



Fresenius Medical Care

August 21, 2012

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Supplemental Information
Project: #12-015, Fresenius Medical Care Schaumburg

Dear Ms. Avery,

The enclosed pages contain supplemental information in response to the Intent to Deny given to the above mentioned project at the July 24, 2012 meeting.

Thank you for your time and consideration of this information.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Ranalli

SUPPLEMENTAL INFORMATION
#12-015 Fresenius Medical Care Schaumburg

Fresenius Medical Care is submitting this additional information for the Board's consideration in its review of the 12-station Fresenius Medical Care Schaumburg ESRD facility.

Without questions or further discussion of the project, the Fresenius Schaumburg application was given an intent to deny (ITD) at the July 24, 2012 Board meeting for 2 reasons. One being maldistribution, there were facilities within 30 minutes travel time under 80% utilization, and the other reason was the desire to infuse competition into the market. Board members voted on the basis of the competitive nature of the area citing that Fresenius was the dominant player in the market, so members voted no in favor of "competition". Fresenius Medical Care disagrees that there is not competition in the market. Nearby clinics are operated by US Renal, DaVita, ARA and Fresenius. In fact, this same choice of providers exists within 15 minutes of the chosen Fresenius Schaumburg site.

Further, at this same meeting, just shortly after Fresenius Schaumburg received its ITD, the Board interjected additional competition into this market area by approving #12-026 USR Villa Park; both in HSA 7; 20 minutes away from the proposed Schaumburg site. As well, the US Renal Villa Park application showed there were 2 US Renal facilities (Streamwood and Oak Brook) within 30 minutes travel time that were at 0% utilization.

If choice is a consideration, then physician choice should be considered. Dr. Wick and his partners admit patients from the Schaumburg area to mainly to Fresenius Elk Grove, Hoffman Estates and also to DaVita Schaumburg. These physicians choose and trust Fresenius clinics over other providers for their patients. Their choice is to have available treatment options open to their future dialysis patients at the Fresenius Schaumburg clinic, since the Fresenius (and the DaVita) clinics are near full.

In fact, the Hoffman Estates facility is at capacity now and is operating a 4th shift for patient treatment. This treatment time runs from approximately 8p.m. to 12a.m. This treatment time creates transportation problems since public patient transport options do not operate at this time and it is difficult on the patient or family to be travelling home from treatment in the middle of the night. Without the Fresenius Schaumburg facility's approval, it is likely that soon the Elk Grove facility will also have to begin a 4th shift too. It is at 94%.

Fresenius clinics in the Schaumburg market are full. The Schaumburg market is an approximate 5 mile radius around Schaumburg and has a population of about 300,000. Further, within 30 minutes is a population of nearly 2,000,000. This is a congested area and patients in the Schaumburg area seek medical services in this market. If forced to go outside this market, then patients endure further travel hardships and loss of continuity of care with their physicians and other healthcare providers.

The Schaumburg market also has a higher than average concentration of elderly residents. 16% of the Schaumburg area is over age 62 with 12% over age 65 as compared to the rest of Cook County, which is 7% over age 62 and 7% over age 65. The Schaumburg elderly population is double Cook County's elderly population. The elderly population make up a majority of ESRD patients due to co-morbid conditions such as diabetes, hypertension and heart disease that all lead to kidney failure.

Consideration needs to be given to areas of high elderly population when planning for future dialysis services. These patients are not able to nor should they have to travel out of their healthcare market to seek treatment.

Due to this elderly population of dialysis patients in the Schaumburg area and the high utilization of the area clinics is the exacerbation of the ability to provide extra treatments for patients experiencing fluid overload due to heart disease. Often times patients require a 4th treatment (normal treatment schedule is 3 times weekly) in a given week due to accumulating fluid related to heart disease. While every effort is made to accommodate these patients, with area clinics at capacity, we cannot offer this service in the clinic and patients must go to the emergency room, where they are admitted and dialyzed. This raises healthcare costs for the hospital and patient, puts the patient through unnecessary hospital stays and could be prevented if there was additional capacity in Schaumburg to offer these extra treatments.

Facilities In The Schaumburg Market

Name	Address	City	Zip Code	MapQuest		Adjusted Time	Ind Trvl Study	Stations	Mar-12 Utilization	Aug-12 Utilization
				Time	Miles					
DaVita Schaumburg*	1156 S Roselle Rd	Schaumburg	60193	2	1.09	2.3	2.00	14	82.14%	N/A
USR Streamwood	149 Irving Park Road	Streamwood	60107	8	4.14	9.2	9.70	13	0.00%	N/A
Fresenius Elk Grove	901 Biesterfield Rd	Elk Grove Village	60007	10	6.73	11.5	11.20	28	90.48%	93.50%
Fresenius Hoffman Estates	3150 W Higgins Rd	Hoffman Estates	60195	13	6.73	14.95	16.70	20	95.00%	102.00%
ARA South Barrington	33 W Higgins Rd	Barrington	60010	15	7.82	17.25	19.00	14	60.71%	N/A
Fresenius Rolling Meadows	4180 Winnetka Ave	Rolling Meadows	60008	17	9.22	19.55	19.50	24	71.53%	78.47%
Fresenius Glendale Heights	520 North Ave	Glendale Heights	60139	18	11.97	20.7	21.20	17	92.16%	N/A
DaVita Arlington Heights	17 W Golf Rd	Arlington Heights	60005	16	9.08	18.4	21.50	18	42.59%	N/A
Fresenius West Chicago	1859 N. Neilnor	West Chicago	60185	22	12.62	25.3	23.50	12	40.28%	45.83%
Fresenius Lombard	1940 Springer Dr	Lombard	60148	24	15.52	27.6	24.50	12	29.17%	36.00%
USR Oak Brook	1213 Butterfield Road	Downers Grove	60515	24	16.6	27.6	25.30	13	0.00%	N/A
DaVita Cobblestone	836 Dundee St	Elgin	60120	22	12.42	25.3	26.00	14	72.62%	N/A
Fresenius Downers Grove	3825 Highland Ave	Downers Grove	60515	26	18.02	29.9	26.70	19	87.82%	78.00%
Fresenius Des Plaines	1625 Oakton Place	Des Plaines	60018	24	14.13	27.6	29.20	12	0.00%	0.00%
Fresenius Elmhurst	133 E Brush Hill Road	Elmhurst	60126	25	17.02	28.75	29.20	24	85.42%	89.53%

Yellow highlighted clinics fall into the Schaumburg market area.

*Approved for 6 station expansion, but stated they would be at 93% utilization after the addition.

The chart above shows area clinic utilization as of March 2012 which is the most recent published data. The Fresenius clinic utilizations were updated for August 2012. (Due to inability to obtain quarterly data from the Renal Network, we are only able to provide the utilizations for the Fresenius clinics.) These numbers show growth at all the Fresenius facilities in the area except Downers Grove, which is 27 minutes away. This facility had been operating at high utilizations for many years and has been alleviated by the Fresenius Lombard facility.

While this data reflects a 30 minute travel area, the actual Schaumburg market is a densely populated 5 mile radius containing the 4 clinics at the top of the chart. Clinic utilization is near capacity or above, except for USR Streamwood which will be certified soon and has certified that it will reach 81% with 63 patients before the Fresenius Schaumburg clinic is operating. The attached map shows the Schaumburg market and a choice of 3 different providers for dialysis services.

I urge you to allow additional needed access in this densely populated market area in which patients seek their healthcare services and given the need for 65 additional stations in HSA 7 that you approve this 12 station facility to meet current market demands and the growing need.

Schaumburg Market Area/5 Mile Radius

