, the supply of clinics compared to the population is in the bottom one-third of all states. And as long as there continues to be people who are noncompliant in treating their hypertension, Type 2 diabetes, and autoimmune diseases like lupus, centers like Cicero Dialysis will continue to be an important

component of the community of Cicero and other communities across the country to serve the ever-growing population of dialysis patients.

As a health care provider, I can, too, serve the people in the community through educating them about how, in addition to being compliant with their dialysis treatment, they can also improve their overall health by cutting out high cholesterol, high-fat processed foods out of their diet, engaging in exercise three or four times per week, getting rid of soda and other high fructose food and drinks, controlling their diabetes and hypertension by eating a cardiac-friendly diet that includes plenty of fruits and vegetables while also following the medication regimen prescribed by their health care provider, assuming they are fortunate enough to have a primary care provider.

Until we, as individuals, become more accountable for our state of health and well-being by becoming more proactive instead of reactive about our kidney function, communities across the country like Cicero will continue to rely on clinics developed by DaVita and other providers

because clinics like DaVita provide quality care and empower patients to take critical steps to improve clinical outcome and each patient's quality of life.

MR. ROATE: Two minutes.

MS. WHITE: Thank you.

CHAIRMAN SEWELL: Thank you.

MS. MITCHELL: The next group --

THE COURT REPORTER: Wait.

MS. MITCHELL: Oh, sorry. My apologies.

MS. MC PHEETERS: I was distracted.

Regina McPheeters, R-e-g-i-n-a M-c-P-h-e-e-t-e-r-s. I'm Regina McPheeters and I support the proposed DaVita Cicero Dialysis clinic.

Many Cicero residents are poor, and they don't have access to a regular doctor, which is essential to provide -- preventing chronic illnesses that cause kidney failure, mainly diabetes and hypertension. Cicero is designated by the Federal government as a low-income health professional shortage area.

I lost my mother-in-law to kidney failure, and I have a family friend, only 35, who is obese

and was recently diagnosed with diabetes and hypertension. He does not have health insurance, so he delayed seeking treatment, and now his condition has become serious and he's at risk for renal failure. This is the sad reality for so many people living in Cicero, which also has a higher demand for kidney care due to the demographics of the community.

While it wasn't opened long ago, the one clinic in Cicero is full. So unless organ donation becomes mandatory -- which we know that won't happen -- transplants simply will not be a viable option to address the demand for care. This clinic will go a long way to addressing the current demand for Cicero residents, and they will be fortunate to receive their care with DaVita if this Board approves its plan.

Your job today is important. Please don't take your responsibility -- the responsibility lightly and vote yes for the DaVita Cicero Dialysis clinic.

Thank you.

CHAIRMAN SEWELL: Thank you.

MS. MITCHELL: Next group, for

Project 18-039, Fresenius Kidney Care Grayslake, Leon Sujata, Bill Brennan, and Laura Pone.

Laura, I think you're for this project, but if you're not for this project, just please say which project you're speaking on behalf of.

And, again, when you begin -- before you begin your remarks, if you could spell your name for the court reporter, and you each will have two minutes.

DR. SUJATA: Good morning. My name is Dr. Leon Sujata, L-e-o-n S-u-j-a-t-a. I'm a nephrologist with NANI and the medical director of the DaVita Lake County facility in Vernon Hills.

My facility is only a 20-minute drive from the proposed Fresenius Grayslake facility. I also have a chronic kidney disease clinic in Grayslake, approximately half a mile from the proposed site. I am here to testify in opposition to the proposed Grayslake facility.

As you may recall, I appeared before you previously to discuss the service area and the excess stations that currently exist. According to your calculations, approximately 55 stations -- excess stations -- exist in this HSA. To my

knowledge, this is the highest excess in the state of Illinois.

I know you will hear a lot about excess stations, but I'd like to provide you with a more clear picture of what this means for providers like myself who are practicing medicine and treating patients in the area.

Too many stations spread out over too many facilities actually harms everyone. It's bad for doctors, staff, economics, and for maintaining quality care and, most importantly, the patients. In the past my colleague, Dr. Din, another medical director with DaVita, has also spoken on this issue.

I know the area and I can confidently state that there is no additional need for stations in Grayslake. I can tell you that there are open stations at my unit and nearby Fresenius in Mundelein which are nowhere near the State's target utilization rate. There are other facilities that have been approved but are not yet open. In addition, there's another facility nearby that recently opened. Adding more at this point doesn't make sense.

Approving this would further exacerbate capacity issues that the facilities in the area face and would ultimately affect patient care available to those that need it. Practically speaking, one of the major issues in Lake County currently is finding an adequate number of staff to staff these new clinics. We're already having trouble finding experienced dialysis nurses. By spreading more patients over more clinics, we need more nurses --

MR. ROATE: Two minutes.

DR. SUJATA: Thank you again for hearing me, and I urge you to oppose the Fresenius Grayslake application.

MS. PONE: Good morning. My name is Laura Pone, P-o-n-e, and I oppose the proposed Fresenius Grayslake facility.

The proposed facility is 20 minutes away from the DaVita Lake Villa location that has capacity and is only 15 minutes away from the DaVita North Dunes facility which is not slated to open until 2020 and will be able to accommodate the patients identified in this application.

The recent approval of the North Dunes

facility at your October meeting marked the third dialysis facility to open in the Waukegan area next door to Grayslake.

There are many reasons why this application is different than the North Dunes facility. The North Dunes facility targeted Waukegan, a highly populated area and one of the most population-dense communities within the planning area. Grayslake has 20,000 residents, Waukegan 90,000.

The North Dunes facility received comprehensive support from community stakeholders like Vista Health System, area family health centers, as well as political and business leaders. The Grayslake application has only seen support from a handful of practitioners in the planning area.

Your staff report shows an excess of 55 stations in the HSA. In this HSA there are eight facilities already operating and North Dunes, which has not even been constructed yet. There are shifts and stations that are available for new patients in existing facilities. For anyone to state otherwise would be a

misrepresentation of the facts.

I appreciate how this Board gives people in the community the chance to appear before you and describe what you have only read about in the application. The insight is invaluable and the opportunity is meaningful.

Quite simply, there's not a need for an additional facility in the planning area. Approval of this facility would increase the already large excess in the planning area to 67 stations. This would be detrimental to existing facilities and those like North Dunes that are not even operational yet.

I thank you for your time and willingness to consider my comments as you vote on this project. I respectfully request that you vote no on the Fresenius Grayslake project as there is no need for additional stations in the area.

Thank you.

MR. BRENNAN: Hello. My name is Bill Brennan, B-r-e-n-n-a-n. I work with Dr. Din, the medical director for a DaVita facility in Waukegan, just a few short miles from the proposed facility. I'm here to testify in opposition to

the proposed Fresenius Grayslake facility.

As a medical director already working just a few minutes away from the -- from -- from this facility, Dr. Din would confidently state today there's no need for additional stations in the planning area.

Your staff report shows an astonishing excess of 55 stations in the HSA; however, I wanted to highlight an interesting -- some interesting information that was included in the application.

Looking at page 53, you will see where the applicant believes the proposed patients for the facility -- where they will come from. Importantly, they will come from communities mostly outside Grayslake. The applicant says it will serve nine patients from Mundelein, but you can see in the staff report that there's an existing Fresenius facility in Mundelein that is underutilized. The applicant also states that eight patients will come from Round Lake. Well, there's another existing facility not at capacity, not to the mention the newly approved DaVita North Dunes application, which is 15, 20 minutes away.

This is further evidence that the facility is simply not needed and that the patients can be easily accommodated at other facilities.

Finally, the application states that it will serve 12 patients from the Grayslake area. These patients, again, can be easily accommodated in several facilities within the service area. 12 patients is hardly enough to justify another facility in the HSA that already has such a large excess of stations.

Waukegan is right next door to the -- to -- Waukegan is right next door to Grayslake and has three facilities. I know directly from our doctors they can accommodate these patients from Grayslake.

Dr. Din offers the perspective of someone who has boots on the ground every day providing care to patients in this community --

MR. ROATE: Two minutes.

MR. BRENNAN: -- and she would oppose this project.

Thank you.

CHAIRMAN SEWELL: Thank you.

MS. MITCHELL: Thank you. If you could --

again, if you have written comments, if you can give them to Mike, that concludes public participation.

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CHAIRMAN SEWELL: Next are items for State Board action.

Permit renewal requests. The first one is A-01, Project No. 17-018, DuPage Vascular Care.

MS. MITCHELL: Please don't forget to sign in.

CHAIRMAN SEWELL: Are you ready?

I need a motion to approve a 24-month permit renewal for Project No. 17-018, DuPage Vascular Care in Woodridge.

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right. And I see we have people here to represent the Applicant. They need to be sworn in.

THE COURT REPORTER: Would you raise your right hands, please.

(Two witnesses sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: And could you also identify yourselves.

MR. SILBERMAN: Mark Silberman on behalf of the Applicant.

MR. MORADO: Juan Morado on behalf of the Applicant.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, Mr. Chairman.

In September of 2017 the State Board approved Permit No. 17-018. The permit authorized the establishment of an ASTC in Woodridge, Illinois. The cost of the project was $1.1 million.

The permit holders are before you today asking for a 24-month permit renewal until December 1st, 2020.

Thank you, sir.

CHAIRMAN SEWELL: Any comments for the Board?

MR. SILBERMAN: Very briefly, just to provide the background and to remind the Board this is a surgery center that was approved to focus on vascular access procedures, very relevant to what we've been discussing today.

And when we appeared before you, we discussed the changes in reimbursement that had driven these procedures out from the physician practices to push them into surgery centers and

hospitals.

In the interim there was the discussion of some potential reimbursement changes that would have called into question some of the representations that were made to the Board, and so while that was in flux the project was slowed down to make sure that we would be able to meet the commitments that we had described to the Planning Board.

We are pleased to let you know the financial changes that were being discussed are not happening. All of the representations that were made still hold true, and for that reason the project is proceeding full ahead.

We have obligated; we have filed our notice of financial commitment; we have signed the lease. The delay has not impacted the changes or the likely expense, and, therefore, we are full force ahead.

This is our first renewal request, and we would hope the Board would approve.

CHAIRMAN SEWELL: Any questions for the Applicant from Board members?

(No response.)

CHAIRMAN SEWELL: If not, could we have a roll call?

MR. ROATE: Thank you, sir.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the testimony I've heard from the Applicants to go forward. And I vote yes.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the testimony.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the testimony and report.

MR. ROATE: Thank you, sir.

Ms. Murphy.

MEMBER MURPHY: Yes, based on today's testimony.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes. It's consistent with the State agency report.

MR. ROATE: 5 votes in the affirmative.

MR. SILBERMAN: Thank you.

MR. MORADO: Thank you.

MS. MITCHELL: I just want to make a brief statement.

Normally first-time exemptions don't come before the Board. But because we do not have a Board Chair at the current moment, we do not have someone that can approve these in the absence of the Board, so we need to present this to the full Board.

So just please bear with us as we go through these housekeeping measures.

CHAIRMAN SEWELL: Yeah. I'm a substitute for the absent Chair.

MS. MITCHELL: A great substitute.

CHAIRMAN SEWELL: Thank you very much.

MS. MITCHELL: You're welcome.

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CHAIRMAN SEWELL: Next on the agenda is A-02, Project No. 17-021, AMITA Health Woodridge.

Oh, "medical office building." That's what the "MOB" is. I'm sorry.

Okay. May I have a motion to approve a 20-month permit renewal for Project No. 17-021, AMITA Health Woodridge medical office building.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: All right.

We have someone here to represent the Applicant.

Could you identify yourself.

MR. AXEL: Good morning. I'm Jack Axel representing the Applicant this morning.

I'm happy to answer any questions.

CHAIRMAN SEWELL: You need to be sworn in.

THE COURT REPORTER: Would you raise your right hand, please.

(One witness sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: In July of 2017 the

State Board approved Permit No. 17-021. The permit authorized the establishment of a medical office building at a cost of approximately $28.8 million.

The permit is obligated and this is the first permit renewal request for these permit holders. The permit holders asking for a 20-month permit renewal from January 31st, 2019, to September 30th, 2020.

Thank you, sir.

CHAIRMAN SEWELL: All right. And I understand you're just prepared to answer questions.

MR. AXEL: I'm happy to answer questions.

CHAIRMAN SEWELL: Any questions by Board members?

(No response.)

CHAIRMAN SEWELL: If not, roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes. I vote yes due to the fact that this is a renewal on the permit.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the -- I really don't know what I'm basing it on.

(Laughter.)

MEMBER MC GLASSON: Other than -- other than the fact that it would have happened without our discussion.

MS. MITCHELL: And the report?

MEMBER MC GLASSON: And the report.

MR. ROATE: Dr. McNeil.

MEMBER MC NEIL: Yes, based on the staff report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes. There were no findings.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

MR. AXEL: Thank you.

CHAIRMAN SEWELL: Thank you.

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CHAIRMAN SEWELL: Next is A-03, Project No. 17-017, Provident Hospital of Cook County.

I don't think there's anyone here.

May I have a motion to approve a 12-month permit renewal for Project No. 17-017, Provident Hospital of Cook County, Chicago.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right.

State agency report.

MR. CONSTANTINO: In November of 2017 the State Board approved Permit No. 17-017. The permit authorized the establishment of a 12-station ESRD facility at Provident Hospital in Chicago. The estimated cost of the project is approximately $2.2 million.

This is the first permit renewal request for this permit. They're approximately 1 percent completed. They've just sent -- just provided RFP for the construction of the ESRD facility.

The reason for the delay was the completion of the construction work on the pharmacy at Provident Hospital.

Thank you, sir.

CHAIRMAN SEWELL: All right. Any comments from Board members?

(No response.)

CHAIRMAN SEWELL: If not, roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes. Based upon the fact that this is a request for a renewal, I vote yes.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the State report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the State report and the need to finish the rest of the 99 percent of the project.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes. There are no findings.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: Motion's approved.

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CHAIRMAN SEWELL: The next project is A-04, Project No. 15-056, Transitional Care of Lisle.

May I have a motion to approve an 18-month permit renewal project for Project No. 15-056, Transitional Care of Lisle.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right. Could you identify yourselves.

MR. SHEETS: Charles Sheets and Anne Cooper on behalf of the Applicants.

THE COURT REPORTER: Would you raise your right hands, please.

(Two witnesses sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: Thank you.

Staff report.

MR. CONSTANTINO: Thank you, sir.

In May of 2016 the State Board approved Permit No. 15-056 for the construction and establishment of a 68-bed long-term care facility in Lisle, Illinois.

The permit is obligated and the current completion date is December 31st, 2018. The approximate cost of the project is $15.8 million.

This is the first permit renewal for this project. The permit holders are asking for an 18-month permit renewal, until June 30th, 2020. The reason for the permit renewal was litigation concerning the CON permit.

Thank you, sir.

CHAIRMAN SEWELL: Any comments for the Board?

MR. SHEETS: No. I'll just be happy to answer any questions you might have.

CHAIRMAN SEWELL: Board members have any questions?

(No response.)

CHAIRMAN SEWELL: Roll call, George.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes; no findings.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: Thank you.

MR. SHEETS: Thank you.

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MS. MITCHELL: The remaining two are second-time permit renewal requests so -- these would have to come before the Board, so I just want you to make the distinction.

CHAIRMAN SEWELL: Good to know.

The next project is A-05, Project No. 15-008, Applewood Rehabilitation Center. This is the second request on this project.

May I have a motion to approve a six-month permit renewal for Project No. 15-008, Applewood Rehabilitation Center in Matteson.

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: Okay. Could you identify yourselves.

MR. KNIERY: Yes. Good morning.

My name is John Kniery, K-n-i-e-r-y, CON consultant. With me today is Tom Winter, representing the Applicant, and to his right is Mr. Joe Ourth, legal counsel for the Applicant.

THE COURT REPORTER: Would you raise your right hands, please.

(Three witnesses sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: All right. Thank you.

State Board staff report.

MR. CONSTANTINO: Thank you, sir.

In June of 2015 the State Board approved Permit No. 15-008. The permit authorized a modernization/construction project and to add an additional 39 long-term care beds for a total of 154 long-term care beds in Matteson, Illinois.

The project is obligated and the current project's completion date is December 31st, 2018. The anticipated cost of the project is approximately $10.3 million. The permit holders are asking for a six-month renewal, from December 31st, 2018, to June 30th, 2019.

Thank you, sir.

CHAIRMAN SEWELL: All right.

Any comments for the Board?

MR. KNIERY: Yes, please. I'll try to be brief.

As Mike said -- Mr. Constantino said -- this project is a modernization and expansion of an existing nursing home.

And I'd like Mr. Winter to address, just briefly, the project's status. Essentially, the project is complete and awaiting final IDPH licensure.

MR. WINTER: In August we were 99 percent complete on the construction and renovation project.

We received a life safety approval in November, and we're awaiting the nursing survey for that approval. We've submitted everything to the regional office and been in touch with Mr. Corpstein. We're just awaiting the next step.

CHAIRMAN SEWELL: All right. Thank you.

Any questions by Board members?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by Demuzio; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon testimony today.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based upon the testimony.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report and the testimony.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on testimony and report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: Thank you.

MR. KNIERY: Okay. Thank you.

MR. OURTH: Thank you very much.

MR. WINTER: Appreciate it.

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CHAIRMAN SEWELL: The next project is A-06, Project No. 14-043, HSHS St. Elizabeth's Hospital, second request.

May I have a motion to approve a seven-month permit renewal for Project No. 14-043, HSHS St. Elizabeth's Hospital in O'Fallon.

MEMBER MURPHY: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: Could you identify yourself.

MS. HOLLOWAY: I'm Susan Holloway, representing St. Elizabeth's Hospital.

THE COURT REPORTER: Would you raise your right hand, please.

(One witness sworn.)

THE COURT REPORTER: Thank you. Please print your name.

CHAIRMAN SEWELL: And the State agency report, Mike.

MR. CONSTANTINO: Thank you, sir.

In April of 2015 the State Board approved Permit No. 14-043. The permit authorized the discontinuation of a 303-bed acute care hospital

in Belleville, Illinois, and the establishment of a 144-bed acute care hospital in O'Fallon.

The State Board staff notes the project is obligated and the current completion date is December 31st, 2018. The permit amount is approximately 253,500,000. The hospital in O'Fallon is licensed. It was licensed November 4th, 2018. What is left to be completed is the audit and the final report, and this is the second permit renewal request for this permit.

I would like to thank Ms. Holloway for driving all the way from East St. Louis here today.

MS. HOLLOWAY: Thank you.

MR. CONSTANTINO: That's very kind of you.

CHAIRMAN SEWELL: Any comments for the Board?

MS. HOLLOWAY: I'm here to answer any questions you may have.

CHAIRMAN SEWELL: Thank you.

I'm fumbling a little bit because I didn't have this one facility.

You handed it out.

MR. CONSTANTINO: Yes, I handed it out.

I apologize.

CHAIRMAN SEWELL: No, no --

MS. MITCHELL: It was also emailed.

CHAIRMAN SEWELL: Well, I didn't get it.

All right. Any questions by Board members?

MEMBER MC NEIL: So this is really just a bureaucratic thing to get approvals that takes longer than anticipated at the end of the year?

MS. HOLLOWAY: Yes.

MEMBER MC NEIL: Is that basically --

MS. HOLLOWAY: We're finishing out a couple of change orders, and then we're going into our audit, but we didn't want to, you know, exceed the expiration date of our project without asking for a renewal.

MEMBER MC NEIL: So it's a paperwork issue, not a physical building issue?

MS. HOLLOWAY: There are still some change orders, punch list change order things that are being done, but we're already into our audit.

MEMBER MC NEIL: Sure.

CHAIRMAN SEWELL: Any other questions?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by Murphy; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report and the testimony today.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based upon the report and the testimony.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report and testimony.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report and today's testimony.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes. There were no findings.

MR. ROATE: Thank you.

5 votes in the affirmative.

CHAIRMAN SEWELL: The project is approved.

Thank you very much.

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CHAIRMAN SEWELL: Now for an extension request. It is B-01, Project No. 17-058, Premier Cardiac Surgery Center.

May I have a motion to approve a 12-month extension of financial commitment for Project No. 17-058, Premier Cardiac Surgery Center in Marionette Park.

Is there a motion?

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: All right. Could you please identify yourselves.

MR. BERLIN: I'm Mark Berlin, chief operating officer for Heart Care Centers of Illinois, which is the owner of the Premier Cardiac Surgery Center.

MR. HYLAK-REINHOLTZ: Joe Hylak-Reinholtz, counsel for Applicant.

THE COURT REPORTER: Raise your right hands, please.

(Two witnesses sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

In February of 2018 the State Board approved the establishment of a single-specialty ASTC at a cost of approximately $1.2 million. Subsequently, in July 2018, the State Board approved a permit alteration request for this permit.

In December of 2018 the State Board approved a permit renewal for this project until July 31st, 2019. At the time of the approval of the permit renewal, the Applicants said they would be back before the Board to extend the financial commitment period for one year. That is why they are here today for your approval.

Thank you, sir.

CHAIRMAN SEWELL: Thank you.

Any statement for the Board?

MR. HYLAK-REINHOLTZ: I think Mike did a great summary. We're happy to answer any questions.

CHAIRMAN SEWELL: All right. Are there questions by Board members?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based upon the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

MR. HYLAK-REINHOLTZ: Thank you.

CHAIRMAN SEWELL: The extension is approved.

- - -

CHAIRMAN SEWELL: Exemption requests. This is C-01, Project No. E-061-18, Glen Endoscopy Center.

May I have a motion to approve Exemption No. E-061-18, Glen Endoscopy Center --

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: -- in Glenview to approve a change of ownership transaction for its real estate.

I heard a motion. Is there a second?

MEMBER MURPHY: Second.

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: Identify yourself.

MR. OURTH: Joe Ourth, Saul, Ewing, Arnstein & Lehr, counsel for the Applicant.

THE COURT REPORTER: Would you raise your right hand, please.

(One witness sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a change of ownership of the physical plant housing Glen Endoscopy Center, LLC, a single-specialty ASTC

located in Glenview, Illinois.

This transaction is considered a change of ownership of a physical plant with no change in the operating entity licensee. The fair market value of the transaction is $2.3 million.

There was no opposition, there was no public hearing requested, and the Applicants have provided all the required information of the State Board.

Thank you, sir.

CHAIRMAN SEWELL: Thank you.

Any statement for the Board?

MR. OURTH: Mr. Constantino explained that well. And as he said, it is only for the real estate. There's no change in operations.

CHAIRMAN SEWELL: All right.

Any questions by Board members?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the

report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: It's approved.

- - -

CHAIRMAN SEWELL: Next is C-02, Project No. E-062-18, Peoria Ambulatory Surgery Center.

May I have a motion to approve Exemption No. E-062-18, Peoria Ambulatory Surgery Center, to approve a change of ownership transaction.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right.

Could you identify yourselves.

MR. MORADO: Sure.

Good morning. Juan Morado on behalf of the client, and in addition we have --

MR. SILBERMAN: -- Mark Silberman.

CHAIRMAN SEWELL: Okay.

THE COURT REPORTER: You've already been sworn.

MR. MORADO: We've already been sworn.

CHAIRMAN SEWELL: I was just asking the executive if you had to be sworn in again.

MR. MORADO: Thank you.

(An off-the-record discussion was held.)

CHAIRMAN SEWELL: Mr. Constantino.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a change of ownership of Peoria Ambulatory Surgery Center located in Peoria, Illinois. This transaction is considered a purchase resulting in no change in the licensee operating entity. The cost of this transaction is approximately $2 million.

There was no public hearing and no opposition to the change of ownership, and the Applicants have met all the requirements of the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right. Any statement for the Board?

MR. MORADO: Sure. Very briefly, Chairman Sewell.

In this instance Dr. Carl Soderstrom is selling a controlling interest in the Peoria ASTC. He's practiced medicine for over 40 years and decided to seek some partners to assist with the day-to-day operations. He's going to retain a minority stake in the ASTC, and the controlling interest will be held by Drs. Moad and Conroy.

As Mike stated, there is no public hearing requested, no opposition. You should know that

the ASTC will continue to be licensed as the Peoria Ambulatory Surgical Treatment Center and will continue to serve the community.

CHAIRMAN SEWELL: Any questions by Board members?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report and testimony.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based upon the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report and the testimony.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report and testimony.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

MR. MORADO: Thank you.

MR. SILBERMAN: Thank you very much.

CHAIRMAN SEWELL: We're going to take a five-minute break at the request of Board members so we'll be back.

(A recess was taken from 10:40 a.m. to 10:49 a.m.)

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CHAIRMAN SEWELL: Okay. We're going to come back to order.

The next project on the agenda is C-03, Project No. E-063-18, Highland Park Hospital.

May I have a motion to approve Exemption No. E-063-18, Highland Park Hospital, to discontinue a six-bed pediatric service.

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: All right. Could you identify yourselves.

MS. CUMMINGS: Good morning. My name is Gabrielle Cummings. I'm the president of Highland Park Hospital.

MR. AXEL: Jack Axel.

THE COURT REPORTER: Would you raise your right hands, please.

(Two witnesses sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicant proposes a discontinuation of a six-bed pediatric category of service.

Impact letters were sent to hospitals within 10 miles of Highland Park Hospital that have maintained pediatric service. The State Board staff did not receive any responses to those impact letters. There is an excess of 41 pediatric beds in this A-09 hospital planning area.

This exemption is before the State Board because the transaction is a discontinuation of a category of service. There was no opposition to this project, no public hearing requested, and the Applicant submitted all the information required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right.

Any statement for the Board?

MR. AXEL: We'll be happy to answer questions. Mr. Constantino has summarized the project.

CHAIRMAN SEWELL: Do Board members have any questions of the Applicant?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by Demuzio; seconded by McNeil.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the State report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based upon the State report.

MR. ROATE: Dr. McNeil.

MEMBER MC NEIL: Yes, based on the staff report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes. There were no findings.

MR. ROATE: Thank you.

5 votes in the affirmative.

MS. CUMMINGS: Thank you.

CHAIRMAN SEWELL: The project's approved.

- - -

CHAIRMAN SEWELL: Next on the agenda is C-04, Project No. E-064-18, Rush Oak Brook Orthopaedic Center.

May I have a motion to approve Exemption No. E-064-18, Rush Oak Brook Orthopaedic Center, to approve a change of ownership transaction.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right. Could you identify yourselves.

MR. AXEL: Good morning.

Jack Axel representing the Applicants, and seated with me is Mr. Randy Johnson, CFO of Midwest Orthopaedics at Rush.

THE COURT REPORTER: Would you raise your right hand, please.

You don't have to.

(One witness sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a change of control of the real estate housing a health care facility,

Rush Oak Brook Surgery Center. The operating entity and owner of the site is Rush Oak Brook Orthopaedic Center, LLC.

There was no public hearing requested for this change of ownership, no opposition letters received, and the Applicants have provided all the information required by the State Board.

Thank you, Mr. Chairman.

CHAIRMAN SEWELL: Any statement for the Board?

MR. AXEL: We'll be happy to answer any questions.

CHAIRMAN SEWELL: Okay. Any questions by Board members?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by Dr. McNeil; seconded by Ms. Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based upon the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes, no findings.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: The project is approved.

MR. AXEL: Thank you.

- - -

CHAIRMAN SEWELL: Next is C-05, Project No. E-065-18, Rush Oak Brook Surgery Center.

I need a motion to approve that exemption for Rush Oak Brook Surgery Center, to approve a change of ownership transaction.

Is there a motion?

MEMBER DEMUZIO: Motion.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: And the same group is representing the Applicant, and they've already identified themselves and been sworn in.

So the State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a change of ownership of a health care facility, Rush Oak Brook Surgery Center, in Oak Brook, Illinois. The licensed operating entity remains Rush Oak Brook Surgery Center, LLC, and the owner of the site is Rush Oak Brook Orthopaedic Center, LLC.

The State Board staff did not receive any opposition letters to this exemption, there was no request for a public hearing, and the Applicants

provided all the necessary information required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: Any statement for the Board?

MR. AXEL: Again, we'll be happy to answer any questions.

CHAIRMAN SEWELL: Are there questions by Board members?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: Project approved.

MR. JOHNSON: Thank you.

MR. AXEL: Thank you.

- - -

CHAIRMAN SEWELL: Next on the agenda is C-06, Project No. E-066-18, Advocate Good Samaritan Hospital.

May I have a motion to approve Exemption No. E-066-18.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: All right. Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right. Could you identify yourselves.

MR. BROCKMAN-WEBER: Sure.

I'm Steven Brockman-Weber. I'm the vice president and chief nurse exec for Advocate Children's Hospital, representing it.

MS. NORDSTROM LOPEZ: Susan Nordstrom Lopez, president of Advocate Illinois Masonic Medical Center.

THE COURT REPORTER: Raise your right hands, please.

(Two witnesses sworn.)

THE COURT REPORTER: Thank you. And please print your names.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose the discontinuation of a seven-bed category of service. These seven beds will be converted to seven medical/surgical beds.

There was no public hearing requested; there was no opposition to this project. There is an excess of 60 pediatric beds in the A-05 hospital planning area at this time. The Applicants have submitted all the information required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right. Do you have a statement for the Board?

MR. BROCKMAN-WEBER: We're here to answer any questions the Board may have.

CHAIRMAN SEWELL: Do Board members have questions?

(No response.)

CHAIRMAN SEWELL: If not, roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the State

report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the State report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: The project is approved.

Thank you.

MR. BROCKMAN-WEBER: Thank you.

- - -

CHAIRMAN SEWELL: Next on the agenda is C-07, Project No. E-067-18, Advocate Good Shepherd Hospital.

May I have a motion to approve Exemption No. E-067-18, Advocate Good Shepherd Hospital, to discontinue an eight-bed pediatric service.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right. It's the same Applicant. They've been identified and sworn in.

So the State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a discontinuation of an eight-bed pediatric category of service. These eight beds will be converted to medical/surgical beds.

There was no opposition to this project; there was no request for a public hearing. At the current time there is an excess of 41 pediatric beds in the A-09 hospital planning area. The Applicants have submitted all the information required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right. Any statement for the Board?

MR. BROCKMAN-WEBER: We'd be happy to answer any questions that you may have.

CHAIRMAN SEWELL: All right. Are there questions?

(No response.)

CHAIRMAN SEWELL: If not, roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based upon the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: The project is approved.

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CHAIRMAN SEWELL: The next agenda item is C-08, Project No. E-068-18, Advocate Illinois Masonic Medical Center.

May I have a motion to approve Exemption No. E-068-18, Advocate Illinois Masonic Medical Center, to discontinue a 14-bed pediatric service.

Is there a motion?

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: It's the same Applicant. They've been identified and sworn in.

State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a discontinuation of a 14-bed pediatric category of service. These 14 beds will be converted to neonatal beds. There is an excess of 225 pediatric beds in the A-01 hospital planning area at this time.

There was no opposition to this project, there was no request for a public hearing, and the Applicants have submitted all the information required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right. Do you have a statement for the Board?

MS. NORDSTROM LOPEZ: We're just here for questions.

Thank you.

CHAIRMAN SEWELL: Any questions by Board members?

MEMBER MC NEIL: I have one.

So you -- this is the third one of these. So you're getting out of this segment of the market or whatever we want to call it; is that true?

MS. NORDSTROM LOPEZ: Of pediatric inpatient care.

We still provide pediatric care in the emergency department, we do pediatric same-day surgery, but we will not be having pediatric patients stay in the hospital longer than observation patients.

CHAIRMAN SEWELL: Are there other questions by Board members?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report and the information given by the hospital.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: Thank you.

- - -

CHAIRMAN SEWELL: The next project is C-09, Project No. E-069-18, Advocate La Grange Medical Center.

May I have a motion to approve Exemption No. E-069-18, Advocate La Grange Medical Center, to discontinue a 12-bed obstetric service.

Is there a motion?

MEMBER MC NEIL: So moved.

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right. Could you identify yourselves.

MR. MURRILL: Yes. Hi. My name is Mike Murrill. I'm the CEO for Adventist La Grange Medical Center -- AMITA Health Adventist La Grange Medical Center.

MR. AXEL: I'm still Jack Axel.

THE COURT REPORTER: Would you raise your right hand, please.

(One witness sworn.)

THE COURT REPORTER: Thank you. Please print your name.

CHAIRMAN SEWELL: This State agency report

should say "Adventist" then? Or not? Or I'm on the wrong one?

Oh, 067. Sorry about that.

MS. MITCHELL: 069.

CHAIRMAN SEWELL: That one. All right. The Chairman is confused.

MS. AVERY: It's okay.

CHAIRMAN SEWELL: All right. State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a discontinuation of a 12-bed obstetric category of service. Currently there's an excess of 64 OB beds in the A-04 hospital planning area.

There was no opposition to this project, there was no request for a public hearing, and the Applicant submitted all the information required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right. Any statement for the Board?

MR. MURRILL: We're here to answer any of your questions.

Thank you.

CHAIRMAN SEWELL: All right. Are there questions from Board members?

Yes.

MEMBER MC NEIL: The only question is -- you were operating at like a 23 percent occupancy rate historically?

MR. MURRILL: That's correct.

We have a sister hospital in Hinsdale, 2.3 miles away, and we work very closely with them. And so this allows us to have an opportunity to work really collaboratively in our community with Hinsdale being the OB provider for our community.

MEMBER MC NEIL: Okay. So the provider is a sister hospital?

MR. MURRILL: Right. We work very closely together in our community.

CHAIRMAN SEWELL: Other questions?

(No response.)

CHAIRMAN SEWELL: If not, roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the

report and testimony.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report and the testimony.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: The project's approved.

MR. MURRILL: Thank you.

MR. AXEL: Thank you so much.

- - -

CHAIRMAN SEWELL: Next is C-10, Project No. E-070-18, Presence Saint Joseph Hospital, Chicago.

May I have a motion to approve Exemption No. E-070-18, Presence Saint Joseph Hospital in Chicago, to discontinue an open-heart surgery service.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: Mr. Axel has identified himself and been sworn in.

State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose a discontinuation of an open-heart category of service at Presence Saint Joseph Hospital in Chicago.

There were no letters in opposition, there was no request for a public hearing, and the Applicants provided all the information required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right. Any

statement for the Board?

MR. AXEL: I'm happy to answer your questions.

CHAIRMAN SEWELL: Any questions by Board members?

(No response.)

CHAIRMAN SEWELL: If not, roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: The project's approved.

MR. AXEL: Thank you.

- - -

CHAIRMAN SEWELL: Next is C-11, Project No. 17-006, NorthShore University HealthSystem.

May I have a motion to relinquish Permit No. 17-006, NorthShore University HealthSystem at Round Lake.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: All right. It appears that there's no one to present the project.

So the State agency report.

MR. CONSTANTINO: Thank you, sir.

In May of 2017 the permit holder was approved to construct a medical clinics building in Round Lake Beach, Illinois, at a cost of approximately $14.9 million.

On November 26th of 2018, the State Board received a request to relinquish Permit No. 17-006. Per the permit holder, the relinquishment was due to the reduction in the medical clinics building from two stories to one, which reduced the square footage from approximately 35,000 gross square feet to approximately 18,000 gross square feet. The cost

is anticipated to drop from approximately 14.9 million to 12 million.

At the time of approval of this permit, the capital expenditure minimum was 19 -- excuse me -- $12.9 million. They're before you today because the permit is now below the capital expenditure minimum, which is currently $13.5 million.

Thank you, sir.

CHAIRMAN SEWELL: Mr. Axel, do you have a statement?

MR. AXEL: I have no statement. I'm happy to answer any questions.

CHAIRMAN SEWELL: All right. Are there questions?

(No response.)

CHAIRMAN SEWELL: Since there are none, roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: It's approved.

MR. AXEL: Thank you.

- - -

CHAIRMAN SEWELL: C-12, Project No. 15-044, Transformative Care of McHenry.

May I have a motion to relinquish Permit No. 15-044, Transformative Care of McHenry.

Is there a motion?

MEMBER MURPHY: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: All right.

Could you -- you've both been identified and sworn in, I believe.

MR. KNIERY: Yes, sir.

MR. MORADO: Yes, sir.

CHAIRMAN SEWELL: But names on the record, as Ms. Avery says.

MR. KNIERY: John Kniery representing the Applicant, along with Juan Morado.

CHAIRMAN SEWELL: Okay. State agency report.

MR. CONSTANTINO: Thank you, sir.

In June of 2016 the permit holder was approved to construct and operate a 98-bed long-term care facility on the campus of Centegra Hospital in McHenry, Illinois, Permit No. 15-044.

Subsequently, the permit holder submitted Permit No. 18-016 to be located in close proximity to the original site of the Centegra Hospital facility.

At the October meeting the State Board approved Permit 18-016 for the establishment of an 84-bed skilled care facility at a cost of approximately $17.4 million. At the time of that approval, the Applicant stated that they would relinquish Permit No. 15-044. They are here before you today for that relinquishment.

Thank you, sir.

CHAIRMAN SEWELL: Any statement for the Board?

MR. KNIERY: Mr. Chairman, no real statement other than this is the last part of -- as Mr. Constantino stated -- of closing out that project and moving forward with the new, lower-cost, smaller alternative that we got approved in October.

Thank you.

CHAIRMAN SEWELL: All right. Any questions for the Applicant?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by Murphy; seconded by Demuzio.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

5 votes in the affirmative.

CHAIRMAN SEWELL: The project's approved.

MR. KNIERY: Appreciate it. Thank you.

MR. MORADO: Thank you.

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CHAIRMAN SEWELL: This is an alteration request. It is D-01, Project No. 17-021, AMITA Health Woodridge medical office building.

May I have a motion to approve an alteration to increase project cost 2.6 percent for Project No. 17-021, AMITA Health Woodridge medical office building.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: All right.

Mr. Axel is here; you've been sworn in.

State agency report.

MR. CONSTANTINO: Thank you, sir.

In July of 2017 the State Board approved Permit No. 17-021 to establish a medical clinics building in approximately 65,000 gross square feet of space in Woodridge, Illinois. On December 7, 2018, the permit holder submitted a permit alteration request for Permit No. 17-021.

The permit holder's request was to increase the cost of the project from approximately 28.7 million to approximately 29.5 million or 2.6 percent.

Additionally, the permit holders are asking to increase the gross square footage of the imaging space from 6,500 gross square feet to 7,750 departmental gross square feet.

There was no opposition to this project, there was no request for a public hearing, and the Applicants have submitted -- and the Applicants have met all the requirements of the State Board.

Thank you, sir.

CHAIRMAN SEWELL: All right. Is there a statement for the Board?

MR. AXEL: I'd be happy to answer any questions. I just want to point out that this is the same project that a renewal request was approved for about a half hour ago.

Thank you.

CHAIRMAN SEWELL: Okay. Any questions for the Applicant?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the

report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the State report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report and the testimony that it's taking longer and costing a little bit more.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

MR. AXEL: Thank you.

CHAIRMAN SEWELL: Thank you.

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CHAIRMAN SEWELL: Now, applications subsequent to initial review.

H-01, Project No. 18-037, DaVita Cicero Dialysis.

May I have a motion to approve Project No. 18-037, DaVita Cicero Dialysis, to establish a 12-station ESRD facility in Cicero.

Is there a motion?

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: If you all could identify yourselves and then be sworn in.

MS. FRIEDMAN: Hi. I'm Kara Friedman from Polsinelli.

MS. THOMAS: Hi. I'm Dawn Thomas from DaVita.

DR. SHAH-KHAN: I'm Dr. Shah-Khan.

MS. COOPER: I'm Anne --

CHAIRMAN SEWELL: I'm sorry. I didn't hear you.

DR. SHAH-KHAN: Farheen Shah-Khan.

MS. COOPER: Anne Cooper from Polsinelli.

THE COURT REPORTER: Would you raise your

right hands, please.

(Four witnesses sworn.)

THE COURT REPORTER: Thank you. And please print your names.

(An off-the-record discussion was held.)

CHAIRMAN SEWELL: Okay. I'm sorry.

State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose to establish a 12-station ESRD facility in approximately 6800 gross square feet of leased space at a cost of approximately $4.7 million. The expected completion date is January 31st, 2021.

No public hearing was requested and no opposition letters were received by the State Board staff. We did receive two letters of support, one from Senator Dick Durbin and one from State Senator Steven Landek after we had published these reports, but due to the holidays, I bring this to your attention in case you didn't -- just to further state, there's a calculated excess of 42 ESRD stations in the HSA 7 ESRD planning area per the December 2008 inventory update.

The Applicants addressed a total of

21 criteria and failed to adequately address 2 criteria, really, which are pointed out to you on pages 2 and 3 of the State Board staff report.

Thank you, sir.

CHAIRMAN SEWELL: All right. Do you have a statement for the Board?

MS. FRIEDMAN: Thank you.

MS. THOMAS: Good morning.

So I'm Dawn Thomas, director of operations for the greater metro Chicagoland area, and it includes the Cicero planned clinic.

With me today is Dr. Shah-Khan, the medical director for our planned Cicero clinic, as well as our CON attorneys Kara Friedman and Anne Cooper.

I would like to thank the Board staff for their thorough assessment of this planned clinic and the generally positive State Board report. Kara will touch on the details of the report in a moment.

I'd like to thank our supporters here today that took the time to represent our community of patients, the primary stake holders in the delivery of dialysis services. We also

appreciate Senator Dick Durbin, State Rep Lisa Hernandez, and State Senator Landek for providing letters of support. A couple of those letters are not in the record due to the holidays, but we appreciate their support nonetheless.

At your last meeting Dr. Shubhada Ahya from Northwestern's Feinberg School of Medicine provided an excellent overview of the primary kidney replacement modalities. One of the takeaways from her presentation was that there continue to be many barriers to the administration of renal replacement in the home setting. Of the nearly 125,000 patients diagnosed with end stage renal disease in the US in 2016, over 85 percent receive dialysis staff-assisted, in-center care.

Despite these obstacles DaVita and Dr. Shah-Khan strongly advocate for and focus on supporting patients with home modalities. We have touched on these programs in the past, but we're always happy to provide more information.

Our calculations show that at a macrolevel there is a need for at least 26 stations in the planning area as well as a need for stations in the immediate Cicero service area. Four of the

five closest dialysis clinics, which are all within 3 1/2 miles of the proposed Cicero clinic, are operating above the State Board's 80 percent utilization standard.

Fresenius is completing a small, two-station expansion of its Cicero clinic, but those stations are only a drop in the bucket for the additional services that are required in Cicero. This addition comes on the heels of another two-station expansion it completed there in August, and as of September 2018 it was already again operating well in excess of target utilization at 88 percent.

In its application Fresenius documented 58 of Dr. Anderson's CKD patients -- he's a Nephrology Associates physician -- who will require dialysis within the next two years, projecting 98 percent utilization by 2021.

One other point we wanted to add, too, was DaVita does not oppose the Grayslake project. We just wanted to clarify because it didn't seem clear at the beginning of the presentation.

And Dr. Shah-Khan will discuss in greater detail the challenges the Cicero community faces

in accessing health care, which leads to higher incidence and prevalence of ESRD.

DR. SHAH-KHAN: Good morning.

As Dawn mentioned, I'm Farheen Shah-Khan --

CHAIRMAN SEWELL: Bring that closer.

DR. SHAH-KHAN: I'll be the medical director for the planned DaVita clinic in Cicero. I am so appreciative of the time spent today by the National Kidney Foundation to advocate for kidney patients as well as for the learning session that Dr. Shubhada Ahya provided in December. Coincidentally, I completed my fellowship from Northwestern, and Dr. Shubhada Ahya was my program director and mentor.

After my fellowship I have been in private practice. I serve a low-income minority community, and many of my patients reside in Cicero. 93 percent of Cicero's residents are Hispanic and African-Americans. Nearly 20 percent are in poverty, and many other families live from paycheck to paycheck. Some of these residents face not only economic but also cultural and language barriers to access primary care services

which would help them avoid kidney failure. Many are uninsured. Despite the Affordable Care Act, many forgo health care due to high out-of-pocket cost and high deductibles.

The cost of health care along with other significant necessary living expenses like housing and food often forces low-income patients to prioritize housing and food over access to health care. Often people in communities like Cicero -- and maybe this is just a general statement -- people don't even know that they are compromising health with food and lifestyle choices they make, and it is nearly impossible to reverse their development of comorbid conditions and renal diseases.

As you know, kidney disease as well as hypertension and diabetes are known as silent diseases because symptoms do not manifest themselves until at later stages. As a result, without regular preventative screening, kidney disease is undiagnosed until it has advanced and kidney failure is imminent.

In my CKD clinic I emphasize a lot on prevention and strict control of hypertension and

diabetes to prevent these complications like CKD progressing into end stage renal disease; however, many of these -- the population which I serve, they do not receive routine medical care and are more vulnerable to being diagnosed in the later stage of the kidney disease.

Given the economic and cultural barriers that exist in the Cicero community, the high incidence and prevalence of end stage renal disease is not surprising. Accordingly, the area needs an additional clinic to ensure patients have continued access to this life-sustaining treatment.

Finally, regarding the modality -- which we had heard a discussion earlier, too, regarding in-center versus home dialysis -- I run a home program, as well, and I face these challenges with the patients when I discuss the different modalities. I believe the quality of life and patient outcomes are better for capable patients who select a home modality, and I strongly advocate my patients to consider home modalities, but for the vast majority of patients it is not a viable option. Some patients don't have a

permanent home; they fear needles; they have space restraints for equipment and supplies. For low-income patients, higher utility costs may be a barrier. Finding a care partner who can learn to dialyze a home patient and monitor treatment can be problematic.

This Board needs to help us ensure that the residents of Cicero have access to dialysis performed in a culturally competent manner to ensure better patient care and outcomes. With a clinic this -- decided to these impending cases, it will also give me an opportunity to better serve my patients.

I get new patient referrals from the hospitals and the primary care physicians every week, and as my practice grows, I am increasingly challenged to help these patients with their admissions. If I have to send these patients outside the area, I cannot follow them because I cannot afford the time to travel and see them in multiple clinics and multiple shifts.

This is a Medicare requirement, and if the patients cannot dialyze in my immediate area, I have to refer them to other unaffiliated

nephrologists to maintain my commitment to my current patients. Though it isn't technically abandonment, I feel that I have let these patients down by declining to follow them, especially if they have to leave the town to get dialysis.

Thank you for your time. Before we conclude, Ms. Friedman has a few comments regarding the Board staff report.

Thank you.

MS. FRIEDMAN: Thank you.

As Mike mentioned, this Board staff report is fully possible -- positive -- on the Part 1120 financial viability criteria, and we met 12 of the requirements in the 1110 criteria.

There are several key pieces of information about service utilization and demographic information you should consider in assessing the merits of this project. There is a strong demand for additional dialysis services in Cicero. We don't believe there will be any duplication of services, and our calculations, based on Mike Mitchell's data -- and Mike Mitchell is your demographer in the Office of Planning and Statistics at IDPH -- your data shows that there

continues to be a need for stations in this planning area.

Anne Cooper will spend a little bit more in detail to show you that data -- well, she can show you now.

MS. COOPER: Okay.

MS. FRIEDMAN: I'll hold it and you can go over it.

MS. COOPER: So this is essentially -- this is the data that -- as Mike had referred to, there's a 42-station excess, and so this is the Board's data.

The only thing that we really changed in coming up with our Board -- our calculation was we updated the end stage ESRD patients to reflect the December 2017 data. This number reflects December 2015, so we just brought it up a little bit more currently. Obviously, we don't have December 2018 so that's why we're using December 2017.

That, in effect, changed the use rate because it's a factor of the ESRD patients and the population, which then it kind of -- it kind of trickles down, and that eventually affects the

number of projected patients and the number of projected treatments.

So based upon the number of projected treatments in 2020, we estimated that there was a need for 1,498 stations, and there are currently 1,472 stations in the planning area, which is how we came up with a need for 26 stations.

And I'd also like to add that within the immediate GSA of Cicero it's currently operating at 78 percent and historically that service area has been -- has experienced about 5.2 percent growth. So by the time this clinic comes online in a year or two, we anticipate that that GSA will be at 80 percent or above.

MS. FRIEDMAN: So with respect to the immediate area, the Cicero residents that we're looking to serve, there are twice as many patients with kidney failure in the clinics closest to this clinic than there was in 2014. The number went from 225 patients to 448 patients, a 223-patient increase. That represents a 20 percent census increase per year.

With the typical clinic accommodating about 58 patients for their ongoing dialysis

treatments, that number of new patients justifies about four additional clinics. Three were built but now they're operating at 88 percent, 81 percent, and 104 percent. That last one, the Lawndale clinic on the west side of Chicago, is a DaVita clinic. It is operating now at eight shifts, a fourth shift in the evening, to accommodate the influx of patients until additional resources are available. Typically, as you know, we like to only operate three shifts a day so that people can leave by the kind of close of business time of day.

Fresenius will add the two chairs in the Cicero clinic. They did provide a physician referral letter to show they have more patients, but, honestly, they're operating at 88 percent utilization. So once they add those two stations, they'll be around 80 percent again.

This expanded clinic clearly won't be able to accommodate Dr. Shah-Khan's patients. Dr. Khan submitted a letter showing that she has over a hundred kidney patients. She's not affiliated with NANI.

It's also important to note that less than

half of patients starting dialysis in this area have been cared for by a nephrologist before they begin treatments. So beyond Dr. Shah-Khan's identified patients, there are urgent, unplanned dialysis starts in the industry -- they call that crash starts -- where you're initiating dialysis for the first time on an urgent basis in an emergency room.

So we, you know, can't really quantify that number of people, but when we bring new patients into the clinics, a lot of them have never been followed by a nephrologist before.

This clinic will be a backup facility for the highly utilized Lawndale clinic, but they will not -- it will not be drawing patients away from any of the other clinics in the area.

Though some of you are probably familiar with Cicero, I did want to describe it a bit. The prosperity that many associate with metropolitan Chicago as a booming area does not filter down to Cicero, which is a disenfranchised community. In theory, you think there are a lot of opportunities as opposed to some of the rural areas that we see suffering, but without a strong manufacturing

base, people living just miles from the bustle of the Loop have trouble attaining and maintaining full-time positions. This is Cicero. Many people piece together part-time, minimum-wage jobs with no insurance to have what we consider to be full-time employment.

Public policies play a role in reinforcing the walls around disadvantaged communities like Cicero. Cicero is a Federally designated health care professional shortage area. This exacerbates problems with primary care access and further disadvantages people living there. This designation relates to a lack of access to primary care providers. The Federal government doesn't specifically assess access to dialysis care, but if people aren't getting basic preventative health services and screening, they may not know that they are sick. This has been discussed before.

But this screening and early intervention could prevent or delay ESRD. As all of us who know, you know, with your annual exams that you go to every year, you're getting your hypertension levels -- you know, making sure that your blood pressure is in check; they're checking your blood

sugar, and they're checking your kidney function. If you go five years without going to a doctor and you're 50 years old, chances are that you're not really keeping tabs on some of that very important data.

Loyola Medical Center has studied Cicero because it's part of its service area. It was identified in its most recent community needs assessment as having many barriers to community health.

It includes high rates of negative health indicators and poor health outcomes, such as high rates of emergency department visits, high burden of chronic disease, high crime rates. This affects the economy generally. Low level of educational attainment. This affects access to insurance, health services, and self-care.

Many in the community struggle with food insecurity, and, as you know, there's a paradox with that, in that when you have food scarcity you're at a higher risk for obesity and then at higher risk for hypertension and diabetes.

The vast majority of its population is minority. I think someone stated before that

94 percent of the patients at the Cicero clinic are minority. 20 percent of Cicero residents live below the Federal poverty level. Many people -- 20 percent -- are uninsured, and, as you know, the poorest are receiving Medicaid, so this is an additional segment of that population that is not receiving insurance.

Insurance is generally better for people with kidney failure because of the special program through the Medicare program that was described earlier, but this coverage is not available until your kidneys no longer work. A community with a high rate of uninsurance means many in the community do not get the access to primary care to prevent kidney disease.

DaVita goes where demand exists despite a difficult payer mix. It has demonstrated this time and again with our recent new clinics in Waukegan, Chicago, Belleville, East St. Louis, and Joliet, all medically underserved communities.

Further, this population is significantly more dense than nearly anywhere in the state, even more dense than the city of Chicago, so this is an important location to place another clinic.

In sum, it's predictable that there will continue to be strong demand for ESRD care in Chicago. We urge you to support this project and approve it, and we're happy to answer any questions.

CHAIRMAN SEWELL: Could you hold that chart up again?

MS. COOPER: (Complied.)

CHAIRMAN SEWELL: So you used more recent use data than the State agency report, and that's how you got the difference in the number of stations needed; is that right?

MS. COOPER: That's correct.

MS. FRIEDMAN: It's still somewhat old -- it's the end of 2017 -- but yes.

CHAIRMAN SEWELL: Yeah.

What's the year? I can't see the year for our use. Is that '15 or '13?

MS. COOPER: 2015.

CHAIRMAN SEWELL: '15. I see.

Okay. Here's the other thing: You know, when we had -- you don't have to hold it -- for me, at least, you don't have to hold it up anymore.

When we had the public testimony, there were five people that spoke in support of this project. And I guess I don't have a sense of -- I mean, even if we buy into the need for 26 more stations, I don't have a sense of the barrier for use for most Cicero residents, especially those whose primary language is something other than English for the other -- to the other providers' services, the existing providers of dialysis.

MS. FRIEDMAN: So I mentioned there had been an increase in utilization in the area. We've had a 5.2 percent increase in the broader area. And in the immediate area, Fresenius is here today expanding their clinic. They expanded it once before in August. So our -- we only have one clinic in the area, and it's operating a fourth shift. So there's not a lot of shift availability.

If you require them to go a further direction, they're not going to be able to follow this nephrologist, as she said. I think she's already at four other clinics.

DR. SHAH-KHAN: Uh-huh.

CHAIRMAN SEWELL: Yeah.

Mike, I guess I would ask you. How often do we update our use data and our calculations of planning area need?

MR. CONSTANTINO: We use five years. They're in the process of working on that data now. We have to use the State demographer's data.

CHAIRMAN SEWELL: Sure.

MR. CONSTANTINO: We'll get those estimates probably in September of this year. Mohammed is the State demographer, and he'll issue a report in September.

CHAIRMAN SEWELL: Go ahead.

MS. MITCHELL: Mike mentioned that we use five years, and that is required by statute, that we use five years.

I just want to make a comment to the Board. I want to thank DaVita for bringing their own numbers, but the Board is bound by the need figures in our rules, not the ones presented by the Applicant.

CHAIRMAN SEWELL: Right. Yeah.

MS. FRIEDMAN: Right. I think you're assessing whether or not the demand -- you know, based on the area's growth -- which is really high

in the immediate Cicero area -- that's the 20 percent a year that we showed you. And the 5.2 percent means that, by the time this clinic is online, all the facilities in the area will be operating above 80 percent utilization.

And to me, this is health planning. We don't want to look at just a snapshot. We need to look to see where we're going to be when this facility comes online to make sure that we're anticipating the demands of the community.

CHAIRMAN SEWELL: Uh-huh.

Do other Board members have comments or questions?

Yes.

MEMBER MURPHY: I have a question.

Mike, the report we get in September -- if we're using 2015 now, what will that give us?

MR. CONSTANTINO: We'll be using 2017.

MEMBER MURPHY: So it will bring us forward two years? Okay.

MR. CONSTANTINO: And we'll estimate five years forward, project five years forward.

MEMBER MURPHY: But it will already be almost the end of 2019 then.

MR. CONSTANTINO: It could be, yes.

MEMBER MURPHY: Okay. Thank you.

CHAIRMAN SEWELL: Other -- yes.

MEMBER MC NEIL: No, the other question is -- from the testimony this morning and what you've said, there would appear to be a diagnostic issue, that a lot of patients are being missed in this population.

So are you getting them really end stage where the organ has been very damaged and they can't --

DR. SHAH-KHAN: A lot of them come at a later stage. But the patients who we see at Stage III, IV, we do try to control their underlying disease process so that they don't progress as rapidly as the ones who are not being seen by the nephrologist.

So a lot of them, yes, we do see them at Stage IV, almost to Stage V, GFR 20, 22, 18. We see them.

MEMBER MC NEIL: So their projection for life is very short at that point in time?

DR. SHAH-KHAN: They have more comorbid condition, yes.

They are in heart failure; they're wildly overloaded; they have hyperkalemia. Yes, their risk and their mortality is higher.

MEMBER MC NEIL: So the real area to address is how to get the diagnosis earlier, but that's not being -- the way we do things, public policy, whatever -- isn't being done.

So what we're looking at is a population with the two highest groups in the US with diabetes and then needing dialysis?

MS. FRIEDMAN: Yeah. You know, I was -- one of the things that I saw in the Loyola report that was -- you know, they made it as a statement -- that they are trying to impact care in the community, that they treated 600 patients through an access program that they have in a primary care clinic.

And, you know, Cicero is 80,000 people. Berwyn is about 60,000 people, and there are other underserved areas in that immediate area. So that 600 people is really a drop in the bucket.

CHAIRMAN SEWELL: Other questions by Board members?

(No response.)

CHAIRMAN SEWELL: Okay. Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Well, in looking at the State report and one of the comments made in the summary, it appears that you, as the Applicants, are providing services to residents in that area, planning area. But based upon the number of physician referrals, there appears to be sufficient demand for the number of stations requested.

So even though you may not have complied with a couple of the criteria, I'm still going to go ahead and vote yes based upon the other criteria that was met.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the testimony.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the testimony. And the main issue is -- how do we

back this up?

In other words, for diabetes as we go forward. And it's necessary or these people die very quickly --

MR. ROATE: Thank you.

MEMBER MC NEIL: -- have kidney failure.

MR. ROATE: Thank you.

THE COURT REPORTER: I'm sorry. I didn't hear your last statement.

MEMBER MC NEIL: "Have kidney failure."

THE COURT REPORTER: Thank you.

MEMBER MC NEIL: That's a better way of saying what I just said.

MR. ROATE: Ms. Murphy.

MEMBER MURPHY: I'm going to vote yes.

I'm going to echo Senator Demuzio's comments and then include based on today's testimony and relevant parts of the State Board staff report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: With all due respect to what we're bound by with respect to rules, we already know that the use rate from 2017 puts us

from excess capacity to a need category, and this project's going to come on line in January of 2021, and it's pretty hard to argue that there wouldn't be capacity for what's being proposed here.

So I vote yes.

MR. ROATE: All right. Thank you.

That's 5 votes in the affirmative.

MR. FRIEDMAN: Thank you very much.

MS. COOPER: Thank you.

THE COURT REPORTER: Please leave your comments with Mike, if you would.

MS. FRIEDMAN: Okay.

(An off-the-record discussion was held.)

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CHAIRMAN SEWELL: The next project is H-02, Project No. 18-038, Barrington Pain & Spine Institute.

I need a motion to approve Project No. 18-038, Barrington Pain & Spine Institute, to add surgical specialties to an existing ambulatory surgery treatment center in Barrington.

Is there a motion?

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: Okay. Could you identify yourselves and be sworn in.

MS. FRIEDMAN: I'm Kara Friedman from Polsinelli.

DR. PRUNSKIS: I'm Dr. John Prunskis.

MS. NORMAN: Francine Norman.

THE COURT REPORTER: Would you raise your right hands, please.

(Two witnesses sworn.)

THE COURT REPORTER: Thank you. And please print your names if you haven't yet.

CHAIRMAN SEWELL: Okay. State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicant proposes to add orthopedic and podiatric surgery services to its current limited-specialty ASTC located in Barrington, Illinois. The approximate cost of the project is $800,000, and the expected completion date is February 28th, 2021.

We had no findings related to this project, no opposition letters received, no request for a public hearing. The Applicants have met all of the requirements of the State Board.

Thank you, sir.

CHAIRMAN SEWELL: Do you have a statement for the Board?

MS. FRIEDMAN: Good morning.

My name is Kara Friedman from Polsinelli. With me are Dr. John Prunskis and his colleague Francine Norman, representing Barrington Pain & Spine.

We thank the staff for their fully positive Board staff report, and we're happy to answer any questions.

CHAIRMAN SEWELL: Do Board members have questions of the Applicant?

(No response.)

CHAIRMAN SEWELL: Roll call.

MR. ROATE: Thank you, sir.

Motion made by McNeil; seconded by Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the State findings.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the staff report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the positive staff report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes based on the report.

MR. ROATE: Thank you.

That is 5 votes in the affirmative.

MS. FRIEDMAN: Thank you.

DR. PRUNSKIS: Thank you.

CHAIRMAN SEWELL: The project is approved.

We're going to break for lunch now, and we will reconvene at -- what, 12:45? -- at 12:45.

Thank you.

(A recess was taken from 11:46 a.m. to 12:50 p.m.)

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CHAIRMAN SEWELL: Okay. We'll come back to order.

The next project is H-03, Project No. 18-039, Fresenius Kidney Care Grayslake.

Can I get a motion to approve Project No. 18-039, Fresenius Kidney Care Grayslake, to establish a 10-station ESRD facility in Grayslake?

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: All right. Could you identify yourselves.

DR. MUNIR: Dr. Jawad Munir.

MS. WRIGHT: Lori Wright.

MS. GURCHIEK: Teri Gurchiek.

THE COURT REPORTER: Would you raise your right hands, please.

(Three witnesses sworn.)

THE COURT REPORTER: Thank you. Please print your names.

CHAIRMAN SEWELL: State Board staff report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose to establish a

10-station facility in Grayslake, Illinois, at a cost of approximately $6.1 million. The anticipated project completion date is March 31st, 2021.

There was no public hearing requested and no letters of opposition. We did have opposition here at the State Board meeting for this project. We did receive letters of support, which are documented in your State Board staff report.

The proposed facility will be located in the HSA 8 ESRD planning area, which includes Kane, Lake, and McHenry Counties. There's a calculated excess of 55 stations in this planning area.

The Applicants addressed a total of 21 criteria, and they did not meet 2 criteria that are listed in your report.

Thank you, sir.

CHAIRMAN SEWELL: Thank you.

Do you have a presentation for the Board?

MS. WRIGHT: Yes, we do.

Again, my name is Lori Wright. I'm the senior CON specialist for Fresenius Medical Care.

To my right is Dr. Munir, who will be the medical director at the Grayslake facility, and to

my left is Teri Gurchiek, the vice president of operations for Fresenius.

First of all, I'd like to thank the Board staff for their review of this project, and I also want to thank Board members for their time in coming out here today.

Before I go further, I would like to point out, just for the record, that although we partner at times with the NANI physicians, their recent four administrative appeals that have been brought against the Board and DaVita were entered into solely by the NANI physicians. Fresenius had no knowledge or a part in any of these actions.

And then I'd like to turn it over to Teri.

MS. GURCHIEK: Thank you.

As stated, my name is Teri Gurchiek, and I am the vice president of operations for Fresenius Kidney Care.

In my lengthy career here, I've become very aware of the growing health care needs in Illinois as they pertain to dialysis services. Over the past year we have been very conservative and mindful in planning for our new facilities. Out of the total record 21 facilities that were

approved last year, only 3 were Fresenius facilities, with 2 of them located in medically underserved areas. They will serve the south Chicago suburbs, central Illinois, and southwest Illinois.

In 2018 we submitted just two projects, one that has already been permitted and the one that we're about to present to you now. During this time we made cost-effective use of facilities already in existence by expanding where we were able to to accommodate and relieve the high utilization.

This brings us to Grayslake, where we are witnessing an imminent need for access despite the excess stations in the HSA; however, we are conservatively asking for only 10 stations, a smaller facility, that will allow us to have room for expansion in the future, if that's needed, rather than building another facility.

Grayslake is centrally located in Lake County and is immediately encircled by three overutilized facilities. They are Fresenius Round Lake, which is operating at 84 percent utilization; Gurnee, which is operating at

82 percent utilization dispute the fact that we added six stations last year; and Mundelein, which currently is at 81 percent as of today, after adding two stations there, as well.

The Board staff report lists the facility at 77 percent; however, that was in September, and currently, as I've said, the Fresenius Mundelein clinic has grown to 68 patients and does hit the 81 percent utilization today.

All clinics in the 10-mile radius are above 80 percent except for one, and that would be DaVita Lake County, which is almost 8 miles away. Only 19 more patients will bring this clinic to 80 percent.

The Associates in Nephrology physicians who are supporting the Grayslake facility have been serving the Chicago area for nearly 40 years. Their practice and patient volume have continually grown during this time.

Dr. Munir, who is with us today, and his partner Joshua Trob serve the residents of Lake County and currently have over 170 dialysis patients at their clinics listed in the 10-mile radius of Grayslake. As well, over the past year

they've referred almost 50 new ESRD patients for treatment.

These numbers are growing despite the strong support for home dialysis, which they see patients in home programs at DaVita Lake County, Lake Villa, and Lake Bluff, where Dr. Trob is the medical director.

As evidenced by the number of patients that AIN historically referred within Grayslake service area, the 54 pre-ESRD patients they have identified for Grayslake combined with a high utilization of area clinics are a clear picture painting the need for additional stations to maintain access for new ESRD patients. We want to provide that access by establishing a Grayslake facility.

I'll now turn it over to Dr. Munir for his presentation.

DR. MUNIR: Good afternoon, Mr. Chairman and Board members. My name is Jawad Munir.

I'm a nephrologist serving the Grayslake and Libertyville community for the last eight or so years. I am part of Associates in Nephrology, and I see patients out of Advocate Condell,

Northwestern Lake Forest, and Vista Hospitals. We have dialysis patients in essentially all the clinics in Lake County.

I am here today as my patients' advocate. ESRD is devastating. It has a huge -- it takes a huge emotional and physical toll on the patient, and the economic burden that it imposes on the health care system we are all well aware of.

The majority of these dialysis patients are in the geriatric age group -- that is, greater than 65 years of age -- with multiple comorbid conditions, diabetes, heart disease, stroke. A lot of them have mobility problems; you'll see a lot of them in wheelchairs.

A lot of them can't drive because of the diabetic kidney and eye disease. Their family members are driving them to dialysis. A lot of them are forced to take Pace buses or other modes of public transportation.

What I see in central Lake County is a situation of a high utilization of dialysis clinics. ESRD imposes a significant amount of stress on these patients as they have to travel longer distances six times a week and as they have

to go farther and farther to seek their dialysis care. And having to accept evening times, which is basically what's available these days, further increases the hardship on these patients.

Patients are going for dialysis in the evening hours, and that takes away time from their families, and it poses significant hardships on them. Some of these clinics are now operating a fourth shift, which doesn't end until midnight. So imagine a 79-year-old driving in the evening in the snow six times a week. It is very challenging for them.

I'll give you one example of my elderly patient. He was forced to move into a nursing home last month because his wife could not drive him in the evening hours to take him to the dialysis center and the transportation was getting impossible for him.

Myself and my partners take care of 450-plus chronic kidney disease patients in the Grayslake and Libertyville area, and, of those, we have identified around 55 -- 54, 55 -- patients who will be on dialysis in the next couple of years.

I worry about those patients because the three clinics in the immediate surroundings, as Teri mentioned -- the Fresenius Round Lake, Fresenius Gurnee, and Fresenius Mundelein -- are operating near capacity. They are greater than 80 percent utilized, and patients are now -- the only thing that is available to them are the evening shifts, which is becoming a significant problem for the patients.

And someone earlier in the day already mentioned that patients are having to travel farther and farther and the providers are having to travel farther and farther, making patient care more challenging for everyone.

While there -- you know, people can crunch the numbers and make them sound like there is no need for a dialysis center in this area, I would point out to you that this center will serve the needs of this community very well, not only my 55 patients but there are several other nephrologists who have patients in that area, and I see that when -- in a couple years -- when this unit is built and completed, the resulting numbers will be at or greater than capacity.

So I respectfully ask the Board members to support and vote yes for this project, and I'll be happy to answer any questions. And other than that, I'll turn it over to Lori.

MS. WRIGHT: Thank you, Dr. Munir.

I would like to wrap up this presentation by addressing the two negatives that are in the Board staff report.

First, we do not meet planning area need because there is an excess of 55 stations in HSA 8. This seems to be the elephant in the room; however, there is a reason why this does not realistically apply to this application, just as the HSA excess of stations did not apply on the previous, much needed ESRD application approved today.

HSA 8 is made up of three counties, Lake, McHenry, and Kane. Lake County, which is where Grayslake is located, is in the far northeast corner of Illinois, along Lake Michigan. It is the most highly populated of the three counties with over 700,000 residents; however, it is the smallest in area. It includes Waukegan, which is the third largest county in Illinois -- I mean

city in Illinois.

Lake County saw a 9 percent growth in population between 2000 and 2010, and projections are remaining at 9 percent. There is an increasing elderly population at 12 percent and a 7 percent growth rate of ESRD versus the state's growth rate of only 3 percent. There are currently a thousand ESRD patients in Lake County.

Just west of Lake County is McHenry County with half the population of Lake County, with just over 300,000 residents, yet it is the largest in area. It is rural in nature and has no large urban areas. There are only about 250 ESRD patients in McHenry County.

South of McHenry County is Kane County, which in size and population sits midway in between Lake and McHenry Counties. It includes the second and ninth largest cities in Illinois, which are Elgin and Aurora, and there are approximately 800 ESRD patients in Kane County.

So in HSA 8 what you have is two more highly populated counties that include three of the largest cities in Illinois, which are medically underserved, exhibiting increased rates

of ESRD, demanding additional access for dialysis. Fresenius currently has six facilities that serve these three underserved areas. That leaves McHenry County. It is mostly rural, less populated with lower numbers of ESRD patients, so it's a much lower need for stations than in Lake and Kane Counties.

However, to see exactly where the excess of stations lie in this HSA, you can look at the average clinic utilization in each county. The average utilization of operating clinics in Kane County is 77 percent. There does not appear to be an excess of stations here.

The average utilization of operating clinics in Lake County is 70 percent. It appears Lake County is on the threshold of needing access; however, the need is already witnessed in Grayslake, as exhibited by high utilization there.

Lastly, the average utilization of the clinics operating in McHenry County is only 41 percent. It would seem that this is the leading factor in the excess of stations for HSA 8. This is largely in part because rural clinics do not generally operate the full

six shifts that the need calculation is based on. This is where the conundrum comes in. There is an excess of stations overall in the HSA; however, the Grayslake area is at 82 percent utilization, and there is no surplus here.

Having said this, I'm aware that this is how the rules apply today and perhaps soon a reconfiguring of the HSAs to account for growth could be in the works.

Secondly, this project does not meet only one of the items under unnecessary duplication and maldistribution because all 10 clinics within -- all the clinics within 10 miles are not above 80 percent. Table 5 -- excuse me.

Table 5 of the Board staff report on page 14 shows that there are two clinics in operation under 80 percent; however as Teri mentioned, the Mundelein facility is now at 81 percent with 68 patients. The one clinic in DaVita -- in Lake County that is under 80 percent is DaVita Lake County, which can only take 19 more patients before it is full.

Given the current high area utilization of 82 percent, the high ESRD growth rate of

7 percent, those 19 spots are going to be filled long before the Grayslake facility is open.

I'd also like to point out that, as DaVita mentioned earlier, they did not oppose this project.

Also, as part of this criteria, the Applicant has shown that there is sufficient population to utilize the clinic and that it will not lower the utilization at any other facility. If you look at page 15 in the Board staff report, first paragraph, the ratio of stations to population in the 10-mile radius shows that there are two times less available stations per resident in Grayslake than there are in the state.

In Grayslake there is one station for every 4,254 residents. In the state there's one station for every 2,367 residents. As the report states, there is no surplus of stations in this 10-mile radius; therefore, the need for access here has been validated.

This project is very important to Dr. Munir, his Grayslake patients, and to Fresenius as we have carefully sought to focus on addressing need where we see high utilization.

I thank you for your patience during our presentation, and we would be happy to answer any questions you have.

CHAIRMAN SEWELL: Do Board members have questions?

(No response.)

CHAIRMAN SEWELL: Let's have a roll call.

MR. ROATE: Thank you, sir.

Motion made by Demuzio; seconded by McNeil.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the State report and, also, the testimony I've just heard.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the testimony.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report and testimony.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report

and today's testimony.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote no, failure to meet the planning area need. And the testimony of the Applicant was not compelling in terms of a reason to ignore these two standards.

MR. ROATE: Thank you, sir.

We have 4 votes in the affirmative, 1 in the negative.

MS. MITCHELL: You have received an intent to deny. You will receive another opportunity to come before the Board. You will receive a letter in the mail explaining your opportunity to do so.

MS. WRIGHT: Thank you.

(An off-the-record discussion was held.)

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CHAIRMAN SEWELL: Next on the agenda is H-04, Project No. 18-040, OSF St. Francis Medical Center.

May I have a motion to approve Project 18-040, OSF St. Francis Medical Center, to establish a heart transplant program at its hospital in Peoria.

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: Okay. Could you identify yourselves.

MR. HOHULIN: Mark Hohulin.

MR. ANDERSON: Hi. I'm Bob Anderson. I'm president of St. Francis Medical Center.

DR. CLEMSON: Dr. Barry Clemson, a heart service specialist.

THE COURT REPORTER: Would you raise your right hands, please.

(Three witnesses sworn.)

THE COURT REPORTER: Thank you. Please print your names.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicant proposes to establish a heart transplant program at OSF HealthCare, St. Francis Hospital, in Peoria, Illinois.

The State would like to note the State Board does not have a need methodology for this service. The Applicants have provided a methodology estimating the number of open-heart transplants that will be performed in OSF St. Francis Medical Center that will be discussed in the application for permit. Additionally, the State Board does not have a utilization standard for this service.

There was no request for a public hearing; no letters of opposition were received by the State Board staff. Letters of support were received. There were no findings related to this project, and there is no cost.

Thank you, sir.

CHAIRMAN SEWELL: Thank you.

Do you have a presentation for the Board?

MR. HOHULIN: Good afternoon. Mark Hohulin with OSF HealthCare system. With me is Bob Anderson, who's the president of St. Francis Medical Center, and Dr. Barry Clemson, who's the

OSF HealthCare heart failure medical director, and we're happy to answer any questions you may have.

CHAIRMAN SEWELL: Do the Board members have questions?

Yes, Doctor.

MEMBER MC NEIL: Where do your patients go now for heart transplant?

DR. CLEMSON: Predominantly they go to the centers in Chicago. Probably Northwestern, the University of Chicago, and Advocate would be the three most likely places for them to go.

On a rare occasion they may go elsewhere, just depending on demographics and their insurance. Some may go to St. Louis, rarely Iowa City.

MEMBER MC NEIL: Prairie Heart Center ever?

DR. CLEMSON: Prairie Heart Center does not offer heart transplant services.

MEMBER MC NEIL: Heart transplants. So we're really dealing then -- you already do coronary operations. We're dealing with the entire transplant, which is unique and --

MR. HOHULIN: Correct.

MEMBER MC NEIL: -- very limited in where you get them done.

DR. CLEMSON: That is correct.

CHAIRMAN SEWELL: Do they do this service at Loyola in Maywood?

DR. CLEMSON: They do currently. That program's fluctuated over the years, but, yes, they do at the moment.

CHAIRMAN SEWELL: All right.

Other questions?

MEMBER MC NEIL: How many are we talking about in a year?

It's in --

DR. CLEMSON: Yeah. So I think pretty much we looked at demographics within our population area and we have an estimated growth rate in there starting at around 3 to 4 a year but hopefully not well above 10. I will tell you that's a very conservative estimate, and I'm pretty confident we'll be probably in the range of 10 to 20 a year.

MEMBER MC NEIL: Unless we can change all the habits of people so they don't get coronary artery disease and all of that that follows.

DR. CLEMSON: That would be true.
MEMBER MC NEIL: But that's unlikely.
DR. CLEMSON: I don't see that coming anytime soon.
MEMBER MC NEIL: Yeah.
CHAIRMAN SEWELL: All right. If there are no other questions by Board members, roll call.
MR. ROATE: Thank you, sir.
Motion made by Demuzio; seconded by McNeil.
Senator Demuzio.
MEMBER DEMUZIO: Yes. I'm going to vote yes based upon the report and from what I've heard today.
MR. ROATE: Thank you.
Mr. McGlasson.
MEMBER MC GLASSON: Yes, based on the report.
MR. ROATE: Thank you.
Dr. McNeil.
MEMBER MC NEIL: Yes, based on the report and testimony.
MR. ROATE: Thank you.
Ms. Murphy.

MEMBER MURPHY: Yes, based on the positive staff report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

MR. HOHULIN: Thank you.

DR. CLEMSON: Thank you very much.

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CHAIRMAN SEWELL: The next project is H-04, Project No. 18-040, OSF St. Francis --

(An off-the-record discussion was held.)

CHAIRMAN SEWELL: Oh, I sure am. What am I doing? Must have been the lunch. I'm sorry.

H-05, Project 18-041, OSF Allied Agencies building.

Can I have a motion to approve this project, 18-041, OSF Allied Agencies building, to relocate a medical office building in Peoria?

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: All right. And you need to identify yourself because the other two have already --

MS. POGUE: Tracy Pogue, OSF vice president of ambulatory development.

CHAIRMAN SEWELL: Okay. And she needs to be sworn in.

(One witness sworn.)

THE COURT REPORTER: Thank you.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose to establish, essentially, a medical office building in Peoria, Illinois, at a cost of about $19.3 million. The expected completion date is August 31st, 2020.

There was no public hearing requested, no letters of opposition were received, and we did receive letters of support. There were no findings related to this project.

Thank you, sir.

CHAIRMAN SEWELL: Okay.

Do y'all have a statement for the Board?

MR. HOHULIN: Again, Mark Hohulin with OSF HealthCare, Bob Anderson with St. Francis Medical Center. You met Tracy.

We're just here to answer any questions that you may have.

CHAIRMAN SEWELL: Do Board members have questions?

(No response.)

CHAIRMAN SEWELL: If not, we'll have a roll call.

MR. ROATE: Thank you, sir.

Motion made by Ms. Demuzio; seconded by Dr. McNeil.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based on the fact that they have met all the criteria according to the State report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the State report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the State report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the staff report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes based on the State agency report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: The project is approved.

MR. HOHULIN: Thank you.

MR. ANDERSON: Thank you.

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CHAIRMAN SEWELL: The next project is H-06, Project No. 18-045, Fresenius Medical Care West Belmont.

May I have a motion to approve Project No. 18-045, Fresenius Medical Care West Belmont, to add 4 ESRD stations to an existing 17-station ESRD facility in Chicago.

MEMBER DEMUZIO: Motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: All right. And you have been identified and sworn in.

So State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose to add 4 stations to an existing 17-station facility in Chicago, Illinois. The cost of the project is approximately 1.2 million, and the expected completion date is March 31st, 2020.

A public hearing was offered but none was requested. The project file contains no letters of support and no letters of opposition. The Applicants addressed a total of 18 criteria and successfully addressed them all.

Thank you, sir.

CHAIRMAN SEWELL: Any statement for the Board?

MS. WRIGHT: No. This is just a simple addition of four stations, and we meet all your criteria. So if you have any questions, I can answer those.

CHAIRMAN SEWELL: Are there questions by Board members of the Applicant?

(No response.)

CHAIRMAN SEWELL: If not, we'll have a roll call.

MR. ROATE: Thank you, sir.

Motion made by Senator Demuzio; seconded by Dr. McNeil.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based on the staff report.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the staff report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: I vote yes based on the report.

MR. ROATE: 5 votes in the affirmative.

CHAIRMAN SEWELL: Thank you.

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CHAIRMAN SEWELL: Okay. The next project is H-07, Project No. 18-046, Fresenius Medical Care Cicero.

May I have a motion to approve Project 18-046, Fresenius Medical Care Cicero, to add 2 ESRD stations to an existing 18-station ESRD facility in Cicero.

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER MURPHY: Second.

CHAIRMAN SEWELL: State agency report.

MR. CONSTANTINO: Thank you, sir.

The Applicants propose to add 2 stations to an existing 18-station facility for a total of 20 stations, at a cost of about $46,000. The completion date is expected to be December 31st, 2019.

No public hearing was requested, no letters of support or opposition were received by the State Board staff. The Applicants have successfully addressed all the 18 criteria required by the State Board.

Thank you, sir.

CHAIRMAN SEWELL: Thank you.

Do you have anything to say?

MS. WRIGHT: Again, we meet all criteria, so I'll be happy to answer any questions.

CHAIRMAN SEWELL: Are there questions by Board members?

(No response.)

CHAIRMAN SEWELL: If not, the roll call.

MR. ROATE: Thank you, sir.

Motion made by Dr. McNeil; seconded by Ms. Murphy.

Senator Demuzio.

MEMBER DEMUZIO: Yes, based upon the staff report and meeting all the criteria.

MR. ROATE: Thank you.

Mr. McGlasson.

MEMBER MC GLASSON: Yes, based on the report.

MR. ROATE: Thank you.

Dr. McNeil.

MEMBER MC NEIL: Yes, based on the report.

MR. ROATE: Thank you.

Ms. Murphy.

MEMBER MURPHY: Yes, based on the report.

MR. ROATE: Thank you.

Chairman Sewell.

CHAIRMAN SEWELL: Yes, based on the report.

MR. ROATE: Thank you.

That's 5 votes in the affirmative.

CHAIRMAN SEWELL: Thank you.

MS. WRIGHT: Thank you.

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CHAIRMAN SEWELL: Okay. We have two deferrals.

The Applicants for I-01, Project No. 18-002, Retina Surgery Center, have requested that the project be deferred to the March meeting of the Board.

That's also true of I-02, Project 18-007, Dialysis Care Center of Hickory Hills.

So both are deferrals to the March meeting of the Board.

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CHAIRMAN SEWELL: Do we have other business?

MS. AVERY: No.

MS. MITCHELL: Yes.

CHAIRMAN SEWELL: Somebody said yes; somebody said no.

MS. MITCHELL: Yes.

(An off-the-record discussion was held.)

MS. AVERY: Next on the agenda is the financial report. That was included in your packets. Any questions, please let me know.

And, again, Kim Palmer, who is the accountant for IDPH, is available to answer any questions that I cannot.

CHAIRMAN SEWELL: Can I ask a question? This is only moderately related to this.

Do we know who the director of IDPH is going to be?

MS. AVERY: No.

CHAIRMAN SEWELL: We don't?

MS. AVERY: Nope.

CHAIRMAN SEWELL: Just checking.

MR. ROATE: Are you free?

MS. AVERY: Do y'all know?

No, he's not free.

MS. MITCHELL: Are you volunteering?

CHAIRMAN SEWELL: I'm not qualified to do that.

MEMBER DEMUZIO: Courtney will be the new director.

CHAIRMAN SEWELL: Okay.

Any questions on the financial report on the Health Facilities Planning Fund?

Cash balance of $2.4 million. Okay. Is that good?

MS. AVERY: I would say it's not good, it's not bad. Our revenues have declined over the years.

CHAIRMAN SEWELL: I see. All right.

Are these other categories part of the business we have to address?

MS. MITCHELL: Bed changes are.

CHAIRMAN SEWELL: Bed changes. Who has that? Mike?

MR. CONSTANTINO: We had -- we didn't have any bed changes.

We do have one profile correction to the 2017 profile for Riverside Medical Center that we

need your voice vote approval. They want to change the number of observation beds from 13 to 4.

CHAIRMAN SEWELL: Okay. Do we need a motion and a voice vote?

MS. AVERY: Voice vote.

CHAIRMAN SEWELL: Could someone move that in the profile we change the number of observation beds at Riverside Medical Center in Kankakee from 13 to 4?

MEMBER DEMUZIO: I'll make a motion.

CHAIRMAN SEWELL: Is there a second?

MEMBER MC NEIL: Second.

CHAIRMAN SEWELL: Any discussion?

(No response.)

CHAIRMAN SEWELL: Voice vote. All in favor say aye.

(Ayes heard.)

CHAIRMAN SEWELL: Opposed?

(No response.)

CHAIRMAN SEWELL: All right. Motion passes.

And there's an update on the guidelines for public participation?

MS. MITCHELL: Yes.

CHAIRMAN SEWELL: Do you have something else, Mike?

MR. CONSTANTINO: No, sir. No.

CHAIRMAN SEWELL: Okay.

MS. MITCHELL: You received today some updates on the public participation guidelines, and this is a result of -- the public access counselor in the Attorney General's office is charged with interpreting the Open Meetings Act and FOIA laws, and they issue guidance in the form of binding advisory opinions.

So based on some guidance that I received from them through that, we had to update our public participation guidelines to be more compliant with what the Open Meetings Act requires and allows for.

So this is what the update is and if I could get these approved so they could go in effect at the next meeting. If you have any questions, I could answer them.

CHAIRMAN SEWELL: Looks like they go into effect tomorrow.

MS. MITCHELL: Yes.

CHAIRMAN SEWELL: Have Board members had a chance to review these changes? And if so --

MS. MITCHELL: If you want, I could go through -- if you guys want me to go through the changes --

CHAIRMAN SEWELL: Is there a motion to approve these?

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second?

MEMBER DEMUZIO: Second.

CHAIRMAN SEWELL: Any questions of Jeannie on any of the details?

MEMBER MC GLASSON: Just an observation.

CHAIRMAN SEWELL: Yes.

MEMBER MC GLASSON: As I recall, most of the written statements that have been read have been on the part of office holders who passed these.

MS. MITCHELL: "On the part of office holders" -- you mean like legislators?

MEMBER MC GLASSON: Yes. Is that --

MS. AVERY: In the past?

MS. MITCHELL: Yeah.

MS. AVERY: Yes. I try to catch it but

I don't always catch it.

Would you like us to --

MEMBER MC GLASSON: Just an observation. And presumably they will, at some point, have to approve this.

MS. MITCHELL: We approve it. We approve it.

MEMBER MC GLASSON: I know. But do they ultimately, the General Assembly?

MS. MITCHELL: No. It's just us.

CHAIRMAN SEWELL: I think it's just us.

MS. AVERY: The Attorney General's office gives us guidance on it but not approval.

MS. MITCHELL: We're the final authority on this.

MEMBER MC GLASSON: Then Jeannie will be the one telling them they can't read the statement?

MS. MITCHELL: If I am so charged. I don't mind being the bad guy.

MS. AVERY: Yes.

CHAIRMAN SEWELL: Okay. The motion is to approve these public participation guidelines changes.

It's already been made -- right? -- and second?

MR. ROATE: Yes, sir.

CHAIRMAN SEWELL: Any discussion?

(No response.)

CHAIRMAN SEWELL: That's right. I allowed for that, too, didn't I?

Voice vote. All in favor say aye.

(Ayes heard.)

CHAIRMAN SEWELL: Opposed?

(No response.)

CHAIRMAN SEWELL: All right. The next meeting of the Board is March 5th, here at the Bolingbrook Golf Club.

Is there a motion to adjourn?

MEMBER MC NEIL: So moved.

CHAIRMAN SEWELL: Is there a second -- oh, have you got something?

MR. ROATE: May I collect jump drives before we adjourn.

CHAIRMAN SEWELL: Okay.

All in favor say aye.

(Ayes heard.)

CHAIRMAN SEWELL: Opposed?

(No response.)

CHAIRMAN SEWELL: Well, we are adjourned.

Thank you all very much.

(Off the record at 1:26 p.m.)

CERTIFICATE OF SHORTHAND REPORTER

I, Melanie L. Humphrey-Sonntag, Certified Shorthand Reporter No. 084-004299, CSR, RDR, CRR, CRC, FAPR, and a Notary Public in and for the County of Kane, State of Illinois, the officer before whom the foregoing proceedings were taken, do certify that the foregoing transcript is a true and correct record of the proceedings, that said proceedings were taken by me and thereafter reduced to typewriting under my supervision, and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 14th day of February, 2019.

My commission expires July 3, 2021.

OFFICIAL SEAL
M L Humphrey-Sonntag
Notary Public, State of Illinois
My Commission Expires July 3, 2021

MELANIE L. HUMPHREY-SONNTAG
NOTARY PUBLIC IN AND FOR ILLINOIS

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