

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION JUN 14 2012

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: Timber Creek Dialysis		
Street Address: 1001 S. Annie Glidden Road		
City and Zip Code: DeKalb, IL 60115		
County: DeKalb	Health Service Area: 001	Health Planning Area:

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: DaVita Inc.
Address: 1551 Wewatta Street, Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 1551 Wewatta Street, Denver, CO 80202
Telephone Number: (303) 405-2100

Type of Ownership of Applicant/Co-Applicant

☐ Non-profit Corporation	☐ Partnership
☒ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship
☐ Other	

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive all correspondence or inquiries during the review period]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli Shughart PC
Address: 161 North Clark Street, Suite 4200, Chicago, Illinois 60601
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Mary Anderson
Title: Division Vice President
Company Name: DaVita Inc.
Address: 1131 N. Galena, Dixon, Illinois 61021
Telephone Number: 815-284-0595
E-mail Address: mary.j.anderson@davita.com
Fax Number: 866-594-1131

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

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Street Address: 1001 S. Annie Glidden Road			
City and Zip Code: DeKalb, IL 60115			
County: DeKalb	Health Service Area	001	Health Planning Area:

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Dialysis of Northern Illinois, LLC	
Address: 1551 Wewatta Street, Denver, CO 80202	
Name of Registered Agent: Illinois Corporation Service Company	
Name of Chief Executive Officer: Kent Thiry	
CEO Address: 1551 Wewatta Street, Denver, CO 80202	
Telephone Number: (303) 405-2100	

Type of Ownership of Applicant/Co-Applicant

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Fax Number: 866-594-1131

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name: Mary Anderson
Title: Division Vice President
Company Name: DaVita Inc.
Address: 1131 N. Galena, Dixon, Illinois 61021
Telephone Number: 815-284-0595
E-mail Address: mary.j.anderson@davita.com
Fax Number: 866-594-1131

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Glidden Station L.L.C.
Address of Site Owner: 11501 Northlake Drive, Cincinnati, Ohio 45249
Street Address or Legal Description of Site: 1001 S. Annie Glidden Road, DeKalb, IL 60115
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Dialysis of Northern Illinois LLC									
Address: 1551 Wewatta Street, Denver, CO 80202									
<table border="0"> <tr> <td>☐ Non-profit Corporation</td> <td>☐ Partnership</td> <td></td> </tr> <tr> <td>☐ For-profit Corporation</td> <td>☐ Governmental</td> <td></td> </tr> <tr> <td>☒ Limited Liability Company</td> <td>☐ Sole Proprietorship</td> <td>☐ Other</td> </tr> </table>	☐ Non-profit Corporation	☐ Partnership		☐ For-profit Corporation	☐ Governmental		☒ Limited Liability Company	☐ Sole Proprietorship	☐ Other
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☐ For-profit Corporation	☐ Governmental								
☒ Limited Liability Company	☐ Sole Proprietorship	☐ Other							
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.									
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.									

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- ☒ Substantive
☐ Non-substantive

Part 1120 Applicability or Classification:
[Check one only.]

- ☐ Part 1120 Not Applicable
☐ Category A Project
☒ Category B Project
☐ DHS or DVA Project

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

DaVita Inc. and Dialysis of Northern Illinois, LLC (the "Applicants") seek authority from the Illinois Health Facilities and Services Review Board (the "Board") to establish a 12-station dialysis facility located at 1001 S. Annie Glidden Road, DeKalb, Illinois 60115. The proposed dialysis facility will include a total of 5,972 gross square feet and will be operated by Dialysis of Northern Illinois, LLC under the trade name Timber Creek Dialysis.

This project has been classified as substantive because it involves the establishment of a health care facility.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$973,000		\$973,000
Contingencies	\$140,000		\$140,000
Architectural/Engineering Fees	\$76,500		\$76,500
Consulting and Other Fees	\$75,500		\$75,500
Movable or Other Equipment (not in construction contracts)	\$478,850		\$478,850
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$764,584		\$764,584
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$2,508,434		\$2,508,434
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$1,743,850		\$1,743,850
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$764,584		\$764,584
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$2,508,434		\$2,508,434
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No

Purchase Price: \$ _____

Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service

☒ Yes ☐ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ 221,175.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable

☐ Preliminary

☒ Schematics

☐ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2015

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.

☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies

☒ Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

☐ Cancer Registry **NOT APPLICABLE**

☐ APORS **NOT APPLICABLE**

☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted

☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							
APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME:		CITY:			
REPORTING PERIOD DATES:					
		From:	to:		
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:					

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Total Renal Care, Inc. *
In accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Kent Thiry

PRINTED NAME

Chief Executive Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this ____ day of _____

Signature of Notary

Seal

SIGNATURE

Dennis Lee Kogod

PRINTED NAME

Chief Operating Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this ____ day of _____

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
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- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of DaVita Inc. *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Kent Thiry

PRINTED NAME

Chief Executive Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this ____ day of ____

SIGNATURE

Dennis Lée Kogod

PRINTED NAME

Chief Operating Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this ____ day of ____

Signature of Notary

Seal

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

G. Criterion 1110.1430 - In-Center Hemodialysis

- Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
- Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
☒ In-Center Hemodialysis	0	12

- READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X
APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

- Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

\$1,743,850	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
\$764,584 (FMV of Lease)	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$2,508,434	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

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

1. All of the projects capital expenditures are completely funded through internal sources
2. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
3. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

	Medicaid (revenue)			
	Inpatient			
	Outpatient			
	Total			

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for ALL projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for DaVita Inc., and Dialysis of Northern Illinois, LLC (collectively, the "Applicants" or "DaVita") are attached at Attachment – 1. Dialysis of Northern Illinois, LLC will be the operator of Timber Creek Dialysis. Timber Creek Dialysis is a trade name of Dialysis of Northern Illinois, LLC and is not separately organized. As the person with final control over the operator, DaVita Inc. is named as an applicant for this CON application. DaVita Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita Inc. from the state of its incorporation, Delaware is attached.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE ELEVENTH DAY OF APRIL, A.D. 2012.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

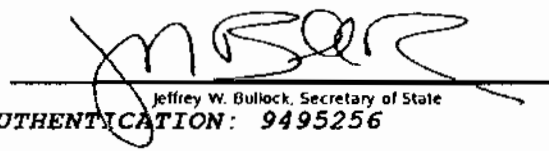
AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA INC." WAS INCORPORATED ON THE FOURTH DAY OF APRIL, A.D. 1994.

2391269 8300

120417324

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 9495256

DATE: 04-11-12



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

DIALYSIS OF NORTHERN ILLINOIS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON AUGUST 14, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1215000762

Authenticate at: <http://www.cyberdriveillinois.com>

*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 29TH
day of MAY A.D. 2012 .*

Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Site Ownership

The letter of intent between Glidden Station, L.L.C. and Dialysis of Northern Illinois, LLC to lease the facility located at 1001 S. Annie Glidden, DeKalb, IL 60115 is attached at Attachment – 2.



USI REAL ESTATE BROKERAGE SERVICES INC.

A JOHNSON CONTROLS COMPANY

2215 YORK RD. SUITE 110
OAKBROOK, IL 60523

TELEPHONE: 630-990-3658
FACSIMILE: 630-990-2300

April 18, 2012

Andrew O. White, SCLS
Senior Leasing Agent
Phillips Edison & Company
1557 Sherman Ave., Suite 3
Evanston, IL 60201
Office: (847) 868-8094
Fax: (847) 868-8095
(C) (847) 910-8684
awhite@phillipsedison.com

**RE: Letter of Intent
Glidden Crossing DeKalb, IL**

Dear Andy:

USI Real Estate Brokerage Services Inc. has been exclusively authorized by Total Renal Care, Inc – a subsidiary of DaVita Inc. to provide the following non-binding letter of intent for the above property.

PREMISES: Glidden Crossing 1001-1009 S. Anne Glidden Road

TENANT: "Total Renal Care, Inc. or related entity to be named"

LANDLORD: Glidden Station L.L.C.

SPACE REQUIREMENTS: Approximately 5,972 SF contiguous rentable square feet on the end cap. Space has been measured based on BOMA standards.

PRIMARY TERM: Ten (10) years

BASE RENT: \$12.58 net, net, net with 3% annual base rent increases.

ADDITIONAL EXPENSES: Tenant pays all operating expenses (includes taxes, insurance and CAM) 2011 \$5.56 per SF. For 2011 CAM \$2.22, Insurance \$0.22, taxes \$3.12 PSF.

Tenant's pro rata share shall be detailed in the lease document.
Tenant pays electric and gas utilities on separate meters.

Landlord to limit the cumulative operating expense costs to no greater than five percent (5%) increase annually. Cap shall exclude taxes, insurance snow removal and common area utilities.

LANDLORD'S MAINTENANCE: Landlord, at its sole cost and expense, shall be responsible for the structural and capitalized items (per GAAP standards) for the Property.

POSSESSION AND

Attachment – 2

26

RENT COMMENCEMENT:

Landlord shall deliver Possession of the Premises to the Tenant upon the later of completion of Landlords required work (if any) or mutual lease execution. Rent Commencement shall be the earlier of four (4) months from Possession or until:

- a. Construction improvements within the Premises have been completed in accordance with the final construction documents (except for nominal punch list items); and
- b. A certificate of occupancy for the Premises has been obtained from the city or county; and
- c. Tenant has obtained all necessary licenses and permits to operate its business.

LEASE FORM:

Landlord's standard lease form shall be used subject to Landlord approval.

USE:

The Use is for a Dialysis Clinic, and medical offices. The use is approved under the existing zoning per separate agreement from the city of DeKalb.

Landlord will provide a copy of any CCR's or other documents that may impact tenancy within 5 business days of approving this L.O.I.

PARKING:

The parking ratio for the building is 4/1000 SF. Tenant shall have a right to one (1) dedicated stall per 1,000 rsf, and (2) dedicated handicapped stalls to be directly in front of their Premises.

BASE BUILDING:

The Landlord is providing the following Base Building improvements to the space:

1. New 2" dedicated waterline installed by Landlord at LL expense.
2. Landlord to replace existing windows with thermo pane to reduce Condensation on glass.
3. (3) three 6 ton RTU HVAC units
4. (3) three 120/208 V 200 AMP
5. Sewer line 4"
6. Water line is 2" with 1" tenant Cold Water stubs with sub meters to each of 3 spaces.
7. Sprinkler line and life safety at deck
8. Floor to ceiling metal studs in each unit.

TENANT IMPROVEMENTS BY LL:

At landlords expense install new dedicated 2" water line, to include permitting and any impact fees. At Landlords expense replace windows with thermo pane to reduce condensation.

OPTION TO RENEW:

Tenant desires two (2), five (5) year options to renew the lease. Tenant shall provide one hundred eighty (180) days notice to Landlord. Option rent to escalate at three (3%) into the option periods.

FAILURE TO DELIVER PREMISES:

If Landlord has not delivered the premises to Tenant with all base building items substantially completed by ninety (90) days from lease execution, Tenant may elect to receive two days of rent abatement for every day of delay beyond the

ninety (90) day delivery period. Tenant agrees to allow Landlord to install its improvements, simultaneously with Tenants build out of the premises.

HOLDING OVER:

Tenant shall be obligated to pay 110% for the then current base rent.

TENANT SIGNAGE:

Tenant shall have the right to install building, monument and pylon signage at the Premises, subject to compliance with all applicable laws and regulations. Landlord, at Landlord's expense, will furnish Tenant with any standard building directory signage. Tenant signage shall be subject to Landlord and Municipal approval.

BUILDING HOURS:

Tenant shall have access to the building hours of 24 hours a day, 7 days a week.

SUBLEASE/ASSIGNMENT:

Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita, Inc. without the consent of the Landlord, or to unrelated entities with Landlord reasonable approval.

ROOF RIGHTS:

Tenant shall have the right to place a satellite dish on the roof at no additional fee.

NON COMPETE:

Landlord agrees not to lease space to another dialysis provider at the shopping center.

HVAC:

Three (3) 6 ton RTU installed 2007.

DELIVERIES:

Trailer access in rear of building with existing rear door.

OTHER CONCESSIONS:

None.

GOVERNMENTAL COMPLIANCE:

Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s).

CERTIFICATE OF NEED:

Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to August 31, 2012. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval

of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenam a CON permit to establish a dialysis center on the Premises by August 31, 2012 neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent, however Landlord shall have a self-help right in event the Tenants is not awarded a CON approval.

BROKERAGE FEE:

Landlord recognizes as the Tenant's sole representatives USI Real Estate Brokerage Services Inc and shall pay a brokerage fee equal to 3% of the total base net rent due over the lease term, per separate commission agreement. Commissions to be paid in two parts: 1) 50% due within 30 days of the full lease execution and receipt of the CON and 2) 50% upon receipt of Tenants first months rent.

PLANS:

Plans were provided in PDF.

CONTINGENCY:

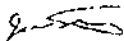
Landlord shall contact Schouck's to obtain a release and waiver of their restriction in the dispensing of prescription drugs. Any lease for the premises shall be contingent on this approval.

John Steffens
USI Real Estate Brokerage Services Inc.
2215 York Road, Suite 110
Oak Brook, IL 60523
Phone: 630-990-3658
Cell: 630-442-2551
E-mail: john.steffens@jci.com

If you are in agreement with the above, please sign and send back to me. I will have DaVita countersign so we can have the lease document drafted by DaVita's legal.

Thank you for your time and consideration to partner with DaVita.

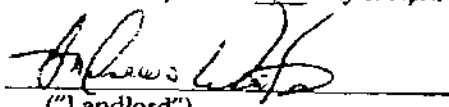
Sincerely,



JOHN STEFFENS

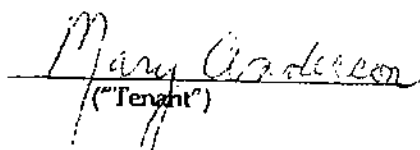
Cc: Camille G Amidei

Agreed to and accepted this 23 Day of April 2012

By: 

("Landlord")

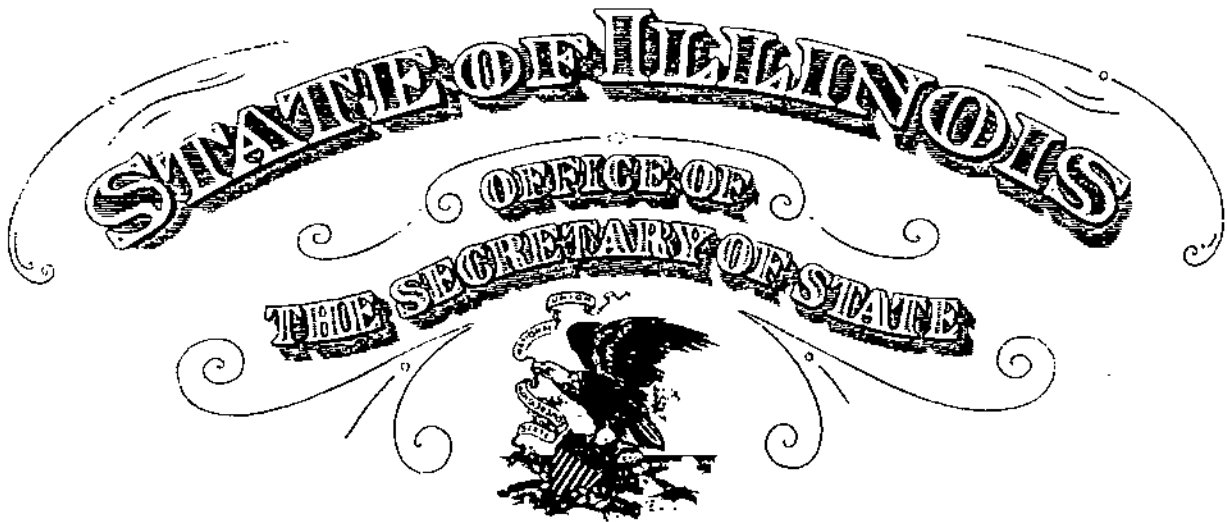
Agreed to and accepted this 23 Day of April 2012

By: 

("Tenant")

Section I, Identification, General information, and Certification
Operating Entity/Licensee

The Illinois Certificate of Good Standing for Dialysis of Northern Illinois, LLC is attached at Attachment – 3.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

DIALYSIS OF NORTHERN ILLINOIS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON AUGUST 14, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1215000762

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of MAY A.D. 2012 .

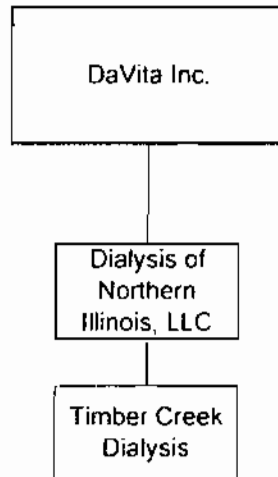
Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart for DaVita Inc. and Dialysis of Northern Illinois, LLC is attached at Attachment – 4.

Timber Creek Dialysis Organizational Structure

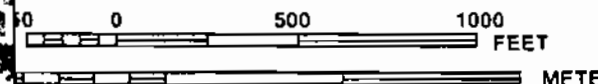


Section I, Identification, General Information, and Certification
Flood Plain Requirements

The site of the proposed dialysis facility complies with the requirements of Illinois Executive Order #2005-5. The proposed dialysis facility will be located at 1001 S. Annie Glidden, DeKalb, IL 60115. As shown on the FEMA flood plain map attached at Attachment – 5, the site of the proposed dialysis facility is located outside of a flood plain



MAP SCALE 1" = 500'



NIP

PANEL 0242E

FIRM

FLOOD INSURANCE RATE MAP
DEKALB COUNTY,
ILLINOIS
AND INCORPORATED AREAS

PANEL 242 OF 500

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS

COMMUNITY	NUMBER	PANEL	SUFFIX
DEKALB COUNTY	170808	0242	E
DEKALB CITY OF	170802	0242	E

Notes to User: The Map Number shown below should be used when placing map orders. This Community Number shown above should be used on insurance applications for this subject community.



MAP NUMBER
17037C0242E

MAP REVISED
JANUARY 2, 2009

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using FIRM On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.maf.fema.gov

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Applicants submitted a request for determination that the proposed location is compliant with the Historic Resources Preservation Act from the Illinois Historic Preservation Agency. A copy of the letter is attached at Attachment – 6.

June 12, 2012

FEDERAL EXPRESS

Ms. Anne Haaker
Deputy State Historic Preservation Officer
Preservation Services Division
Illinois Historic Preservation Agency
1 Old State Capitol Plaza
Springfield, Illinois 62701

Re: Historic Preservation Act Determination – Timber Creek Dialysis

Dear Ms. Haaker:

This office represents DaVita Inc. ("Requestor"). Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, Requestor seeks a formal determination from the Illinois Historic Preservation Agency as to whether Requestor's proposed project to establish a dialysis facility to be located at 1001 South Annie Glidden Road, DeKalb, Illinois 60115 ("Proposed Project") affects historic resources.

1. Project Description and Address

The Requestor is seeking a certificate of need from the Illinois Health Facilities and Services Review Board to establish a dialysis facility to be located at 1001 South Annie Glidden Road, DeKalb, Illinois 60115. This project will involve the internal modernization of an existing building. No demolition or physical alteration of the exterior of any existing buildings will occur as a result of the Proposed Project.

2. Topographical or Metropolitan Map

A metropolitan map showing the location of the Proposed Project is attached at Attachment 1.

3. Photographs of Standing Buildings/Structure

Photographs of the site of the proposed facility are attached at Attachment 2.

37

June 12, 2012

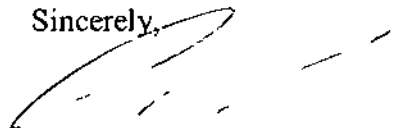
Page 2

4. Addresses for Buildings/Structures

The Proposed Project will be located at 1001 South Annie Glidden Road, DeKalb, Illinois 60115.

Thank you for your time and consideration of our request for Historic Preservation Determination. If you have any questions or need any additional information, please feel free to contact me at 312-873-3665 or jvanleer@polsinelli.com.

Sincerely,



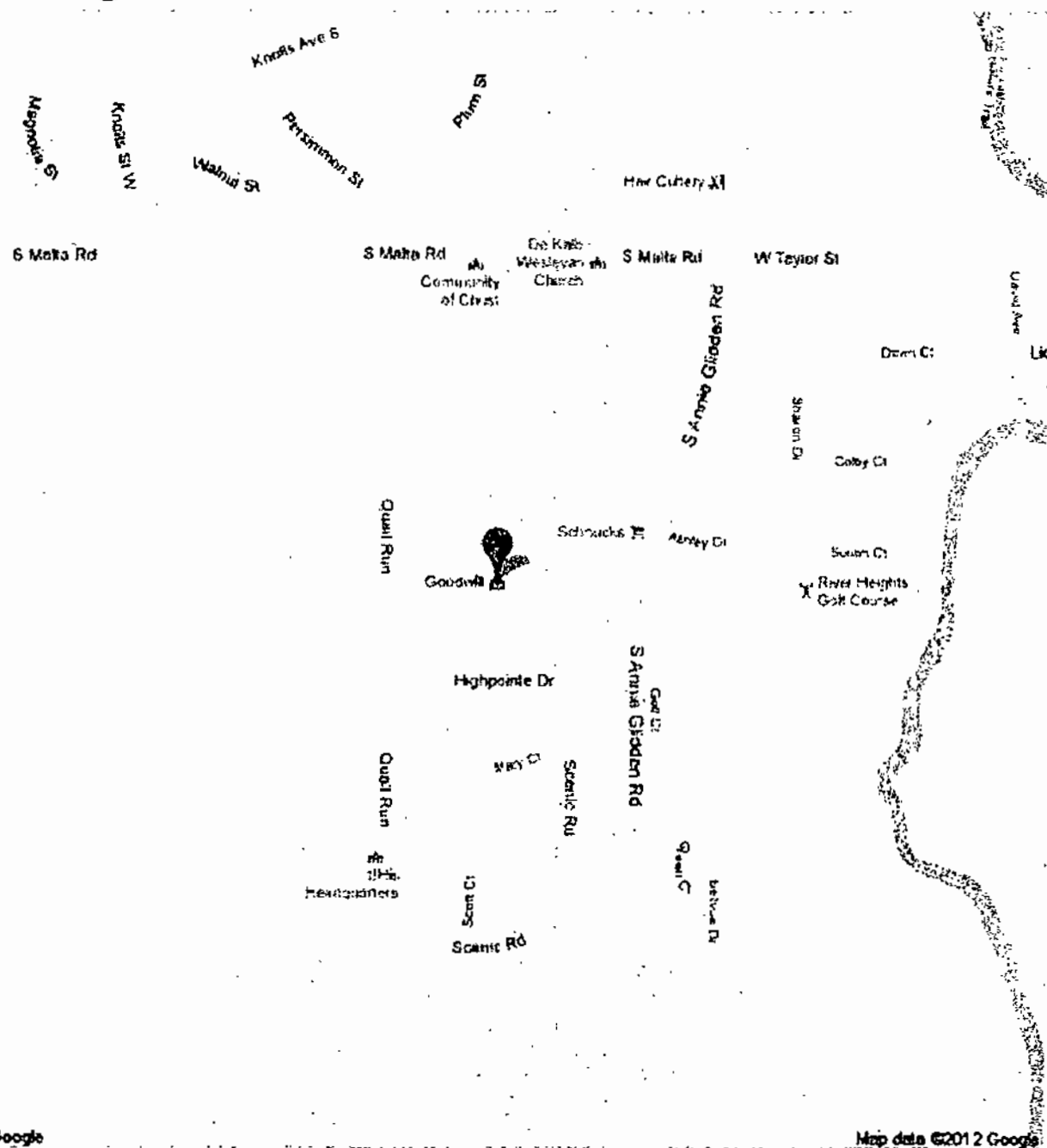
Joseph T. Van Leer

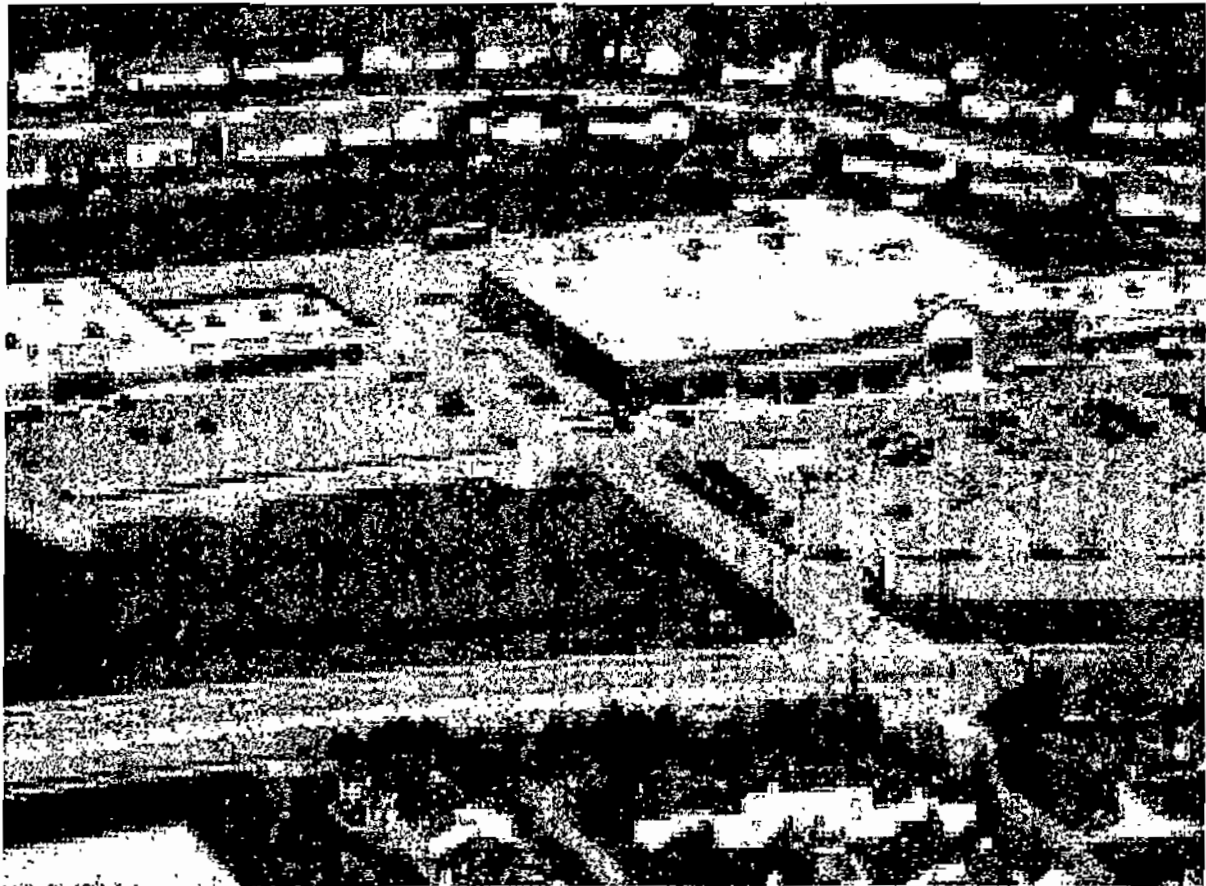
JTV:

Enclosure

Google

1037 South Annie Glidden, DeKalb, Illinois 60115





Section I, Identification, General Information, and Certification
Project Costs and Sources of Funds

Table 1120.110			
Project Cost	Clinical	Non-Clinical	Total
Modernization Contracts	\$973,000		\$973,000
Contingencies	\$140,000		\$140,000
Architectural/Engineering Fees	\$78,500		\$78,500
Consulting and Other Fees	\$75,000		\$75,000
Moveable and Other Equipment			
Communications	\$73,513		\$73,513
Water Treatment	\$108,095		\$108,095
Bio-Medical Equipment	\$8,885		\$8,885
Reuse Equipment/Fixtures	\$20,845		\$20,845
Clinical Equipment	\$199,991		\$199,991
Clinical Furniture/Fixtures	\$15,829		\$15,829
Lounge Furniture/Fixtures	\$2,815		\$2,815
Storage Furniture/Fixtures	\$5,362		\$5,362
Business Office Fixtures	\$13,260		\$13,260
General Furniture/Fixtures	\$21,455		\$21,455
Signage	\$12,800		\$12,800
Total Moveable and Other Equipment	\$478,850		\$478,850
Fair Market Value of Leased Space	\$764,584		\$764,584
Total Project Costs	\$2,510,434		\$2,510,434

Section I, Identification, General Information, and Certification
Project Status and Completion Schedules

Although the Letter of Intent attached at Attachment – 2 provides for project obligation to occur after permit issuance, the Applicants will begin negotiations on a definitive lease agreement for the facility, with the intent of project obligation being contingent upon permit issuance.

Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ESRD	\$2,510,434		5,972		5,972		
Total Clinical	\$2,510,434		5,972		5,972		
NON REVIEWABLE							
Total Non-Reviewable							
TOTAL	\$2,510,434		5,972		5,972		

Section III, Background, Purpose of the Project, and Alternatives
Criterion 1110.230(a) – Background, Purpose of the Project, and Alternatives

Background of the Applicant

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2010 Community Care report, some of which is outlined below, details DaVita's commitment to quality, patient centric focus and community outreach, was previously submitted on January 25, 2012 as part of Applicants' application for Proj. No. 12-008. The proposed project involves the establishment of a 12-station dialysis facility located at 1001 S. Annie Glidden, DeKalb, Illinois 60615.

DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and end stage renal disease ("ESRD"). These programs include the EMPOWER, IMPACT, CathAway, and transplant assistance programs. Information on the EMPOWER, IMPACT and CathAway programs are attached at Attachment – 11A.

There are over 26 million patients with CKD and that number is expected to rise. Current data reveals two troubling trends, which help explain the growing need for dialysis services:

- The prevalence of identified CKD stages 1 to 4 has increased from 10% to 15.1% between 1988 and 2008.¹
- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD²
 - 35.7% of U.S. adults are obese and this number is expected to grow to 42% by 2030.
 - 8.3%, or 25.8 million, people in the U.S. suffer from diabetes and another 79 million are pre-diabetic.
 - One third of U.S. adults have high blood pressure and another 30% have pre-hypertension.³

DaVita's EMPOWER program helps to improve intervention and education for pre-ESRD patients. Approximately 65-75% of CKD Medicare patients have never been evaluated by a nephrologist.⁴ Timely CKD care is imperative for patient morbidity and mortality. Adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may result in improved patient outcomes and reduce ESRD:

- Reduced GFR is an independent risk factor for morbidity and mortality,
- A reduction in the rate of decline in kidney function upon nephrologists referrals has been associated with prolonged survival of CKD patients,
- Late referral to a nephrologist has been correlated with lower survival during the first 90 days of dialysis, and

¹ US Renal Data System, USRDS 2011 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2011.

² Int'l Diabetes Found., *One Adult in Ten will have Diabetes by 2030* (Nov. 14, 2011), available at <http://www.idf.org/media-events/press-releases/2011/diabetes-atlas-5th-edition>.

³ National Center for Chronic Disease Prevention and Health Promotion, Division for Heart Disease and Stroke Prevention.

⁴ US Renal Data System, USRDS 2011 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2011.

- Timely referral of CKD patients to a multidisciplinary clinical team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the EMPOWER program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's EMPOWER program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. In fact, since piloting in October 2007, the program has not only shown to reduce mortality rates by 8 percent but has also resulted in improved patient outcomes.

DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII") to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NVAII through patient education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. DaVita is an industry leader in the rate of fistula use and had the lowest day-90 catheter rates among large dialysis providers in 2010.

In an effort to reduce the length of hospital inpatient stays and readmissions, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement through its Patient Pathways program. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, who specializes in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provide information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

DaVita currently partners with over 280 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. The program has resulted in a 0.5 day reduction in average length of stay for both new admissions and readmissions and an 11% reduction in average acute dialysis treatments per patient. Moreover, patients are better educated and arrive at the dialysis center more prepared and less stressed. They have a better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis facility. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

DaVita's transplant referral and tracking program ensures every dialysis patient is informed of transplant as a modality option and promotes access to transplantation for every patient who is interested and eligible for transplant. The social worker or designee obtains transplant center guidelines and criteria for selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/financial factors related to post-transplant functioning.

DaVita's commitment to improving the quality of life in the communities it serves goes beyond providing high quality dialysis care to patients diagnoses with ESRD, but to improve access to high quality, affordable health care to patients and employers. Through its subsidiary, Paladina Health, DaVita offers employers a convenient, quality-driven, and cost-effective care model to maintain a healthy workforce.

Paladina Health relies on an innovative membership-based payment model that compensates physicians for patient outcomes and satisfaction rather than volumes. Hospital and specialists' utilization rates typically decrease by an average of 10%, under the Paladina Health model, and many experience a first-year cost savings of up to 30%. Paladina recently bolstered its primary care footprint through the acquisition of ModernMed, bringing Paladina's primary care model to 26 physician practices and clinics.

In April 2012, DaVita launched the Kidney Smart website, which provides educational information for individuals affected by CKD at no cost. It is recommended for potential patients, caregivers, or anyone looking to learn more about CKD and its risk factors. The Kidney Smart website is designed to complement DaVita's in-person classes that are offered in community venues across the country at no charge.

In an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which is \$509 million in savings to the health care system and the American taxpayer in 2010.

DaVita is also committed to sustainability and reducing its carbon footprint. In fact, it is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In 2010, DaVita opened the first LEED-certified dialysis center in the U.S. Furthermore, it saves approximately 8.5 million pounds of medical waste through dialyzer reuse and it also diverts 95% of its waste through composting and recycling programs. It has also undertaken a number of similar initiatives at its offices and is seeking LEED Gold certification for its corporate headquarters.

DaVita consistently raises awareness to community needs and makes cash contributions to organizations aimed at improving access to kidney care. In 2010, DaVita donated more than \$2 million to kidney disease-awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. Its own employees, or teammates, assisted in these initiatives by raising more than \$3.4 million through Tour DaVita and DaVita Kidney Awareness Run/Walks.

DaVita does not limit its community engagement to the U.S. alone. It founded Bridge of Life, a 501(c)(3) nonprofit organization that operates on donations to bring care to those for whom it is out of reach. In addition to contributing Dialysis equipment to DaVita Medical Missions, Bridge of Life has accomplished 18 Missions since 2006, with more than 75 participating teammates spending more than 650 days abroad. It provided these desperately needed services in Cameroon, India, Ecuador, Guatemala, and the Philippines, and trained many health care professionals there as well.

Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application.

1. Health care facilities owned or operated by the Applicants:

A list of health care facilities owned or operated by the Applicants in Illinois is attached at Attachment – 11B.

Dialysis facilities are currently not subject to State Licensure in Illinois.

2. Certification that no adverse action has been taken against either of the Applicants or against any health care facilities owned or operated by the Applicants in Illinois within three years preceding the filing of this application is attached at Attachment – 11C.
3. An authorization permitting the Illinois Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11C.



Office of the Chief
Medical Officer (OCMO)

1000 North 17th Street
Suite 1000
Tampa, FL 33601
Phone: 813.289.1234
Fax: 813.289.1235

April 30, 2009

Dear Physicians:

As your partner, DaVita® and OCMO are committed to helping you achieve unprecedented clinical outcomes with your patients. As part of OCMO's Relentless Pursuit of Quality™, DaVita will be launching our top two clinical initiatives; IMPACT and CathAway™, at our annual 2009 Nationwide Meeting. Your facility administrators will be orienting you on both programs upon their return from the meeting in early May.



IMPACT: The goal of IMPACT is to reduce incident patient mortality. IMPACT stands for Incident Management of Patients Actions Centered on Treatment. The program focuses on three components: patient intake, education and management and reporting. IMPACT has been piloting since October 2007 and has demonstrated a reduction in mortality. The study recently presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN. In addition to lower mortality rates, patient outcomes improved - confirming this vulnerable patient population is healthier under DaVita's relentless pursuit of quality care.



CathAway: Higher catheter use is associated with increased infection, morbidity, mortality and hospitalizations ^{(1) (2)}. The 7-step Cathaway Program supports reducing the number of patients with central venous catheters (CVCs). The program begins with patient education outlining the benefits of fistula placement. The remaining steps support the patient through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. For general information about the CathAway program, see the November 2008 issue of QUEST, DaVita's Nephrology Journal.

Here is how you can support both initiatives in your facilities:

- **Assess incident patients regularly in their first 90 days:** Discuss patients individually and regularly. Use the IMPACT scorecard to prompt these discussions.
- **Adopt "Facility Specific Orders":** Create new facility specific orders using the form that will be provided to you.
- **Minimize the "catheter-removal" cycle time:** Review each of your catheter patients with your facility teammates and identify obstacles causing delays in catheter removal. Work with the team and patients to develop action plans for catheter removal.
- **Plan fistula and graft placements:** Start AV placement plans early by scheduling vessel mapping and surgery evaluation appointments for Stage 4 CKD patients. Schedule fistula placement surgery for those patients where ESRD is imminent in the next 3-6 months.

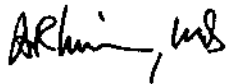
DaVita

Launch Kits:

In May, Launch Kits containing materials and tools to support both initiatives will be arriving at your facilities. IMPACT kits will include a physician introduction to the program, step by step implementation plan and a full set of educational resources. FAs and Vascular Access Leaders will begin training on a new tool to help identify root-causes for catheter removal delays.

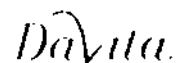
Your support of these efforts is crucial. As always, I welcome your feedback, questions and ideas. Together with you, our physician partners, we will drive catheter use to all-time lows and help give our incident patients the quality and length of life they deserve.

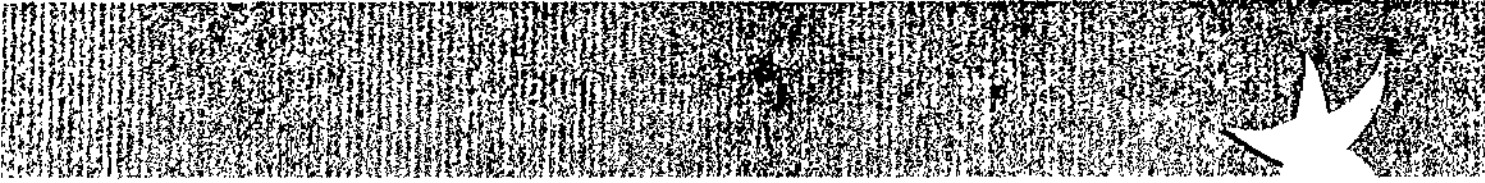
Sincerely,



Allen R. Nissenson, MD, FACP
Chief Medical Officer, DaVita

- (1) Dialysis Outcomes and Practice Patterns Study (DOPPS): 2 yrs/7 Countries / 10,000 pts
- (2) Pastan et al: Vascular access and increased risk of death among hemodialysis patients





Knowledge is power.

EMPOWER[®] is an educational program by DaVita[®]. The program includes a series of free community based classes for patients with chronic kidney disease (CKD). These classes encourage you to take control of your kidney disease and prepare for dialysis by making healthy choices about your kidney care

Taking Control Of Kidney Disease

Learn how to slow the progression of kidney disease.

- Kidney disease and related conditions
- Behavior modification
- Dietary guidelines
- Common medications
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

Making Healthy Choices

Learn how to prepare for dialysis.

- Kidney disease and related conditions
- Behavior modification
- Dietary guidelines
- Common medications
- Treatments that allow you to stay active and continue to work
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

Treatment Choices

An in-depth look at all of your treatment choices.

- Kidney disease and related conditions
- Treatments that allow you to stay active and continue to work
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

To register for a class, call 1-888-MyKidney (695-4363).

EMPOWER[®]
1-888-MyKidney (695-4363) | DaVita.com/EMPOWER

DaVita.



Davita®



Dear Physician Partners:

IMPACT™ is an initiative focused on reducing incident patient mortality. The program provides a comprehensive onboarding process for incident patients, with program materials centered on four key clinical indicators—access, albumin, anemia, and adequacy.

Medical Directors: How can you support IMPACT in your facilities?

- Customize the new Standard Admission Order template into facility-specific orders. Drive use of the standard order with your attending physicians
- Review your facility IMPACT scorecard at your monthly QIFMM meeting
- Talk about IMPACT regularly with your attending physicians

Attending Physicians: How can you support IMPACT in your facilities?

- Use the IMPACT scorecard to assess incident patients
- Educate teammates about the risk incident patients face and how IMPACT can help

How was IMPACT developed? What are the initial results?

From October 2007 to April 2009, IMPACT was piloted in DaVita® centers. Early results, presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN this April, showed an 8% reduction in annualized mortality. In addition to lower mortality, IMPACT patients showed improvements in fistula placement rates and serum albumin levels. The results are so impressive that we are implementing this program throughout the Village.

Your support of this effort is crucial.

If you have not seen the IMPACT order template and scorecard by the end of June, or if you have additional questions about the program, email impact@davita.com. Together we can give our incident patients the quality and length of life they deserve.

Sincerely,

Dennis Kogod
Chief Operating Officer

Allen R. Nissenson, MD, FACP
Chief Medical Officer

DaVita.



FOR IMMEDIATE RELEASE

DaVita's IMPACT Program Reduces Mortality for New Dialysis Patients

Study Shows New Patient Care Model Significantly Improves Patient Outcomes

El Segundo, Calif. (March, 29, 2009) – DaVita Inc., a leading provider of kidney care services for those diagnosed with chronic kidney disease (CKD), today released the findings of a study revealing DaVita's IMPACT™ Incident Management of Patients, Actions Centered on Treatment pilot program can significantly reduce mortality rates for new dialysis patients. The study presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN details how the IMPACT patient care model educates and manages dialysis patients within the first 90 days of treatment, when they are most unstable and are at highest risk. In addition to lower mortality rates, patient outcomes improved – confirming the health of this vulnerable patient population is better supported under DaVita's *Relentless Pursuit of Quality*™ care.

The pilot program was implemented with 600 patients completing the IMPACT program over a 12 month period in 41 DaVita centers around the nation. IMPACT focuses on patient education and important clinical outcomes – such as the measurement of adequate dialysis, access placement, anemia, and albumin levels – monitoring the patient's overall health in the first 90 days on dialysis. Data reflects a reduction in annualized mortality rates by eight percent for IMPACT patients compared with non-IMPACT patients in the DaVita network. Given that DaVita has roughly 28,000 new patients starting dialysis every year, this reduction affects a significant number of lives.

In addition, a higher number of IMPACT patients versus non-IMPACT patients had an arteriovenous fistula (AVF) in place. Research show that fistulas – the surgical connection of an artery to a vein – last longer and are associated with lower rates of infection, hospitalization and death compared to all other access choices.

Allen R. Nissenson, MD, Chief Medical Officer at DaVita says, "The IMPACT program is about quality patient care starting in the first 90 days and extending beyond. Improved outcomes in new dialysis patients translates to better long term results and healthier patients overall."

Researchers applaud the IMPACT program's inclusion of all patients starting dialysis, regardless of their cognitive ability or health status. Enrolling all patients at this early stage in their treatment allows them to better understand their disease and care needs while healthcare providers work to improve their outcomes. Through this program, DaVita mandates reporting on this particular population to better track and manage patients through their incident period.

Dennis Kogod, Chief Operating Officer of DaVita says, "We are thrilled by the promising results IMPACT has had on our new dialysis patients. DaVita continues to be the leader in the kidney care community, and we look forward to rolling out this program to all facilities later this year, to improve the health of all new dialysis patients."

DaVita, IMPACT and *Relentless Pursuit of Quality* are trademarks or registered trademarks of DaVita Inc. All other trademarks are the properties of their respective owners.

Poster Presentation
NKF Spring Clinical Meeting
Nashville, TN
March 26-28, 2009

Incident Management of Hemodialysis Patients: Managing the First 90 Days

John Robertson¹, Pooja Goel¹, Grace Chen¹, Ronald Levine¹, Debbie Benner¹, and Amy Burdan¹
¹DaVita Inc., El Segundo, CA, USA

IMPACT (Incident Management of Patients, Actions Centered on Treatment) is a program to reduce mortality and morbidity in new patients during the first 3 months of dialysis, when these patients are most vulnerable. IMPACT was designed to standardize the onboarding process of incident patients from their 0 to 90-day period. We report on an observational (non-randomized), un-blinded study of 606 incident patients evaluated over 12 months (Oct77-Oct08) at 44 US DaVita facilities.

The study focused on 4 key predictive indicators associated with lower mortality and morbidity – anemia, albumin, adequacy and access (4As). IMPACT consisted of:

- (1) Structured New Patient Intake Process with a standardized admission order, referral fax, and an intake checklist;
- (2) 90-day Patient Education Program with an education manual and tracking checklist;
- (3) Tools for 90-day Patient Management Pathway including QOL; and
- (4) Data Monitoring Reports.

Data as of July, 2008 is reported. Patients in the IMPACT group were 60.6 ± 15.1 years old (mean±SD), 42.8% Caucasian, 61% male with 25% having a fistula. Results showed a reduction in 90-day mortality almost 2 percentage points lower (6.14% vs. 7.98%; $p < 0.10$) among IMPACT versus nonIMPACT patients. Changes among the 4As showed higher albumin levels from 3.5 to 3.6 g/dL (note that some IMPACT patients were on protein supplementation during this period) and patients achieving fistula access during their first 90-days was 25% vs. 21.4%, IMPACT and nonIMPACT, respectively ($p \leq 0.05$). However, only 20.6% of IMPACT patients achieved Hct targets ($33 \leq \text{Hb} \leq 36$) vs. 23.4% for controls ($p < 0.10$); some IMPACT patients may still have >36 -level Hcts. Mean calculated Kt/V was 1.54 for IMPACT patients vs. 1.58 for nonIMPACT patients ($p \leq 0.05$).

IMPACT is a first step toward a comprehensive approach to reduce mortality of incident patients. We believe this focus may help us to better manage CKD as a continuum of care. Long-term mortality measures will help determine if this process really impacts patients in the intended way, resulting in longer lives and better outcomes.

IMPACT Tools

Here's how the IMPACT program will help the team record data, educate patients and monitor their progress in your facilities.

- 1 Standard Order Template, a two-page form with drop-down menus that can be customized into a center-specific template
- 2 Intake Checklist to gather registration and clinical data prior to admission
- 3 Patient Announcement to alert teammates about new incident patients
- 4 Patient Education Book and Flip Chart to teach patients about dialysis

Tracking Checklist for the team to monitor progress over the first 90 days

- 6 IMPACT Scorecard to track monthly center summary and patient level detail for four clinical indicators: access, albumin, adequacy, anemia





DaVita.

Headquarters
1627 Cole Blvd, Bldg 18
Lakewood CO 80401
1-888-200-1041

IMPACT

For more information, contact
1-800-400-8331

DaVita.com

Our Mission
To be the Provider,
Partner and Employer
of Choice

Core Values
Service Excellence
Integrity
Team
Continuous Improvement
Accountability
Fulfillment
Fun

DaVita, Inc.

Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Barrington Creek	28160 W. Northwest Highway		Lake Barrington	Lake	IL	60010	
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	142599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
DSI Arlington Heights Renal Center	17 West Golf Road		Arlington Heights	COOK	IL	60005-3905	14-2628
DSI Buffalo Grove Renal Center	1291 W. Dundee Road		Buffalo Grove	COOK	IL	60089-4009	14-2650
DSI Evanston Renal Center	1715 Central Street		Evanston	COOK	IL	60201-1507	14-2511
DSI Hazel Crest Renal Center	3470 West 183rd Street		Hazel Crest	COOK	IL	60429-2428	14-2622
DSI Loop Renal Center	1101 South Canal Street		Chicago	COOK	IL	60607-4901	14-2505
DSI Markham Renal Center	3053-3055 West 159th Street		Markham	COOK	IL	60428-4026	14-2575
DSI Schaumburg Renal Center	1156 S Roselle Rd		Schaumburg	COOK	IL	60193-4072	14-2654
DSI Scottsdale Renal Center	4651 West 79th Street	Suite 100	Chicago	COOK	IL	60652-1779	14-2518
DSI South Holland Renal Center	16136 South Park Avenue		South Holland	COOK	IL	60473-1511	14-2544
DSI Waukegan Renal Center	1616 North Grand Avenue	STE C	Waukegan	COOK	IL	60085-3676	14-2577
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580

DaVita, Inc.

Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Lake County Dialysis Services	918 S MILWAUKEE AVE		LIBERTYVILLE	LAKE	IL	60048-3229	14-2552
Lake Park Dialysis	1531 E HYDE PARK BLVD		CHICAGO	COOK	IL	60615-3039	14-2717
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD		IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2659 N MILWAUKEE AVE	1ST FL	CHICAGO	COOK	IL	60647-1643	14-2534
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 Development Drive		Charleston	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVIEW	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674

DaVita, Inc.

Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Olympia Fields Dialysis Center	4557B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 South 6th Street		Springfield	SANGAMON	IL	62703	
Stonecrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648



1551 Wewatta Street
Denver, CO 80202
Tel: (303) 405-2100
www.davita.com

May 1, 2012

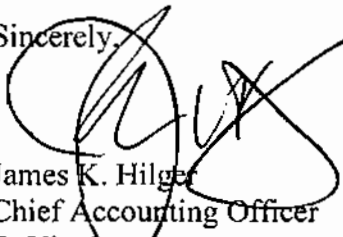
Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chairman Galassie:

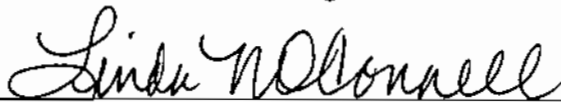
I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by DaVita Inc., and Dialysis of Northern Illinois LLC during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

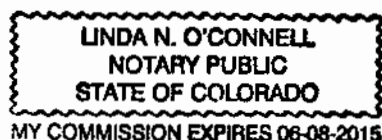
Sincerely,


James K. Hilger
Chief Accounting Officer
DaVita Inc.
Dialysis of Northern Illinois LLC

Subscribed and sworn to me
This 1st day of May, 2012



Notary Public



Attachment – 11C

Section III, Background, Purpose of the Project, and Alternatives
Criterion 1110.230(b) – Background, Purpose of the Project, and Alternatives

Purpose of Project

1. The purpose of the project is to improve access to life sustaining dialysis services to the residents of DeKalb. The establishment of a 12-station dialysis facility will improve access to necessary dialysis treatment for those individuals in the DeKalb community who suffer from chronic kidney disease. ESRD patients are typically chronically ill individuals and adequate access to dialysis services is essential to their well-being.

Based upon the latest inventory data, there is a need for 13 dialysis stations in HSA 1, the service area where the proposed facility will be located. As shown in Table 1110.230(b)(1) below, Sycamore Dialysis is the only existing or approved dialysis facility within 30 minutes travel time of the proposed dialysis facility (the "Geographic Service Area" or "GSA"). Sycamore Dialysis is currently operating above target utilization at 84.72% utilization, as reported to The Renal Network (the "Renal Network Utilization Data") for the quarter ending March 31, 2012. As such, DaVita is seeking to establish another facility to serve the community in and around DeKalb.

Table 1110.230(b)(1) Facilities within 30 Minutes Driving Distance of Proposed Facility							
Facility	City	Distance	Time	Adjusted Time	Stations	Patients (3/31/12)	Utilization
Sycamore Dialysis	Sycamore	5.03	11	11	12	61	84.72%

The projected referrals from Dr. Bindu Pavithran, the treating nephrology for the area's CKD patients, confirm this. Dr. Pavithran is currently treating 208 CKD patients whose condition is advancing to ESRD and who will likely require dialysis within the next 12 to 18 months. See Attachment – 12A. Based on their kidney function status and place of residence, Dr. Pavithran has identified 90 CKD patients as potential referrals to the proposed facility. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, it is estimated that 60 of these patients will initiate dialysis within 12 to 18 months.

Many dialysis patients often rely on public transit, family members, and friends for transportation to and from treatment. Including transportation time and transition time, patients typically devote 15 to 20 hours for dialysis each week over three days. This inconvenience is exacerbated when patients require treatment during an evening or fourth shift. When facilities are operating at 80% utilization, it is often difficult for a patient to schedule dialysis during an optimal shift, which is generally the second shift. Dialysis patients are chronically ill and often elderly. Patients, many of whom rely on assistive devices, such as canes and walkers, are faced with additional safety hazards when arriving and departing the facility in the dark. Some of these hazards cannot be avoided in the winter, but patients feel much more secure when coming and going in the daylight. The establishment of a 12-station dialysis facility will not only allow for safer and more convenient treatment times for patients, but will also help meet the 13-station need in the service area.

2. A map of the market area for the proposed facility is attached at Attachment – 12B. The market area encompasses approximately a 15 mile radius around the proposed facility. The boundaries of the market area of are as follows:
 - North approximately 30 minutes normal travel time to Belvidere
 - Northeast approximately 30 minutes normal travel time to Hampshire
 - East approximately 30 minutes normal travel time to St. Charles
 - Southeast approximately 30 minutes normal travel time to Bristol
 - South approximately 30 minutes normal travel time to Leland
 - Southwest approximately 30 minutes normal travel time to Compton

- West approximately 30 minutes normal travel time to Flagg
- Northwest approximately 30 minutes normal travel time to White Rock

The purpose of this project is to improve access to life sustaining dialysis to residents of DeKalb and the immediately surrounding areas. As discussed more fully above, there is not sufficient capacity within the GSA to accommodate all of Dr. Pavithran projected referrals.

3. The minimum size of a GSA is 30 minutes; however, most of the patients reside within the immediate vicinity of the proposed facility. Diabetes and hypertension (high blood pressure) are the two leading causes of CKD and ESRD.⁵ Due to socioeconomic conditions in the DeKalb community, this population exhibits a higher prevalence of obesity, which is a driver of diabetes and hypertension. African Americans are at an increased risk of ESRD compared to the general population due to the higher prevalence of these conditions in the African American community. In fact, the ESRD incident rate among African Americans is 3.6 times greater than whites and the incident rate among the Hispanic population is 1.5 times greater than the non-Hispanic population. Notably, a large percentage of the area is African American (approximately 12%) or Hispanic (approximately 12%). This, coupled with the aging population, is expected to increase utilization.

As shown in Attachment – 12A, the projected referrals by Dr. Pavithran confirm this. Dr. Pavithran expects approximately 60 of the current CKD patients to require dialysis within the next 12 to 18 months.

4. Source Information

The Renal Network, Utilization Data for the Quarter Ending June 30, 2011.

U.S. Census Bureau, American FactFinder, Fact Sheet, available at http://factfinder.census.gov/home/saff/main.html?_lang=en (last visited Aug. 22, 2011).

U.S. Renal Data System, USRDS 2010 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 2010 available at <http://www.usrds.org/atlas.htm> (last visited Aug. 22, 2011).

U.S. Renal Data System, USRDS 2007 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 2007 available at http://www.usrds.org/adr_2007.htm (last visited Aug. 22, 2011).

5. The proposed facility will improve access to dialysis services to the residents of DeKalb and the surrounding area by establishing a 12-station dialysis facility in DeKalb. Given the expense and time of additional travel, patients may frequently miss treatments or forego dialysis altogether. This would significantly harm a patient's survival rate and exacerbate co-morbidities. By making dialysis services more accessible to the residents of DeKalb and the surrounding area, patients are more likely to adhere to their treatment protocols, which will result in better outcomes and survival rates.
6. The Applicants anticipate the proposed facility will have quality outcomes comparable to its other facilities. Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring

⁵ Michael F. Flessner, M.D., PhD et al., *Prevalence and Awareness of CKD Among African Americans: The Jackson Heart Study*, 53 Am. J. Kidney Dis. 183, 238-39 (2009), available at [http://www.ajkd.org/article/S0272-6386\(08\)01575-8/fulltext](http://www.ajkd.org/article/S0272-6386(08)01575-8/fulltext) (last visited Oct. 5, 2011).

all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which was \$509M in hospitalization savings to the health care system and the American taxpayer in 2010.

Rockford Nephrology Associates
612 Roxbury Road
Rockford, Illinois 61107

June 4, 2012

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chairman Galassie:

I am a nephrologist in practice with Rockford Nephrology Associates ("Rockford Nephrology"). I am writing on behalf of Rockford Nephrology in support of DaVita's proposed establishment of a 12-station dialysis facility to be located at 1001 S. Annie Glidden, DeKalb, Illinois 60115. A list of the physicians in my practice is enclosed hereto as Attachment 1.

Based upon the current obesity epidemic and the aging population in and around DeKalb, we anticipate demand for dialysis to continue to increase. Currently, there is 1 dialysis facility within 30 minutes of the proposed facility. As of March 31, 2012, this facility was operating at 85% utilization and can only accommodate 11 patients before reaching capacity. Thus, a new 12-station dialysis facility will increase access to dialysis services to our practice's growing end stage renal disease ("ESRD") patient population.

Since 2009, Rockford Nephrology referred 297 ESRD patients to Sycamore Dialysis: 80 ESRD patients in 2009, 84 ESRD patients in 2010, 80 ESRD patients in 2011, and 53 in the first quarter of 2012. The total number of patients treated by facility and zip code of residence for the most recent three years as reported to The Renal Network is attached hereto at Attachment 2.

Additionally, Rockford Nephrology is currently treating 208 pre-ESRD patients. We have identified 90 pre-ESRD patients as potential referrals to the proposed DeKalb facility. We conservatively estimate 60 patients will be referred to the proposed facility. A list of these pre-ESRD patients by zip code is attached hereto as Attachment 3. No patients will be transferred from other area providers to the proposed facility.

These patient referrals have not been used to support another pending or approved certificate of need application.

Attachment – 12A

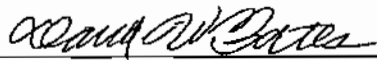
The information in this letter is true and correct to the best of my knowledge. I support the proposed establishment of DeKalb Dialysis.

Sincerely,



Bindu Pavithran, M.D.
Rockford Nephrology Associates
612 Roxbury Road
Rockford, IL 61107

Subscribed and sworn to me
This 4th day of June, 2012



Notary Public



ATTACHMENT 1
Rockford Nephrology Associates

Mashood Ahmad, M.D.
Deane Charba, M.D.
John Maynard, M.D.
Joanna Niemiec, M.D.
Bindu Pavrithian, M.D.
Michael Robertson, M.D.
Krishna Sankaran, M.D.
James Stim, M.D.
Charles Sweeney, M.D.
David Wright, M.D.

**ATTACHMENT 2
HISTORICAL REFERRALS**

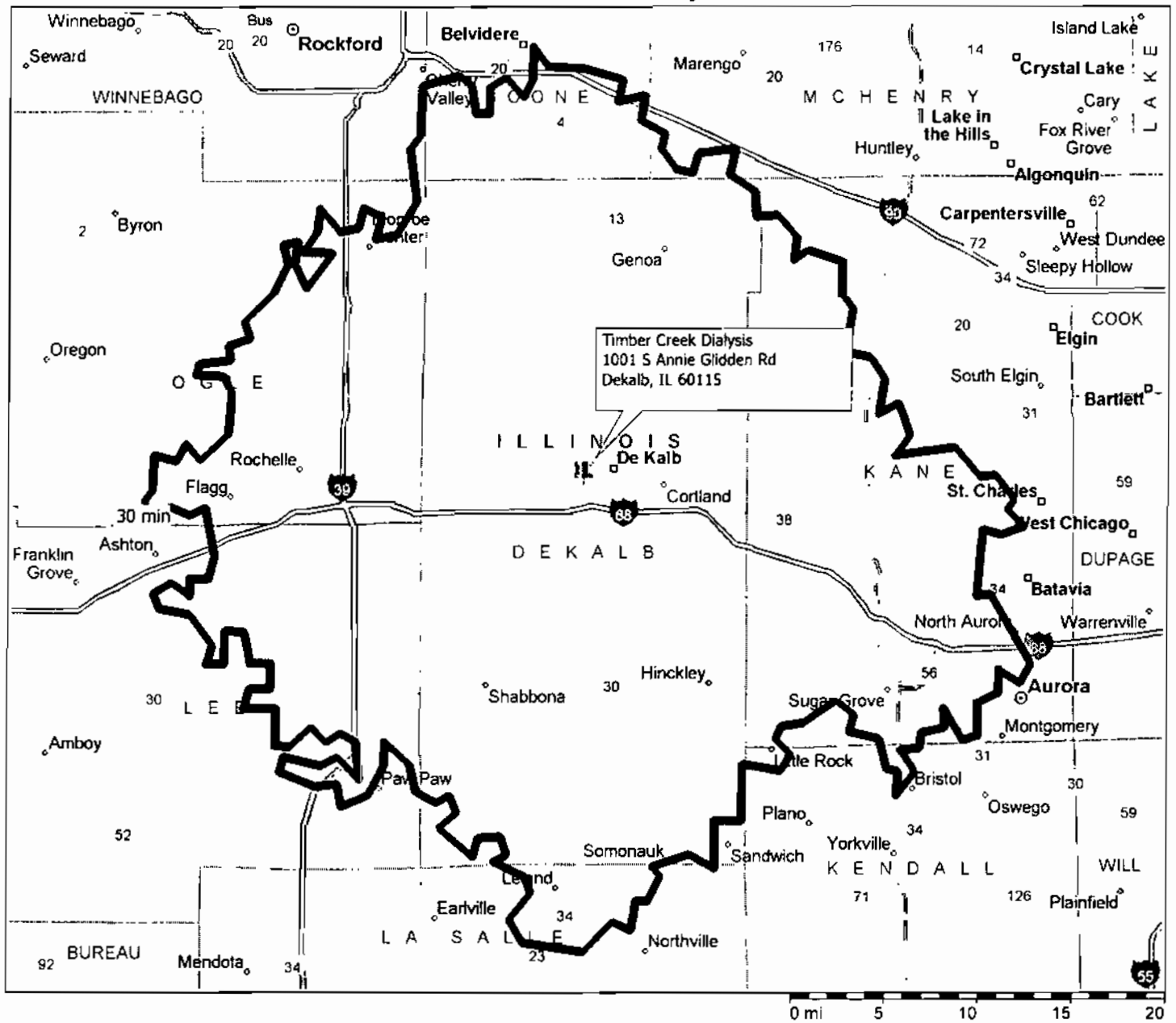
Sycamore Dialysis						
Physician	Zip Code	Service Year				
		2009	2010	2011	2012 YTD	2012 YTD New Referral
Michael Robertson	16627	0	0	1	0	0
	17042	0	1	0	0	0
	30815	1	0	0	0	0
	32812	0	0	1	0	0
	32958	1	1	0	0	0
	33782	0	0	1	0	0
	34787	0	1	0	0	0
	46404	1	0	0	0	0
	47150	1	0	0	0	0
	47804	0	1	0	0	0
	48174	1	0	0	0	0
	52302	0	1	0	0	0
	53147	0	0	1	0	0
	53209	0	1	0	0	0
	53216	0	0	1	0	0
	56097	1	1	0	0	0
	57049	0	1	0	0	0
	60101	0	0	1	0	0
	60112	1	1	0	0	0
	60113	1	0	0	1	0
	60115	20	23	23	18	4
	60120	0	1	0	0	0
	60129	0	1	1	0	0
	60135	3	3	3	2	0
	60140	1	1	0	0	0
	60145	1	1	1	0	0
	60146	1	2	0	0	0
	60150	2	3	2	2	0
	60151	1	0	0	0	0
	60152	0	0	1	0	0
	60175	1	0	0	0	0
	60178	9	12	7	7	2
	60465	1	1	0	0	0
	60520	0	1	0	0	0
	60550	1	0	1	2	1
	60553	0	0	1	1	1
	60628	1	0	0	0	0
	60637	0	0	1	0	0

	60660	0	1	0	0	0
	61031	1	0	0	0	0
	61068	10	9	8	4	2
	61108	0	0	1	0	0
	62025	1	0	0	0	0
	63031	1	0	0	0	0
	63139	0	0	1	0	0
	70555	0	0	0	1	1
	73162	1	0	0	0	0
	78368	0	0	1	0	0
	91765	1	0	0	0	0
	92040	1	0	0	0	0
	99301		1	1	0	0
Robertson Total	Total	66	69	59	38	11
James Stim	30518	1	1	1	0	0
	33073	1	0	1	0	0
	53403	1	0	0	0	0
	55803	1	1	1	0	0
	60115	2	2	1	2	0
	60145	1	1	1	1	0
	60146	2	0	0	0	0
	60178	1	1	2	3	0
	62568	1	0	0	0	0
	85029	1	0	0	0	0
	60518	0	1	0	0	0
	61068	0	2	1	1	0
	49896	0	0	1	0	0
Stim Total	Total	12	9	9	7	0
Bindu Pavrithian	60115	2	2	4	4	1
	60112	0	1	1	0	0
	60550	0	1	1	0	0
	60178	0	1	0	2	2
	61068	0	0	1	0	0
	60140	0	0	1	0	0
	60145	0	0	1	0	0
	60150	0	0	0	1	0
Pavrithian Total	Total	2	5	9	7	3
Krishna Sankaran	61043	0	1	1	1	0
	60115	0	0	2	0	0
Sankaran Total	Total	0	1	3	1	0

**ATTACHMENT 3
PRE-ESRD PATIENTS**

Zip code	Units
60556	3
60150	1
60115	84
60112	2
Total	90

Timber Creek Dialysis



Attachment – 12B

Section III, Background, Purpose of the Project, and Alternatives
Criterion 1110.230(c) – Background, Purpose of the Project, and Alternatives

Alternatives

The Applicants considered two options prior to determining to establish a 12-station dialysis facility. The options considered are as follows:

1. Utilize Existing Facilities
2. Establish a new facility.

After exploring these options, which are discussed in more detail below, the Applicants determined to establish a 12-station dialysis facility. A review of each of the options considered and the reasons they were rejected follows.

Utilize Existing Facilities

Based upon the latest inventory data, there is a need for 13 dialysis stations in HSA 1. Sycamore Dialysis is the only existing or approved dialysis facility within the GSA. Based upon the Renal Network Utilization Data for the quarter ending March 31, 2012, the Sycamore Dialysis is currently operating at 84.72% utilization. This facility can only accommodate 11 patients before it reaches capacity. Expansion of this facility is also not an option, as the physical plant of the existing space cannot accommodate 12 more stations. Additionally, an expansion of the Sycamore facility would not be geographically appropriate given dispersion of the patient base.

Dr. Pavithran is currently treating 208 CKD patients whose condition is advancing to ESRD and who will likely require dialysis within the next 12 to 18 months. See Attachment – 12A. Dr. Pavithran has identified 90 CKD patients as potential referrals to the proposed facility. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, it is estimated that 60 of these patients will initiate dialysis within 12 to 18 months. A new facility is necessary to serve these patients, as the only existing facility in the service area cannot accommodate these patients.

Further, the proposed project will improve access to dialysis services for the community at large by adding a much needed dialysis facility to the DeKalb community. Importantly, a large percentage of the area is African American (approximately 12%) or Hispanic (approximately 12%). Notably, African Americans and Hispanics are at an increased risk of ESRD compared to the general population due to the higher prevalence of diabetes and hypertension, the two leading causes of CKD and ESRD, in their communities. In fact, the ESRD incident rate among African Americans is 3.6 times greater than whites and among the Hispanic population it is 1.5 times greater than the non-Hispanic population. As such, demand in the community will continue to increase.

Thus, because utilization of existing facilities will not meet the needs of the community, DaVita rejected this option.

There is no capital cost with this alternative.

Establish a New Facility

Based upon current utilization of the existing facility and the projected number of CKD patients that will require in-center hemodialysis within the next 12 to 18 months, the only feasible option is to establish a 12-station in-center hemodialysis facility. This alternative will ensure residents of DeKalb and its surrounding communities have continued access to life sustaining dialysis treatment.

The cost of this alternative is \$2,510,434.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(a), Size of the Project

The Applicants propose to establish a 12-station dialysis facility. Pursuant to Section 1110, Appendix B of the HFSRB's rules, the State standard is 360-520 gross square feet per dialysis station for a total of 4,320 to 6,240 gross square feet for 12 dialysis stations. The total gross square footage of the proposed dialysis facility is 5,972 gross square feet. Accordingly, proposed Facility meets the State standard.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD	5,972	4,320 – 6,240	0	Meets State Standard

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(b), Project Services Utilization

By the second year of operation, annual utilization at the proposed facility shall exceed HFSRB's utilization standard of 80%. Pursuant to Section 1100.1430 of the HFSRB's rules, facilities providing in-center hemodialysis should operate their dialysis stations at or above an annual utilization rate of 80%, assuming three patient shifts per day per dialysis station, operating six days per week. Dr. Pavithran is currently treating 208 CKD patients whose condition is advancing to ESRD and who will likely require dialysis within the next 12 to 18 months. See Attachment – 15A. Dr. Pavithran has identified 90 CKD patients as potential referrals to the proposed facility. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, it is estimated that 60 of these patients will initiate dialysis within 12 to 18 months.

Table 1110.234(b)					
Utilization					
	Dept./ Service	Historical Utilization (Treatments)	Projected Utilization	State Standard	Met Standard?
Year 1	ESRD	N/A	9,360	8,986	Yes
Year 2	ESRD	N/A	9,360	8,986	Yes

Rockford Nephrology Associates
612 Roxbury Road
Rockford, Illinois 61107

June 4, 2012

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chairman Galassie:

I am a nephrologist in practice with Rockford Nephrology Associates ("Rockford Nephrology"). I am writing on behalf of Rockford Nephrology in support of DaVita's proposed establishment of a 12-station dialysis facility to be located at 1001 S. Annie Glidden, DeKalb, Illinois 60115. A list of the physicians in my practice is enclosed hereto as Attachment 1.

Based upon the current obesity epidemic and the aging population in and around DeKalb, we anticipate demand for dialysis to continue to increase. Currently, there is 1 dialysis facility within 30 minutes of the proposed facility. As of March 31, 2012, this facility was operating at 85% utilization and can only accommodate 11 patients before reaching capacity. Thus, a new 12-station dialysis facility will increase access to dialysis services to our practice's growing end stage renal disease ("ESRD") patient population.

Since 2009, Rockford Nephrology referred 297 ESRD patients to Sycamore Dialysis: 80 ESRD patients in 2009, 84 ESRD patients in 2010, 80 ESRD patients in 2011, and 53 in the first quarter of 2012. The total number of patients treated by facility and zip code of residence for the most recent three years as reported to The Renal Network is attached hereto as Attachment 2.

Additionally, Rockford Nephrology is currently treating 208 pre-ESRD patients. We have identified 90 pre-ESRD patients as potential referrals to the proposed DeKalb facility. We conservatively estimate 60 patients will be referred to the proposed facility. A list of these pre-ESRD patients by zip code is attached hereto as Attachment 3. No patients will be transferred from other area providers to the proposed facility.

These patient referrals have not been used to support another pending or approved certificate of need application.

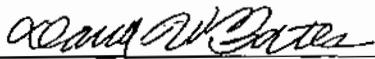
The information in this letter is true and correct to the best of my knowledge. I support the proposed establishment of DeKalb Dialysis.

Sincerely,



Bindu Pavithran, M.D.
Rockford Nephrology Associates
612 Roxbury Road
Rockford, IL 61107

Subscribed and sworn to me
This 4th day of June, 2012



Notary Public



ATTACHMENT 1
Rockford Nephrology Associates

Mashood Ahmad, M.D.
Deane Charba, M.D.
John Maynard, M.D.
Joanna Niemiec, M.D.
Bindu Pavrithian, M.D.
Michael Robertson, M.D.
Krishna Sankaran, M.D.
James Stim, M.D.
Charles Sweeney, M.D.
David Wright, M.D.

**ATTACHMENT 2
HISTORICAL REFERRALS**

Sycamore Dialysis						
Physician	Zip Code	Service Year				2012 YTD New Referral
		2009	2010	2011	2012 YTD	
Michael Robertson	16627	0	0	1	0	0
	17042	0	1	0	0	0
	30815	1	0	0	0	0
	32812	0	0	1	0	0
	32958	1	1	0	0	0
	33782	0	0	1	0	0
	34787	0	1	0	0	0
	46404	1	0	0	0	0
	47150	1	0	0	0	0
	47804	0	1	0	0	0
	48174	1	0	0	0	0
	52302	0	1	0	0	0
	53147	0	0	1	0	0
	53209	0	1	0	0	0
	53216	0	0	1	0	0
	56097	1	1	0	0	0
	57049	0	1	0	0	0
	60101	0	0	1	0	0
	60112	1	1	0	0	0
	60113	1	0	0	1	0
	60115	20	23	23	18	4
	60120	0	1	0	0	0
	60129	0	1	1	0	0
	60135	3	3	3	2	0
	60140	1	1	0	0	0
	60145	1	1	1	0	0
	60146	1	2	0	0	0
	60150	2	3	2	2	0
	60151	1	0	0	0	0
	60152	0	0	1	0	0
	60175	1	0	0	0	0
	60178	9	12	7	7	2
	60465	1	1	0	0	0
	60520	0	1	0	0	0
	60550	1	0	1	2	1
	60553	0	0	1	1	1
	60628	1	0	0	0	0
	60637	0	0	1	0	0

	60660	0	1	0	0	0
	61031	1	0	0	0	0
	61068	10	9	8	4	2
	61108	0	0	1	0	0
	62025	1	0	0	0	0
	63031	1	0	0	0	0
	63139	0	0	1	0	0
	70555	0	0	0	1	1
	73162	1	0	0	0	0
	78368	0	0	1	0	0
	91765	1	0	0	0	0
	92040	1	0	0	0	0
	99301		1	1	0	0
Robertson Total	Total	66	69	59	38	11
James Stim	30518	1	1	1	0	0
	33073	1	0	1	0	0
	53403	1	0	0	0	0
	55803	1	1	1	0	0
	60115	2	2	1	2	0
	60145	1	1	1	1	0
	60146	2	0	0	0	0
	60178	1	1	2	3	0
	62568	1	0	0	0	0
	85029	1	0	0	0	0
	60518	0	1	0	0	0
	61068	0	2	1	1	0
	49896	0	0	1	0	0
Stim Total	Total	12	9	9	7	0
Bindu Pavrithian	60115	2	2	4	4	1
	60112	0	1	1	0	0
	60550	0	1	1	0	0
	60178	0	1	0	2	2
	61068	0	0	1	0	0
	60140	0	0	1	0	0
	60145	0	0	1	0	0
	60150	0	0	0	1	0
Pavrithian Total	Total	2	5	9	7	3
Krishna Sankaran	61043	0	1	1	1	0
	60115	0	0	2	0	0
Sankaran Total	Total	0	1	3	1	0

**ATTACHMENT 3
PRE-ESRD PATIENTS**

Zip code	Units
60556	3
60150	1
60115	84
60112	2
Total	90

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(c), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VII, Service Specific Review Criteria**In-Center Hemodialysis****Criterion 1110.1430, In-Center Hemodialysis Projects – Review Criteria****1. Planning Area Need**

The Applicants propose to establish a 12-station dialysis facility to be located at 1001 S. Annie Glidden, DeKalb, Illinois 60115. The proposed facility will be located in HSA 1. Based upon the latest inventory data, there is a need for 13 dialysis stations in HSA 1, the service area where the proposed facility will be located. The proposed facility will address the need in HSA 1. As shown in Table 1110.230(b)(1) below, there Sycamore Dialysis is the only existing or approved facility within 30 minutes normal travel time of the proposed facility. The utilization of this facility for the quarter ending March 31, 2012 is 84.72%.

Table 1110.1430(1) Facilities within 30 Minutes Driving Distance of Proposed Facility

Facility	City	Distance	Time	Adjusted Time	Stations	Patients (3/31/12)	Utilization
Sycamore Dialysis	Sycamore	5.03	11	11	12	61	84.72%

Additionally, Dr. Pavithran is currently treating 208 CKD patients whose condition is advancing to ESRD and who will likely require dialysis within the next 12 to 18 months. See Attachment – 26A. Dr. Pavithran has identified 90 CKD patients as potential referrals to the proposed facility. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, it is estimated that 60 of these patients will initiate dialysis within 12 to 18 months. Accordingly, establishment of the proposed facility is necessary to maintain access to life-sustaining dialysis to residents of DeKalb.

2. Service to Planning Area Residents

The primary purpose of the proposed project is to maintain access to life-sustaining dialysis services to the residents of DeKalb. As evidenced in the physician referral letter attached at Attachment – 26A, all of the pre-ESRD patients live in the service area.

3. Service Demand

Attached at Attachment – 26A is physician referral letter from Dr. Pavithran and a schedule of pre-ESRD and current patients by zip code. A summary of CKD patients projected to be referred to the proposed dialysis facility within the first two years after project completion is provided in Table 1110.1430(b)(3)(B) below.

Table 1110.1430(b)(3)(B) Projected Pre-ESRD Patient Referrals by Zip Code	
Zip Code	Patients
60556	3
60150	1
60112	84
60115	2
Total	90

4. Service Accessibility

As set forth throughout this application, the proposed facility is needed to maintain access to life-sustaining dialysis for residents of DeKalb. The average utilization of the existing dialysis facility within the GSA is 84.72%. Moreover, HFSRB currently identifies a need for 13 stations in HSA 1. Accordingly, a new dialysis facility is needed to improve access to dialysis services to residents of DeKalb.

Rockford Nephrology Associates
612 Roxbury Road
Rockford, Illinois 61107

June 4, 2012

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chairman Galassie:

I am a nephrologist in practice with Rockford Nephrology Associates ("Rockford Nephrology"). I am writing on behalf of Rockford Nephrology in support of DaVita's proposed establishment of a 12-station dialysis facility to be located at 1001 S. Annie Glidden, DeKalb, Illinois 60115. A list of the physicians in my practice is enclosed hereto as Attachment 1.

Based upon the current obesity epidemic and the aging population in and around DeKalb, we anticipate demand for dialysis to continue to increase. Currently, there is 1 dialysis facility within 30 minutes of the proposed facility. As of March 31, 2012, this facility was operating at 85% utilization and can only accommodate 11 patients before reaching capacity. Thus, a new 12-station dialysis facility will increase access to dialysis services to our practice's growing end stage renal disease ("ESRD") patient population.

Since 2009, Rockford Nephrology referred 297 ESRD patients to Sycamore Dialysis: 80 ESRD patients in 2009, 84 ESRD patients in 2010, 80 ESRD patients in 2011, and 53 in the first quarter of 2012. The total number of patients treated by facility and zip code of residence for the most recent three years as reported to The Renal Network is attached hereto at Attachment 2.

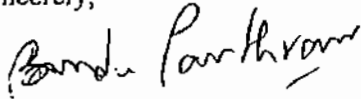
Additionally, Rockford Nephrology is currently treating 208 pre-ESRD patients. We have identified 90 pre-ESRD patients as potential referrals to the proposed DeKalb facility. We conservatively estimate 60 patients will be referred to the proposed facility. A list of these pre-ESRD patients by zip code is attached hereto as Attachment 3. No patients will be transferred from other area providers to the proposed facility.

These patient referrals have not been used to support another pending or approved certificate of need application.

Attachment – 26A

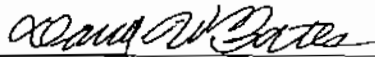
The information in this letter is true and correct to the best of my knowledge. I support the proposed establishment of DeKalb Dialysis.

Sincerely,



Bindu Pavithran, M.D.
Rockford Nephrology Associates
612 Roxbury Road
Rockford, IL 61107

Subscribed and sworn to me
This 4th day of June, 2012



Notary Public



ATTACHMENT 1
Rockford Nephrology Associates

Mashood Ahmad, M.D.

Deane Charba, M.D.

John Maynard, M.D.

Joanna Niemiec, M.D.

Bindu Pavrithian, M.D.

Michael Robertson, M.D.

Krishna Sankaran, M.D.

James Stim, M.D.

Charles Sweeney, M.D.

David Wright, M.D.

**ATTACHMENT 2
HISTORICAL REFERRALS**

Sycamore Dialysis						
Physician	Zip Code	Service Year				2012 YTD New Referral
		2009	2010	2011	2012 YTD	
Michael Robertson	16627	0	0	1	0	0
	17042	0	1	0	0	0
	30815	1	0	0	0	0
	32812	0	0	1	0	0
	32958	1	1	0	0	0
	33782	0	0	1	0	0
	34787	0	1	0	0	0
	46404	1	0	0	0	0
	47150	1	0	0	0	0
	47804	0	1	0	0	0
	48174	1	0	0	0	0
	52302	0	1	0	0	0
	53147	0	0	1	0	0
	53209	0	1	0	0	0
	53216	0	0	1	0	0
	56097	1	1	0	0	0
	57049	0	1	0	0	0
	60101	0	0	1	0	0
	60112	1	1	0	0	0
	60113	1	0	0	1	0
	60115	20	23	23	18	4
	60120	0	1	0	0	0
	60129	0	1	1	0	0
	60135	3	3	3	2	0
	60140	1	1	0	0	0
	60145	1	1	1	0	0
	60146	1	2	0	0	0
	60150	2	3	2	2	0
	60151	1	0	0	0	0
	60152	0	0	1	0	0
	60175	1	0	0	0	0
	60178	9	12	7	7	2
	60465	1	1	0	0	0
	60520	0	1	0	0	0
	60550	1	0	1	2	1
	60553	0	0	1	1	1
	60628	1	0	0	0	0
	60637	0	0	1	0	0

	60660	0	1	0	0	0
	61031	1	0	0	0	0
	61068	10	9	8	4	2
	61108	0	0	1	0	0
	62025	1	0	0	0	0
	63031	1	0	0	0	0
	63139	0	0	1	0	0
	70555	0	0	0	1	1
	73162	1	0	0	0	0
	78368	0	0	1	0	0
	91765	1	0	0	0	0
	92040	1	0	0	0	0
	99301		1	1	0	0
Robertson Total	Total	66	69	59	38	11
James Stim	30518	1	1	1	0	0
	33073	1	0	1	0	0
	53403	1	0	0	0	0
	55803	1	1	1	0	0
	60115	2	2	1	2	0
	60145	1	1	1	1	0
	60146	2	0	0	0	0
	60178	1	1	2	3	0
	62568	1	0	0	0	0
	85029	1	0	0	0	0
	60518	0	1	0	0	0
	61068	0	2	1	1	0
	49896	0	0	1	0	0
Stim Total	Total	12	9	9	7	0
Bindu Pavrithian	60115	2	2	4	4	1
	60112	0	1	1	0	0
	60550	0	1	1	0	0
	60178	0	1	0	2	2
	61068	0	0	1	0	0
	60140	0	0	1	0	0
	60145	0	0	1	0	0
	60150	0	0	0	1	0
Pavrithian Total	Total	2	5	9	7	3
Krishna Sankaran	61043	0	1	1	1	0
	60115	0	0	2	0	0
Sankaran Total	Total	0	1	3	1	0

**ATTACHMENT 3
PRE-ESRD PATIENTS**

Zip code	Units
60556	3
60150	1
60115	84
60112	2
Total	90

Section VII, Service Specific Review Criteria**In-Center Hemodialysis****Criterion 1110.1430(c), Unnecessary Duplication/Maldistribution****1. Unnecessary Duplication of Services**

- a. The proposed dialysis facility will be located at 1001 S. Annie Glidden, DeKalb, Illinois 60115. A map of the proposed facility's market area is attached at Attachment – 26B. A list of all zip codes located, in total or in part, within 30 minutes normal travel time of the site of the proposed dialysis facility as well as 2010 census figures for each zip code is provided in Table 1110.1430(c)(1)(A).

Table 1110.1430(c)(1)(A)		
Population of Zip Codes within 30 Minutes of Proposed Facility		
Zip Code	City	Population
61318	COMPTON	700
61353	PAW PAW	1333
60530	LEE	649
61006	ASHTON	1759
61068	ROCHELLE	14858
60553	STEWARD	782
60113	CRESTON	337
60129	ESMOND	242
61043	HOLCOMB	131
61020	DAVIS JUNCTION	3108
61049	LINDENWOOD	585
61052	MONROE CENTER	1148
60531	LELAND	1902
60550	SHABBONA	1440
60556	WATERMAN	2007
60552	SOMONAUK	4448
60520	HINCKLEY	2886
60150	MALTA	1794
60146	KIRKLAND	2713
60111	CLARE	258
60145	KINGSTON	2627
60115	DEKALB	46272
60112	CORTLAND	4560
60178	SYCAMORE	21840
60135	GENOA	7248
60511	BIG ROCK	1793
60144	KANEVILLE	58
60512	BRISTOL	1111
60554	SUGAR GROVE	11796
60542	NORTH AURORA	17099

60539	MOOSEHEART	341
60151	MAPLE PARK	4061
60119	ELBURN	10371
60109	BURLINGTON	560
61008	BELVIDERE	34311
Total		207,128

Source: U.S. Census Bureau, Census 2010, American Factfinder available at <http://factfinder2.census.gov/faces/tables/services/jsf/pages/productview.xhtml?src=bkmk> (last visited April 10, 2012).

- b. A list of existing and approved dialysis facilities located within 30 minutes normal travel time of the proposed dialysis facility is provided at Table 1110.1430(1) above.

2. Maldistribution of Services

The proposed dialysis facility will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of facilities, stations, and services characterized by such factors as, but not limited to: (1) ratio of stations to population exceeds one and one-half times the State Average; (2) historical utilization for existing facilities and services is below the HFSRB's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards. As discussed more fully below, the ratio of stations to population in the GSA is 19% of the State average, the average utilization of existing facilities is 84.72%, and sufficient population exists to achieve target utilization. Accordingly, the proposed dialysis facility will not result in a maldistribution of services.

a. Ratio of Stations to Population

As shown in Table 1110.1430(c)(2)(A), the ratio of stations to population is 19% of the State Average.

Table 1110.1430(c)(2)(A)			
Ratio of Stations to Population			
	Population	Dialysis Stations	Stations to Population
Geographic Service Area	207,128	12	1:17,261
State	12,830,632	3,834	1:3,347

b. Historic Utilization of Existing Facilities

Additionally, the average utilization in the service area is 84.72%. Accordingly, there is sufficient patient population to justify the need for the proposed facility. There will be no maldistribution of services. Additional stations are necessary to adequately meet rising demand and a need of 13 additional dialysis stations, as identified by the HFSRB Inventory.

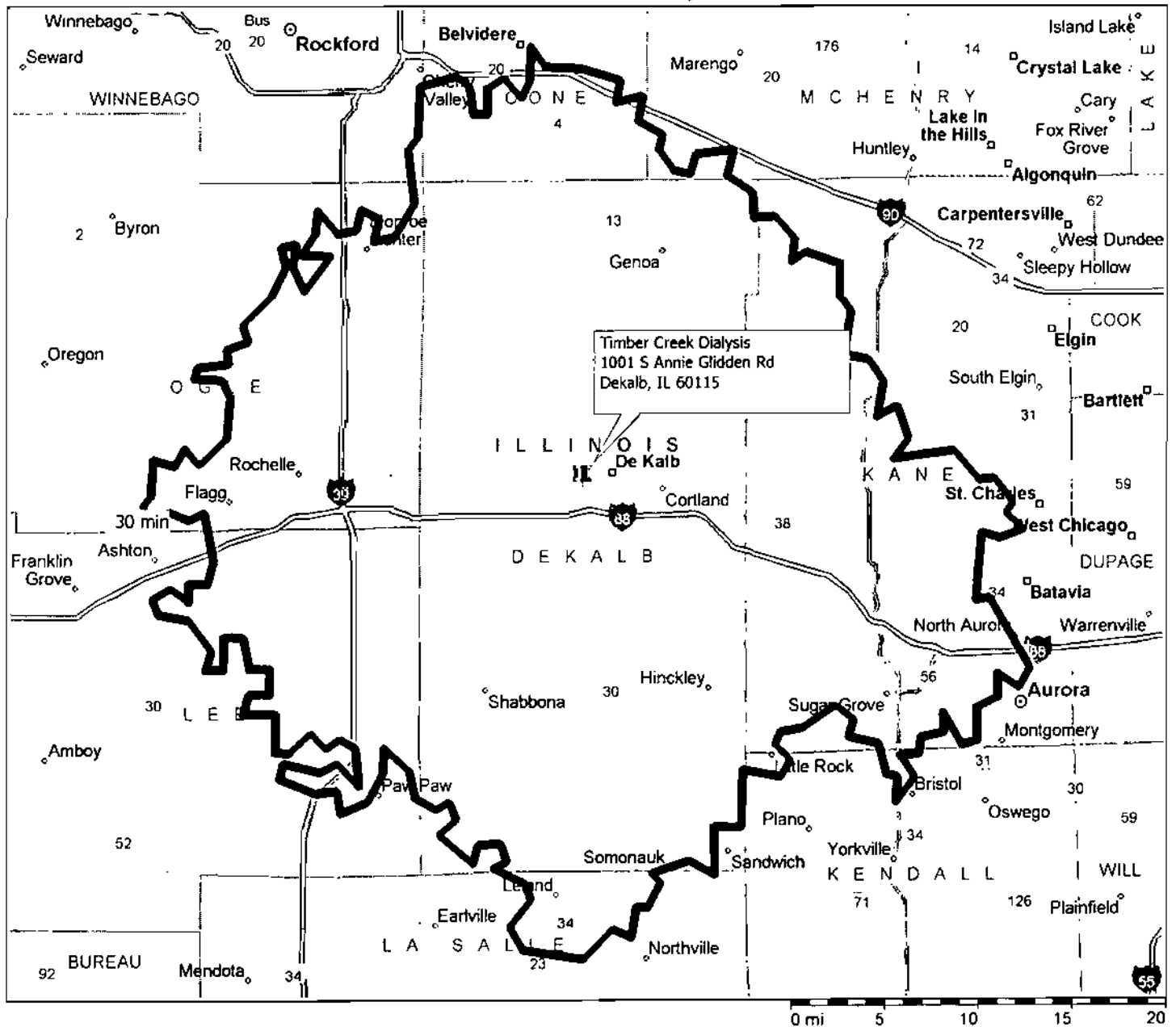
c. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish a 12-station dialysis facility. To achieve the HFSRB's 80% utilization standard within the first two years after project completion, the Applicants would need 58 patient referrals. As set forth above in Table 1110.230(b)(2), Dr. Pavithran is currently treating 208 CKD patients. He has identified 90 who would likely be referred to the proposed facility within 12 to 18 months after project completion. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, it is estimated that 60 of these patients will initiate dialysis within 12 to 18 months.

3. Impact to Other Providers

- a. The proposed dialysis facility will not have an adverse impact on existing facilities in the GSA. As discussed throughout this application, the average utilization at the existing facility within the service area is 84.72% and the HFSRB Inventory identifies a need of 13 additional stations
- b. The proposed facility will not lower the utilization of other area providers that are operating below the occupancy standards.

Timber Creek Dialysis



Attachment – 26B

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(e), Staffing

1. The proposed facility will be staffed in accordance with all State and Medicare staffing requirements.
 - a. Medical Director: Bindu Pavithran, M.D. will serve as the Medical Director for the proposed facility. A copy of Dr. Pavithran's curriculum vitae is attached at Attachment – 26C.
 - b. Other Clinical Staff: Initial staffing for the proposed facility will be as follows:

Administrator
Registered Nurse (2.0 FTE)
Patient Care Technician (5.5 FTE)
Biomedical Technician (0.2 FTE)
Social Worker (licensed MSW) (0.5 FTE)
Registered Dietitian (0.3 FTE)
Administrative Assistant (0.8 FTE)

As patient volume increases, nursing and patient care technician staffing will increase accordingly to maintain a ratio of at least one direct patient care provider for every 4 ESRD patients. At least one registered nurse will be on duty while the facility is in operation.

- c. All staff will be training under the direction of the proposed facility's Governing Body, utilizing DaVita's comprehensive training program. DaVita's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in-depth theory on the structure and function of the kidneys; including, homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis; components of hemodialysis system; water treatment; dialyzer reprocessing; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. A summary of the training program is attached at Attachment – 26D.
 - d. As set forth in the letter from James Hilger, Chief Accounting Officer of DaVita Inc. and Dialysis of Northern Illinois LLC is attached at Attachment – 26E, Timber Creek Dialysis will maintain an open medical staff.

Bindu Pavithran, MD
Curriculum Vitae

BIOGRAPHICAL INFORMATION:

Office Address: RNA of Rockford, LLC
612 Roxbury Road
Rockford, IL 61107

Date of Birth: 5/25/67

EMPLOYMENT:

08/11-present	RNA of Rockford, LLC Rockford, IL	MD
01/10-07/11	Nephrology Associates of Northern Illinois Crystal Lake, IL	MD
10/08-01/10	BP Nephrology & Hypertension Consultants, Ltd. South Barrington, IL	MD
05/08-09/08	Nephrology Associates at Elgin Clinic Elgin, IL	MD
04/05-04/08	Elmhurst Clinic Elmhurst, IL	MD
08/04-01/05	CompHealth (Locum Tenens)	MD
08/03-01/04	Linde Healthcare (Locum Tenens)	MD
12/93-12/94	Sree Uthradum Thirunai Hospital Trivandrum, Kerala, India	Senior House Officer in Nephrology
05/91-12/93	Private Practice in Internal Medicine Trivandrum, Kerala, India	MD

Bindu Pavithran, MD
Curriculum Vitae
Page 2

EDUCATION:

09/84 – 05/91	Medical College Trivandrum Thiruvananthapuram, India	MBBS
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POSTGRADUATE TRAINING:

01/01-01/03	University of Kentucky Lexington, KY	Nephrology Fellowship
06/97-07/00	Mercy Hospital of Pittsburgh Pittsburgh, PA	Internal Medicine Residency

LICENSURE AND CERTIFICATION:

Illinois License #036-110997
Board Certified by American Board of Internal Medicine, 08/22/00
Board Certified by American Board of Internal Medicine, Subspecialty
of Nephrology, 11/05/03

PROFESSIONAL ORGANIZATION MEMBERSHIPS:

American Society of Nephrology
Renal Physicians Association

PROGRAM DESCRIPTION

Introduction to Program

The Hemodialysis Education and Training Program is grounded in DaVita's Core Values. These core values include a commitment to providing *service excellence*, promoting *integrity*, practicing a *team* approach, systematically striving for *continuous improvement*, practicing *accountability*, and experiencing *fulfillment and fun*.

The Hemodialysis Education and Training Program is designed to provide the new teammate with the necessary theoretical background and clinical skills necessary to function as a competent hemodialysis patient care provider.

DaVita hires both non-experienced and experienced teammates.

A **non-experienced teammate** is defined as:

- A newly hired patient care teammate without prior dialysis experience.
- A rehired patient care teammate who left prior to completing the initial training.

An **experienced teammate** is defined as:

- A newly hired patient care teammate with prior dialysis experience as evidenced by successful completion of a competency exam.
- A rehired patient care teammate who left and can show proof of completing their initial training.

The curriculum of the Hemodialysis Education and Training Program is modeled after the American Nephrology Nurses Association Core Curriculum for Nephrology Nursing and the Board of Nephrology Examiners Nursing and Technology guidelines.

The program incorporates the policies, procedures, and guidelines of DaVita Inc.

The new teammate will be provided with a "StarTracker". The "StarTracker" is a tool that will help guide the training process while tracking progress. The facility administrator and preceptor will review the Star Tracker to plan and organize the training and professional development of the new teammate. The Star Tracker will guide the new teammate through the initial phase of training and then through the remainder of their first year with DaVita, thus increasing their knowledge of all aspects of dialysis. It is designed to be used in conjunction with the "My Learning Plan Workbooks."

Program Description

- The education program for the newly hired patient care provider teammate **without prior dialysis experience** is composed of at least (1) 120 hours didactic instruction and (2) 280 hours clinical practicum, unless otherwise specified by individual state regulations.

The **didactic phase** consists of instruction including but not limited to lectures, readings, self-study materials, on-line learning activities, specifically designed hemodialysis

workbooks for the teammate, demonstrations and observations. This education may be coordinated by the Clinical Services Specialist (CSS), the administrator, or the preceptor. This training includes introduction to the dialysis machine, components of the hemodialysis system, dialysis delivery system, principles of hemodialysis, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used, introduction to DaVita Policies and Procedures, and introduction to the Amgen Core Curriculum.

The **didactic phase** also includes classroom training with the Clinical Services Specialist, which covers more in-depth theory on structure and functions of the kidneys. This includes homeostasis, renal failure ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis, components of the hemodialysis system, water treatment, dialyzer reprocessing, hemodialysis treatment (which includes machine troubleshooting and patient complications), documentation, complication case studies, heparinization and anticoagulation, vascular access (which includes vascular access workshop), patient assessment (including workshop), fluid management with calculation workshop, nutrition, laboratory, adequacy, pharmacology, patient teaching/adult learning, service excellence (which includes professionalism, ethics and communications).

A final comprehensive examination score of $\geq 80\%$ must be obtained to successfully complete this portion of the didactic phase. If a score of less than 80% is attained, the teammate will receive additional appropriate remediation and a second exam will be given.

Also included in the **didactic phase** is additional classroom training covering Health and Safety Training, DaVita Virtual Training Program (which includes 21 hours of computer training classes), One For All orientation training, HIPAA training, LMS mandatory water classes, emergency procedures specific to facility, location of disaster supplies, and orientation to the unit.

Included in the **didactic phase** for nurses is additional classroom training. The didactic phase includes:

- The role of the dialysis nurse in the facility
- Pharmacology for nurses
- Outcomes management
- Patient assessment for the dialysis nurse.

The **clinical practicum phase** consists of supervised clinical instruction provided by the facility preceptor, a registered nurse, or the clinical services specialist (CSS). During this phase the teammate will demonstrate a progression of skills required to perform the hemodialysis procedures in a safe and effective manner. A *Procedural Skills Inventory Checklist* will be completed to the satisfaction of the preceptor and the administrator.

The clinical hemodialysis workbooks will also be utilized for this training and must be completed to the satisfaction of the preceptor and the administrator.

Those teammates who will be responsible for the Water Treatment System within the facility are required to complete the Mandatory LMS Educational Water courses and the corresponding skills checklists.

Both the didactic phase and/or the clinical practicum phase of a specific skill set will be successfully completed prior to the new teammate receiving an independent assignment for that specific skill set. The new teammate is expected to attend all training sessions and complete all assignments and workbooks.

- The education program for the newly hired patient care provider teammate **with previous dialysis experience** is individually tailored based on the identified learning needs. The initial orientation to the *Health Prevention and Safety Training* will be successfully completed prior to the new teammate working/receiving training in the clinical area. The *Procedural Skills Inventory Checklist* including verification of review of applicable policies and procedures will be completed by the preceptor, a registered nurse, and/or the clinical services specialist (CSS) and the new teammate upon demonstration of an acceptable skill-level. The new teammate will also utilize the hemodialysis training workbook and progress at their own pace. This workbook should be completed within a timely manner as to also demonstrate acceptable skill-level.

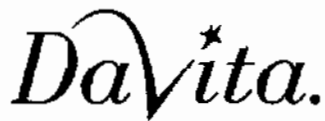
The *Initial Competency Exam* will be completed; a score of $\geq 80\%$ or higher is required prior to the new teammate receiving an independent patient-care assignment. If the new teammate receives a score of less than 80%, this teammate will receive theory instruction pertaining to the area of deficiency and a second competency exam will then be given. If the new teammate receives a score of less than 80% on the second exam, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate.

Following completion of the training, a *Verification of Competency* form will be completed (see forms TR1-06-05, TR1-06-06). In addition to the above, further training and/or certification will be incorporated as applicable by state law.

The goal of the program is for the trainee to successfully meet all training requirements. Failure to meet this goal is cause for dismissal from the training program and subsequent termination by the facility.

Process of Program Evaluation

The Hemodialysis Education Program utilizes various evaluation tools to verify program effectiveness and completeness. Key evaluation tools include the, DaVita Prep Class Evaluation (TR1-06-08), the New Teammate Satisfaction Survey on the LMS and random surveys of facility administrators to determine satisfaction of the training program. To assure continuous



1551 Wewatta Street
Denver, CO 80202
Tel: (303) 405-2100
www.davita.com

May 1, 2012

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification of Support Services

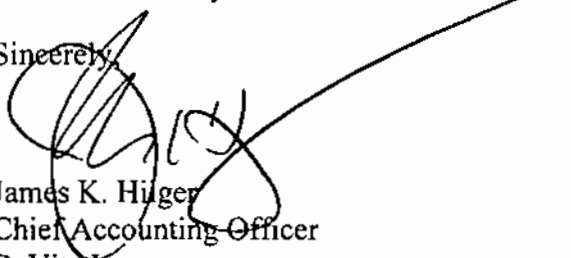
Dear Chairman Galassie:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1110.1430(f) that Timber Creek Dialysis will maintain an open medical staff.

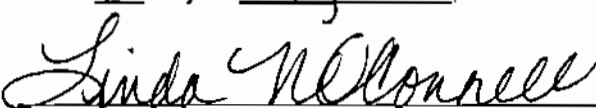
I also certify the following with regard to needed support services:

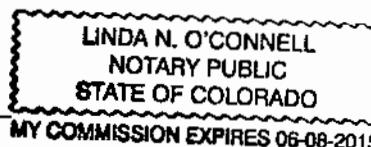
- DaVita participates in a dialysis data system;
- Timber Creek Dialysis will have available all needed support services consisting of clinical laboratory service, blood bank, nutrition, rehabilitation, psychiatric services, and social services; and
- Patients will have access to training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training, which will be provided either at Timber Creek Dialysis or through a signed, written agreement for these services with another facility.

Sincerely,


James K. Huger
Chief Accounting Officer
DaVita Inc.
Dialysis of Northern Illinois LLC

Subscribed and sworn to me
This 1st day of May, 2012


Notary Public



Attachment – 26E

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(f), Support Services

Attached at Attachment – 26E is a letter from James Hilger, Chief Accounting Officer of DaVita Inc. and Dialysis of Northern Illinois LLC attesting that the proposed facility will participate in a dialysis data system, will make support services available to patients, and will provide training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training.

Section VII, Service Specific Review Criteria

In-Center Hemodialysis

Criterion 1110.1430(g), Minimum Number of Stations

The proposed dialysis facility will be located in the Chicago-Joliet-Naperville metropolitan statistical area ("MSA"). A dialysis facility located within an MSA must have a minimum of eight dialysis stations. The Applicants propose to establish a 12-station dialysis facility. Accordingly, this criterion is met.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(h), Continuity of Care

DaVita Inc. has agreements with several of the hospitals in the area to provide inpatient care and other hospital services. Attached at Attachment – 26F is a copy of a service agreement with an area hospital.

PATIENT TRANSFER AGREEMENT

This PATIENT TRANSFER AGREEMENT (the "Agreement") is made as of the last date of execution of this Agreement (the "Effective Date"), by and between Kishwaukee Community Hospital (hereinafter "Hospital") and Renal Treatment Centers Dialysis of Northern Illinois, LLC, a subsidiary of DaVita, Inc. ("Company").

RECITALS

WHEREAS, the parties hereto desire to enter into this Agreement governing the transfer of patients between Hospital and the following free-standing dialysis clinic owned and operated by Company (the "Center"):

*Crimson Ridge Dialysis
2540 Hauser- Ross, Suite 220
Sycamore, IL 60178*

WHEREAS, the parties hereto desire to enter into this Agreement in order to specify the rights and duties of each of the parties and to specify the procedure for ensuring the timely transfer of patients between the Hospital and the Center; and

WHEREAS, the parties wish to facilitate the continuity of care and the timely transfer of patients and records between the Hospital and the Center; and

WHEREAS, the parties acknowledge that only a patient's attending physician (not Company or the Hospital) can refer such patient to Company for dialysis treatments.

NOW THEREFORE, in consideration of the premises herein contained and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **HOSPITAL OBLIGATIONS.** In accordance with the policies and procedures as hereinafter provided, and upon the recommendation of an attending physician, a patient of Company may be transferred to Hospital.

(a) Hospital agrees to exercise its best efforts to provide for prompt admission of patients provided that all usual, reasonable conditions of admission are met. All transfers between the facilities shall be made in accordance with applicable federal and state laws and regulations, the standards of the Joint Commission on the Accreditation of Healthcare Organizations ("JCAHO") and any other applicable accrediting bodies, and reasonable policies and procedures of the facilities. Transfer record forms shall be completed in detail and signed by the physician or nurse in charge at Company and must accompany the patient to the receiving institution.

(b) Neither the decision to transfer a patient nor the decision to not accept a request to transfer a patient shall be predicated upon arbitrary, capricious or unreasonable

discrimination or based upon the patient's inability to pay for services rendered by either facility.

2. COMPANY OBLIGATIONS.

(a) Upon transfer of a patient to Hospital, Company agrees:

- i. That it shall transfer any needed personal effects of the patient, and information relating to the same, and shall be responsible therefor until signed for by a representative of Hospital;
- ii. Original medical records kept by each of the parties shall remain the property of that institution; and
- iii. That transfer procedures shall be made known to the patient care personnel of each of the parties.

(b) Company agrees to transmit with each patient at the time of transfer, or in case of an emergency, as promptly as possible thereafter, an abstract of pertinent medical and other records necessary to continue the patient's treatment without interruption and to provide identifying and other information, to include:

- i. current medical findings;
- ii. diagnosis;
- iii. rehabilitation potential;
- iv. discharge summary;
- v. a brief summary of the course of treatment followed;
- vi. nursing and dietary information;
- vii. ambulating status; and
- viii. administrative and pertinent social information.

(c) Company agrees to readmit to the Center patients who have been transferred to Hospital for medical care as clinic capacity allows. Hospital agrees to keep the administrator or designee of Company advised of the condition of the patients that will affect the anticipated date of transfer back to Company and to provide as much notice of the transfer date as possible. Company shall assign readmission priority for its patients who have been treated at Hospital and who are ready to transfer back to the Center.

3. BILLING, PAYMENT, AND FEES. Hospital and Company each shall be responsible for billing the appropriate payor for the services it provides, respectively,

hereunder. Company shall not act as guarantor for any charges incurred while the patient is a patient in Hospital.

4. **HIPAA.** Hospital and Company agree to comply with the patient privacy and security requirements set forth in the Health Insurance Portability and Accountability Act of 1996, and attendant regulations at 45 C.F.R. Parts 160 and 164, as amended by the federal Health Information Technology for Economic and Clinical Health Act and its implementing regulations, as may be modified or amended, including future issuance of regulations and guidance by HHS (collectively "HIPAA"), and any applicable state patient privacy and security laws. Hospital and Company acknowledge and agree that from time to time, HIPAA may require modification to this Agreement for compliance purposes. Hospital and Company each agrees to comply with requests by the other party hereto related to HIPAA.

5. **STATUS AS INDEPENDENT CONTRACTORS.** The parties acknowledge and agree that their relationship is solely that of independent contractors. Governing bodies of Hospital and Company shall have exclusive control of the policies, management, assets, and affairs of their respective facilities. Nothing in this Agreement shall be construed as limiting the right of either to affiliate or contract with any other hospital or facility on either a limited or general basis while this Agreement is in effect. Neither party shall use the name of the other in any promotional or advertising material unless review and approval of the intended use shall be obtained from the party whose name is to be used and its legal counsel.

6. **INSURANCE.** Each party shall secure and maintain, or cause to be secured and maintained during the term of this Agreement, comprehensive general liability, property damage, and workers compensation insurance in amounts generally acceptable in the industry, and professional liability insurance providing minimum limits of liability of \$1,000,000 per occurrence and \$3,000,000 in aggregate. Each party shall deliver to the other party certificate(s) of insurance evidencing such insurance coverage upon execution of this Agreement, and annually thereafter upon the request of the other party. Each party shall provide the other party with not less than thirty (30) days prior written notice of any change in or cancellation of any of such insurance policies. Said insurance shall survive the termination of this Agreement.

7. **INDEMNIFICATION.**

(a) **Hospital Indemnity.** Hospital hereby agrees to defend, indemnify and hold harmless Company and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any claim, loss, liability, cost and expense including, without limitation, costs of investigation and reasonable attorney's fees (collectively, "Loss"), directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Hospital and its staff regardless of whether or not it is caused in part by Company or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective

as to any Loss attributable exclusively to the negligence or willful act or omission of Company.

(b) Company Indemnity. Company hereby agrees to defend, indemnify and hold harmless Hospital and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any Loss directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Company and its staff regardless of whether or not it is caused in part by or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any Loss attributable exclusively to the negligence or willful act or omission of Hospital.

(c) Survival. The indemnification obligations of the parties shall continue in full force and effect notwithstanding the expiration or termination of this Agreement with respect to any such expenses, costs, damages, claims and liabilities which arise out of or are attributable to the performance of this Agreement prior to its expiration or termination.

8. DISPUTE RESOLUTION. Any dispute which may arise under this Agreement shall first be discussed directly with representatives of the departments of the parties that are directly involved. If the dispute cannot be resolved at this level, it shall be referred to administrative representatives of the parties for discussion and resolution.

(a) Informal Resolution. Should any dispute between the parties arise under this Agreement, written notice of such dispute shall be delivered from one party to the other party and thereafter, the parties, through appropriate representatives, shall first meet and attempt to resolve the dispute in face-to-face negotiations. This meeting shall occur within thirty (30) days of the date on which the written notice of such dispute is received by the other party.

(b) Resolution Through Mediation. If no resolution is reached through informal resolution, pursuant to Section 8(a) above, the parties shall, within forty-five (45) days of the first meeting referred to in Section 8(a) above, attempt to settle the dispute by formal mediation. If the parties cannot otherwise agree upon a mediator and the place of the mediation within such forty-five (45) day period, the American Arbitration Association ("AAA") in the State of Illinois shall administer the mediation. Such mediation shall occur no later than ninety (90) days after the dispute arises. All findings of fact and results of such mediation shall be in written form prepared by such mediator and provided to each party to such mediation. In the event that the parties are unable to resolve the dispute through formal mediation pursuant to this Section 8(b), the parties shall be entitled to seek any and all available legal remedies.

9. TERM AND TERMINATION. This Agreement shall be effective for an initial period of one (1) year from the Effective Date and shall continue in effect indefinitely after such initial term, except that either party may terminate by giving at least sixty (60) days notice in writing to the other party of its intention to terminate this Agreement. If

this Agreement is terminated for any reason within one (1) year of the Effective Date of this Agreement, then the parties hereto shall not enter into a similar agreement with each other for the services covered hereunder before the first anniversary of the Effective Date. Termination shall be effective at the expiration of the sixty (60) day notice period. However, if either party shall have its license to operate its facility revoked by the State or become ineligible as a provider of service under Medicare or Medicaid laws, this Agreement shall automatically terminate on the date such revocation or ineligibility becomes effective.

10. **AMENDMENT.** This Agreement may be modified or amended from time to time by mutual written agreement of the parties, signed by authorized representatives thereof, and any such modification or amendment shall be attached to and become part of this Agreement. No oral agreement or modification shall be binding unless reduced to writing and signed by both parties.

11. **ENFORCEABILITY/SEVERABILITY.** The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provisions hereto in any jurisdiction shall in no way affect the validity or enforceability of any other terms or provisions in that jurisdiction, or of this entire Agreement in any other jurisdiction.

12. **COMPLIANCE RELATED MATTERS.** The parties agree and certify that this Agreement is not intended to generate referrals for services or supplies for which payment may be made in whole or in part under any federal health care program. The parties will comply with statutes, rules, and regulations as promulgated by federal and state regulatory agencies or legislative authorities having jurisdiction over the parties.

13. **EXCLUDED PROVIDER.** Each party represents that neither that party nor any entity owning or controlling that party has ever been excluded from any federal health care program including the Medicare/Medicaid program or from any state health care program. Each party further represents that it is eligible for Medicare/Medicaid participation. Each party agrees to disclose immediately any material federal, state, or local sanctions of any kind, imposed subsequent to the date of this Agreement, or any investigation which commences subsequent to the date of this Agreement, that would materially adversely impact Company's ability to perform its obligations hereunder.

14. **NOTICES.** All notices, requests, and other communications to any party hereto shall be in writing and shall be addressed to the receiving party's address set forth below or to any other address as a party may designate by notice hereunder, and shall either be (a) delivered by hand, (b) sent by recognized overnight courier, or (c) by certified mail, return receipt requested, postage prepaid.

If to Hospital: Kishwaukee Community Hospital
 One Kish Hospital Drive
 Dekalb, IL 60115
 Attention: Hospital Administrator

If to Company: Crimson Ridge Dialysis
2540 Hauser-Ross Drive, Suite 220
Sycamore, IL 60178-3171
Attention: Facility Administrator

With copies to: Crimson Ridge Dialysis #5307
c/o: DaVita Inc.
1551 Wewatta St.
Denver, CO 80202
Attention: Fusion Group General Counsel

All notices, requests, and other communication hereunder shall be deemed effective (a) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (b) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (c) if sent by certified mail, five (5) business days following the day such mailing is made.

15. **ASSIGNMENT.** This Agreement shall not be assigned in whole or in part by either party hereto without the express written consent of the other party, except that Company may assign this Agreement to one of its affiliates or subsidiaries without the consent of Hospital.

16. **COUNTERPARTS.** This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies of signatures sent by facsimile shall be deemed to be originals.

17. **NON-DISCRIMINATION.** All services provided by Hospital hereunder shall be in compliance with all federal and state laws prohibiting discrimination on the basis of race, color religion, sex national origin, handicap, or veteran status.

18. **WAIVER.** The failure of any party to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant, or condition, and the obligations of such party with respect thereto shall continue in full force and effect.

19. **GOVERNING LAW.** The laws of the state of [**INSERT STATE WHERE CLINIC IS LOCATED**] shall govern this Agreement.

20. **HEADINGS.** The headings appearing in this Agreement are for convenience and reference only, and are not intended to, and shall not, define or limit the scope of the provisions to which they relate.

21. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all

other agreements, either oral or written, between the parties (including, without limitation, any prior agreement between Hospital and Company or any of its subsidiaries or affiliates) with respect to the subject matter hereof.

22. APPROVAL BY DAVITA INC. ("DAVITA") AS TO FORM. The parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Hospital:

Kishwaukee Community Hospital

By: Brod Copple

Name: Brod Copple

Its: President

Date: 1/23/12

Company:

Dialysis of Northern Illinois, LLC

By: Renal Treatment Centers - Illinois, Inc.

Its: Manager

By: _____

Name: Mary Anderson

Its: Regional Operations Director

Date: _____

APPROVED AS TO FORM ONLY:

By: Marcie Marcus Damisch

Name: Marcie Marcus Damisch

Its: Group General Counsel

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Hospital:

Kishwaukee Community Hospital

By: Brad Copple

Name: Brad Copple

Its: President

Date: 1/23/12

Company:

Dialysis of Northern Illinois, LLC

By: Renal Treatment Centers - Illinois, Inc.

Its: Manager

By: Mary Anderson

Name: Mary Anderson

Its: Regional Operations Director

Date: 1/23/12

APPROVED AS TO FORM ONLY:

By: _____

Name: Marcie Marcus Damisch

Its: Group General Counsel

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(i), Relocation of Facilities

The Applicants propose the establishment of a 12-station dialysis facility. Thus, this criterion does is not applicable.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(i), Assurances

Attached at Attachment – 26G is a letter from James Hilger, Chief Accounting Officer, DaVita Inc. and Dialysis of Northern Illinois LLC certifying that the proposed facility will achieve target utilization by the second year of operation



1551 Wewatta Street
Denver, CO 80202
Tel: (303) 405-2100
www.davita.com

May 1, 2012

Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

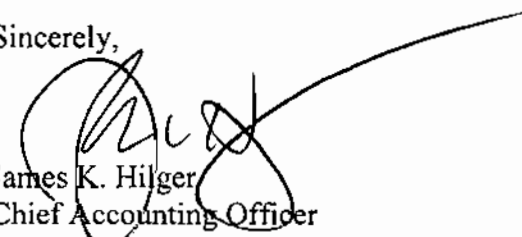
Re: In-Center Hemodialysis Assurances

Dear Chairman Galassie:

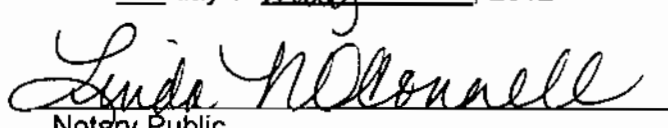
Pursuant to 77 Ill. Admin. Code § 1110.1430(j), I hereby certify the following:

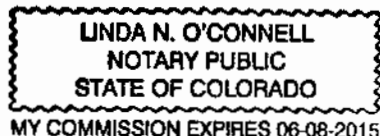
- By the second year after project completion, Timber Creek Dialysis will achieve and maintain 80% target utilization as specified in 77 Ill. Admin. Code; and
- Hemodialysis outcome measures will be achieved and maintained as follows:
 - $\geq 85\%$ of hemodialysis patient population achieves urea reduction ratio (URR) $\geq 65\%$ and
 - $\geq 85\%$ of hemodialysis patient population achieves Kt/V Daugirdas II 1.2

Sincerely,


James K. Hilger
Chief Accounting Officer
DaVita Inc.
Dialysis of Northern Illinois LLC

Subscribed and sworn to me
This 1st day of May, 2012


Notary Public



Attachment – 26G

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

The project will be funded entirely with cash and cash equivalents, and a lease from Glidden Station, L.L.C. A copy of DaVita's 2011 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the application for Project No. 12-034.

Section IX, Financial Feasibility
Criterion 1120.130 – Financial Viability Waiver

The project will be funded entirely with cash. A copy of DaVita's 2011 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the applications for Project No. 12-034.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 42A is a letter from James Hilger, Chief Accounting Officer of DaVita and Dialysis of Northern Illinois LLC attesting that the total estimated project costs will be funded entirely with cash.



1551 Wewatta Street
Denver, CO 80202
Tel: (303) 405-2100
www.davita.com

May 1, 2012

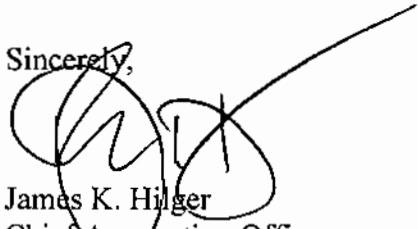
Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chairman Galassie:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents.

Sincerely,

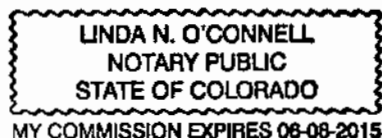


James K. Hilger
Chief Accounting Officer
DaVita Inc.
Dialysis of Northern Illinois LLC

Subscribed and sworn to me
This 1st day of May, 2012



Linda N. O'Connell
Notary Public



Attachment – 42A

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department is provided in the table below.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod \$ (B x E)	
ESRD									
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
Modernization Contracts	\$973,000	\$170.56 per gsf x 5,972 gsf = \$170.56 x 5,972 = \$1,018,584	Below State Standard
Contingencies	\$140,000	10-15% of Modernization Contracts = 10-15% x \$973,000 = \$97,300 - \$145,950	Meets State Standard
Architectural/Engineering Fees	\$78,500	6.90% - 10.36% x (Modernization Costs + Contingencies) = 6.90% - 10.36% x (\$973,000 + \$140,000) = 6.90% - 10.36% x \$1,113,000 = \$76,797 - \$115,307	Below State Standard
Consulting and Other Fees	\$75,000	No State Standard	No State Standard
Moveable Equipment	\$478,850	\$39,945 per station x 12 stations \$39,945 x 12 = \$479,340	Below State Standard

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: \$2,201,222

Treatments: 9,360

Operating Expense per Treatment: \$235.17

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs:

Depreciation: \$106,626

Amortization: \$5,723

Total Capital Costs: \$112,349

Treatments: 9,360

Capital Costs per Treatment: \$12.00

Section XI, Safety Net Impact Statement

- 1 This criterion is required for all substantive and discontinuation projects. DaVita Inc. and its affiliates are safety net providers of dialysis services to residents of the State of Illinois. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2010 Community Care report, which details DaVita's commitment to quality, patient centric focus and community outreach, was previously submitted on January 25, 2012 as part of Applicants' application for Proj. No. 12-008. DaVita accepts and dialyzes patients with renal failure needing a regular course of dialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, disability or ability to pay. Because of the life sustaining nature of dialysis, federal government guidelines define renal failure as a condition that qualifies an individual for Medicare benefits eligibility regardless of their age and subject to having met certain minimum eligibility requirements including having earned the necessary number of work credits. Indigent ESRD patients who are not eligible for Medicare and who are not covered by commercial insurance are eligible for Medicaid benefits. If there are gaps in coverage under these programs during coordination of benefits periods or prior to having qualified for program benefits, grants are available to these patients from both the American Kidney Fund and the National Kidney Foundation. If none of these reimbursement mechanisms are available for a period of dialysis, financially needy patients may qualify for assistance from DaVita in the form of free care. DaVita submits the following information regarding the amount of charity and Medicaid care provided over the most recent three years.

Safety Net Information per PA 98-0031			
CHARITY CARE			
Charity (# of patients)	2008	2009	2010
Inpatient			
Outpatient	52	66	96
Total	52	66	96
Charity (cost in dollars)			
Inpatient			
Outpatient	\$321,510	\$597,263	\$957,867
Total	\$321,510	\$597,263	\$957,867
MEDICAID			
Medicaid (# of patients)	2008	2009	2010
Inpatient			
Outpatient	443	445	563
Total	443	445	563
Medicaid (revenue)			
Inpatient			
Outpatient	\$8,695,341	\$8,820,052	\$10,447,021
Total	\$8,695,341	\$8,820,052	\$10,447,021

- 2 The proposed project will not impact the ability of other health care providers or health care systems to cross-subsidize safety net services. As shown in Table 1110.1430(b), there is one existing facility within 30 minutes of the proposed facility and it is currently operating at 84%. Thus, the proposed facility is necessary to allow the existing facility to operate at its optimum capacity while at the same time accommodating the growing demand for dialysis services. Based upon the latest inventory data,

there is a need for 13 dialysis stations in HSA 1, the service area where the proposed facility will be located. Accordingly, the proposed dialysis facility will not impact other general health care providers' ability to cross-subsidize safety net services.

3. The proposed project is for the establishment of Timber Creek Dialysis. As such, this criterion is not applicable.

Section XII, Charity Care Information

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by the Applicants.

CHARITY CARE			
	2008	2009	2010
Net Patient Revenue	\$138,964,396	\$149,370,292	\$161,884,078
Amount of Charity Care (charges)	\$297,508	\$575,803	\$957,867
Cost of Charity Care	\$297,508	\$575,803	\$957,867

Appendix I – Time & Distance Determination

Attached as Appendix I are the distance and normal travel time from the proposed facility to all existing dialysis facilities in the GSA, as determined by MapQuest.

Click to learn more...

mapquest

Trip to:

2200 Gateway Dr

Sycamore, IL 60178-3113

5.01 miles / 11 minutes

Notes

Sycamore Dialysis



1001 S Annie Glidden Rd, Dekalb, IL 60115-8250



1. Start out going **north** on **S Annie Glidden Rd** toward **Ashley Dr**. [Map](#)

0.8 Mi

0.8 Mi Total



2. Take the 3rd **right** onto **W Lincoln Hwy / IL-38**. [Map](#)

1.0 Mi

W Lincoln Hwy is 0.1 miles past Lakewood Ct

1.8 Mi Total

If you are on N Annie Glidden Rd and reach Stadium Dr you've gone about 0.2 miles too far



3. Turn **left** onto **N 1st St**. [Map](#)

0.3 Mi

N 1st St is 0.1 miles past Park Ave

2.1 Mi Total

Mediterraneo Grill is on the corner

If you are on E Lincoln Hwy and reach S 2nd St you've gone a little too far



4. Turn **slight right** onto **Sycamore Rd**. [Map](#)

0.2 Mi

Sycamore Rd is just past Fisk Ave

2.4 Mi Total

If you reach W Hillcrest Dr you've gone about 0.4 miles too far



5. Turn **left** onto **Sycamore Rd / IL-23**. [Map](#)

2.3 Mi

4.7 Mi Total



6. Turn **right** onto **Gateway Dr**. [Map](#)

0.3 Mi

Gateway Dr is 0.2 miles past Oakland Dr

5.0 Mi Total

If you are on Sycamore Rd and reach Bethany Rd you've gone about 0.2 miles too far



7. **2200 GATEWAY DR** is on the **right**. [Map](#)

Your destination is 0.1 miles past Hauser Ross Dr

If you reach Bethany Rd you've gone about 0.5 miles too far

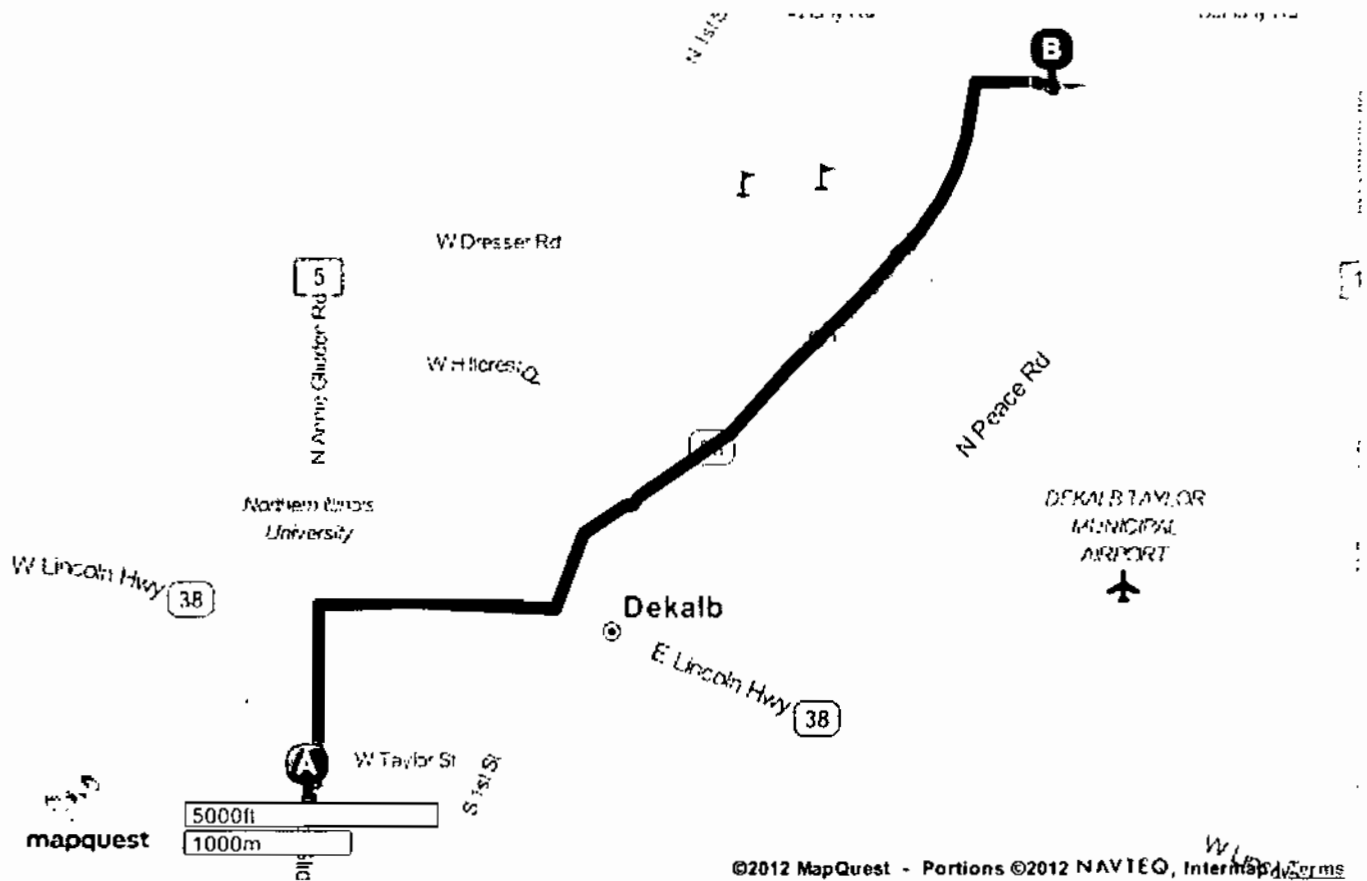


2200 Gateway Dr, Sycamore, IL 60178-3113

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Appendix - 1

Total Travel Estimate: **5.01 miles - about 11 minutes**



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Get the **FREE MapQuest toolbar.** features.mapquest.com/toolbar/



After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	22 – 24
2	Site Ownership	25 – 29
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	30 – 31
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	32 – 33
5	Flood Plain Requirements	34 – 35
6	Historic Preservation Act Requirements	36 – 40
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8	Obligation Document if required	42
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10	Discontinuation	-
11	Background of the Applicant	44 – 60
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13	Alternatives to the Project	71
14	Size of the Project	72
15	Project Service Utilization	73 – 79
16	Unfinished or Shell Space	80
17	Assurances for Unfinished/Shell Space	81
18	Master Design Project	-
19	Mergers, Consolidations and Acquisitions	-
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20	Medical Surgical Pediatrics, Obstetrics, ICU	-
21	Comprehensive Physical Rehabilitation	-
22	Acute Mental Illness	-
23	Neonatal Intensive Care	-
24	Open Heart Surgery	-
25	Cardiac Catheterization	-
26	In-Center Hemodialysis	82 – 115
27	Non-Hospital Based Ambulatory Surgery	-
28	General Long Term Care	-
29	Specialized Long Term Care	-
30	Selected Organ Transplantation	-
31	Kidney Transplantation	-
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