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PROJECT 11-024
U.S. RENAL CARE OAK BROOK DIALYSIS

PUBLIC HEARING

JULY 11, 2011

ORIGINAL

STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 West Jefferson Street, 2nd Floor

Springfield, Illinois 62761

217-782-3516

PUBLIC HEARING

Re: Project #11-024

U.S. Renal Care Oak Brook Dialysis

Public hearing held on July 11, 2011, at Village of Downers Grove, Council Chambers, 801 Burlington Avenue, Downers Grove, Illinois, before Courtney Avery, Facilitator.

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Reported by:

Karen K. Keim

CRR, RPR CSR-IL, CRR-MO

Midwest Litigation Services

401 N. Michigan Avenue

Chicago, IL 60611

START TIME: 1:35 p.m.

MS. AVERY: Good afternoon. I'm Courtney Avery from the Illinois Health Facilities and Services Review Board. We have with us today Cathy Clarke, Karen Keim, and Kathy Olson.

The purposes and intention for today's process is to afford an opportunity for interested parties to present oral and written comments relevant to Project 11-024. In accordance with the Illinois Health Facilities Planning Act, notice is given of receipt to establish a 13-station end renal dialysis, ESRD, facility in Oak Brook -- I'm sorry, Oak Brook Dialysis in Downers Grove, Illinois. The applicants are USRC Oak Brook, LLC and USRC Alliance, LLC. The applicants propose to establish a 13-station ESRD facility in 6,500 gross square feet of leased space, to be located at 1201 Butterfield Road, Downers Grove, Illinois. Project cost is $1.8 million, approximately.

A public like hearing is being conducted today pursuant to the Illinois Health Facilities Planning Act. The hearing is open to the public and will afford an opportunity for parties interested to present oral or written comments relevant. All allegations or assertions

should be relevant to the need for the proposed project and be supported with two copies of documentation or materials that are printed on typed paper, size 8 1/2 x 11. The public hearing is taking place pursuant to Part 1130.910. The hearing is scheduled for July 11th at 1:30 p.m. at the Downers Grove Council Chambers at 801 Burlington Avenue in Downers Grove, Illinois. Consideration by the State Board has been tentatively scheduled for August 16th, 2011 at the State Board's meeting. Any person wanting to submit written comments on this project must submit those comments by 9 a.m. on July 27, 2011.

If you have not registered your participation for this public hearing, please see Ms. Clarke, and in order to ensure that the Illinois Health Facilities Planning Board's public meeting hearings protect the privacy and confidentiality of an individual's health information, covered entities, as defined by the Health Insurance Portability Act of 1996, such as facilities, hospitals, hospital providers, health plans, and health clearinghouses submitting oral or written testimony that discloses protected health information of individuals should have a valid, written authorization from that individual. The authorization shall allow the covered entity to share the individual's protected health

information at this hearing.

Those of you who came with prepared text for your testimony may choose to submit the text without giving oral testimony. If you are giving oral testimony, please be brief as possible, and we'll try to limit each presenter to approximately three minutes. Should anyone want to speak for more than the time allowed, if time permits you may do so after everyone has had an opportunity. Prior to beginning your oral presentation, please give the Court Reporter the complete spelling of your full name. Oral testimony will be taken in the order in which participants sign in, and if you have any questions regarding today's proceedings, please hold them until we're done.

Thank you.

(Pause)

DR. RAUF: My name is Anis Rauf. First of all, I'd like to thank everyone for being here this afternoon, and I appreciate the opportunity to speak on behalf of advanced renal care and USRC to establish a dialysis facility in Downers Grove.

Just to give you a bit of background about myself, I'm a native Chicagoan and grew up in the north part of Chicago and trained at Northwestern University undergrad, went to medical school right here in Downers

Grove, and I lived in Lombard for the last 8 to 10 years, recently moved to the Oak Brook area, and I had firsthand experience, growing up in this area. I did my nephrology fellowship at Loyola University Medical Center and I also had an opportunity to train at the Mayo Clinic in Rochester, Minnesota.

When I was at the Mayo Clinic, I learned firsthand how the needs of the patient come first, particularly from every aspect of patient care, even positions such as custodians or technicians, to well-known heart surgeons, everyone really focused on putting the needs of the patient first, and that's one philosophy that I think we've been trying to bring back to the western suburbs of Chicago.

After I finished my training at Loyola, I sought out for a position in the area. Since I grew up in the area, I wanted to serve the community. And found it very difficult to find a position in the area, because there was either not a need or there was only one nephrology practice and they weren't looking for anyone at that time. So, I took on a bold move with my wife Humera, who is in the audience, who helped me start a practice from scratch in June of 2007. We literally started the practice from our home and really focused on the essentials of

putting the needs of the patient first, from taking care of them 24 hours, 7 days a week, being available and providing utmost quality, and I found that that philosophy really helped us a great deal. We quickly became very busy in Lombard, and we opened a second office in Hinsdale and a third office in Bolingbrook.

I brought on my first partner, Dr. Mohammed Ahmed, who will also speak, within six months of starting my practice, and we found that there has been an explosive need for dialysis services in the area. Finding the fact that there was only one nephrology group for a very long time, we found ourselves to provide a choice in providing nephrology services to the primary care physicians, and I think we quickly were able to decrease the waiting time it takes to see a nephrologist early, and that becomes very important, because as patients develop chronic kidney disease, if we recognize that disease very early, we can start to assess and treat these patients, and I can tell you that several of the primary care physicians I've worked with have told me that "before you started Dr. Rauf, it would be very difficult to get in to see a nephrologist or get our patients in, because the wait time was six months to a year sometimes in some cases."

So, I think that by providing choice in

nephrology services, we've just improved the quality and raised the bar. Not to say that anyone wasn't providing good service, I think that competition itself raises the bar, and what I found over the last four years, working in this area closely with Advocate Good Samaritan Hospital as well as Adventist Hinsdale Hospital, found that there has been only one provider here for a very long time, and often times that provider dictates certain rules or regulations, which make it very difficult to really push towards patient quality and patient choice.

Often times we are found running around between eight dialysis units. All of our patients are on different shifts, and some of it we can't control. Some of them, even the medical directors at the facilities, can't control because of chair availability, and I think that the demand is so great that there definitely is a need for a new dialysis provider in DuPage County. I think it's very important to be in close proximity to the hospital, because often times these patients are living in the Downers Grove community, living in the Oak Brook community, living in the Lombard community, and we've chosen a location that is easily accessible by major highways so these patients can get their treatments and, most importantly, their doctors are very close by and observing their treatment. If we

find ourselves running around between eight different dialysis units and each patient can be on one of eight shifts, it proves very difficult to provide care.

The growth has been so substantial that we've been able to have a full-time Physician Assistant with five years of nephrology assistant, Carrie Kopala, who will also speak today, help us care for these patients, and we've also hired a third partner who has started with us this past month, Dr. Suneel Udani.

I think the changing demographics of the area of Downers Grove, Hinsdale and Oak Brook is rapidly in need of diagnose services. We've got a very high population of Hispanics, African Americans, as well as North American Caucasians, with difficult-to-control diabetes, difficult-to-control hypertension, as well as heart failure, and often times these patients are admitted and readmitted to the hospital because they're not able to manage their fluid very well. Dr. Ahmed and I have done several community sessions in the area. We've done several CME presentations for primary care physicians, as well as taken time out and teach the medical school. Midwestern University is my alma mater. Both Dr. Ahmed and I have faculty appointments there. We are the only doctors of osteopathic medicine with certification in nephrology.

Dr. Ahmed and I also have dual Board certification in critical care medicine, so we're able to take care of these patients at all phases of their life cycle, whether in the outpatient, inpatient, or ICU, and I think our patients need to have a choice about not only nephrology, but our patients need to have a choice for their dialysis provider.

I think that's all I'd like to say, and I'd like to thank you for your time.

(Pause)

MS. LINSNER: My name is Jennifer Linsner. Good afternoon. I'm here today to support U.S. Renal Care's application to build a dialysis center in Oak Brook. I urge this Board to also support what is a much-needed, critical project for dialysis patients in the area, like me.

I have needed dialysis therapy since December when I became sick with a life-threatening illness. I feel fortunate and grateful to have had Dr. Ahmed's and Dr. Rauf's care and compassion during this very difficult time. From the beginning, they treated me with respect, and they made me feel that I was well cared for. They discussed every step of my care, and they even took extra time to re-explain things I didn't understand. I've always felt valued as a patient in their care, and I will continue to

see these very talented physicians.

The dialysis treatment I received from Fresenius, however, was a very different experience. I did not as if the nurses and technicians were on my team. I wasn't treated with respect or care, and they created an environment of negativity and stress that was not conducive to dialysis therapy. I was very unhappy and, like most anyone in my situation, I looked for a different place to seek my treatment. Sadly, there wasn't a single alternative. Even now, I look back and get frustrated and disappointed that I didn't have a choice as to where I sought dialysis. Because I am young and active, I have the benefit of dialyzing at home, but I think of the many, many other patients who are elderly or ill. They are truly stuck when they don't have a single alternative when it comes to where they dialyze.

There is a growing need for the kind of alternative that U.S. Renal Care has proposed. Patients deserve at the very least a choice of where they seek their treatment. That they don't have any choice now is a travesty.

I urge this Board to approve U.S. Renal Care's application to open the dialysis center. My experience with these doctors has been nothing but positive, and I am

thrilled that I will be able to continue my care with them at the new facility.

Thank you very much for the opportunity to speak for this very important project.

(Pause)

DR. AHMED: My name is Dr. Mohammed Ahmed. I grew up in the Chicagoland area, just like Dr. Rauf did. I did my undergraduate work at University of Chicago, after which I went to medical school at Midwestern University, Chicago College of Osteopathic Medicine, and completed my general internal medicine and nephrology fellowships at Loyola. After completing my fellowship in nephrology, I had the choice of either embarking on a career in nephrology or pursuing additional training to provide the utmost care for my patients. I opted to pursue additional training.

I went to the Mayo Clinic for a fellowship in critical care medicine to really have a handle on how to care for the critically-ill patient. I did critical care medicine there in Rochester, Minnesota. At Mayo Clinic it was there that I learned what enables Mayo Clinic to provide world-class medicine, is to have the passion for providing the utmost care for every patient, and this philosophy is what I tried to embody in every one of my

patient encounters.

After having been there for two months, I was offered a job at Mayo Clinic to serve as a nephrology and critical care attending, but due to family ties in the area, and the desire to bring what I learned at Mayo Clinic to the local community here, I decided to come back to Chicago and join Dr. Rauf. I must say that the last three years of Dr. Rauf and I embarking on this impossible feat of creating a nephrology practice from scratch has been the most challenging three years of my life. I have been through the most academically rigorous undergraduate education at the University of Chicago and came out on top. I've been at the most aggressive nephrology fellowships in Chicago and the critical care fellowship at Mayo Clinic, and I must say, it pales in comparison to the time and the toll that this practice has had on my family and my personal life. What has fueled my drive in pursuing this is that the sacrifice that I've made against my family has enabled me to provide that best, utmost care to my patients. That is what fueled me. The patient feedback that I've gotten and the growth that I've seen in the practice is what has fueled my ability to make those sacrifices to provide this care to our patients.

Our entry into DuPage County now provides a

choice for patients. Prior to us starting this practice, there is only one nephrology provider in the area for some twenty-some-odd years and, as outlined by Dr. Rauf, our practice has seen an explosive growth, not only because of the additional training that we bring to the area, but also due to the demographic change in the community. The number of African Americans and Hispanic populations have grown substantially. Increased prevalence of disease associated with end stage renal disease among that population is causing a very rapid growth in the need for end stage renal disease providers.

In putting together a plan for a facility to help deal with this issue, I have spent extensive time talking about those dialysis problems with other physicians, nurses, and hospital discharge planners and hospital management groups. Several patients and social workers have reported access problems to me. Many of those problems probably relate to the robust need of the existing use of the dialysis chairs that are available. This growing -- and I might truly add explosive -- growth indicates a need for a situation where facility managers or owners establish rules for access that occasionally can have tragic outcomes on patients, and I cite three examples to that end.

In May of 2011, I accepted into my care a patient with end stage emphysema, COPD. She requires a very high amount of oxygen in order to function in her activities of daily living. The patient was previously living in the Joliet area and was obtaining her dialysis care at Silvercross Hospital. Due to worsening health conditions, she was compelled to move in with her sister, who happens to live in the Bolingbrook area. When she moved to Bolingbrook, she requested having -- changing your dialysis provider from Silvercross to the dialysis unit in Bolingbrook. This patient, unfortunately, has had three separate occasions where an AV fistula was attempted to be placed as an access for dialysis, but due to surgical constraints and failed procedures, she's not considered to be a candidate for a revision for an AV fistula. Unfortunately, due to this patient not having an AV fistula, she has been refused by herself, by myself, as well as the social workers and other folks at Bolingbrook Hospital who attempted to get her admitted to the local dialysis facility, because she doesn't have the desired access that they require for patients to be transferred. Not only that, when this patient is being dialyzed at Silvercross Hospital, if she ever needed to be admitted to a hospital on her dialysis day, she would be admitted to

the local hospital, where she would lose continuity with her lung specialist, her heart specialist, and, most importantly, myself, because I don't round there.

Another patient who has encountered difficulties suffers from Type II diabetes, peripheral vascular disease, high blood pressure and, of course, end stage renal disease. This patient has had multiple foot surgeries and has required several hospitalizations to that end. This patient also is dialyzed in the unit outside of my area. He's been dialyzed in the Naperville area, which is very difficult for me to get to, but we've -- we were forced to do it because this is our patient. Now, this patient has had multiple attempts, as well, to have an AV fistula placed, and, unfortunately, those attempts have not been successful and, hence, he has also been denied acceptance into the Bolingbrook facility. Over the past year, this patient has been admitted on several occasions at Edwards Hospital, he's been admitted on several occasions at Bolingbrook Hospital, for the issues of access, that he was being under dialyzed because of the travel time that he would have to endure to get to the distant dialysis facility.

My last illustration is a patient with a diagnosis of end stage kidney disease. Unfortunately, this

is a very unfortunate situation where this woman has an abdominal pain, recurrent abdominal pain, belly pain and uncontrolled blood pressure for reasons that aren't entirely clear. Multiple diagnostic testings have been performed, but the diagnosis as yet remains illusive. So, whenever -- she currently dialyzes in a unit that is in Plainfield, and she lives in the Bolingbrook area. So, there's over twenty miles travel time for her and, unfortunately, similarly, when she gets pain on dialysis, she's admitted to Silvercross Hospital, she's admitted to St. Joe's, the local hospital, where her dialysis unit is and, even again, when she gets admitted to these hospitals, the work-up that we've already done at Bolingbrook is repeated again, because there's a whole new set of doctors taking care of her, and so because of her pain, she's actually missed several dialysis sessions because of this distance that she has had to traveled and has been admitted to Bolingbrook Hospital -- and I quote -- 22 times in the last three months. So, this unfortunately is a situation that we're trying to get on top of.

Now, my co-applicants and I have had discussions with hospital management both in Bolingbrook and throughout the HSA where we practice. Physician-based outpatient facilities do not often get widespread hospital

support, but in our case, we have found enthusiastic hospital support from several hospitals, including Adventist Bolingbrook Hospital and the St. Alexius Medical Sent, Advocate Good Samaritan Hospital. I have no doubt that the support is based on the need for greater access that we all sense. Delayed discharges, rehospitalizations for dialysis, loss of continuity of care for complex patients drive up hospital costs and place patients at risk for the management of resulting complications and potentially demean the self-confidence of these patients when they're being admitted and being reevaluated. None of these are desirable. None of these are how medicine should be practiced. These are a few reasons why I believe that our patients, our referring doctors, our nurses, and our growing community deserve a choice for a dialysis provider.

Thank you.

(Pause)

MS. COPALA: Hello, my name is Carrie Kopala, and I've been a Physician Assistant for nearly six years now, most recently with Advanced Renal care. I'm here to voice my support for a new U.S. Renal Care Dialysis Center in Oak Brook.

I have had the opportunity to work with a range of dialysis patients in my past six years. Dialysis

therapy, as you know, is a critical and life-sustaining therapy that requires significant time and energy from the patients. Patients typically visit a dialysis center three times a week with each visit lasting three to four hours. For many, it truly becomes a second home. This treatment is also very intimate and requires a lot of trust on the part of the patient. That is why as a caregiver, patient comfort and care is my highest priority.

I am happy to support U.S. Renal Care's proposal to add a dialysis facility in Oak Brook. I believe that every patient should have a choice of where they dialyze, and too often they don't. Proximity to treatment centers is particularly important for dialysis patients. Many times these patients are elderly or ailing, and frequent transportation takes a heavy toll on them. Introducing a closer, more convenient or simply preferred option for these patients would drastically improve their experience during their dialysis therapy.

I'm encouraged by the proposal to open a dialysis treatment center in Oak Brook. Expanding options for treatment will truly give patients the choice that they need and deserve. I urge this Board to approve U.S. Renal Care's proposal for the Oak Brook facility, which will expand access and provide patients with a much-needed

choice when it comes to the critical and life-sustaining therapies that so many people require.

Thank you.

(Pause)

MS. ENGLER: Hi. My name is Debbie Engler, and I'm a Registered Nurse employed by U.S. Renal Care in their Home Therapies program. I want to thank you for the opportunity to speak today.

I have been a nurse for 20 years and have been in dialysis for the past 8 years. I began the dialysis part of my career at a Davita unit in a small northwestern Illinois community of Freeport. I moved to the suburbs in 2005, when my husband was downsized from his engineering job at Honeywell. Why does a move to the suburbs matter? Well, I had been looking for a place where the patient matters, where the patients were the most important part of the picture, and where we could give the care that we would want our parents, our grandparents, or other people that we genuinely cared about given. I have worked at different companies in the area and have run into companies that don't put patients as their top priority. This goes from the top executives down to the personal caregivers. I believe I have found the company where the patients really do come first. Dr. Rauf and Dr. Ahmed work 24 hours, 7

days a week, and often give their personal cell phone numbers to patients and encourage them to call them directly. When was the last time your doctor did this for you.

So, when they decided to open their units, I jumped at the chance to be part of their dreams of providing this type of personalized care. This comes to the need for a U.S. Renal Care unit in the Oak Brook area. I believe our patients deserve the ability to choose where they want to get their dialysis care, without the need to travel a significant distance from their home. The only choice that they now have is the Fresenius Medical Care unit. I see no other choices for my patients other than to travel out of their communities.

Dialysis care is very demanding, and the patients' long travel times can be major barriers to their wellness. I believe the patients in the Oak Brook area deserve a choice within their community.

Again I want to thank you for the opportunity to speak regarding this matter, and I urge you to approve the USRC's application to open the Oak Brook facility.

(Pause)

MS. REGIS: Good afternoon. My name is Laura Regis. Thank you for the opportunity to support publicly

U.S. Renal Care's application for an Oak Brook facility.

As a registered nurse for 30 years, I have had the opportunity to see firsthand what the quality of care means for dialysis patients. I'm also on the front lines, watching the demand for this kind of service grow. In order to meet the demand and provide quality options for current patients, I believe an Oak Brook facility is the right choice. An Oak Brook location would provide a convenient option for countless number of patients.

As you know, dialysis doesn't mean a clinic visit once in a while. We've heard everybody say how the dialysis patients go to their clinic three times a week and spend at least four or more hours there. Although it occurs -- many times patients are elderly or very ill. Kidney failure does not discriminate. Although it occurs most frequently in the elderly, it can also happen in persons very young and persons at the prime of their life. The needs for dialysis of patients do not fit into a mold. All are as unique as the individuals affected by kidney disease.

Dialysis patients in this area are seeking a choice in a dialysis provider, one that offers treatment times that allows them to restore or maintain an acceptable quality of life. Many require treatment hours that will

enable them to return to work to provide for their families and remain productive members of society. The proposed U.S. Renal Care Oak Brook facility would offer patients that choice.

As an adjunct faculty member of a local university nursing program, I teach a workshop on quality improvement in healthcare. In this workshop, we learn that quality is defined by the consumer. Insurance companies, doctors, and patients alike are informed consumers, looking at data regarding patient outcomes. U.S. Renal Care data compares favorably to the higher quality performs in the dialysis industry. But the informed patients in this area that I have come to know personally are most concerned with customer service. They want to be treated as an individual, with respect to their individual needs, and U.S. Renal Care and its physicians are dedicated to the needs of our patients, with customer service being our number one initiative.

Without competition, quality and customer service can stagnate. Our patients do deserve a choice. The dialysis population is growing, and I don't believe this community is currently prepared to manage that demand. With the existing provider offering limited choice of appointment times and many times documented, prolonged

hospital stays while waiting for placement, our informed consumers are asking for dialysis provider choice.

Thank you for the opportunity to speak to this very important project, and I urge the healthcare Planning Board of Illinois to approve this project.

(Pause)

MS. PETTY: Good afternoon. My name is Jeanne Petty. I'd like to thank you for the opportunity to voice my support for a U.S. Renal Care facility in Oak Brook. I have been a Registered Nurse for 16 years, and I truly have a passion for providing quality care to my patients, and I'm a staunch patient advocate.

I'm here today because, in my opinion, dialysis patients in the area are in desperate need of another option. I'm very concerned that there is not enough access for the many different kinds of dialysis patients in this region. Limited access to dialysis not only limits patient choice in dialysis provider but often delays the hospital discharge process, which leaves ill patients waiting until a clinic has room for them. This causes an additional strain on the healthcare system as precious Medicare dollars are spent waiting for placement.

Patients have little choice where they dialyze, and when they have issues with customer service or

aren't able to get the quality of care they desire, their only option may be to travel outside of their community. With only one provider of dialysis service in the western suburbs, patient choice is sorely limited. Dialysis does not just happen once, as everybody has said. Patients dialyze three times a week and can be at the dialysis center for up to four or more hours with each visit. For patients traveling outside of their community, a distance can take a great toll on them physically and financially.

Healthcare should be about the people we treat, not about the dollars that it generates. I'm very troubled by the detrimental impact the limited access has on patients. Introducing another option for patients will expand the access they have and improve the quality of care they receive. I see a real demand for this with my patients, and I am confident they would utilize a new Oak Brook facility.

Again, thank you for the opportunity to voice my support for what I believe to be a crucial project. I'm very confident that the Illinois Healthcare Planning Board will make the right decision by approving U.S. Renal Care's application to open the Oak Brook facility.

Thank you.

(Pause)

MS. REEB: Good afternoon. My name is Amy Reeb, and I am a Registered Nurse in the Critical Care Unit at Advocate Good Samaritan Hospital here in Downers Grove. I am here today because I sincerely support U.S. Renal's plan to open a dialysis facility.

The facility will help meet the growing dialysis needs in this area. It will also provide options for the patients needing dialysis. Working at Good Samaritan Hospital for the past six years, I have witnessed firsthand the growing demand for patients needing dialysis in the area. Unfortunately, we Americans are not getting any healthier. Diabetes is the leading cause of kidney disease, and it's impacting more and more people each year. Hypertension, high blood pressure, is an additional cause of kidney disease, and the rate of Americans being diagnosed each year continues to increase. We have to be able to keep up with the increase need by offering additional dialysis options to help accommodate our patients.

Another important aspect of this project is that it will introduce another provider to the community and give patients the choice about where and how they want to receive their treatment. Currently patients don't have a choice in provider, and they absolutely should. If they

only have one option, it's not really an option.

In closing, I wish to reiterate my strong support for the U.S. Renal Oak Brook dialysis facility. There is clearly a growing need to give more dialysis services in this community. The proposed facility would also give our patients the choice about where they receive care. I encourage the Board to approve the application.

Thank you for your time.

(Pause)

MS. TULCUS: Good afternoon, ladies. I want to apologize. Yesterday I was coaching some Special Olympics athletes without a microphone, so I lost my voice, but I would be here under any condition.

My name is Vikki Tulcus, and I'm here to testify in strong support of U.S. Renal Care's application to open a dialysis treatment facility in Oak Brook. Thank you for the opportunity to support this very important project.

For years I have had the pleasure of working with Illinois Secretary of State Jessie White to promote the Organ and Tissue Donation Program in communities throughout the State of Illinois. I have always been passionate about increasing awareness around this important issue, and it wasn't until several years ago, when I became

gravely ill and as a result I became a dialysis patient, that I understood firsthand what it is like to need life-sustaining care. It was then that I realized how very limited the options are for dialysis care in the Chicago area.

I am grateful to those who provided care in the months that I received in-center dialysis care. However, I quickly became dissatisfied with the quality of care available. I found that the clinic was frequently running late, that I would have to wait to be seen, and there was a general lack of follow-through among the staff. More frustrating was that there was no other option. I know that if there had been an alternative for me, I absolutely would have sought it out.

It isn't right that dialysis patients, who are often already very sick, would have to spend more time to choose where they dialyze. Before I was able to dialyze at home, I would spend dozens of hours or more a week at the dialysis center. That didn't include the time it took to also juggle a job and a family life. Dialysis takes its toll on patients, and it is appalling to me that we don't have basic control over our own care, lack of options in this area. Everyone should have access to quality care, and right now, dialysis patients don't.

Not only would a U.S. Renal Care facility at Oak Brook provide a quality option for me and many others, it would also provide a much more convenient option. I currently live in Westmont, so my trips to see Dr. Ahmed and Dr. Rauf in Oak Brook would be of great help. I will be forever grateful to these two doctors who did nothing short of saving my life. I am thrilled that I would be able to continue having them care for me at the new U.S. Renal Care facility in Oak Brook.

Again, I would like to thank you for the opportunity to voice my support for what I feel to be a critical project. I urge you to support U.S. Renal Care's application to open an Oak Brook facility.

And one P.S.: Secretary White did ask me to mention that out of the more than 5,000 people just in Illinois waiting for organs, 4,700 need kidney transplants.

Thank you.

(Pause)

MR. O'CONNOR: My name is Philip R. O'Connor, and, again, we thank you and the Board for holding the hearing here in Downers Grove, as you did earlier today in Bolingbrook, and I'd like to request that my earlier oral testimony in Bolingbrook be incorporated into the record for this application with respect to Downers Grove location

and with respect to the Streamwood location, if indeed that's appropriate, and that will also allow me to be brief and not bore you further by revisiting everything.

In that respect, I would like to only focus and amplify a bit on two points that were included in my written testimony more extensively and that I mentioned in my oral testimony, and those really have to do with the two most compelling, I think, areas of the market analysis, the demographic changes and the market concentration question. So, I'm just going to quickly comment on those a little bit further.

When one considers what has happened demographically and -- we don't really have to revisit the issue of the different patterns and utilization of cross-demographic groups -- the important principle here is that past patterns may not predict well in these two markets to future patterns because of the demographic change. Let me just underscore the magnitude of these changes.

When we look at HSA 7, what we see is that with respect to Hispanics, we've had a growth nearly by half, from almost 12 percent up to over 17 percent of the combined -- of the population in HSA 7, and, again, by any measure, that's quite significant. Again, in HSA 9,

there's been basically a doubling of the Hispanic portion of the population from just shy of 8 percent to well over 14 percent between 2000 and 2010. Appendix 2 of my written testimony addresses that more completely. So I think the bottom line there is that in light of these changes, it is even, over and above the very compelling personal stories that you've seen here -- demographically it probably is quite a prudent step for the Board to allow for these additional locations and stations to be established.

With respect to the issue of market concentration, I did mention the HHI figures, which, again, this is an initial screen that the Justice Department does to look at the competitiveness in markets, and the numbers for both HSA 9 are well over the 1,800 threshold, which is the level after which or above which the market is considered highly concentrated.

But let me just go back to the issue of the level of concentration. So in HSA 9, the four largest providers account for about 84 percent of all of the approved stations, and in HSA 7, just the top two providers account for 83 percent of the more than 1,000 approved stations. Now, just by way of comparison -- and I'm not claiming that the analogy is by any means perfect, no analogy is. But if we look at the kidney dialysis market

nationally, what the Census Bureau tells us is that the top four firms nationally accounted for about 76 1/2 percent of the total market, a relatively concentrated market, but markedly less so than our local markets we're dealing with here. In fact, the top 8 firms accounted for 81.6 percent of the market in kidney dialysis nationally, which I think is especially interesting, because in HSA 7, just the two top providers account for 83 percent of the market.

So, HSA 7, two providers account for a larger share of the kidney dialysis market than we see nationally among the top 8 firms, and I think one thing we can say with some certainty is that, you know, public policy in the United States generally operates on the basis that if there is concentration in an industry, we tend to get adverse, unintended consequences, and that, I think, presents another compelling argument in favor of giving favorable consideration to the U.S. Renal applications.

And with that I will conclude and thank you very much.

(The following excerpt is Mr. O'Connor's oral testimony from the July 11, 2011 public hearing with regard to Project No. 11-025, US Renal Care Bolingbrook Dialysis.)

MR. O'CONNOR: First of all, my name is Philip

R. O'Connor. I am testifying in support of the application by U.S. Renal, with particular emphasis here on that for Bolingbrook. By way of background, I formerly served as the Illinois Director of Insurance and the Chairman of the Illinois Commercial Commission and in both capacities dealt extensively with competitive issues and regulated industries, and that is what informs my views here today. Further, the Board is in a position of evaluating applications such as this, sort of on a middle ground, between the way in which applications for utility services are evaluated, which is the case of, really, a first-in-the-field standard and orientated towards exclusivity. On the other hand, the granting of licenses for insurance companies in the state is done so without reference to competitive issues but rather just to financial solidity and to the performance of those companies in other markets. The Board sort of weighs these issues and has its own particular set of standards, but in the end, the issue is what is it that is good for patients in terms of a variety of issues.

In my view, there are four issues that relate to this application. One is the highly likely increase and demand for dialysis in the combined HSA 7 and 9 due, in great part, to the rapid and ongoing demographic changes.

Second, is the issue of ease and convenience of patient access to dialysis in these two areas that are both growing well beyond the rate of other areas in the state. Third is the implications for the cost levels and for cost shifting in the wider healthcare system to the extent that accessibility and reliability of dialysis treatment are less than optimal. And then, finally, the issue of treatment options for patients that might be adversely affected to the extent that providers of dialysis do not readily offer home-based, self-administered care as well as care based in renal dialysis centers. So let me just quickly address each of these.

In terms of patient demand, an examination of the census data for these areas in 2010 change shows fairly significant increase in population in the two areas taken together of about 7 percent total. But more significantly is the increase in African American and Hispanic populations. We know that in each of those populations the incidents of end stage renal disease is much higher than in the population as a whole and certainly much higher than what we might think of as an incumbent demographics of these areas. So, among African Americans it's about 3.6 times higher incident rate than among whites, and with Hispanics, about 1.6 times. So, that's a rather

significant change and may indicate that there would be more need for these services than past patterns might indicate. The written testimony provides all of the empirical background for this statement. So, you know, we're facing a situation in these areas where, by reason of change, we could see something different than the current estimates suggest.

Patient access. Let me focus, rather than on the traffic issues, where our region -- our metropolitan area, unfortunately, is now tied for worst place, we would call it, with Washington, D.C. for travel time. In the arterial areas in the suburbs are really where the congestion is and, of course, that's where these sorts of facilities tend to be located. But most importantly in terms of patient access, again I come back to the demographic changes. It would be unrealistic for us to believe that simply by African Americans or Hispanics living in a different area than they might have resided before that the characteristics of seeking medical care would change, and there are some marked differences. For example, with respect to end stage renal disease, there are big differences between African Americans and whites on a number of lines, but one of them that's interesting is about 47 percent of African Americans seeking -- coming to

dialysis have not had prior nephrologist care, whereas that number for whites is around 41 percent. May seem -- 6 percent may seem a small difference, but when you look at demographic change, it could end up having a big impact on the condition of people when they are first accessing renal dialysis.

Let me move ahead on patient cost and cost shifting. The market for dialysis is highly concentrated in HSA's 7 and 9. One of the things I did in preparation for this was to perform an HHI calculation. That's the Herfindahl-Hirschman Index. That's the initial screen that's used by the U.S. Department of Justice in antitrust analysis, and it's notable that in HSA 7, on a possible scale of 10,000, which is the most -- that's absolute total monopoly -- the dialysis market in HSA 7 has an HHI of 5,232, whereas in HSA 9, it's at 2,439. The Justice Department regards 1,800 -- both of these numbers are well above that -- as the stage of calling it highly concentrated. That's not to say there is any competitive conduct. It's only to say it's highly concentrated and worthy of scrutiny.

I notice as well that in HSA 7, of the 1,056 approved stations, about 84 -- I'm sorry, 83 percent of that market is accounted for by just the top two providers,

whereas in HSA 9, the four largest providers account for 84 percent. You'll see in the written testimony that in comparison to other industries we're familiar with, those are really quite high as a matter of concentration.

Let me conclude on just a couple of points. That level of concentration does raise issues of a lack of price competition. We know that if there is elevated price due to a lack of restraint in costs, that affects reimbursement levels. But very importantly, the -- we come back again to the demographic changes. We know, for example, that Hispanics have much lower level of both private insurance and eligibility for government programs, often due to immigration status, but, nevertheless, are able to receive this care. Well, that means more cost shifting, more charitable care. It just complicates a whole set of issues that are being faced by this Board and by the medical system.

Finally, in terms of patient options, I would only note that I think we're all aware that the research indicates that patients -- many patients, I should say, are quite satisfied with alternatives to in-center dialysis. One of the things that U.S. Renal is clear about in its application is that it is prepared to actively offer alternatives, such as peritoneal dialysis. That can

probably only be good for patients when it's Done appropriately.

So, I would only conclude in saying that I think the overall picture of the market, the economics of the health system, argue in favor of the approval of these applications. So, again, I would refer you to the written testimony, and I would be happy to respond to any questions, I presume after other people have had an opportunity.

(End of excerpt)

MS. AVERY: Is there anyone else that would like to provide testimony regarding this project?

DR. RAUF: May I speak one more time?

I just want to make one more comment in response to Paul's comments about the demographics and the market concentration. We practice out of 7 hospitals in DuPage County, part of Will county and out of 7 hospitals, there are 13 dialysis units, and all of them are Fresenius units, and just to illustrate -- our personal interaction with the social workers, as they're discharging patients from the hospital, or even when we're trying to admit these patients from outpatient, it's very difficult often times to get these clinics to accept people. There's always a

delay because they're setting the rules, and had there been another market or another provider, then there would be a competitive edge to be lenient on some of these restrictions to access the dialysis centers. So, out of 7 hospital systems, 18 square miles, there's only one provider, and I just wanted to be specific about that.

Thank you.

MS. AVERY: Anyone else?

(Pause)

MS. AVERY: Seeing none, I would like to remind everyone that you can submit any additional written comments to the State Board office at the Illinois Department of Public Health, located at 525 West Jefferson Street, Second Floor, Springfield, Illinois, 62761-0001. It can be sent to the attention of Courtney Avery, or you may fax your comments to (217) 785-4111. Comments must be received no later than July 27th at 9 a.m. Again, this project is scheduled for consideration by the Illinois Health Facilities and Services Review Board at its August 16th meeting, which will be held at the Holiday Inn Conference Center located in Joliet, Illinois at 411 South Larkin.

Any additional information and State Agency Reports will be published at our web site, which is

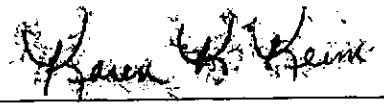
www.hfsrb.illinois.gov.

Hearing no other persons wishing to provide comment, I will deem this public hearing adjourned. Thank you.

END TIME: 2:30 p.m.

CERTIFICATE OF REPORTER

I, KAREN K. KEIM, CRR, RPR, a Certified Court Reporter in the States of Illinois and Missouri, do hereby certify that the proceedings in the above-entitled cause were taken by me to the best of my ability and thereafter reduced to writing; that I am neither counsel for, related to, nor employed by any of the parties to the action, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.



KAREN K. KEIM

CRR, RPR, CSR-IL, CCR-MO

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