



Fresenius Medical Care

Sent via email and UPS Overnight Delivery

March 6, 2013

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, 2nd Floor
Springfield, IL 62716

Re: Comments/Opposition to #12-102, DaVita West Side Dialysis

Dear Ms. Avery:

I am writing on behalf of Fresenius Medical Care regarding the above referenced project. In reviewing the application we noted the following concerns we believe the Board should consider in its analysis of this application.

- There are omissions of required data.
- There are inaccurate statements regarding the proposed market and the area utilization averages.
- Identified patients do not live in the neighborhood that the proposed facility is intended to serve.
- The proposed facility may have an adverse effect on the underutilized Fresenius Chicago Westside facility, which is at 53% utilization.

Fresenius Medical Services ♦ North Division

One Westbrook Corporate Center, Suite 1000 Westchester, IL 60154 708-562-0371

Omissions

Section 1110.1430 - Planning Area Need - Service Demand Establishment of In-Center Hemodialysis

- The physician referral letter/data (attached as 26b, page 92) is missing two components required under B, Projected Referrals.
 - i) "The physician's total number of patients (by facility and zip code of residence) who have received care at existing facilities located in the area, as reported to The Renal Network.....for the end of the most recent quarter," was not provided.
 - "The number of new patients (by facility and zip code of residence) located in the area, as reported to The Renal Network, that the physician referred for in-center hemodialysis for the most recent year," was omitted.
 - iii) "The physician shall verify that the patient referrals have not been used to support another pending or approved CON application for the subject services." This verification was not included in the letter.

(Physician referral letter is also listed under Attachment 12b, with same omissions.)

Section 1110.1430 – Planning Area Need – Service Accessibility and Unnecessary Duplication of Services/Maldistribution

- A listing of all dialysis providers within a 30 minute travel time is required and is attached to the application as Attachment 26A, page 90-91. This list omits Fresenius Medical Care Cicero (see MapQuest attachment). This changes the average utilization of the 30 minute travel zone slightly. While this is somewhat insignificant to the overall review of the criteria, this letter will further detail how the applicant's representation of the data skews the actual numbers.

Misleading Statements

Facility	Stations	09-2012 Utilization
Fresenius Chicago Westside	31	55.91%
U of IL Hospital	26	91.67%
Rush Dialysis	5	13.33%
Cook County Dialysis	9	50.00%
Circle Medical	27	70.37%
Chicago Dialysis	21	62.70%
Fresenius Polk	24	61.81%
Mt. Sinai	16	88.54%
DaVita Little Village	16	100.00%
Fresenius Congress Pkwy	30	67.78%
DaVita Loop	28	55.95%
Fresenius Prairie	24	75.00%
Fresenius Bridgeport	27	93.83%
Fresenius West Willow	12	20.83%
West Suburban	46	87.32%
Garfield Kidney Ctr	16	101.04%
DaVita Lawndale	16	0.00%
DaVita Lake Park	32	53.65%
Fresenius Northwestern	44	70.08%
Fresenius Garfield	22	80.30%
Fresenius West Metro	32	97.22%
Maple Avenue Kidney Ctr	18	62.96%
DaVita TRC Childrens	18	50.00%
Fresenius Austin Comm.	16	64.58%
DaVita Lincoln Park	22	81.06%
DaVita Logan Square	28	66.07%
Fresenius Logan Square	12	0.00%
Fresenius Northcenter	16	81.25%
DaVita Emerald	24	88.19%
Fresenius Ross-Englewood	16	96.88%
Fresenius Oak Park	12	147.22%
DaVita Woodlawn	32	60.42%
Fresenius Chatham	16	4.17%
Loyola Dialysis	30	77.22%
Fresenius No Kilpatrick	28	77.38%
Fresenius Berwyn	26	103.85%
DaVita Grand Crossing	12	29.86%
Fresenius Melrose Park	18	59.26%
Fresenius West Belmont	17	92.31%
Fresenius Midway	12	72.22%
Fresenius North Avenue	24	86.11%
Fresenius Marquette Park	16	90.63%
DaVita West Lawn	12	43.06%
Fresenius Lakeview	14	55.56%
Fresenius Jackson Park	24	84.03%
Fresenius Uptown	12	83.33%
Fresenius South Chicago	36	93.98%
Nephron Dialysis	12	100.00%
Fresenius Greenwood	28	98.21%
DaVita Big Oaks	12	29.17%
Resurrection	14	64.29%
Cntr Renal Replacement	16	79.17%
Fresenius Burbank	26	80.13%
Fresenius South Side	39	88.46%
DSI Scottsdale	35	80.00%
Fresenius South Shore	16	84.38%
DaVita Stony Island	32	102.78%
Fresenius Westchester	20	73.33%
DaVita Beverly	12	109.72%
Fresenius Roseland	12	100.00%
Fresenius Cicero	16	0.00%
Average Utilization		71.12%
SAH Dialysis @ 26th Street	15	0.00%
Average Utilization All		69.98%

- Throughout the application (Purpose, Planning Area Need, Service Accessibility, Maldistribution and Impact of Project on Other Area Providers) the applicant supports the need for additional stations by stating that the average utilization of **“existing”** facilities within 30 minutes travel time is 77.37%. This is seemingly high and would warrant need; however it appears, on page 67, that the applicant's definition of *existing* is “facilities in operation for more than a year”. Nowhere in the administrative rules does the Board define the review of facilities within 30 minutes as only those that are *existing* by the applicant's definition.

The Board looks at average utilization of **ALL** CON approved facilities falling within a 30 minute timeframe. While Fresenius and other providers often make mention of the average utilization of only those facilities in operation, the term existing is misleading the Board to think the immediate need is much more crucial than it is. Completely eliminating any clinic that has been in operation for a year or less, skews the average calculation even further.

Using the September 2012 utilization from the applicant's facility listing and including the Fresenius Cicero facility into the count shows an average utilization of all facilities within 30 minutes to be 71.12% instead of 77.37% and if the newly approved SAH Dialysis @ 26th Street is included the average shrinks further to 69.98%.

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

- Attachment 12 in the application states that the project “will improve access to necessary dialysis treatment for individuals on Chicago’s West side community who suffer from ESRD” and “most of the patients reside within the immediate vicinity of the proposed facility”. It further explains that it will serve Chicago’s Pilsen community, which is highly Hispanic leading to increased incidence of ESRD and that Dr. Hollandsworth’s patient referrals confirm this. Attachment 13 further confirms that the facility will serve the Pilsen community.

While it is true that the proposed facility will be located in the Pilsen community, Dr. Hollandsworth’s expected pre-ESRD referrals are not supportive of this location. Nearly all of the 87 identified pre-ESRD patients do not live in or even in near proximity to Pilsen. The vast majority of patients live in the south Chicago communities of Englewood, Gresham, Pullman, Chatham and Roseland, to name a few. There is only one patient identified who lives in Pilsen. In fact there are only 13 patients living in a five mile radius of the proposed West Side Dialysis site. The remaining 74 patients live between 5 and 20 miles away.

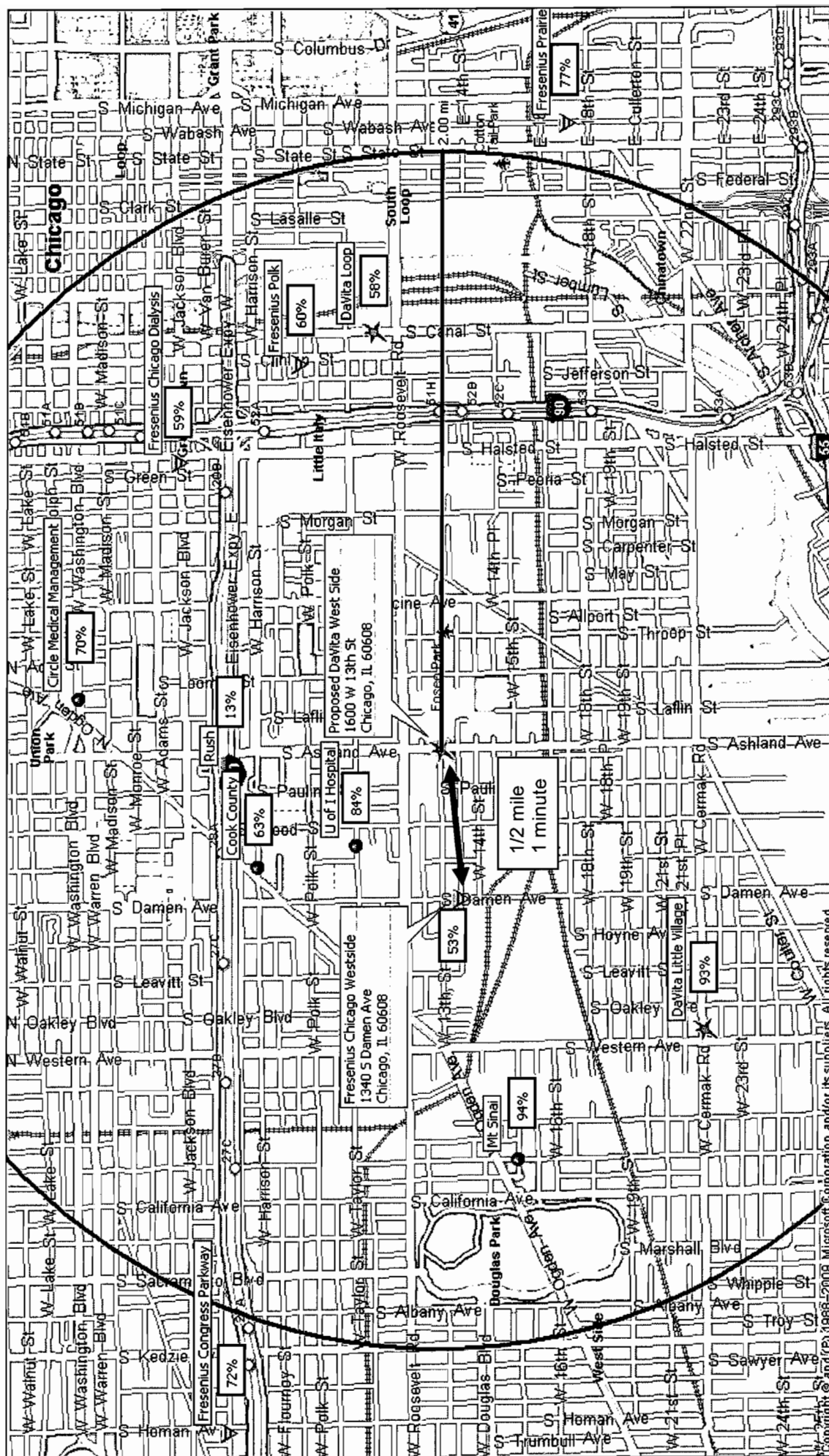
Attachment 13 also states, “A new facility is necessary to serve these patients, as the only existing facility in the service area cannot accommodate these patients”. The applicant did not state which facility this is, however there are 63 clinics within 30 minutes, and 10 of these lie within a 2-mile radius of the proposed site. The average utilization of these 10 clinics is 65%. The other facility in the service area the application may refer to is in Pilsen, Fresenius Chicago Westside. This facility could accommodate 50 of Dr. Hollandsworth’s patients before reaching 80% utilization; however since they do not live in the Pilsen area they would likely not dialyze here.

It seems a more accessible location for Dr. Hollandsworth’s patients and this clinic would be a location further south in the city of Chicago. Please see attached maps of the proposed site, area providers and projected patient population.

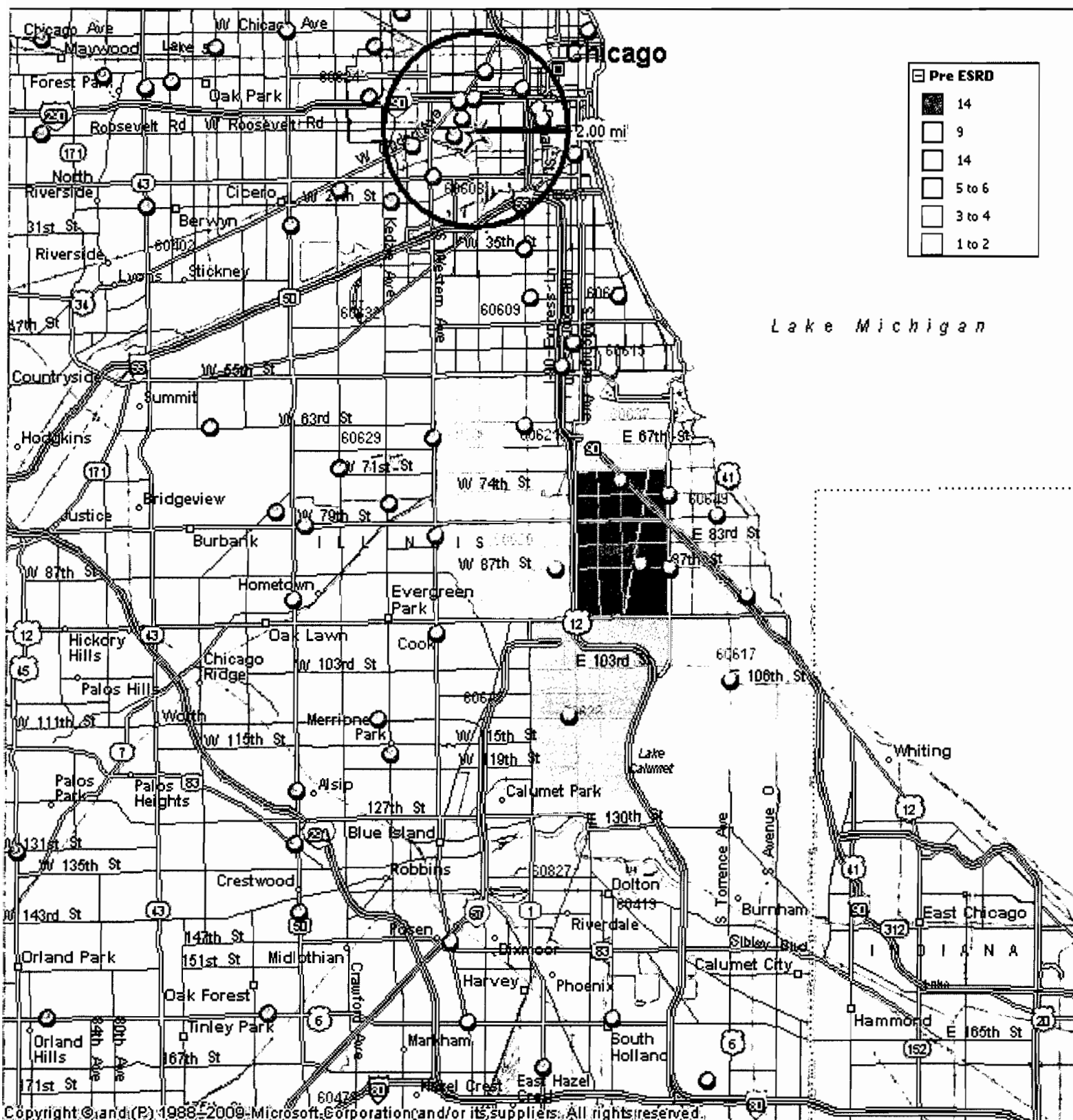
Section 1110.1430 Impact of Project on Other Area Providers

- It appears this facility could have a negative impact on the Fresenius Medical Care Chicago Westside facility that is located just one-half mile and 1 minute travel time from the proposed DaVita West Side site. This facility is only at 53% utilization and can accommodate another 50 patients before reaching the 80% State utilization standard.

2 Mile Radius Around the Proposed DaVita West Side



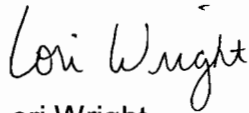
Pre-ESRD Patients Identified for DaVita West Side Dialysis



In closing we respectfully ask the Board to review the identified data omissions and to consider the inaccurate utilization representations. We also urge the Board to evaluate, based on identified patient referrals, whether or not this project is actually intended to serve Dr. Hollandsworth's patient population, the majority of which do not live in the vicinity of the proposed facility.

Thank you for your time and attention on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wright".

Lori Wright
Senior CON Specialist

cc: Clare Ranalli