Original

13-040

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
JUL 1 0 2013
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: *Fresenius Medical Care Lemont*		
Street Address: *16177 W. 127th Street*		
City and Zip Code: *Lemont 60439*		
County: *Cook*	Health Service Area *7*	Health Planning Area:

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

Exact Legal Name: *Fresenius Medical Care Lemont, LLC d/b/a Fresenius Medical Care Lemont*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of 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.

Co-Applicant Identification

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

Exact Legal Name: *Fresenius Medical Care Holdings, Inc.*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of 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

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Medical Care*
Address: *One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154*
Telephone Number: *708-498-9121*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *708-498-9334*

Additional Contact

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

Name: *Coleen Muldoon*
Title: Regional *Vice President*
Company Name: *Fresenius Medical Care*
Address: *One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154*
Telephone Number: *708-498-9118*
E-mail Address: *coleen.muldoon@fmc-na.com*
Fax Number: *708-498-9283*

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: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Medical Care*
Address: *One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154*
Telephone Number: *708-498-9121*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *708-498-9334*

Additional Contact

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

Name: *Clare Ranalli*
Title: *Attorney*
Company Name: *McDermott, Will & Emery*
Address: *227 W. Monroe Street, Suite 4700, Chicago, IL 60606*
Telephone Number: *312-984-3365*
E-mail Address: *cranalli@mwe.com*
Fax Number: *312-984-7500*

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Net3, LLC*
Address of Site Owner: *2803 W. Butterfield Road, Suite 310, Oak Brook, IL 60523*
Street Address or Legal Description of Site: *16177 W. 127th Street, Lemont, IL 60439* **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: *Fresenius Medical Care Lemont, LLC d/b/a Fresenius Medical Care Lemont*

Address: *920 Winter Street, Waltham, MA 02451*

☐	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.
- **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:

- [x] Substantive
- [ ] Non-substantive

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.

Fresenius Medical Care Lemont, LLC, proposes to establish a 12 station in-center hemodialysis facility located at 16177 W. 127th Street, Lemont, Illinois. The facility will be in leased space with the interior to be built out by the applicant.

Fresenius Medical Care Lemont will be in HSA 7. ***According to the June 2013 inventory, there is a need for 40 additional stations in this HSA.***

This project is "substantive" under Planning Board rule 1110.10(b) as it entails the establishment of a health care facility that will provide in-center chronic renal dialysis services.

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	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,610,000	N/A	1,610,000
Contingencies	160,000	N/A	160,000
Architectural/Engineering Fees	159,000	N/A	159,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	320,000	N/A	320,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space 2,286,757 or Equipment 199,525	2,486,282	N/A	2,486,282
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	4,735,282	N/A	4,735,282
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	2,249,000	N/A	2,249,000
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	2,486,282	N/A	2,486,282
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	4,735,282	N/A	4,735,282

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 $ *54,748*.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

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): 09/30/2015

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
☐ APORS
■ 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.**

		Gross Square Feet		**Amount of Proposed Total Gross Square Feet That Is:**			
Dept. / Area	**Cost**	**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 ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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 manger 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 _Fresenius Medical Care Lemont, LLC_ * 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	SIGNATURE
Mark Fawcett	Bryan Mello
PRINTED NAME Vice President & Treasurer	PRINTED NAME Assistant Treasurer
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me	Notarization: Subscribed and sworn to before me
this _____ day of __________ 2013	this ~~6~~ 24 day of ~~24~~ June 2013
C Wynelle Scenna Signature of Notary	Signature of Notary
Seal	Seal C. WYNELLE SCENNA MY COMM. EXPIRES AUG. 1, 2014 COMMONWEALTH OF MASSACHUSETTS NOTARY PUBLIC

*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;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger 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 *Fresenius Medical Care Holdings, 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	SIGNATURE
PRINTED NAME Mark Fawcett	PRINTED NAME Bryan Mello
Vice President & Treasurer PRINTED TITLE	Assistant Treasurer PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of ____________ 2013	Notarization: Subscribed and sworn to before me this 24 day of June 2013
C Wynelle Scenna Signature of Notary	Signature of Notary
Seal	Seal C. WYNELLE SCENNA MY COMM. EXPIRES AUG. 1, 2014 COMMONWEALTH OF MASSACHUSETTS NOTARY PUBLIC

*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 Board 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: ***NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE***

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 tot 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: ***NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE***

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.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

G. Criterion 1110.1430 - In-Center Hemodialysis

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:

2. 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

3. 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

4. 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:**

2,249,000	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;
N/A	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.
N/A	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
2,486,282	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.
N/A	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;
N/A	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
N/A	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
4,735,282	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT-36, 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. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **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**
4. **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-37, 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	***APPLICANT MEETS THE FINANCIAL VIABILITY WAIVER CRITERIA IN THAT ALL OF THE PROJECTS CAPITAL EXPENDITURES ARE COMPLETELY FUNDED THROUGH INTERNAL SOURCES, THEREFORE NO RATIOS ARE PROVIDED.***			
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 38, 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									
	A	B	C	D	E	F	G	H	
Department (list below)	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	Total Cost (G + H)
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 -39, 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-40, 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-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

File Number 0439616-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

UNION NATIONAL STATE SOVEREIGNTY

To all to whom these Presents Shall Come, Greeting:

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

FRESENIUS MEDICAL CARE LEMONT, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JULY 01, 2013, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 2ND *day of* JULY *A.D.* 2013 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1318302004

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

Jesse White

SECRETARY OF STATE

Certificate of Good Standing

Attachment - 1

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

Exact Legal Name: *Fresenius Medical Care Holdings, Inc.*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

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.

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Net3, LLC*	
Address of Site Owner: *2803 W. Butterfield Road, Suite 310, Oak Brook, IL 60523*	
Street Address or Legal Description of Site: *16177 W. 127th Street, Lemont, IL 60439*	

APPEND DOCUMENTATION AS <u>ATTACHMENT-2</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

net3 real estate
2803 W. Butterfield Road
Suite 310
Oak Brook, IL 60523
p. 630 216 9008

July 8, 2013

Fresenius Medical Care
Attn: Mr. Bill Popken
(781) 699-9994
Via email: William.Popken@fmc-na.com

RE: ***16177 W. 127th Street Land Parcel***
Lemont, Illinois
Fresenius Medical Care Build-to-Suit – Letter of Intent

Dear Bill:

We are pleased to present to you this letter of intent. Net3 (Lemont), LLC ("Landlord") is willing to negotiate a lease for the premises in the referenced location. This letter is not intended to be a binding contract, a lease, or an offer to lease, but is intended only to provide the basis for negotiations of a lease document between Landlord and **Fresenius Medical Care Lemont LLC** ("Tenant").

Premises: 9,665 square foot building to be constructed and located at:
16177 W. 127th Street, Lemont, Illinois.
Parcel # 22-30-403-016-0000

Landlord: Net3 (Lemont), LLC

Tenant: Fresenius Medical Care Lemont, LLC

Guarantor: Fresenius Medical Care Holdings

Lease: Landlord's standard lease form.

Use: Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant may operate on the Premises, at Tenant's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

Primary Term: 15 years

net³ real estate
2803 W. Butterfield Road
Suite 310
Oak Brook, IL 60523
p. 630 216 9008

Option Term(s): Three (3) Five (5) year options to renew the lease at 2% annual increase in base rent.

Base Rent over initial Term: Annual Rent: Starts at $22.00/sq. ft. and increases by 2% in Year 3 of the Primary Term

Years	Annual Rent	Monthly Rent
1	$212,630	$17,719
2	$212,630	$17,719
3	$216,883	$18,074
4	$221,220	$18,435
5	$225,645	$18,804
6	$230,158	$19,180
7	$234,761	$19,563
8	$239,456	$19,955
9	$244,245	$20,354
10	$249,130	$20,761
11	$254,113	$21,176
12	$259,195	$21,600
13	$264,379	$22,032
14	$269,666	$22,472
15	$275,000	$22,922

Taxes, Insurance & CAM: Tenant will pay

Utilities: Tenant will be responsible to pay for all of their own utilities.

Tenant's Share: 100%

Condition of Premises Upon Delivery: Landlord shall deliver the Premises to **Tenant** in a shell condition in accordance with agreed upon plans and specifications as defined in (**Exhibit A**). In addition, Landlord shall be responsible for all civil costs, parking infrastructure and any other development costs.

Rent Commencement Date: Tenant will not pay rent until the date that is the earlier of (a) the date that Tenant opens for business in the Premises, or (b) ninety (90) days after the Delivery Date.

Delivery Date: The date upon which Landlord's Work is substantially completed

net³ real estate
2803 W. Butterfield Road
Suite 310
Oak Brook, IL 60523
p. 630 216 9008

which is estimated to be 180 days after receipt of Landlord's building permit.

Construction Drawings For Landlord's Work:	Landlord will agree upon issuance of the CON to have construction drawings no later than 90 days after CON is awarded and apply for building permits immediately thereafter.
Tenant's Work:	Tenant shall construct improvements in the Premises and install Tenant's trade fixtures, equipment and personal property in order to make the Premises ready for Tenant's initial occupancy and use, subject to Landlord's approval of all plans and specifications for therefor.
Security Deposit:	None, subject to Landlord's review of current Tenant financial statements.
***Landlord Maintenance*:**	Landlord shall without expense to Tenant, maintain and make all necessary repairs to the structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, structural retaining walls, gutters, downspouts, flashings and footings.
Signage:	Tenant may, at its sole cost and expense, install and maintain signs in and on the Premises to the maximum extent permitted by local law and subject to Tenant obtaining (i) all necessary private party approvals, if any, and governmental approvals, permits and licenses; and (ii) Landlord's prior written approval which will not be unreasonably withheld, and in accordance with Landlord's sign criteria (if applicable).
Confidentiality:	The parties hereto acknowledge the sensitive nature of the terms and conditions of this letter and hereby agree not to disclose the terms and conditions of this letter or the fact of the existence of this letter to any third parties and instead agree to keep said terms and conditions strictly confidential, disclosing them only to their respective agents, lenders, attorneys, accountants and such other directors, officers, employees, affiliates, and representatives who have a reason to receive such information and have been advised of the sensitive nature of this letter and as otherwise required to be disclosed by law.

net³ real estate
2803 W. Butterfield Road
Suite 310
Oak Brook, IL 60523
p. 630 216 9008

***Zoning and Restrictive Covenants*:**

Landlord will represent that the current property zoning is acceptable for use as outpatient dialysis facility and there is no other restrictive covenants imposed on the land/, owner, and/or municipality.

CON Contingency

Landlord and FMC 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, FMC cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless FMC obtains a Certificate of Need (CON) permit from the Illinois Health Facilities Planning Board (the "Planning Board"). FMC agrees to proceed using its commercially reasonable best efforts to submit an application for a CON permit and to prosecute said application to obtain the CON permit from the Planning Board. Based on the length of the Planning Board review process, FMC does not expect to receive a CON permit prior to April 2013. 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 the approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective pending CON approval. Assuming CON permit 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 Planning Board does not award FMC a CON permit to establish a dialysis center on the Premises by April 2013, 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.

Acquisition Contingency:

Tenant acknowledges that Landlord is not the owner of the Land. Accordingly, the parties agree that the lease agreement shall contain a contingency provision which provides that Landlord's obligations under the lease agreement shall be subject to and contingent upon Landlord obtaining fee title to

net³ real estate
2803 W. Butterfield Road
Suite 310
Oak Brook, IL 60523
p. 630 216 9008

the Land and in the event that Landlord does not acquire fee title to the Land on or before the date which is 100 days after the date upon which the CON is obtained by Tenant then Tenant then either Landlord or Tenant may elect to terminate the lease agreement; provided, however, that in the event Tenant elects to terminate the lease agreement then Landlord shall have thirty (30) days from the date of Tenant's notice of election to terminate to satisfy the contingency at its election in which event Tenant's election to terminate shall be null and void. In the event the lease is terminated under this provision then each of the parties shall be released from its obligations and liability under the lease agreement.

The parties agree that this letter shall not be binding on the parties and does not address all essential terms of the lease agreement contemplated by this letter. Neither party may claim any legal right against the other by reason of any action taken in reliance upon this non-binding letter. A binding agreement shall not exist between the parties unless and until a lease agreement has been executed and delivered by both parties.

If you are in agreement with the foregoing terms, please execute and date this letter in the space provided below and return same to Landlord within five (5) business days from the date above.

Sincerely,

NET 3 REAL ESTATE, L.L.C.,
As Agent for Purchaser

David E. Cunningham
Manager

AGREED TO AND ACCEPTED BY:

____

Fresenius Medical Care Lemont LLC

____

Date

Operating Identity/Licensee

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

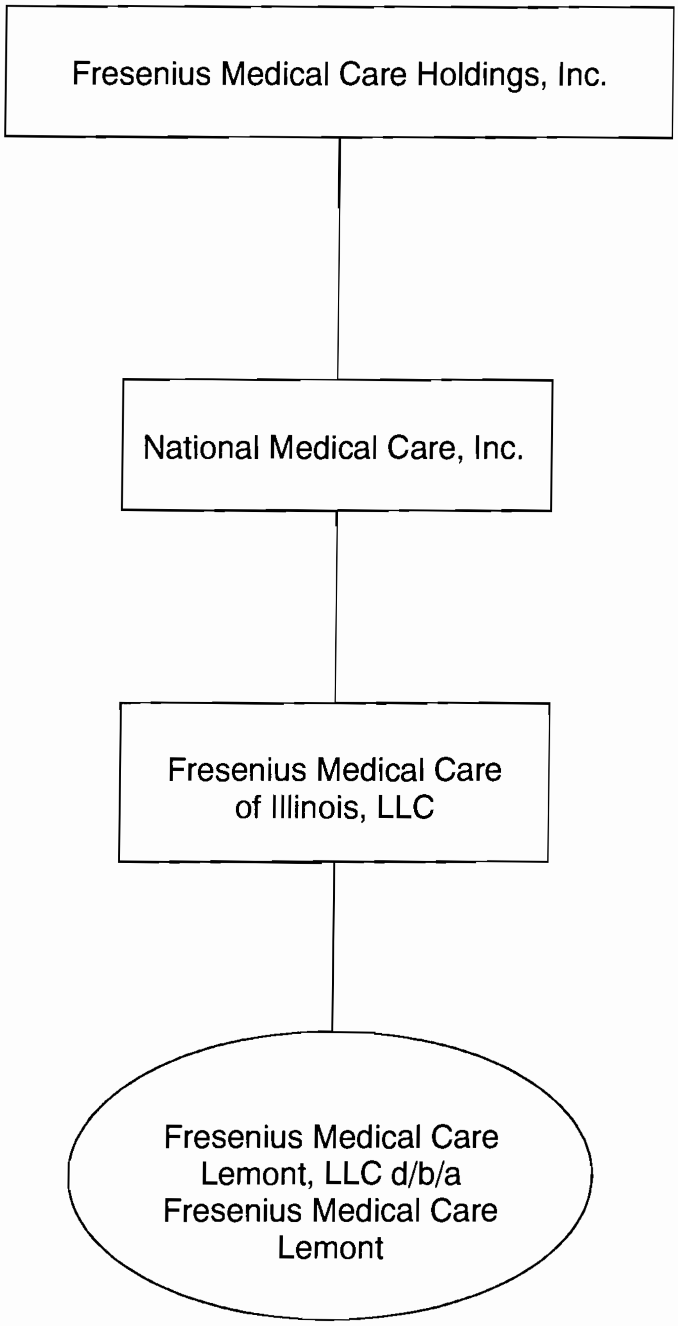
Exact Legal Name: *Fresenius Medical Care Lemont, LLC d/b/a Fresenius Medical Care Lemont*
Address: *920 Winter Street, Waltham, MA 02451*

- ☐ Non-profit Corporation
- ☐ For-profit Corporation
- ☒ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ 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.**

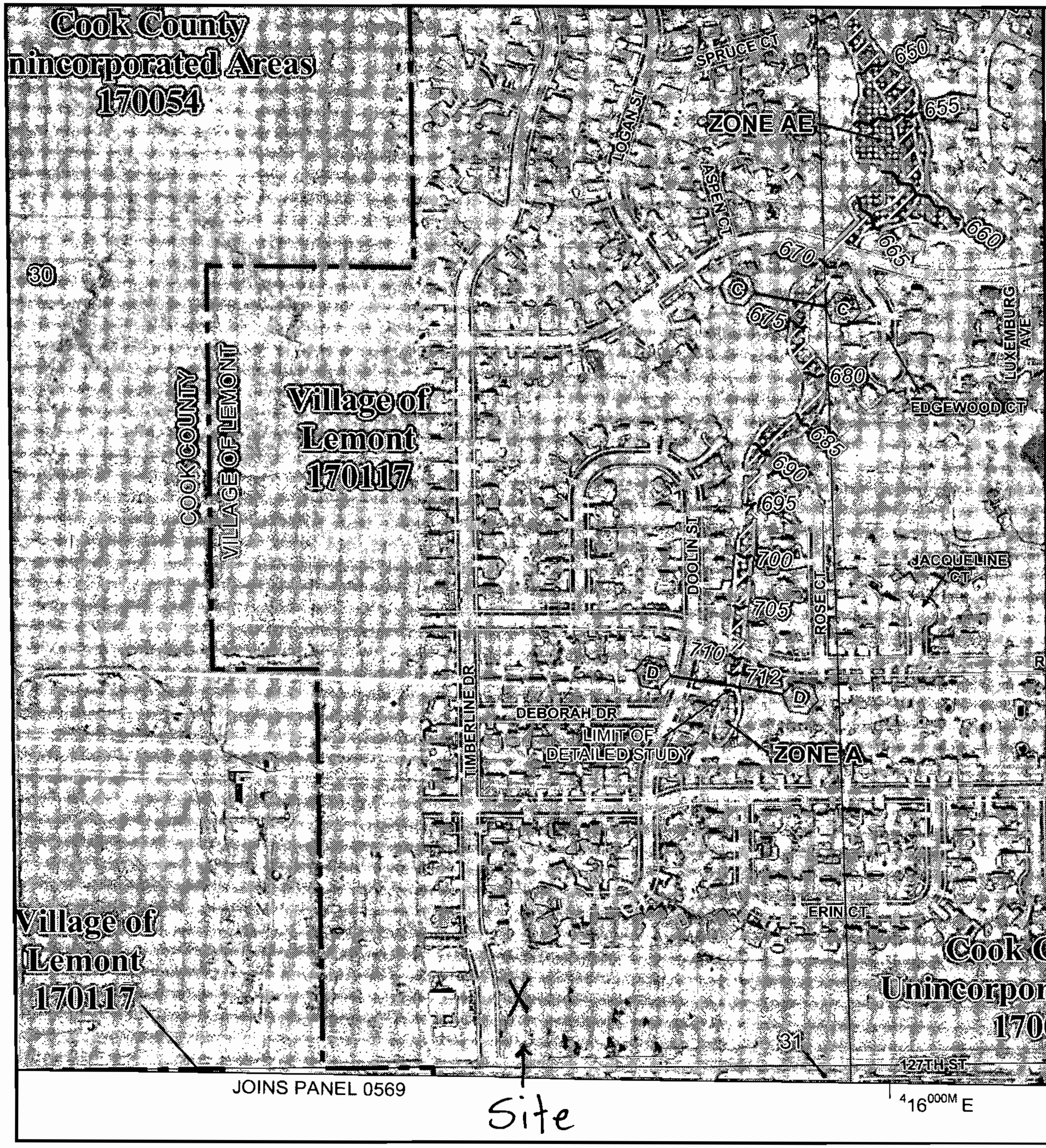
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Certificate of Good Standing at Attachment – 1.


Fresenius Medical Care Holdings, Inc.
National Medical Care, Inc.
Fresenius Medical Care of Illinois, LLC
Fresenius Medical Care Lemont, LLC d/b/a Fresenius Medical Care Lemont

Flood Plain Requirements

The proposed site for the establishment of Fresenius Medical Care Lemont complies with the requirements of Illinois Executive Order #2005-5. The site, 16177 W. 127th Street, Lemont, is not located in a flood plain as can be seen on the FEMA flood plain map on the following page.



MAP SCALE 1" = 500'

0 500 1000 FEET

METE

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0567J

FIRM
FLOOD INSURANCE RATE MAP
COOK COUNTY, ILLINOIS
AND INCORPORATED AREAS

PANEL 567 OF 832

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
COOK COUNTY	170054	0567	J
LEMONT, VILLAGE OF	170117	0567	J

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
17031C0567J

MAP REVISED
AUGUST 19, 2008

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT 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.msc.fema.gov

Illinois Historic
Preservation Agency

FAX 217/782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Will County PLEASE REFER TO: IHPA LOG #028061713
Lemont
16177 West 127th Street
IHFSRB
New construction, Fresenius Medical Care dialysis facility

June 19, 2013

Lori Wright
Fresenius Medical Care
One Westbrook Corporate Center
Tower One, Suite 1000
Westchester, IL 60154

Dear Ms. Wright:

The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

SUMMARY OF PROJECT COSTS

Modernization Contracts

	80,500
Temp Facilities, Controls, Cleaning, Waste Management	4,000
Concrete	20,600
Masonry	24,500
Metal Fabrications	12,000
Carpentry	141,500
Thermal, Moisture & Fire Protection	28,600
Doors, Frames, Hardware, Glass & Glazing	110,300
Walls, Ceilings, Floors, Painting	260,000
Specialities	20,000
Casework, Fl Mats & Window Treatments	9,600
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	515,000
Wiring, Fire Alarm System, Lighting	310,400
Miscelleanous Construction Costs	73,000
Total	**1,610,000**

Contingencies

Contingencies **$160,000**

Architectural/Engineering

Architecture/Engineering Fees **$159,000**

ATTACHMENT - 7

Movable or Other Equipment

Dialysis Chairs	$17,000
Misc. Clinical Equipment	18,000
Clinical Furniture & Equipment	27,000
Office Equipment & Other Furniture	35,000
Water Treatment	100,000
TVs & Accessories	50,000
Telephones	13,000
Generator	35,000
Facility Automation	20,000
Other miscellaneous	5,000
Total	**$320,000**

Fair Market Value Leased Space & Equipment

FMV Leased Space (9,665 GSF)	$2,286,757
FMV Leased Dialysis Machines	187,525
FMV Leased Computers, Fax, Copier	12,000
Total	**$2,486,282**

Project Status and Completion Schedules

Anticipated completion date is September 30, 2015.
See following page for project timeline.

Project obligation will occur after permit issuance.

Project Timeline

Application is submitted with estimated completion date.		
Project is for establishment of facility on vacant land.	Least # Months	Maximum # Months
CON Process Only	3	18
PLUS		
Lease execution	1	1
Architect Plans	1.5	2
Building Permits, bidding, contract	2	4
Construction of Shell	3	4
Interior Build-out	3	3
Facility Start-up to open	1	1
Wait for CMS Cert. Inspection	3	5
Wait for CMS Cert. Letter	3	4
Total Months	**17.5**	**24**

Application is submitted with estimated completion date.		
Project is for establishment of facility in existing building. Interior build-out only	Least # Months	Maximum # Months
CON Process	3	18
PLUS		
Lease execution	1	1
Architect Plans	1.5	2
Building Permits, bidding, contract	2	4
Interior Build-out	3	3
Facility Start-up to open	1	1
Wait for CMS Cert. Inspection	3	5
Wait for CMS Cert. Letter	3	4
Total Months	**14.5**	**20**

Prior to CON submittal, a project completion date is chosen based on type of project (establishment/expansion) and whether or not a building needs to be constructed. Consideration is also given to what time of year it will be upon approval if a new building is to be built.

Once submitted, the CON process can take from 3 to 18 months depending on whether or not a project is deferred (it can be deferred up to 6 months) and whether or not a project receives an intent to deny (it can be up to twelve months before it is reheard).

In the examples to the left, the first is for establishment of a facility on vacant land. This project requires a longer timeline then the second example which is in an existing building. (Fresenius Medical Care does not begin plans on a project until it receives CON approval.) The timeframe estimates are best case scenario and do not take into account things like the difficulty it often takes to get building permits especially in the City of Chicago. Not considered also, is any unforeseen problems with the physical structure of an existing building or additional time involved if a facility needs to address any deficiencies in order to receive CMS certification.

Once a new clinic has been inspected it is required to wait until receipt of the Certification Letter prior to admitting and treating any Medicare patients (a relocated clinic can begin treating relocated patients prior to being inspected). Per Board rules a project cannot be considered complete until the certification letter has been received from CMS even if the construction is done and the facility is treating patients. At this point the final cost report is prepared to close the permit with The Board.

Cost Space Requirements

Provide in the following format, the department/area GSF and cost. 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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
In-Center Hemodialysis	4,735,282		9,665		9,665		
Total Clinical	4,735,282		9,665		9,665		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL	**4,735,282**		9,665		9,665		

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Fresenius Medical Care

Fresenius Medical Care is the leading provider of dialysis products and services in the world and as such has a long-standing commitment to adhere to quality standards that are higher than required by regulatory bodies, to provide compassionate patient centered care, educate patients to become in charge of their health decisions, implement programs to improve clinical outcomes while reducing mortality & hospitalizations and to stay on the cutting edge of technology in development of dialysis related products.

The size of the company and range of services provides healthcare partners/employees and patients with an expansive range of resources from which to draw experience, knowledge and best practices.

Quality Measures – Fresenius Medical Care continually tracks five quality measures on all patients. These are:

- eKdrt/V – tells us if the patient is getting an adequate treatment
- Hemoglobin – monitors patients for anemia
- Albumin – monitors the patient's nutrition intake
- Phosphorus – monitors patient's bone health and mineral metabolism
- Catheters – tracks patients access for treatment, the goal is no catheters which leads to better outcomes

The above measures as well as other clinic operations are discussed each month with the Medical Directors, Clinic Managers, Social Workers, Dietitians, Area Managers and referring nephrologists at each clinic's Quality Assessment Performance Improvement (QAI) meeting to ensure the provision of high quality care, patient safety, and regulatory compliance.

Some of the initiatives that Fresenius has implemented to bring about better outcomes and increase the patient's quality of life are the TOPS program, Right Start Program and The Catheter Reduction Program.

TOPs Program (Treatment Options) – This is a company-wide program designed to reach the pre-ESRD patient (also known as CKD – Chronic Kidney Disease) to educate them about available treatment options when they enter end stage renal disease. TOPs programs are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, home hemodialysis, peritoneal dialysis and nocturnal dialysis.

Right Start Program – This is an intensive 90-day intervention program for the new dialysis patient centering on education, anemia management, adequate dialysis dose, nutrition, reduction of catheter use, review of medications and logistical and psychosocial support. The Right Start Program results in improved morbidity and mortality in the long term but also notably in the first 90 days of the start of dialysis.

Catheter Reduction Program – This is a key strategic clinical initiative to support nephrologists and clinical staff with increasing the number of patients dialyzed with a permanent access, preferably a venous fistula (AVF) versus a central venous catheter (CVC) venous fistula). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates. Overall adequacy of dialysis treatment also increases with the use of the AVF.

Fresenius Medical Care Holdings, Inc. In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip	Fac >10% Medicaid Treatments*
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803	
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002	10.0%
Aurora	14-2515	455 Mercy Lane	Aurora	60506	10.0%
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651	12.0%
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402	15.0%
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406	11.6%
Bolingbrook	14-2605	538 E. Boughton Road	Boilingbrook	60440	10.5%
Breese	14-2637	160 N. Main Street	Breese	62230	
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609	27.7%
Burbank	14-2641	4811 W. 77th Street	Burbank	60459	12.6%
Carbondale	14-2514	725 South Lewis Lane	Carbondale	62901	
Champaign	14-2588	1405 W. Park Street	Champaign	61801	
Chatham	14-2744	333 W. 87th Street	Chicago	60620	N/A
Chicago Dialysis	14-2506	820 West Jackson Blvd.	Chicago	60607	42.9%
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608	42.7%
Cicero		3030 S. Cicero	Chicago	60804	N/A
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624	29.9%
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445	
Decatur East	14-2503	1830 S. 44th St.	Decatur	62521	
Deerfield	14-2710	405 Lake Cook Road	Deefield	60015	
Des Plaines		1625 Oakton Place	Des Plaines	60018	N/A
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515	
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185	15.4%
DuQuoin	14-2595	100-200 E. Grantway Avenue	DuQuoin	62832	
East Peoria	14-2562	3300 North Main Street	East Peoria	61611	
Elgin	14-2726	2130 Point Boulevard	Elgin	60123	27.3%
Elk Grove	14-2507	901 Biesterfield Road, Ste. 400	Elk Grove	60007	10.4%
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126	
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201	12.3%
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805	12.9%
Fairview Heights	14-2558	821 Lincoln Highway	Fairview Heights	62208	
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609	21.1%
Glendale Heights	14-2617	520 E. North Avenue	Glendale Heights	60139	18.4%
Glenview	14-2551	4248 Commercial Way	Glenview	60025	11.1%
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619	20.5%
Gurnee	14-2549	101 Greenleaf	Gurnee	60031	25.3%
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429	
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195	15.6%
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649	33.1%
Joliet	14-2739	721 E. Jackson Street	Joliet	60432	N/A
Kewanee	14-2578	230 W. South Street	Kewanee	61443	12.5%
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044	10.0%
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613	20.7%
Lincolnland	14-2546	1112 Centre West Drive	Springfield	62704	
Logan Square		2734 N. Milwaukee Avenue	Chicago	60647	N/A
Lombard	14-2722	1940 Springer Drive	Lombard	60148	
Macomb	14-2591	523 E. Grant Street	Macomb	61455	
Marquette Park	14-2566	6515 S. Western	Chicago	60636	18.9%
McHenry	14-2672	4312 W. Elm St.	McHenry	60050	
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704	
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160	20.9%
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803	
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960	
Midway	14-2713	6201 W. 63rd Street	Chicago	60638	
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448	
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450	
Mundelein	14-2731	1400 Townline Road	Mundelein	60060	
Naperbrook		2451 S Washington	Naperville	60565	N/A
Naperville	14-2543	100 Spalding Drive Ste. 108	Naperville	60566	
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563	
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714	

Facility List
ATTACHMENT - 11

Clinic	Provider #	Address	City	Zip	Fac >10% Medicaid Treatments*
Normal		1531 E. College Avenue	Normal	61761	
Norridge	14-2521	4701 N. Cumberland	Norridge	60656	10.8%
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160	
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630	25.0%
Northcenter	14-2531	2620 W. Addison	Chicago	60618	25.0%
Northfield		480 Central Avenue	Northfield	60093	N/A
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611	10.0%
Oak Forest		5340A West 159th Street	Oak Forest	60452	N/A
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302	10.7%
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462	
Oswego	14-2677	1051 Station Drive	Oswego	60543	
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350	
Palatine	14-2723	691 E. Dundee Road	Palatine	60074	
Pekin	14-2571	600 S. 13th Street	Pekin	61554	
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605	
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615	
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544	
Polk	14-2502	557 W. Polk St.	Chicago	60607	19.3%
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764	
Prairie	14-2569	1717 S. Wabash	Chicago	60616	10.9%
Randolph County	14-2589	102 Memorial Drive	Chester	62233	
River Forest	14-2735	103 Forest Avenue	River Forest	60305	
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645	19.8%
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008	11.3%
Roseland	14-2690	135 W. 111th Street	Chicago	60628	25.4%
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621	19.4%
Round Lake	14-2616	401 Nippersink	Round Lake	60073	11.1%
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946	
Sandwich	14-2700	1310 Main Street	Sandwich	60548	
Skokie	14-2618	9801 Wood Dr.	Skokie	60077	
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617	17.9%
South Deering		10559 S. Torrence Ave.	Chicago	60617	N/A
South Holland	14-2542	17225 S. Paxton	South Holland	60473	
South Shore	14-2572	2420 E. 79th Street	Chicago	60649	17.6%
Southside	14-2508	3134 W. 76th St.	Chicago	60652	24.0%
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461	
Southwestern Illinois	14-2535	5-9 Professional Drive	Alton	62002	
Spoon River	14-2565	340 S. Avenue B	Canton	61520	
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362	
Steger	14-2725	219 E. 34th Street	Steger	60475	
Streator	14-2695	2356 N. Bloomington Street	Streator	61364	
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640	28.4%
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085	
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510	
West Belmont	14-2523	4943 W. Belmont	Chicago	60641	37.5%
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185	14.3%
West Metro	14-2536	1044 North Mozart Street	Chicago	60622	26.2%
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302	17.7%
West Willow	14-2730	1444 W. Willow	Chicago	60620	12.5%
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154	
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959	
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527	

*Medicaid percentages are reflected in treatments, not patients. Any patient can have more than one type of coverage in any given year, therefore treatment numbers reflects more accurately the clinic's % of coverage. Only clinics above 10% Medicaid are reported here to show those facilities with significant Medicaid numbers.

All Illinois Clinics are Medicare certified, and do not discriminate against patients based on their ability to pay or payor source.

All clinics are open to all physicians who meet credentialing requirements.

Certification & Authorization

Fresenius Medical Care Lemont, LLC

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Lemont, LLC by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: ______________________

ITS: Mark Fawcett
Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this_______ day of _______, 2013

Signature of Notary

Seal

By: ______________________

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 24 day of June, 2013

C Wynelle Scenna

Signature of Notary

Seal

C. WYNELLE SCENNA
MY COMM. EXPIRES AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

Certification & Authorization

Fresenius Medical Care Holdings, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Holdings, Inc. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By:____________________

ITS:____________________
Mark Fawcett
Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this______ day of ______, 2013

____
Signature of Notary

Seal

By:____________________
Bryan Mello

ITS:~~Assistant Treasurer~~

Notarization:
Subscribed and sworn to before me
this 24 day of June, 2013

C. Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
MY COMM. EXPIRES AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

Criterion 1110.230 – Purpose of Project

This project is being proposed to address the current State Board determined need in HSA 7 of 40 stations and to open up additional treatment options for patients in southwest Cook County and northeast Will County while planning for future growth of ESRD. The Lemont facility is going to serve residents of both HSA 7 and HSA 9 due to its location.

Historically, the Fresenius Plainfield and Joliet facilities, under Dr. Alausa's medical directorship have experienced quick growth after opening. The Plainfield facility reached 80% in a little over a year and the Joliet facility is already at 44% after being certified for only 8 months. Because of Dr. Alausa's growing practice, we are confident that his proven track record will continue and the Lemont facility will also grow quickly.

The town of Lemont, until a few years ago, was only accessible by two-lane roads. I-355 opened up express travel by linking the west/southwest suburbs. While this was a boon for the area, for many on dialysis it did not decrease their travel time. Dialysis patients are ill and often elderly and generally do not choose or are incapable of highway travel especially when they are not feeling well. The Fresenius Lemont facility will allow area patients access to dialysis services within a reasonable travel distance from home while avoiding highway travel if they so choose.

The goal of Fresenius Medical Care is to provide dialysis access to Lemont area patients as we continually monitor the growth of ESRD in HSA 7 & 9. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications.

Fresenius Medical Care facilities meet the Board's criteria on quality. It is expected that this facility would have and maintain the same quality outcomes as the average Fresenius facilities in Illinois.

- 92% of patients had a URR $\geq$ 65%
- 95% of patients had a Kt/V $\geq$ 1.2

Demographic data contained in the application was taken from http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml.

Clinic utilization was received from the IHFSRB.

Alternatives

1) All Alternatives

A. Proposing a project of greater or lesser scope and cost.
The only option that would entail a lesser scope and cost than the project proposed in this application would be to do nothing. **This does not address the need for 40 stations in HSA 7.** Not planning for future ESRD patients will do nothing more than allow area facilities to reach capacity as access declines in an area with HFSRB identified need. There is no cost to this alternative.

B. Pursuing a joint venture or similar arrangement with one or more providers of 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.
The typical Fresenius model of ownership is for our facilities to be wholly owned, however we do enter into joint ventures on occasion. Fresenius Medical Care always maintains control of the governance, assets and operations of a facility it enters into a joint venture agreement with. Our healthy financial position and abundant liquidity indicate that that we have the ability to support the development of additional dialysis centers. Fresenius Medical Care has more than adequate capability to meet all of its expected financial obligations and does not require any additional funds to meet expected project costs. This ownership of this facility is structured so that if physicians chose to invest at a later date they would be able to do so.

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

While there are clinics within 30 minutes travel time that have capacity, the two closest have been open less than 2 years (USR Bolingbrook and DaVita Palos Park) and are still in the ramp up phase with identified patients from separate patient bases to reach the 80% Board target. Also, these facilities are only quickly accessible if patients travel via expressway, which is not generally the route of choice for sick or elderly patients seeking health treatment. Remaining clinics are over 20 minutes away via non-highway travel and some are not yet two years old so not required to be at 80% target (Fresenius Lombard, Joliet and USR Oak Brook), however these facilities are not in the Lemont health care market. There is no cost to this alternative.

D. Reasons why the chosen alternative was selected
The most efficient long term solution to maintaining access to dialysis services in the Lemont market is to begin the establishment process of Fresenius Medical Care Lemont while other clinics new to the area are ramping up to reach 80% by the time the Lemont clinic is complete. The cost of this project is $4,735,282. While this is the most costly alternative, the expense is to Fresenius Medical Care only, while the patients will benefit from improved access to preferred treatment times and reduced travel times/expenses.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Maintain Status Quo	$0	Access to area facilities is limited unless patients are able/comfortable utilizing expressway travel. Area clinics will be at 80% within 2 years leaving limited access.	Patient clinical quality would remain above standards.	No effect on patients
Form a Joint Venture	Fresenius $2,841,169 JV Partner $1,894,113	No effect to access.	No effect on quality.	Less cost to Fresenius, however Fresenius Medical Care is capable of meeting its financial obligations and does not require assistance in meeting its financial obligations. If this were a JV, Fresenius Medical Care would maintain control of the facility and therefore ultimate financial responsibilities.
Utilize Area Providers	$0	There is limited access via non-highway travel to area clinics reducing patient's clinic options and schedule options. Over the next two years new clinics are expected to reach 80% thereby limiting access.	Risk of patients having to change physician causing loss of continuity of care which would reduce patient satisfaction.	No financial cost to Fresenius Medical Care Cost of patient's transportation would increase with higher travel times
Establish Fresenius Medical Care Lemont	$4,735,282	Increased access to dialysis treatment by providing treatment within reasonable distance utilizing non-highway travel and opening up additional access two years out when area clinics are expected to be at 80%.	Fresenius Medical Care exceeds all quality standards and will offer the same high quality at the Lemont facility as at all of its facilities.	The cost is to Fresenius Medical Care only.

3. Empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. It is expected that this facility would have and maintain the same quality outcomes as the average Fresenius facilities in Illinois.

- 92% of patients had a URR $\geq$ 65%
- 95% of patients had a Kt/V $\geq$ 1.2

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	9,665 (12 Stations)	360-520 DGSF	3,425	No

As seen in the chart above, the State Standard for ESRD is between 360-520 DGSF per station. This project is being accomplished in leased space with the interior to be built out by the applicant therefore the standard being applied is expressed in departmental gross square feet. The additional 3,425 DGSF will be used for administrative office space, home therapies and future expansion.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	**HISTORICAL UTILIZATION**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MET STANDARD?**
	IN-CENTER HEMODIALYSIS	N/A Proposed Facility		80%	
YEAR 1	IN-CENTER HEMODIALYSIS		36%	80%	No
YEAR 2	IN-CENTER HEMODIALYSIS		80%	80%	Yes

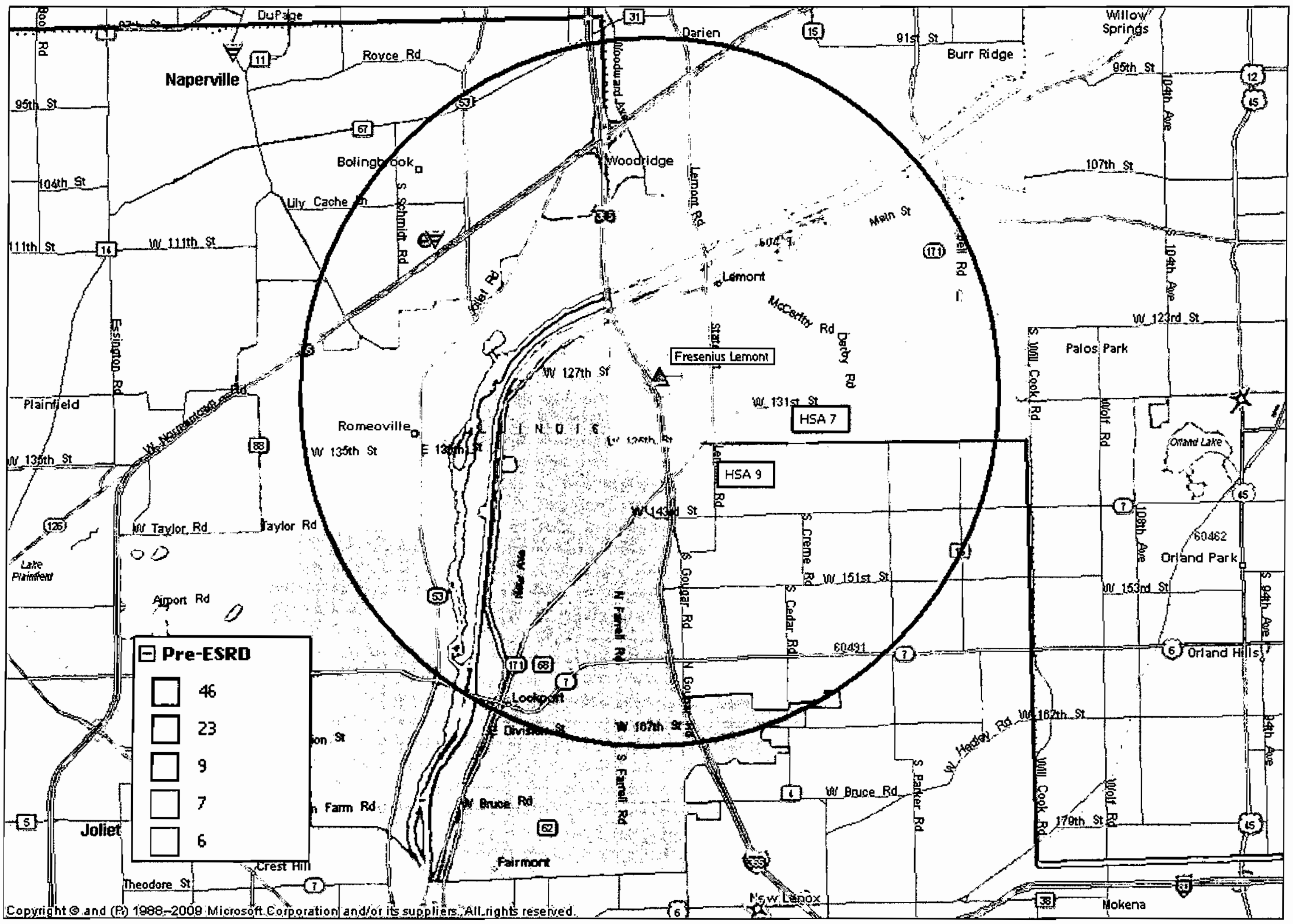
The Kidney Care nephrologists have identified 91 pre-ESRD patients (a total of 64 after accounting for a 30% patient loss prior to dialysis commencement) with lab values indicative of active kidney failure who live along the border of HSA 7 and HSA 9 in the Lemont area that are expected to require dialysis services in the first two years after the Lemont facility begins operations.

2. Planning Area Need – Service To Planning Area Residents:

A. The primary purpose of this project is to provide in-center hemodialysis services to a market area that crosses health service area borders in southwest Cook County (HSA 7) and northeast Will County (HSA 9). The majority of the patients reside within 5 miles of the proposed site in Lockport, Romeoville, Lemont and Homer Glen.

County	# Pre-ESRD Patients Who Will Be Referred to Fresenius Medical Care Lemont
Suburban Cook	15 Patients = 16%
Will	76 Patients = 84%
	91 Patients = 100%

Demographics of Pre-ESRD Patients Identified for Fresenius Lemont



KIDNEY CARE CENTER

812 Campus Drive • Joliet, IL 60435
Tel.: (815) 741-6830 • Fax: (815) 741-6832

Tunji Alausa, M.D.
M.S. Shafi, M.D.
Stella Awua-Larbi, M.D.
Nitesh Thakker, M.D.
Amit Jamnadas, M.D.

July 3, 2013

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

Dear Ms. Avery,

I am a nephrologist practicing in the southwest collar counties of Chicago. I also serve as Medical Director of the Fresenius Medical Care Plainfield & Joliet dialysis centers and the Joliet & Homer Glen Home Dialysis Network facilities. I am part of Kidney Care Centers practice group in Joliet. Along with my partners, Mohammed Shafi, M.D., Nitesh Thakker, M.D., Stella Awua-Larbi, M.D. and Amit Jamnadas, M.D. we currently see patients at Fresenius Medical Care Plainfield, Bolingbrook, Mokena, Morris, Naperville, Joliet and the Joliet & Homer Glen Home Dialysis Network, DaVita Silver Cross Renal West, Renal East & Morris and Sun Health. I am writing to support the establishment of the Fresenius Lemont dialysis clinic to better serve the growing number of dialysis patients in my practice.

We were treating 83 in-center hemodialysis patients at the end of 2010, 101 at the end of 2011 and 111 at the end of 2012 as reported to The Renal Network. At the end of the 1st quarter 2013 we had 124 in-center hemodialysis patients. Over the past twelve months, we have referred 66 patients for in-center hemodialysis to those facilities mentioned above. I currently have 91 pre-ESRD patients in my practice from the Lemont area that would be expected to be referred to the Lemont facility in the first two years after beginning operations. Of these I expect approximately 30% to expire, regain function, move out of the area or choose home dialysis before dialysis therapy is started. I expect then that approximately 64 of these patients would be referred to Lemont facility for dialysis. My partners and I will continue to refer patients to the other area facilities per the patient's place of residence and choice. We are also strong supporters of home dialysis through our Joliet, Plainfield and Homer Glen home therapies programs and will continue to refer those patients who are good candidates for home dialysis services.

KIDNEY CARE CENTER

812 Campus Drive • Joliet, IL 60435
Tel.: (815) 741-6830 • Fax: (815) 741-6832

Tunji Alausa, M.D.
M.S. Shafi, M.D.
Stella Awua-Larbi, M.D.
Nitesh Thakker, M.D.
Amit Jamnadas, M.D.

I respectfully ask you to consider the constant growth of ESRD in northeast Will and southwest Cook Counties and approve the Lemont facility to maintain access for future dialysis patients.

Thank you for your consideration.

I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other CON application.

Sincerely,

Morufu Alausa, M.D.

Notarization:
Subscribed and sworn to before me
this 30 day of July, 2013

Signature of Notary

Seal

OFFICIAL SEAL
DENISE ANN CARMODY
Notary Public - State of Illinois
My Commission Expires May 09, 2015

PRE - ESRD PATIENTS KIDNEY CARE EXPECTS TO REFER TO FRESENIUS MEDICAL CARE LEMONT WITHIN 2 YEARS OF PROJECT COMPLETION

Initials	Zip Code
AR	60439
CB	60446
JB	60441
JB	60462
RB	60441
RB	60441
RB	60462
TB	60491
JC	60462
JC	60441
MD	60441
RD	60441
TD	60441
CE	60441
AF	60446
BF	60462
IF	60446
JF	60441
PF	60441
RF	60446
AG	60441
DG	60446
EG	60441
FG	60446
JG	60441
RG	60441
EH	60439
JH	60491
JH	60441
LH	60446
LH	60491
PH	60441
RH	60441
VH	60446
DJ	60441
JJ	60441
LJ	60441
PJ	60446
RJ	60441
LK	60446
MK	60441
MK	60441
RK	60441
WK	60439
CL	60439

Initials	Zip Code
HL	60446
NL	60439
RL	60491
SL	60441
MC	60446
MC	60441
DM	60439
JM	60441
JM	60441
SM	60441
AN	60441
EN	60462
BO	60491
JO	60446
MO	60441
BP	60491
CP	60441
JP	60441
KP	60446
MP	60441
RP	60439
RP	60446
SP	60441
TP	60441
TP	60441
ER	60441
IR	60446
AS	60441
AS	60441
AS	60446
BS	60446
CS	60446
CS	60446
JS	60446
KS	60462
MS	60441
RS	60446
RS	60439
RS	60441
CT	60446
GT	60439
RT	60491
CV	60441
BW	60441
KW	60441
KW	60441

Summary

Zip Code	City	Patients
60439	Lemont	9
60441	Lockport	46
60446	Romeoville	23
60462	Orland Park	6
60491	Homer Glen	7
	Total	91

IN-CENTER HEMODIALYSIS ADMISSIONS OF KIDNEY CARE FOR THE MOST RECENT TWELVE MONTHS – 06/01/2012 THROUGH 05/31/2013

	Fresenius Medical Care				DaVita			
Zip Code	Bolingbrook	Joliet	Mokena	Plainfield	Chicago Heights	Silver Cross East	Silver Cross West	Total
60403		1		1				2
60411					1			1
60415		1						1
60423		1	1					2
60425					1			1
60429				1				1
60432		4		3		1		8
60433		7		2				9
60435		4		6				10
60436		3		2				5
60440	1							1
60441		3						3
60445		1						1
60447				1				1
60448			2					2
60451		1					1	2
60455		1						1
60477		1						1
60491		1						1
60545				1				1
60563				1				1
60565				1				1
60586				5				5
60628			1					1
60636					1			1
60639				1				1
60645				1				1
60677			1					1
Total	**1**	**29**	**5**	**26**	**3**	**1**	**1**	**66**

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 12/31/2010

Zip Code	Fresenius Medical Care		Silver Cross		Sun Health	Total
	Mokena	Plainfield	Hospital	West		
60403		5		3		8
60404		1		1		2
60407		1				1
60421		1				1
60431		2				2
60432		3	1	8	1	13
60433		1	2	3		6
60435		6		7		13
60436				5	3	8
60441		2		1		3
60442				3		3
60446		1		1		2
60447		2				2
60448	3	1				4
60451			1	1		2
60467			1			1
60477					1	1
60544		1		1		2
60559		1				1
60586		6		2		8
Total	3	34	5	36	5	83

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 12/31/2011

Zip	Fresenius Medical Care				Silver Cross				
Code	Bolingbrook	Mokena	Morris	Plainfield	East	Morris	West	Sun Health	Total
60403				7			4		11
60404							1		1
60408							1		1
60412							1		1
60421				1					1
60431				1					1
60432		1		3	1		6		11
60433			1	2	2		6		11
60435				12			5		17
60436					1		5	3	9
60441				1			1		2
60443				1	1				2
60446	2			2			1		5
60447				2					2
60448		2							2
60450			1						1
60457		1			1				2
60467					1				1
60477								1	1
60487		1							1
60505				1					1
60544				1		1	1		3
60586				11			2		13
60914				1					1
Total	2	5	2	46	7	1	34	4	101

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 12/31/2012

	Fresenius Medical Care					DaVita				
Zip Code	Bolingbrook	Joliet	Mokena	Naperville	Plainfield	Silver Cross East	Silver Cross Morris	Silver Cross West	Sun Health	Total
60403				1	4			2		7
60404					1					1
60408								1		1
60412		1								1
60423			1							1
60429					1					1
60430								1		1
60431					3					3
60432		4	1		2	1		5		13
60433		3			7	1		1		12
60435		2			9		1	5		17
60436		2			1			3	2	8
60440								1		1
60441		4			5					9
60442						1				1
60445		1								1
60446	1				1					2
60447					1			1		2
60448			2							2
60451			1		1					2
60460					1					1
60467			1			1				2
60477		1							1	2
60506					1					1
60543					1					1
60544					3			1		4
60565					1					1
60586					12			1		13
Total	**1**	**18**	**6**	**1**	**55**	**4**	**1**	**22**	**3**	**111**

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 1ST QUARTER 2013

Zip Code	Fresenius Medical Care					DaVita		Sun Health	Total
	Bolingbrook	Joliet	Mokena	Naperville	Plainfield	Silver Cross East	Silver Cross West		
60403		2		1	3		1		7
60404					1				1
60408							1		1
60411		1							1
60412		1							1
60425		1							1
60429					1				1
60431					3				3
60432		9	2		3	1	3		18
60433		8			4				12
60435		4			10		4		18
60436		3			1		4	2	10
60440	1								1
60441		3			3				6
60442						1			1
60445		1							1
60446	1				1		1		3
60447					1		1		2
60448			3						3
60451		1	1		1		1		4
60455		1							1
60466		1							1
60467						1			1
60477		1						1	2
60481					1				1
60544					2		1		3
60563					1				1
60565					1				1
60586					12		1		13
60628			1						1
60639					1				1
60644							1		1
60645					1				1
60677			1						1
Total	**2**	**37**	**8**	**1**	**51**	**3**	**19**	**3**	**124**

Service Accessibility – Service Restrictions

The proposed Fresenius Medical Care Lemont dialysis facility will be located in HSA 7 in Lemont in southwest Cook County. According to the May 2013 station inventory there is currently a need for 40 more stations in this HSA.

Facilities Within 30 Minutes Travel Time of Fresenius Lemont

Facility	Address	City	Miles	Adjusted Minutes Per Board Rules With Highway Travel	Adjusted Minutes Per Board Rules With NO Highway Travel	Stations	Patients	13-Mar
USR Bolingbrook	**396 Remington Blvd**	**Bolingbrook**	**7.42**	**12**	**18**	**13**	**26**	**33.33%**
DaVita Palos Park	**13155 S La Grange Rd**	**Orland Park**	**9.22**	**18**	**18**	**12**	**21**	**29.17%**
Fresenius Bolingbrook	**329 Remington Blvd**	**Bolingbrook**	**7.22**	**12**	**20**	**24**	**125**	**86.81%**
Fresenius Willowbrook	**6300 Kingery Highway**	**Willowbrook**	**11.37**	**18**	**21**	**20**	**79**	**65.83%**
DaVita SC Hosp	**1890 Silver Cross Blvd.**	**New Lenox**	**9.11**	**14**	**24**	**19**	**83**	**72.81%**
Fresenius Joliet	**721 E. Jackson Street**	**Joliet**	**12.9**	**21**	**25**	**16**	**35**	**36.46%**
Fresenius Naperbrook	**2451 S. Washington**	**Naperville**	**12.49**	**22**	**25**	**16**	**0**	**0.00%***
Fresenius Orland Park	**9160 W 159th St**	**Orland Park**	**13.28**	**23**	**26**	**18**	**75**	**69.44%**
Fresenius Downers Grove	**3825 Highland Ave**	**Downers Grove**	**14.55**	**24**	**30**	**19**	**89**	**78.07%**
Sun Health	2121 W Oneida St	Joliet	19.73	29	31	17	54	52.94%
Fresenius Naperville	100 Spalding Dr	Naperville	13.59	25	32	15	76	84.44%*
USR Oak Brook	1213 Butterfield Road	Downers Grove	14.55	23	33	13	13	16.67%
Fresenius Westchester	2400 Wolf Road	Westchester	17.98	30	33	20	87	72.50%
Fresenius Elmhurst	133 E Brush Hill Road	Elmhurst	20.23	30	33	28	134	79.76%
Fresenius Mokena	8910 W 192nd St	Mokena	17.1	23	35	12	42	58.33%
Fresenius Lombard	1940 Springer Dr	Lombard	15.22	24	36	12	30	41.67%
Fresenius Naperville North	516 W 5th Ave	Naperville	14.96	30	37	21	78	61.90%

Fresenius Naperville will be discontinued by April 2014 and its patients f will be transferred to Fresenius Naperbrook bringing it to 80% utilization.

Both Highway and Non-Highway travel are documented by MapQuest in Appendix 1.

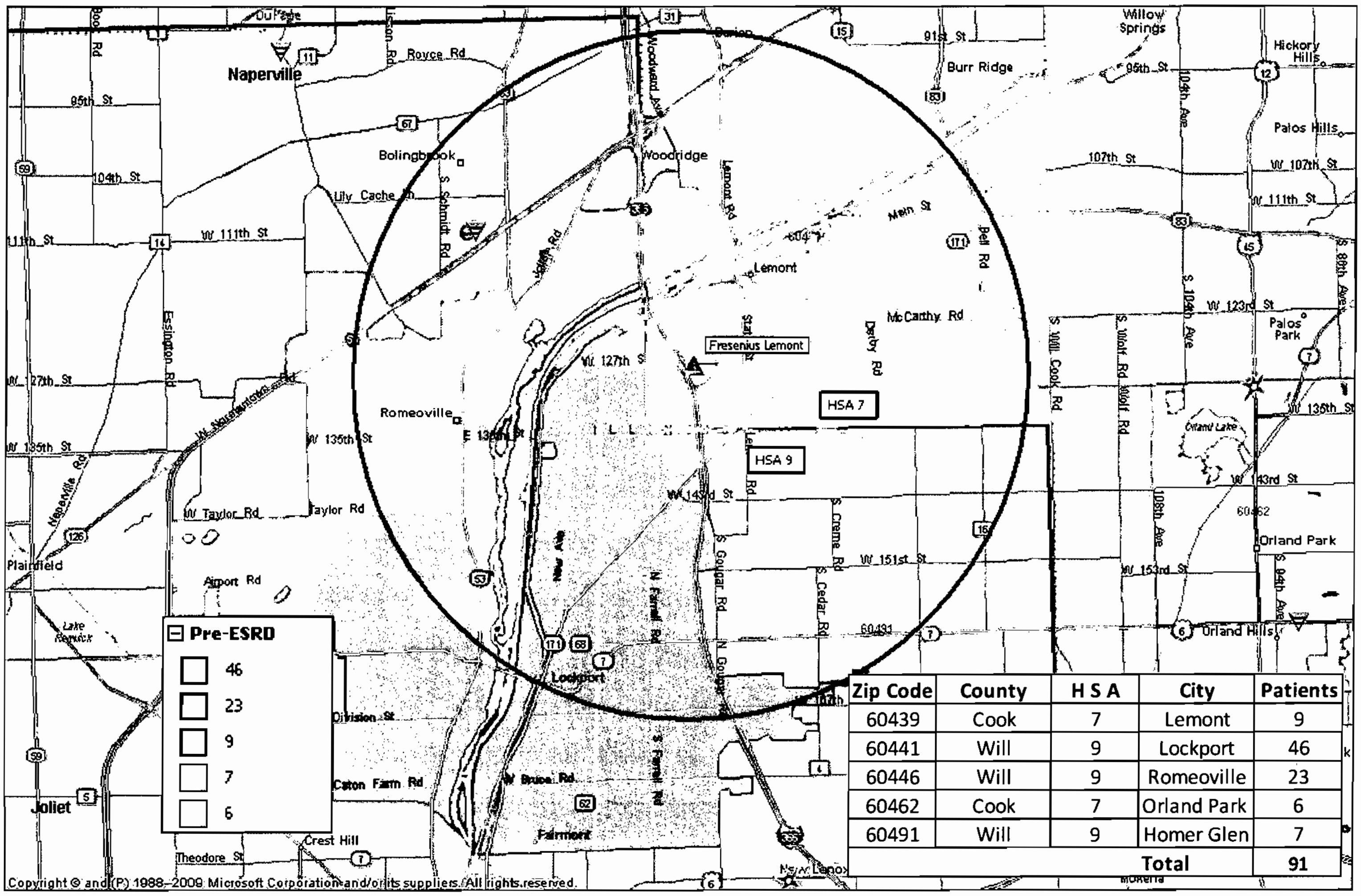
When the Fresenius Naperville facility discontinues in less than one year, all patients will be transferred to Fresenius Naperbrook bringing that facility instantly to 80%. **This will increase the station need in HSA 7 to 55 stations.** This project will address a portion of this need and also bring accessible dialysis services to the Lemont area. Nearly all area clinics are over 10-20 miles away from Lemont in health care markets that are separate from where the Lemont area patients would generally go for treatment. Of the four facilities under 10 miles away, the Fresenius Bolingbrook facility is at 86.81% and cannot accommodate the Lemont area patients. USR Bolingbrook and DaVita Palos Park have not yet been operating 2 years and both are on track to reach 80% utilization with patients identified per the CON application for each facility. Over the next two years, while the Lemont facility is being constructed, USR Bolingbrook and DaVita Palos Park will reach target and no longer be an option for the patients identified for the Lemont facility.

Likewise, the next nearest facility less than 10 miles away, DaVita SC Hospital in New Lenox relocated and added 5 stations less than two years ago. These additional stations will accommodate patients identified from the Northeast Nephrology practice. This clinic is now only 8 patients away from 80% utilization. The Fresenius Willowbrook facility at 65.83% was operating at high utilization and recently added 4 stations to accommodate patients from the surrounding western suburbs.

Fresenius Joliet is another example of a facility open less than two years that is ramping up to target utilization. As of the writing of this application, the clinic is now at 44% from just 36% three months ago. This facility will also not be an option by the time the Lemont clinic is in operation.

Dr. Alausa and his partners at Kidney Care could scatter a patient or two at many of the clinics considered to be within 30 minutes, however most of them fall outside of the patient's healthcare market. Too, the Kidney Care nephrologists already see patients at several of these facilities and adding 3-4 more clinics to round at would make it physically limiting to properly make rounds on all patients. It makes sense to centrally locate a clinic to be more accessible to where the patients live and to where they can remain with their physician.

Demographics of the 91 Pre-ESRD Patients Identified for Fresenius Lemont



Zip Code	County	H S A	City	Patients
60439	Cook	7	Lemont	9
60441	Will	9	Lockport	46
60446	Will	9	Romeoville	23
60462	Cook	7	Orland Park	6
60491	Will	9	Homer Glen	7
			Total	91

As shown on the map above the Lemont clinic is going to serve an approximate 5 mile radius consisting of HSA 7 and HSA 9 due to Lemont's location in the southwest corner of Cook County, one mile from Will County. The nearest clinics are between 7 & 10 miles away and over 18 minutes considering patients would not likely choose highway travel. There is not a quick route in or out of Lemont to area clinics unless highway travel is considered, however this would not likely be the route of choice.

Due to these travel limitations, expected growth of ESRD in the area and the need for a significant number of stations in HSA 7, planning the Lemont facility now is the right thing to do to ensure ESRD patients who require dialysis services two years from now have suitable access.

Unnecessary Duplication/Maldistribution

ZIP Code	Population	Stations	Facililty
60126	46371	28	Fresenius Elmhurst
60137	37,805		
60148	51,468	12	Fresenius Lombard
60154	16,773	20	Fresenius Westchester
60403	17,529		
60415	14,139		
60431	22,577		
60432	21,403	16	Fresenius Joliet
60433	17,160		
60435	48,899	17	Sun Health
60439	22,919		
60440	52,911	37	Fresenius Bolingbrook USR Bolingbrook
60441	36,869		
60445	26,057		
60446	39,807		
60448	24,423	12	Fresenius Mokena
60451	34,063	19	DaVita Silver Cross Hospital
60455	16,446		
60457	14,049		
60458	14,428		
60462	38,723	30	Fresenius Orland Park DaVita Palos Park
60463	14,671		
60464	9,620		
60465	17,495	16	Fresenius Naperbrook
60467	26,046		
60480	5,246		
60482	11,063		
60487	26,928		
60490	20,463		
60491	22,743		
60501	11,626		
60514	9,708		
60515	27,503	32	Fresenius Downers Grove USR Oak Brook
60516	29,084		
60517	32,038		
60521	17,597		
60523	9,890		
60525	31,168		
60527	27,486	20	Fresenius Willowbrook
60532	27,066		
60540	42,910	15	Fresenius Naperville
60544	25,959		
60558	12,960		
60559	24,852		
60561	23,115		
60563	35,922	21	Fresenius Naperville North
60564	41,312		
60565	40,524		
60585	22,311		
60803	22,285		
	1,284,410	**295**	**1/4,354**

1(A-B-C) The ratio of ESRD stations to population in the zip codes within a 30 minute radius of Fresenius Lemont is 1 station per 4,354 residents according to the 2010 census (based on 1,284,410 residents and 295 stations). The State average is 1 station per 3,180 residents (based on US Census 2010 of 12,830,632 Illinois residents and May 2013 Board stations inventory of 4,035).

The Fresenius Naperville 15 station facility is going to be discontinued in 2014 and the patients dialyzing there will be transferred to the Fresenius Naperbrook facility. Removing those 15 stations from the count brings the ratio of stations to population to 1 station per 4,587 residents.

This ratio is not far from being 1 ½ times the number of residents per station for the Lemont area than the State as a whole. This facility will therefore not create maldistribution and will address the need exhibited by the lack of stations per population as well as the need for 40 additional stations in HSA 7. Adding the soon to be discontinued 15 stations at the Fresenius Naperville facility back to the inventory creates a need for 55 stations in HSA 7.

2. Although all facilities within thirty minutes travel time are not above the target utilization of 80%, Fresenius Medical Care Lemont will not create a maldistribution of services in regard to there being excess capacity. There is currently a need for 40 additional stations in HSA 7(55 if you consider the 15 that will be discontinued at Fresenius Naperville). This combined with the ratio of stations to population just under the State guideline of 1 ½ times below the State standard exhibits a need for more stations.

3. Fresenius Medical Care Lemont will not have an adverse effect on any other area ESRD provider, but will provide access to the Lemont market. The clinic relies on pre-ESRD patients and will not take patients from existing facilities.

Facilities within 30 Minutes Travel Time of Fresenius Lemont

Facility	Address	City	Miles	Adjusted Minutes Per Board Rules With Highway Travel	Adjusted Minutes Per Board Rules With NO Highway Travel	Stations	Patients	13-Mar
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Fresenius Naperbrook	**2451 S. Washington**	**Naperville**	**12.49**	**22**	**25**	**16**	**0**	**0.00%***
Fresenius Orland Park	**9160 W 159th St**	**Orland Park**	**13.28**	**23**	**26**	**18**	**75**	**69.44%**
Fresenius Downers Grove	**3825 Highland Ave**	**Downers Grove**	**14.55**	**24**	**30**	**19**	**89**	**78.07%**
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Fresenius Naperville North	516 W 5th Ave	Naperville	14.96	30	37	21	78	61.90%

Fresenius Naperville will be discontinued by April 2014 and its patients f will be transferred to Fresenius Naperbrook bringing it to 80% utilization.
Both Highway and Non-Highway travel are documented by MapQuest in Appendix 1.

4. Not applicable – applicant is not a hospital; however the utilization will not be lowered below target utilization at any other ESRD facility due to the establishment of the facility.

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Alausa will be the Medical Director for Fresenius Medical Care Lemont. Attached is his curriculum vitae.

B. All Other Personnel

Upon opening, the facility will hire a Clinic Manager who is a Registered Nurse (RN) from within the company and will hire one Patient Care Technician (PCT). After we have more than one patient, we will hire another RN and another PCT.

Upon opening we will also employ:

- Part-time Registered Dietitian
- Part-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Part-time Secretary

These positions will go to full time as the clinic census increases. As well, the patient care staff will increase to the following:

- One Clinic Manager – Registered Nurse
- Four Registered Nurses
- Ten Patient Care Technicians

3) All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing a 9 week orientation training program through the Fresenius Medical Care staff education department.

Annually all clinical staff must complete OSHA training, Compliance training, CPR Certification, Skills Competency, CVC Competency, Water Quality training and pass the Competency Exam.

4) The above staffing model is required to maintain a 4 to 1 patient-staff ratio at all times on the treatment floor. A RN will be on duty at all times when the facility is in operation.

Criterion 1110.1430 (e)(5) Medical Staff

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1111.1430, and with regards to Fresenius Medical Care Lemont, I certify the following:

> Fresenius Medical Care Lemont will be an "open" unit with regards to medical staff. Any Board Licensed nephrologist may apply for privileges at the Lemont facility, just as they currently are able to at all Fresenius Medical Care facilities.

Coleen Muldoon

Signature

Coleen Muldoon

Printed Name

Regional Vice President

Title

Subscribed and sworn to before me
this 19th day of June, 2013

Candace M. Turoski

Signature of Notary

Seal

OFFICIAL SEAL
CANDACE M TUROSKI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/09/13

Tunji M. Alausa M.D

Phone (630) 257-0469
Pager: (815) 851-0030
Fax: (630) 257-0469

EXPERIENCE

7/2004 – Present	**Attending Nephrologist** Germane Nephrology Associates Joliet, Illinois
7/2002 – 6/2004	**Nephrology Fellow** Medical College of Wisconsin Milwaukee, Wisconsin
7/2001 - 6/2002	**Attending Physician** Department Of Medicine Cook County Hospital Chicago, Illinois
6/2000 – 6/2001	**Chief Medical Resident** Department Of Medicine Cook County Hospital Chicago, Illinois
7/97 – 5/2000	**Residency in Internal Medicine** Cook County Hospital Chicago, Illinois
2/96 – 6/97	**Residency in Internal Medicine** Sunderland District General Hospital University of Newcastle Sunderland, United Kingdom
11/95 – 1/96	**Senior House Officer** Bolton General Hospital Bolton, United Kingdom
11/94 – 9/95	Clinical Clerkship for the United Kingdom Professional and Linguistic Assessment Board (PLAB) Examination
4/93 – 10/94	**Senior House Officer** San Fernando General Hospital Trinidad, and Tobago West Indies

EDUCATION

10/86 – 4/93	University of Lagos, Lagos, Nigeria Bachelor of Medicine and Bachelor of Surgery (M.D)

CERTIFICATIONS

Board Eligible in Nephrology
Board Certified, American Board of Internal Medicine
Membership examination, Royal College of Physician (MRCP part 1)
United Kingdom medical Licensing exam (PLAB) Certification
Radiation Protection and Safety Certification
United Sates Medical Licensing Examination Steps I, II, III
Advanced Cardiac Life Support (ACLS) Certificate
Pediatric Advanced Life Support (PALS) Certificate

PUBLICATIONS

Kidney Transplants After A Previous Bone Marrow Transplant (Abstract presented at the National Kidney Foundation Meeting in April 2002). **Tunji Morufu Alausa et al**

Characterization of persistently altered gene expression in rat kidney after recovery from ischemic ARF. **Tunji Morufu Alausa et al**

Refractory Acute Kidney Transplant Rejection with CD20 Graft Infiltrates and Successful Therapy with Rituximab. **Tunji Morufu Alausa et al**

Identification of Persistently Altered Gene Expression in Kidney Following Functional Recovery From Ischemic Acute Renal Failure David P. Basile, **Tunji M. Alausa et al**

Effusion That Won't Go Away (New England Journal Of Medicine Volume 345 Number 10) P. Muthuswamy, **Tunji M. Alausa et al**

A Comparative Study of Celecoxib versus Diclofenac Sodium On Blood Pressure Control and Renal Function in Hypertensive African Americans / Hispanics (Abstract presented at the American Society of Nephrology Annual Scientific Meeting 2002)

The Impact of Evidence on Physicians' Inpatient Treatment Decisions Brian Lucas, Tunji **M. Alausa et al**

RESEARCH

Peritubular Capillary Loss following Recovery from Ischemic Acute Tubular Necrosis.

Identification of Persistently Altered Gene Expression in Kidney Following Functional Recovery From Ischemic Acute Renal Failure

Effects of Celecoxib versus Diclofenac Sodium on Blood pressure Control / Renal Function in Hypertensive African Americans and Hispanics (Randomized cross-over study)

Is Treatment of Medical Inpatients Evidence- Based? (A Study of Impact of Evidence Based Medicine on Treatment Decisions)

Project Brotherhood (A Community- Based Project on Health and Social needs of Minority Males in an Inner City Low Income Neighborhood)

HONORS

Lagos State Medical Student Association Outstanding Medical Student Award for Community Service and Development Programs

Nominated for the Best Teaching Attending in Primary Care Medicine - Cook County Hospital 2002 Academic Year

Physiology Distinction (viva): Basic Medical Sciences, College of Medicine, University of Lagos

PROFESSIONAL MEMBERSHIPS

American Society of Nephrology
Renal Physician Association
American Society of Transplantation
American College of Physician
American Medical Association
British Medical Association
Trinidad and Tobago Medical Association
Nigeria Medical Association

PERSONAL INFORMATION

Married
American Citizen
Date of Birth – 04/16/1967

REFERENCE

Available upon request

Criterion 1110.1430 (f) – Support Services

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

- Fresenius Medical Care utilizes a patient data tracking system in all of its facilities.

- These support services are will be available at Fresenius Medical Care Lemont during all six shifts:
    - Nutritional Counseling
    - Psychiatric/Social Services
    - Home/self training
    - Clinical Laboratory Services – provided by Spectra Laboratories

- The following services will be provided via referral to Advocate Good Samaritan Hospital:

    - Blood Bank Services
    - Rehabilitation Services
    - Psychiatric Services

Coleen Muldoon

Signature

Coleen Muldoon / Regional Vice President

Name/Title

Subscribed and sworn to before me
this 19th day of June, 2013

Candace M. Turoski

Signature of Notary

Seal

OFFICIAL SEAL
CANDACE M TUROSKI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/09/13

TRANSFER AGREEMENT
BETWEEN
ADVOCATE HEALTH AND HOSPITALS CORPORATION
d/b/a ADVOCATE GOOD SAMARITAN HOSPITAL
AND
FRESENIUS MEDICAL CARE LEMONT, LLC

THIS AGREEMENT is entered into this 24th day of June, 2013, between ADVOCATE HEALTH AND HOSPITALS CORPORATION d/b/a ADVOCATE GOOD SAMARITAN HOSPITAL, an Illinois not-for-profit corporation, hereinafter referred to as "HOSPITAL", and FRESENIUS MEDICAL CARE LEMONT, LLC, an Illinois limited liability company, hereinafter referred to as "FRESENIUS".

WHEREAS, HOSPITAL is licensed under Illinois law as an acute care hospital and provides inpatient care, routine and emergency dialysis and emergency medical care;

WHEREAS, the effective date (the "Effective Date") of this Agreement shall be the date on which all of the following has occurred: (a) a Certificate of Need with the State of Illinois is approved; (b) Fresenius Medical Care Lemont, LLC, is a registered entity in good standing with the Illinois Secretary of State's Office; (c) FRESENIUS is certified to operate as a renal dialysis facility under the Medicare End Stage Renal Disease ("ESRD") Program and, if required, as a properly licensed medical facility under state laws and regulations;

WHEREAS, HOSPITAL and FRESENIUS desire to cooperate in the transfer of patients between HOSPITAL and FRESENIUS, when and if such transfer may, from time to time be deemed necessary and requested by the respective patient's physician, to facilitate appropriate patient care;

WHEREAS, the parties mutually desire to enter into a transfer agreement to provide for the medically appropriate transfer or referral of patients from FRESENIUS to HOSPITAL, for the benefit of the community and in compliance with HHS regulations; and

WHEREAS, the parties desire to provide a full statement of their agreement in connection with the services to be provided hereunder.

NOW, THEREFORE, BE IT RESOLVED, that in consideration of the mutual covenants, obligations and agreements set forth herein, the parties agree as follows:

I. TERM

1.1 This Agreement shall be effective from the Effective Date, and shall remain in full force and effect for an initial term of one (1) year. **Thereafter, this Agreement shall be automatically extended for successive one (1) year periods unless terminated as hereinafter set forth. All the terms and provisions of this Agreement shall continue in full force and effect during the extension period(s).**

II. TERMINATION

2.1 Either party may terminate this Agreement at any time with or without cause upon thirty (30) days prior written notice to the other party. Additionally, this Agreement shall automatically terminate should either party fail to maintain the licensure or certification necessary to carry out the provisions of this Agreement.

III. OBLIGATIONS OF THE PARTIES

3.1 FRESENIUS agrees:

a. That FRESENIUS shall refer and transfer patients to HOSPITAL for medical treatment only when such transfer and referral has been determined to be medically appropriate by the patient's attending physician or, in the case of an emergency, the Medical Director for FRESENIUS, hereinafter referred to as the "Transferring Physician";

b. That the Transferring Physician shall contact HOSPITAL's Emergency Department Nursing Coordinator prior to transport, to verify the transport and acceptance of the emergency patient by HOSPITAL. The decision to accept the transfer of the emergency patient shall be made by HOSPITAL's Emergency Department physician, hereinafter referred to as the "Emergency Physician", based on consultation with the member of HOSPITAL's Medical Staff who will serve as the accepting attending physician, hereinafter referred to as the "Accepting Physician". In the case of the non-emergency patient, the Medical Staff attending physician will act as the Accepting Physician and must indicate acceptance of the patient. FRESENIUS agrees that HOSPITAL shall have the sole discretion to accept the transfer of patients pursuant to this Agreement subject to the availability of equipment and personnel at HOSPITAL. The Transferring Physician shall report all patient medical information which is necessary and pertinent for transport and acceptance of the patient by HOSPITAL to the Emergency Physician and/or Accepting Physician;

c. That FRESENIUS shall be responsible for affecting the transfer of all patients referred to HOSPITAL under the terms of this Agreement, including arranging for appropriate transportation, financial responsibility for the transfer in the event patient fails or is unable to pay, and care for the patient during the transfer. The Transferring Physician shall determine the appropriate level of patient care during transport in consultation with the Emergency Physician and/or Accepting Physician;

d. That pre-transfer treatment guidelines, if any, will be augmented by orders obtained from the Emergency Physician and/or Accepting Physician;

e. That, prior to patient transfer, the Transferring Physician is responsible for insuring that written, informed consent to transfer is obtained from the patient, the parent or legal guardian of a minor patient, or from the legal guardian or next-of-kin of a patient who is determined by the Transferring Physician to be unable to give informed consent to transfer; and

f. To maintain and provide proof to HOSPITAL of professional and public liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

3.2 HOSPITAL agrees:

a. To accept and admit in a timely manner, subject to bed availability, FRESENIUS patients referred for medical treatment, as more fully described in Section 3.1;

b. To accept patients from FRESENIUS in need of inpatient hospital care, when such transfer and referral has been determined to be medically appropriate by the patient's Transferring Physician at FRESENIUS;

c. That HOSPITAL will seek to facilitate referral of transfer patients to specific Accepting Physicians when this is requested by Transferring Physicians and/or transfer patients;

d. That HOSPITAL shall provide FRESENIUS patients with medically appropriate and available treatment provided that Accepting Physician and/or Emergency Physician writes appropriate orders for such services; and

e. To maintain and provide proof to FRESENIUS of professional and public liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

IV. GENERAL COVENANTS AND CONDITIONS

4.1 Release of Medical Information. In all cases of patients transferred for the purpose of receiving medical treatment under the terms of this Agreement, FRESENIUS shall insure that copies of the patient's medical records, including X-rays and reports of all diagnostic tests, accompany the patient to HOSPITAL, subject to the provisions of applicable State and Federal laws governing the confidentiality of such information. Information to be exchanged shall include any completed transfer and referral forms mutually agreed upon for the purpose of providing the medical and administrative information necessary to determine the appropriateness of treatment or placement, and to enable continuing care to be provided to the patient. The medical records in the care and custody of HOSPITAL and FRESENIUS shall remain the property of each respective institution.

4.2 Personal Effects. FRESENIUS shall be responsible for the security, accountability and appropriate disposition of the personal effects of patients prior to and during transfer to HOSPITAL. HOSPITAL shall be responsible for the security, accountability and appropriate disposition of the personal effects of transferred patients upon arrival of the patient at HOSPITAL.

4.3 Indemnification. The parties agree to indemnify and hold each other harmless from any liability, claim, demand, judgment and costs (including reasonable attorney's fees) arising out of or in connection with the intentional or negligent acts of their respective employees and/or agents.

4.4 Independent Contractor. Nothing contained in this Agreement shall constitute or be construed to create a partnership, joint venture, employment, or agency relationship between the parties and/or their respective successors and assigns, it being mutually understood and agreed that the parties shall provide the services and fulfill the obligations hereunder as independent contractors. Further, it is mutually understood and agreed that nothing in this Agreement shall in any way affect the independent operation of either HOSPITAL or FRESENIUS. The governing body of HOSPITAL and FRESENIUS shall have exclusive control of the management, assets, and affairs at their respective institutions. No party by virtue of this Agreement shall assume any liability for any debts or obligations of a financial or legal nature incurred by the other, and neither institution shall look to the other to pay for service rendered to a patient transferred by virtue of this Agreement.

4.5 Publicity and Advertising. Neither the name of HOSPITAL nor FRESENIUS shall be used for any form of publicity or advertising by the other without the express written consent of the other.

4.6 Cooperative Efforts. The parties agree to devote their best efforts to promoting cooperation and effective communication between the parties in the performance of services hereunder, to foster the prompt and effective evaluation, treatment and continuing care of recipients of these services.

4.7 Nondiscrimination. The parties agree to comply with Title VI of the Civil Rights Act of 1964, all requirements imposed by regulations issued pursuant to that title, section 504 of the Rehabilitation Act of 1973, and all related regulations, to insure that neither party shall discriminate against any recipient of services hereunder on the basis of race, color, sex, creed, national origin, age or handicap, under any program or activity receiving Federal financial assistance.

4.8 Affiliation. Each party shall retain the right to affiliate or contract under similar agreements with other institutions while this Agreement is in effect.

4.9 Applicable Laws. The parties agree to fully comply with applicable federal, and state laws and regulations affecting the provision of services under the terms of this Agreement.

4.10 Governing Law. All questions concerning the validity or construction of this Agreement shall be determined in accordance with the laws of Illinois.

4.11 Writing Constitutes Full Agreement. This Agreement embodies the complete and full understanding of HOSPITAL and FRESENIUS with respect to the services to be provided hereunder. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties hereto. Neither this Agreement nor any rights hereunder may be assigned by either party without the written consent of the other party.

4.12 Written Modification. There shall be no modification of this Agreement, except in writing and exercised with the same formalities of this Agreement.

4.13 Severability. It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held to be illegal by the courts or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

4.14 Notices. All notices required to be served by provisions of this Agreement may be served on any of the parties hereto personally or may be served by sending a letter duly addressed by registered or certified mail. Notices to be served on HOSPITAL shall be served at or mailed to: Advocate Health and Hospitals Corporation d/b/a Advocate Good Samaritan Hospital, 3815 Highland Avenue, Downers Grove, Illinois 60515, Attention: President, with a copy to Advocate Health Care, Senior Vice President and General Counsel, 3075 Highland Parkway, Downers Grove, Illinois 60515 unless otherwise instructed. Notices to be served on FRESENIUS shall be mailed to Fresenius Medical Care, One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, Illinois 50154, Attn: Lori Wright, with a copy to Fresenius Medical Care North America, 920 Winter Street, Waltham, MA 02451-1457, Attn: Corporate Legal Department.

IN WITNESS WHEREOF, this Agreement has been executed by HOSPITAL and FRESENIUS on the date first above written.

ADVOCATE HEALTH AND HOSPITALS CORPORATION
d/b/a ADVOCATE GOOD SAMARITAN HOSPITAL

BY: ____________________

NAME: David Fox
TITLE: President, Advocate Good Samaritan Hospital

FRESENIUS MEDICAL CARE LEMONT, LLC

BY: ____________________
NAME: Coleen Muldoon
TITLE: Regional Vice President

55503 v1 6/18/2013 9:59 AM

Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Lemont, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Lemont in the first two years of operation, the facility will achieve and maintain the utilization standard, specified in 77 Ill. Adm. Code 1100, of 80% and;

2. Fresenius Medical Care hemodialysis patients in Illinois have achieved adequacy outcomes of:

   - 94% of patients had a URR $\geq$ 65%
   - 96% of patients had a Kt/V $\geq$ 1.2

   The same is expected for Fresenius Medical Care Lemont.

Coleen Muldoon

Signature

Coleen Muldoon / Regional Vice President

Name/Title

Subscribed and sworn to before me
this 19th day of June, 2013

Candace M. Turoski

Signature of Notary

Seal

OFFICIAL SEAL
CANDACE M TUROSKI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/09/13

net3
realestate
2803 W. Butterfield Road
Suite 310
Oak Brook, IL 60523
p. 630.216.9008

July 8, 2013

Fresenius Medical Care
Attn: Mr. Bill Popken
(781) 699-9994
Via email: William.Popken@fmc-na.com

RE: ***16177 W. 127th Street Land Parcel***
Lemont, Illinois
Fresenius Medical Care Build-to-Suit – Letter of Intent

Dear Bill:

We are pleased to present to you this letter of intent. Net3 (Lemont), LLC ("Landlord") is willing to negotiate a lease for the premises in the referenced location. This letter is not intended to be a binding contract, a lease, or an offer to lease, but is intended only to provide the basis for negotiations of a lease document between Landlord and **Fresenius Medical Care Lemont LLC** ("Tenant").

Premises: 9,665 square foot building to be constructed and located at:
16177 W. 127th Street, Lemont, Illinois.
Parcel # 22-30-403-016-0000

Landlord: Net3 (Lemont), LLC

Tenant: Fresenius Medical Care Lemont, LLC

Guarantor: Fresenius Medical Care Holdings

Lease: Landlord's standard lease form.

Use: Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant may operate on the Premises, at Tenant's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

Primary Term: 15 years

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p. 630 216 9008

Option Term(s): Three (3) Five (5) year options to renew the lease at 2% annual increase in base rent.

Base Rent over initial Term: Annual Rent: Starts at $22.00/sq. ft. and increases by 2% in Year 3 of the Primary Term

Years	Annual Rent	Monthly Rent
1	$212,630	$17,719
2	$212,630	$17,719
3	$216,883	$18,074
4	$221,220	$18,435
5	$225,645	$18,804
6	$230,158	$19,180
7	$234,761	$19,563
8	$239,456	$19,955
9	$244,245	$20,354
10	$249,130	$20,761
11	$254,113	$21,176
12	$259,195	$21,600
13	$264,379	$22,032
14	$269,666	$22,472
15	$275,000	$22,922

Taxes, Insurance & CAM: Tenant will pay

Utilities: Tenant will be responsible to pay for all of their own utilities.

Tenant's Share: 100%

Condition of Premises Upon Delivery: Landlord shall deliver the Premises to **Tenant** in a shell condition in accordance with agreed upon plans and specifications as defined in (**Exhibit A**). In addition, Landlord shall be responsible for all civil costs, parking infrastructure and any other development costs.

Rent Commencement Date: Tenant will not pay rent until the date that is the earlier of (a) the date that Tenant opens for business in the Premises, or (b) ninety (90) days after the Delivery Date.

Delivery Date: The date upon which Landlord's Work is substantially completed

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p. 630 216 9008

which is estimated to be 180 days after receipt of Landlord's building permit.

Construction Drawings For Landlord's Work: Landlord will agree upon issuance of the CON to have construction drawings no later than 90 days after CON is awarded and apply for building permits immediately thereafter.

Tenant's Work: Tenant shall construct improvements in the Premises and install Tenant's trade fixtures, equipment and personal property in order to make the Premises ready for Tenant's initial occupancy and use, subject to Landlord's approval of all plans and specifications for therefor.

Security Deposit: None, subject to Landlord's review of current Tenant financial statements.

Landlord Maintenance: Landlord shall without expense to Tenant, maintain and make all necessary repairs to the structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, structural retaining walls, gutters, downspouts, flashings and footings.

Signage: Tenant may, at its sole cost and expense, install and maintain signs in and on the Premises to the maximum extent permitted by local law and subject to Tenant obtaining (i) all necessary private party approvals, if any, and governmental approvals, permits and licenses; and (ii) Landlord's prior written approval which will not be unreasonably withheld, and in accordance with Landlord's sign criteria (if applicable).

Confidentiality: The parties hereto acknowledge the sensitive nature of the terms and conditions of this letter and hereby agree not to disclose the terms and conditions of this letter or the fact of the existence of this letter to any third parties and instead agree to keep said terms and conditions strictly confidential, disclosing them only to their respective agents, lenders, attorneys, accountants and such other directors, officers, employees, affiliates, and representatives who have a reason to receive such information and have been advised of the sensitive nature of this letter and as otherwise required to be disclosed by law.

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p. 630 216 9008

***Zoning and Restrictive Covenants*:**

Landlord will represent that the current property zoning is acceptable for use as outpatient dialysis facility and there is no other restrictive covenants imposed on the land/, owner, and/or municipality.

CON Contingency

Landlord and FMC 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, FMC cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless FMC obtains a Certificate of Need (CON) permit from the Illinois Health Facilities Planning Board (the "Planning Board"). FMC agrees to proceed using its commercially reasonable best efforts to submit an application for a CON permit and to prosecute said application to obtain the CON permit from the Planning Board. Based on the length of the Planning Board review process, FMC does not expect to receive a CON permit prior to April 2013. 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 the approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective pending CON approval. Assuming CON permit 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 Planning Board does not award FMC a CON permit to establish a dialysis center on the Premises by April 2013, 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.

Acquisition Contingency:

Tenant acknowledges that Landlord is not the owner of the Land. Accordingly, the parties agree that the lease agreement shall contain a contingency provision which provides that Landlord's obligations under the lease agreement shall be subject to and contingent upon Landlord obtaining fee title to

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p. 630 216 9008

the Land and in the event that Landlord does not acquire fee title to the Land on or before the date which is 100 days after the date upon which the CON is obtained by Tenant then Tenant then either Landlord or Tenant may elect to terminate the lease agreement; provided, however, that in the event Tenant elects to terminate the lease agreement then Landlord shall have thirty (30) days from the date of Tenant's notice of election to terminate to satisfy the contingency at its election in which event Tenant's election to terminate shall be null and void. In the event the lease is terminated under this provision then each of the parties shall be released from its obligations and liability under the lease agreement.

The parties agree that this letter shall not be binding on the parties and does not address all essential terms of the lease agreement contemplated by this letter. Neither party may claim any legal right against the other by reason of any action taken in reliance upon this non-binding letter. A binding agreement shall not exist between the parties unless and until a lease agreement has been executed and delivered by both parties.

If you are in agreement with the foregoing terms, please execute and date this letter in the space provided below and return same to Landlord within five (5) business days from the date above.

Sincerely,

NET 3 REAL ESTATE, L.L.C.,
As Agent for Purchaser

David E. Cunningham
Manager

AGREED TO AND ACCEPTED BY:

____

Fresenius Medical Care Lemont LLC

____

Date

Criterion 1120.310 Financial Viability

Financial Viability Waiver

This project is being funded entirely through cash and securities thereby meeting the criteria for the financial waiver.

KPMG

FRESENIUS MEDICAL CARE HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Table of Contents

KPMG

KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Shareholders
Fresenius Medical Care Holdings, Inc.:

We have audited the accompanying consolidated financial statements of Fresenius Medical Care Holdings, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Fresenius Medical Care Holdings, Inc. and its subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Boston, Massachusetts
April 30, 2013

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2012 and 2011

(Dollars in thousands)

Assets		**2012**	**2011**
Current assets:			
Cash and cash equivalents	$	341,071	204,142
Trade accounts receivable, less allowances of $250,124 in 2012 and $222,524 in 2011		1,361,637	1,188,700
Receivables from affiliates		2,796,809	1,403,646
Inventories		428,620	409,831
Deferred income taxes		242,996	233,272
Other current assets		535,444	580,058
Total current assets		5,706,577	4,019,649
Property, plant and equipment, net		1,568,231	1,397,813
Other assets:			
Goodwill		9,850,023	7,677,810
Other intangible assets, net		524,578	497,678
Investment in equity method investees		45,619	85,542
Other assets and deferred charges		146,481	140,798
Total other assets		10,566,701	8,401,828
Total assets	$	17,841,509	13,819,290
Liabilities and Equity			
Current liabilities:			
Short-term borrowings	$	23,804	17,445
Current portion of long-term debt and capital lease obligations		101,078	1,148,034
Current portion of mandatorily redeemable preferred securities		665,500	—
Accounts payable		373,768	309,345
Accrued liabilities		998,525	862,567
Accrued special charge for legal matters		115,555	115,694
Accounts payable to affiliates		52,134	1,218
Accrued income taxes		150,659	120,539
Total current liabilities		2,481,023	2,574,842
Long-term debt and capital lease obligations		2,729,538	975,374
Noncurrent borrowings from affiliates		2,030,126	416,133
Long-term mandatorily redeemable preferred securities		—	665,500
Deferred income taxes		612,965	533,487
Other liabilities		518,426	286,000
Total liabilities		8,372,078	5,451,336
Noncontrolling interests subject to put provisions		511,707	404,015
Equity:			
Preferred stock, $1 par value		2,550,956	2,524,622
Common stock, $1 par value		90,000	90,000
Additional paid-in capital		1,861,059	1,840,621
Retained earnings		4,357,296	3,510,634
Accumulated other comprehensive loss		(120,540)	(104,624)
Total Fresenius Medical Care Holdings Inc. equity		8,738,771	7,861,253
Noncontrolling interests not subject to put provisions		218,953	102,686
Total equity		8,957,724	7,963,939
Total liabilities and equity	$	17,841,509	13,819,290

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended December 31, 2012 and 2011

(Dollars in thousands)

		2012	2011
Net revenues:			
Health care services	$	8,434,059	7,271,998
Less: Patient service bad debt provision		280,365	224,545
Net health care services		8,153,694	7,047,453
Medical supplies		731,707	753,386
		8,885,401	7,800,839
Expenses:			
Cost of health care services		5,038,830	4,404,513
Cost of medical supplies		677,269	739,911
General and administrative expenses		1,269,856	1,075,639
Depreciation and amortization		353,012	304,778
Research and development		38,256	37,782
Equity investment income		(7,900)	(5,055)
Interest expense, net, and related financing costs (including $131,118 and $115,779 of interest with affiliates, respectively)		181,356	134,630
Investment gain		(139,600)	—
		7,411,079	6,692,198
Income before income taxes		1,474,322	1,108,641
Provision for income taxes		487,565	410,291
Net income		986,757	698,350
Less net income attributable to noncontrolling interests		140,232	97,204
Net income attributable to Fresenius Medical Care Holdings, Inc.	$	846,525	601,146

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended December 31, 2012 and 2011

(Dollars in thousands)

		2012	2011
Net income	$	986,757	698,350
Other comprehensive (loss) income:			
Foreign currency translation adjustments		1,039	(1,245)
Pension liability adjustments, (net of deferred tax of $19,645 and $29,600, respectively)		(30,152)	(45,320)
Derivative instruments, (net of deferred tax of ($8,598) and ($15,990), respectively)		13,197	24,619
Total other comprehensive loss		(15,916)	(21,946)
Total comprehensive income		970,841	676,404
Comprehensive income attributable to noncontrolling interests		140,232	97,204
Comprehensive income attributable to Fresenius Medical Care Holdings, Inc.	$	830,609	579,200

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

Years ended December 31, 2012 and 2011

(Dollars in thousands, except share data)

	Preferred stock		Common stock		Additional	Retained	Accumulated other comprehensive	Total FMCH, Inc. shareholders'	Noncontrolling interests not subject to	
	Shares	Amount	Shares	Amount	paid-in capital	earnings	income (loss)	equity	put provisions	Total equity
Balance, December 31, 2010	5,000,000	$ 1,379,916	90,000,000	$ 90,000	1,906,036	2,909,317	(82,678)	6,202,591	86,016	6,288,607
Net income	—	—	—	—	—	601,146	—	601,146	54,348	655,494
Other comprehensive income	—	—	—	—	—	—	(21,946)	(21,946)	—	(21,946)
Exercise of stock options and related tax effects	—	—	—	—	6,025	—	—	6,025	—	6,025
Compensation expense related to stock options	—	—	—	—	20,767	—	—	20,767	—	20,767
Series C Preferred Stock – marked to market	—	(43,684)	—	—	—	—	—	(43,684)	—	(43,684)
Issuance of Series E Preferred Stock	2,653,560	663,390	—	—	—	—	—	663,390	—	663,390
Issuance of Series F Preferred Stock	2,100,000	525,000	—	—	—	—	—	525,000	—	525,000
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	1,354	1,354
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(52,033)	(52,033)
Purchase (sale) of noncontrolling interests	—	—	—	—	(5,928)	—	—	(5,928)	12,994	7,066
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	(86,233)	—	—	(86,233)	—	(86,233)
Other reclassifications.	—	—	—	—	(46)	171	—	125	7	132
Balance, December 31, 2011	9,753,560	2,524,622	90,000,000	90,000	1,840,621	3,510,634	(104,624)	7,861,253	102,686	7,963,939
Net income	—	—	—	—	—	846,525	—	846,525	45,514	892,039
Other comprehensive income	—	—	—	—	—	—	(15,916)	(15,916)	—	(15,916)
Exercise of stock options and related tax effects	—	—	—	—	13,273	—	—	13,273	—	13,273
Compensation expense related to stock options	—	—	—	—	18,059	—	—	18,059	—	18,059
Series C Preferred Stock – marked to market	—	26,334	—	—	—	—	—	26,334	—	26,334
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	3,199	3,199
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(23,734)	(23,734)
Purchase (sale) of noncontrolling interests	—	—	—	—	(29,779)	—	—	(29,779)	91,288	61,509
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	18,880	—	—	18,880	—	18,880
Other reclassifications	—	—	—	—	5	137	—	142	—	142
Balance, December 31, 2012	9,753,560	$ 2,550,956	90,000,000	$ 90,000	1,861,059	4,357,296	(120,540)	8,738,771	218,953	8,957,724

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2012 and 2011

(Dollars in thousands)

		2012	2011
Cash flows from operating activities:			
Net income	$	986,757	698,350
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		353,012	304,778
Gain investment fair value remeasurement		(139,600)	—
Provision for doubtful accounts		280,374	223,822
Deferred income taxes		89,910	132,396
Gain on sale of interest in investments and divestitures		(33,926)	(4,550)
Amortization of discount on Senior Note		2,285	1,607
Equity investment income		(7,900)	(5,055)
Loss on disposal of properties and equipment		4,160	4,055
Compensation expense related to stock options		18,059	20,767
Amortization of discount on investments		70	322
(Gain)/loss on forward sale and currency exchange agreements		(23,194)	67,586
Changes in operating assets and liabilities, net of effects of purchase acquisitions:			
Increase in trade accounts receivable		(297,826)	(220,541)
Increase in inventories		(4,394)	(70,721)
Decrease (Increase) in other current assets		66,904	(32,914)
(Increase) decrease in other assets and deferred charges		(223,391)	203,506
Increase in accounts payable		46,333	74,340
Increase (decrease) in accrued income taxes		19,486	(9,842)
Increase (decrease) in accrued liabilities		65,890	(25,093)
Decrease in accrued special charge for legal matters		(139)	(142)
Increase (decrease) in other long-term liabilities		109,789	(13,998)
Net changes due to/from affiliates		61,994	(58,350)
Distributions received on equity investments		3,336	4,590
Other, net		2,160	6,220
Net cash provided by operating activities		1,380,149	1,301,133
Cash flows from investing activities:			
Capital expenditures, net of proceeds		(326,510)	(283,929)
Acquisitions and investments, net of cash acquired		(1,847,248)	(755,874)
Proceeds from sale of interests and divestitures		233,598	8,159
Equity contributions		—	(60,922)
Net cash used in investing activities		(1,940,160)	(1,092,566)
Cash flows from financing activities:			
Net increase (decrease) in borrowings from affiliates		220,830	(1,358,833)
Net (decrease) increase from receivable financing facility		(372,500)	24,500
Net increase in debt and capital leases		1,011,460	80,897
Distributions to noncontrolling interests		(138,270)	(95,138)
Debt issuance costs		(17,344)	(13,856)
Proceeds from issuance of preferred stock		—	1,188,390
Contributions from noncontrolling interests		19,764	8,575
Proceeds from sale of noncontrolling interests		17,893	19,334
Purchases of noncontrolling interests		(44,616)	(21,281)
Tax benefit on stock options		6	(47)
Net cash provided by (used in) financing activities		697,223	(167,459)
Effects of changes in foreign exchange rates		(283)	(258)
Change in cash and cash equivalents		136,929	40,850
Cash and cash equivalents at beginning of year		204,142	163,292
Cash and cash equivalents at end of year	$	341,071	204,142

(Continued)

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2012 and 2011

(Dollars in thousands)

		2012	2011
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$	128,027	141,585
Interest on mandatorily redeemable preferred securities		—	23,938
Income taxes, net		443,749	314,209
Details for acquisitions:			
Assets acquired	$	(2,455,296)	(615,711)
Liabilities assumed		203,616	29,112
Noncontrolling interests		222,197	47,666
Notes assumed in connection with acquisition		70,201	(15,494)
Gain fair value investment remeasurement		139,600	—
Gain on sale of divestitures		33,926	—
Adjustment to financing		2,050	—
Cash paid		(1,783,706)	(554,427)
Less cash acquired		170,056	32,555
Net cash paid for acquisitions	$	(1,613,650)	(521,872)

See accompanying notes to consolidated financial statements.

(1) The Company

Fresenius Medical Care Holdings, Inc., a New York corporation (the Company or FMCH) is a subsidiary of Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares (FMCAG & KGaA or the Parent Company). The Company conducts its operations through five principal subsidiaries, National Medical Care, Inc. (NMC), Fresenius USA Marketing, Inc., Fresenius USA Manufacturing, Inc. and SRC Holding Company, Inc., all Delaware corporations and Fresenius USA, Inc., a Massachusetts corporation.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and those financial statements where the Company controls professional corporations in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation*. The consolidated financial statements include all companies in which the Company has legal or effective control. Noncontrolling interest represents the proportionate equity interest of owners in the Company's consolidated entities that are not wholly owned.

The Company is primarily engaged in (i) providing kidney dialysis services and clinical laboratory testing (ii) manufacturing and distributing products and equipment for kidney dialysis treatment and (iii) providing other medical ancillary services.

(a) Basis of Presentation

Certain items in the prior year's consolidated financial statements may have been reclassified to conform with the current year's presentation. Net operating results have not been affected by the reclassifications.

Revenues have been restated to reflect the retrospective adoption of *Accounting Standards Update 2011-07, Health Care Entities*. Specifically, bad debt expense in the amount of $224,545 was reclassified from selling general and administrative ("SG&A") as a reduction of revenue for 2011. In addition, freight expense in the amount of $144,115 was reclassified from SG&A to cost of revenue to harmonize the presentation for all segments for 2011.

During 2012, the Company identified immaterial errors that affected the year ended December 31, 2011 consolidated financial statements related to the accounting for the 2011 transfers of debt from an affiliate. The accounting entries to transfer the debt's related premium amortization to the affiliate was improperly recorded as a receivable from affiliate. The Company has reflected the correction of these immaterial errors in the consolidated balance sheet as of December 31, 2011 in the amounts of $32,209, $12,136 and $20,073 as a decrease to receivables from affiliates, accrued income taxes and retained earnings, respectively. The comparable consolidated statement of operations presented in these consolidated financial statements reflect a correction to increase interest expense by $32,209 and a decrease in the provision for taxes of $12,136, resulting in a decrease in net income in the amount of $20,073 for 2011.

The Company has evaluated subsequent events through April 30, 2013, which is the date these consolidated financial statements were issued. See note 2(v).

(b) *Basis of Consolidation*

The consolidated financial statements in this report as of December 31, 2012 and 2011 and for the years then ended have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). These consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary for the fair presentation of the consolidated results for all periods presented.

In accordance with current accounting principles, the Company consolidates certain clinics that it manages and financially controls. The equity method of accounting is used for investments in associated companies over which the Company has significant exercisable influence, even when the Company holds less than 50% ownership. Noncontrolling interests represent the proportionate equity interests of owners in the Company's consolidated entities that are not wholly owned. Noncontrolling interests of recently acquired entities are valued at fair value. All significant intercompany transactions and balances have been eliminated.

(2) Summary of Significant Accounting Policies

(a) *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash funds and all short-term, highly liquid investments with original maturities of up to three months.

(b) *Allowance for Doubtful Accounts*

Estimates for allowances for accounts receivable are based on an analysis of collection experience and recognizing the differences between payors. The Company also performs an aging of accounts receivable which enables the review of each customer and their payment pattern. From time to time, accounts receivable are reviewed for changes from the historic collection experience to ensure the appropriateness of the allowances.

The allowance for doubtful accounts for the products business are estimates comprised of customer specific evaluations regarding their payment history, current financial stability, and applicable country specific risks for receivables that are overdue more than one year. The changes in the allowance for products receivables are recorded in general and administrative as an expense.

(c) *Inventories*

Inventories are stated at the lower of cost (determined by using the average or first-in, first-out method) or net realizable value (see note 4).

(d) *Property, Plant and Equipment*

Property, plant, and equipment are stated at cost less accumulated depreciation (see note 11). Significant improvements are capitalized; repairs and maintenance costs that do not extend the useful lives of the assets are charged to expense as incurred. Property, plant and equipment under capital leases are stated at the present value of future minimum lease payments at the inception of the lease, less accumulated depreciation. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in income when the assets are disposed.

The cost of property, plant and equipment is depreciated over estimated useful lives on a straight-line basis as follows: buildings – 20 to 40 years, equipment and furniture – 3 to 10 years, equipment under capital leases and leasehold improvements – the shorter of the lease term or useful life of the asset. For income tax purposes, depreciation is calculated using accelerated methods to the extent permitted.

The Company capitalizes interest on borrowed funds during construction periods. Interest capitalized during 2012 and 2011 was $2,545 and $3,245, respectively.

(e) ***Intangible Assets and Goodwill***

Intangible assets such as noncompete agreements, lease agreements, tradenames, certain qualified management contracts, technology, patents, distribution rights, software, acute care agreements and licenses acquired in a purchase method business combination are recognized and reported apart from goodwill.

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment. The Company identified tradenames and certain qualified management contracts as intangible assets with indefinite useful lives because, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the Company. Intangible assets with finite useful lives are amortized over their respective useful lives to their residual values. The Company amortizes noncompete agreements over their average useful life of 8 years. Technology is amortized over its useful life of 15 years. The iron products distribution and manufacturing agreement is amortized over its ten-year contractual license period based upon the annual estimated units of sale of the licensed product. All other intangible assets are amortized over their individual estimated useful lives between 3 and 25 years. Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment.

To perform the annual impairment test of goodwill, the Company identifies its reporting units and determines their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. The Company is comprised of one reporting unit.

In a first step, the Company compares its fair value to its carrying amount. Fair value is determined using estimated future cash flows discounted by an after-tax weighted average cost of capital (WACC). Estimating the discounted future cash flows involves significant assumptions, especially regarding future reimbursement rates and sales prices, number of treatments, sales volumes and costs. In determining discounted cash flows, the Company utilizes its three-year budget, projections for years 4 to 10 and a representative growth rate for all remaining years. Projections for up to ten years are possible due to the stability of the Company's business which, results from the nondiscretionary nature of the healthcare services we provide, the need for products utilized to provide such services and the availability of government reimbursement for a substantial portion of our services. The expected growth rate for the period beyond ten years was 1%. The discount factor is determined by the Company's WACC. The Company's WACC consists of a basic rate of 6.57% for 2012.

In the case that the fair value is less than its book value, a second step is performed which compares the fair value of goodwill to the carrying value of its goodwill. If the fair value of the goodwill is less than the book value, the difference is recorded as an impairment.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Company compares the fair values of intangible assets with their carrying values. An intangible asset's fair value is determined using a discounted cash flow approach or other methods, if appropriate.

In connection with its annual impairment tests, the Company determined that there was no impairment of goodwill or other intangible assets. Accordingly the Company did not record any impairment charges during 2012 and 2011.

(f) ***Derivative Instruments and Hedging Activities***

The Company accounts for derivatives and hedging activities by recognizing all derivative instruments as either assets or liabilities in the consolidated balance sheets at their respective fair values. For derivatives designated as hedges, changes in the fair value are either offset against the change in fair value of the assets and liabilities through earnings, or recognized in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings.

For all hedging relationships the Company formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in accumulated other comprehensive income to the extent that the derivative is effective as a hedge, until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a derivative instrument that qualifies as a cash-flow hedge is reported in earnings.

The Company discontinues hedge accounting prospectively when it is determined that the derivative is no longer effective in offsetting cash flows of the hedged item, the derivative expires or is sold, terminated, or exercised, the derivative is de-designated as a hedging instrument, because it is unlikely that a forecasted transaction will occur, or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued and the derivative is retained, the Company continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in earnings. When it is probable that a hedged forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income (loss).

(g) Foreign Currency Translation

For purposes of these consolidated financial statements, the U.S. dollar is the reporting currency. Substantially all assets and liabilities of the Company's non-U.S. subsidiaries are translated at year-end exchange rates, while revenue and expenses are translated at exchange rates prevailing during the year. Adjustments for foreign currency translation fluctuations are excluded from net income and are reported in accumulated other comprehensive income (loss). In addition, the translation of certain intercompany borrowings denominated in foreign currencies, which are considered foreign equity investments, are reported in accumulated other comprehensive income (loss).

Gains and losses resulting from the translation of revenues and expenses and intercompany borrowings, which are not considered equity investments, are included in the consolidated statements of operations within general and administrative expenses. Foreign exchange (losses) and gains amounted to $3,078 and ($3,495) for the years ended December 31, 2012 and 2011, respectively.

(h) Revenue Recognition

Dialysis care revenues are recognized on the date the patient receives treatment and includes amounts related to certain services, products and supplies utilized in providing such treatment. The patient is obligated to pay for dialysis care services at amounts estimated to be receivable based upon the Company's standard rates or at rates determined under reimbursement arrangements. These arrangements are generally with third party payors, like Medicare, Medicaid or commercial insurers.

As of January 1, 2012, the Company adopted ASU 2011-07, Health Care Entities – Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts and as a result, services performed for patients where the collection of the billed amount or a portion of the billed amount cannot be determined at the time services are performed, the difference between the receivable recorded and the amount estimated to be collectible must be recorded as a provision and the expense is presented as a reduction of Dialysis Care revenues. The provision includes such items as amounts due from patients without adequate insurance coverage, and patient co-payment and deductible amounts due from patients with health care coverage. The Company bases the provision mainly on past collection history and reports it as "Patient service bad debt provision" on the Consolidated Statements of Income.

Dialysis product revenues are recognized upon transfer of title to the customer, either at the time of shipment, upon receipt or upon any other terms that clearly define passage of title. Product revenues are normally based upon pre-determined rates that are established by contractual arrangement. As product returns are not typical, no return allowances are established. In the event a return is required, the appropriate reductions to sales, accounts receivables and cost of sales are made.

For both Dialysis Care and Dialysis Products, patients, third party payors and customers are billed at our standard rates net of contractual allowances, discounts or rebates to reflect the estimated amounts to be receivable from these payors.

Net revenues from machines sales for 2012 and 2011 include $83.5 million and $87.2 million, respectively, of net revenues for machines sold to a third-party leasing company which are utilized by

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the Fresenius Medical Services division to provide services to customers. The profits on these sales are deferred and amortized to earnings over the lease terms.

Any tax assessed by a governmental authority that is incurred as a result of a revenue transaction (e.g., sales tax) is excluded from revenues and reported on a net basis.

(i) ***Research and Development***

Research and development costs are expensed as incurred.

(j) ***Income Taxes***

The Company recognizes deferred tax assets and liabilities for future consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis as well as on consolidation procedures affecting net income and tax loss carryforwards which are more likely than not to be utilized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce the carrying amount of the deferred tax assets unless it is more likely than not that such assets will be realized (see note 10).

It is the Company's policy to recognize interest and penalties related to its tax positions as income tax expense.

(k) ***Impairment***

The Company reviews the carrying value of its long-lived assets or asset groups with definite useful lives to be held and used for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying value of an asset to the future net cash flow directly associated with the asset. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value exceeds the fair value of the asset. The Company uses a discounted cash flow approach or other methods, if appropriate, to assess fair value.

Long-lived assets to be disposed of by sale are reported at the lower of carrying value or fair value less cost to sell and depreciation is ceased. Long-lived assets to be disposed of other than by sale are considered to be held and used until disposal. No impairment charges were taken during the year.

(l) ***Debt Issuance Costs***

Costs related to the issuance of debt are amortized over the term of the related obligation (see note 7).

(m) ***Self-Insurance Programs***

The Company is partially self-insured for professional, product and general liability, auto liability and worker's compensation claims under which the Company assumes responsibility for incurred claims up to predetermined amounts above which third-party insurance applies. Reported balances for the year include estimates of the anticipated expense for claims incurred (both reported and incurred but not reported) based on historical experience and existing claim activity. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts.

(n) ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) ***Concentration of Credit Risk***

The Company is engaged in providing kidney dialysis services, clinical laboratory testing, and other medical ancillary services, and in the manufacture and sale of products for all forms of kidney dialysis, principally to healthcare providers. The Company performs ongoing evaluations of its customers' financial condition and, generally, requires no collateral.

Approximately 49% in 2012 and 47% in 2011 of the Company's revenues were earned and subject to regulations under governmental healthcare programs, Medicare and Medicaid, administered by various states and the United States government.

(p) ***Comprehensive Income***

Comprehensive income consists of net income, foreign currency translation adjustments, pension liability adjustments and changes in derivative instruments and is presented in the consolidated statements of comprehensive income.

(q) ***Employee Benefit Plans***

The Company recognizes the underfunded status of its defined benefit plans, measured as the difference between plan assets at fair value and the benefit obligation, as a liability. Changes in the funded status of a plan, net of tax, resulting from actuarial gains or losses and prior service costs or credits that are not recognized as components of the net periodic benefit cost will be recognized through accumulated other comprehensive income (loss) in the year in which they occur. Actuarial gains or losses and prior service costs are subsequently recognized as components of net periodic benefit cost pursuant to the recognition and amortization provisions of those standards. The Company uses December 31 as the measurement date when measuring the funded status of all plans.

(r) ***Stock Option Plans***

The Company recognizes all employee stock based compensation as a cost in the consolidated financial statements. Equity classified awards are measured at the grant date fair value of the award. The Company estimates grant date fair value using the Black-Scholes-Merton option pricing model.

(s) ***Legal Contingencies***

From time to time, during the ordinary course of the Company's operations, the Company is party to litigation and arbitration and is subject to investigations relating to various aspects of its business (see note 18). The Company regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including the estimated legal expenses and consulting services in connection with these matters, as appropriate. The Company utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for loss accrual, the Company considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that accrual of a loss is appropriate.

(t) ***Fair Value Measurements***

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

(u) ***Recent Pronouncements***

Recently Implemented Accounting Statements

In July 2011, the Financial Accounting Standards Board ("FASB") issued *Accounting Standards Update 2011-07* ("ASU 2011-07"), *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities* in order to provide financial statement users with greater transparency about a healthcare entity's net patient service revenue and the related allowance for doubtful accounts. The standard requires healthcare entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations. The provision for bad debts which we presented as an operating expense before 2012 has been reclassified to a deduction from patient service revenue. Additionally, these healthcare entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts. The update also requires disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts.

The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations has been applied retrospectively to all prior periods presented. The Company adopted the provisions of ASU 2011-07 as of January 1, 2012 and has restated the financial results of 2011 accordingly.

In June 2011, the FASB issued *Accounting Standard Update 2011-05 ("ASU 2011-05"), Comprehensive Income (Topic 220): Presentation of Comprehensive Income.* In December 2011 the FASB issued *Accounting Standard Update 2011-12 ("ASU 2011-12"), Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.* The FASB additionally issued *Accounting Standard Update 2013-02 (ASU 2013-02") Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* in February 2013, which is effective for reporting periods beginning after December 15, 2012.

The requirements established in ASU 2011-05 obliges that all components of comprehensive income be presented either in a single continuous statement of comprehensive income or in two separate but continuous statements. FASB's ASU 2013-02 will require the adjustments to the components of accumulated other comprehensive income and their related tax effects to be presented on the face of the statement in which the components of other comprehensive income are presented or in the notes to the financial statements for year-end disclosure.

The Company presents two separate but continuous statements of net income and comprehensive income and as such we are in compliance with presentation of Comprehensive Income (Topic 220): *Presentation of Comprehensive Income* and *Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income.* Additionally, the Company has early adopted ASU 2013-02 for the adjustments to the components and their tax effects.

In May 2011, the FASB issued ASU 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS. The new standard does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it is already required or permitted under IFRS or U.S. GAAP. For U.S. GAAP, most of the changes are clarifications of existing guidance or wording changes to align with IFRS. The ASU also requires additional disclosures for nonpublic entities to provide quantitative information about significant unobservable inputs used for all Level 3 measurements and a description of the valuation process used. The provisions of the ASU are effective for annual or interim reporting periods beginning after December 15, 2011. The Company adopted the provisions of the ASU in 2012. The adoption of ASU 2011-04 did not have a material effect on the Company's consolidated financial statements. See note 7 to the consolidated financial statements.

(v) Subsequent Events

During 2006, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 5,000,000 shares at $1.00 par value of Series C Preferred Stock. Simultaneous to the issuance of the securities, the Company entered into a conditional forward sale contract on the shares of with DLP (see note 17(d)). Further, as a result of transactions with affiliates, FMCH has a receivable from DLP of $1,949,924 as of December 31, 2012. On March 28, 2013 the Company repurchased 4,118,014 of its Series C Preferred Stock from at a price of $420.574 per share through settlement of the forward sale agreements and a portion of the receivables from DLP.

(3) Acquisition of Liberty Dialysis Holdings

On February 28, 2012, the Company acquired 100% of the equity of LD Holdings, the owner of Liberty Dialysis and owner of a 51% stake in Renal Advantage Partners, LLC (the "Liberty Acquisition"). The Company accounted for this transaction as a business combination, subject to finalization of the acquisition accounting which will be finalized during the first quarter of 2013. LD Holdings mainly provided dialysis care in the United States through the 263 clinics it owned (the "Acquired Clinics"). It is part of the Company's stated strategy to expand and complement its existing business through acquisitions. Generally, these acquisitions do not change the Company's business model and are easy to integrate without disruption to its existing business, requiring little or no realignment of its structures. The Liberty Acquisition is consistent in this regard as it involves the acquisition of dialysis clinics, a business in which the Company is already engaged and, therefore, merely supplements its existing business.

Total consideration for the Liberty Acquisition was $2,181,358, consisting of $1,696,659 cash, net of cash acquired and $484,699 non-cash consideration. Accounting standards for business combinations require previously held equity interests to be fair valued with the difference to book value to be recognized as a gain or loss in income. Prior to the Liberty Acquisition, the Company had a 49% equity investment in Renal Advantage Partners, LLC, the fair value of which, $ 201,915, is included as non-cash consideration. The Company has determined the estimated fair value based on the discounted cash flow method, utilizing an approximately 13% discount rate. In addition to the Company's investment, it also had a loan receivable from Renal Advantage Partners, LLC of $279,793, at a fair value of $ 282,784, which was retired as part of the transaction.

(Dollars in thousands, except share data)

The following table summarizes the estimated fair values as of the date of acquisition based upon information available as of December 31, 2012, of assets acquired and liabilities assumed at the date of the acquisition. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill:

Assets held for sale	$	164,068
Trade accounts receivable		156,443
Other current assets		20,488
Deferred tax assets		14,932
Property, plant and equipment		167,360
Intangible assets and other assets		84,056
Goodwill		1,999,862
Accounts payable, accrued expenses and other current liabilities		(116,153)
Income tax payable and deferred taxes		(42,697)
Short-term borrowings and other financial liabilities and long-term debt and capital lease obligations		(72,101)
Other liabilities		(29,800)
Noncontrolling interests (subject and not subject to put provisions)		(165,100)
Total acquisition cost	$	2,181,358
Less, fair value, non-cash contributions		
Investment at acquisition date		(201,915)
Long-term Notes Receivable		(282,784)
Total non-cash items		(484,699)
Net cash paid	$	1,696,659

As of December 31, 2012, it is estimated that amortizable intangible assets acquired in this acquisition have weighted average useful lives of 6-8 years.

Goodwill, in the amount of $1,999,862 was acquired as part of the Liberty Acquisition. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill arises principally due to the fair value placed on acquiring an established stream of future cash flows versus building a similar franchise. Of the goodwill recognized in this acquisition, approximately $436,000 is expected to be deductible for tax purposes and amortized over a 15 year period.

The noncontrolling interests acquired as part of the acquisition are stated at estimated fair value, subject to finalization of the acquisition accounting, based upon utilized implied multiples used in conjunction with the Liberty Acquisition, as well as the Company's overall experience and contractual multiples typical for such arrangements.

(Dollars in thousands, except share data)

LD Holdings' results have been included in the Company's Consolidated Statement of Operations since February 29, 2012. Specifically, LD Holdings has contributed revenue and operating income in the amount of $713,774 and $182,188, respectively, to the Company's consolidated income. This amount for operating income does not include synergies which may have resulted at consolidated entities outside LD Holdings since the acquisition closed. In addition, the Company's results include those of divested FMCH clinics prior to their divestiture.

The fair valuation of the Company's 49% equity investment in Renal Advantage Partners, LLC at the time of the Liberty Acquisition resulted in a non-taxable gain of $139,600 and is presented in the separate line item "Investment Gain" in the Consolidated Statement of Income. The retirement of the loan receivable resulted in a gain of $8,501 which was recognized in interest income.

Divestitures

In connection with the Federal Trade Commission's consent order relating to the Liberty Acquisition, the Company agreed to divest a total of 62 renal dialysis centers. During the year ended December 31, 2012, 24 of the 61 clinics sold were FMCNA clinics, which resulted in a $33,455 gain recognized in general and administrative expense.

For the year ended December 31, 2012, the income tax expense related to the sale of these clinics of approximately $20,804 has been recorded in income tax expense, resulting in a net gain of approximately $12,651. The after-tax gain was offset by the after-tax effects of the costs associated with the Liberty Acquisition.

Pro Forma Financial Information

The following financial information, on a pro forma basis, reflects the consolidated results of operations as if the Liberty Acquisition and the divestitures described above had been consummated on January 1, 2011. The pro forma information includes adjustments primarily for elimination of the investment gain and the gain from the retirement of debt. The pro-forma financial information is not necessarily indicative of the results of operations as it would have been had the transactions been consummated on January 1, 2011.

	For the years ended December 31, 2012	2011
Pro forma net revenue	$ 8,983,029	8,445,434
Pro forma net income attributable to the shareholders FMCH, Inc.	707,095	607,210

(Dollars in thousands, except share data)

(4) Other Balance Sheet Items

(a) Inventories

As of December 31, 2012 and 2011, inventories consisted of the following:

		2012	2011
Inventories:			
Raw materials	$	102,907	93,557
Manufactured goods in process		28,514	16,069
Manufactured and purchased inventory available for sale		181,889	197,760
		313,310	307,386
Health care supplies		115,310	102,445
Total	$	428,620	409,831

Under the terms of certain unconditional purchase agreements, including the Venofer® license, distribution, manufacturing and supply agreement (the "Venofer® Agreement") with Luitpold Pharmaceuticals, Inc. and American Regent, Inc., the Company is obligated to purchase approximately $465,348 of materials, of which $316,954 is committed at December 31, 2012 for 2013. The terms of these agreements run 1 to 9 years. In the fourth quarter of 2012, the Company amended the Venofer® Agreement which resulted in a decrease of the 2013 purchase commitment of $91,764 and in 2014 and thereafter, the Company is required to determine their minimum purchase requirements for the subsequent year on a yearly basis. The Company incurred costs that have been recorded in general and administrative expenses of $100,000 related to this contract amendment.

Healthcare supplies inventories as of December 31, 2012 and 2011 include $29,704 and $47,654, respectively, of Erythropoietin ("EPO"). On January 1, 2012, the Company entered into a three-year sourcing and supply agreement with its EPO supplier.

(b) Related Party Services

Related-party transactions pertaining to services performed and products purchased/sold between affiliates are recorded as net accounts payable to affiliates on the consolidated balance sheets.

(5) Sale of Accounts Receivable

The Company refinanced the A/R Facility on January 17, 2013 for a term expiring on January 15, 2016 with the available borrowings at $800,000. At December 31, 2012 there are outstanding borrowings under the A/R Facility of $162,000.

Under the A/R Facility, certain receivables are sold to NMC Funding Corporation ("NMC Funding"), a wholly-owned subsidiary. NMC Funding then assigns percentage ownership interests in the accounts receivable to certain bank investors. Under the terms of the A/R Facility, NMC Funding retains the right, at any time, to recall all the then outstanding transferred interests in the accounts receivable. Consequently, the receivables remain on the Company's consolidated balance sheet and the proceeds from the transfer of percentage ownership interests are recorded as long-term debt.

(Dollars in thousands, except share data)

NMC Funding pays interest to the bank investors calculated based on the commercial paper rates for the particular tranches selected. The average interest rate during 2012 and 2011 was 1.70% and 1.29% respectively. Refinancing fees, which include legal costs and bank fees, are amortized over the term of the facility.

(6) Short Term Borrowings

At December 31, 2012 and 2011, short-term borrowings consisted of the following:

		2012	2011
Commercial paper		9,205	9,627
Other		14,599	7,818
Total short-term borrowings	$	23,804	17,445

(7) Long-Term Debt and Capital Lease Obligations

At December 31, 2012 and 2011, long-term debt and capital lease obligations consisted of the following:

		December 31	
		2012	2011
Revolving credit facility	$	59,340	58,970
Loan A		2,600,000	—
Loan B		—	1,521,619
AR facility		162,000	534,500
Iron license agreement		—	5,485
Other*		9,276	2,834
		2,830,616	2,123,408
Less amounts classified as current		101,078	1,148,034
	$	2,729,538	975,374

*Other includes long term capital lease obligations. (See note 11)

The weighted average interest rate for all Company debt outstanding as of December 31, 2012 and 2011 was approximately 4.18% and 4.71%, respectively, including the effects of interest rate swaps in effect during the period.

2012 Credit Agreement

The Company entered into a new $3,850,000 syndicated credit facility (the "2012 Credit Agreement") with a large group of banks and institutional investors (collectively, the "Lenders") on October 30, 2012 which replaced its Amended 2006 Senior Credit Agreement. The new credit facility consists of:

- a 5-year revolving credit facility of approximately $1,250,000 comprising a $400,000 multicurrency revolving facility, a $200,000 revolving facility and a €500,000 revolving facility which will be due and payable on October 30, 2017.

- a 5-year term loan facility of $2,600,000, also scheduled to mature on October 30, 2017. The 2012 Credit Agreement requires 17 quarterly payments of $50,000 each, beginning in the third quarter of 2013 that permanently reduce the term loan facility. The remaining balance is due on October 30, 2017.

Interest on the new credit facilities will be, at the Company's option, at a rate equal to either (i) LIBOR or EURIBOR (as applicable) plus an applicable margin or (ii) the Base Rate as defined in the 2012 Credit Agreement plus an applicable margin. As of December 31, 2012, the tranches outstanding under the 2012 Credit Agreement had a weighted average interest rate of 2.35%.

The applicable margin is variable and depends on the Company's Consolidated Leverage Ratio which is a ratio of its Consolidated Funded Debt less cash and cash equivalents held by the Consolidated Group to Consolidated EBITDA (as these terms are defined in the 2012 Credit Agreement).

In addition to scheduled principal payments, indebtedness outstanding under the 2012 Credit Agreement will be reduced by portions of the net cash proceeds received from certain sales of assets and the issuance of certain additional debt.

Obligations under the 2012 Credit Agreement are secured by pledges of capital stock of certain material subsidiaries in favor of the Lenders.

The 2012 Credit Agreement contains affirmative and negative covenants with respect to the Company and its subsidiaries and other payment restrictions. Certain of the covenants limit indebtedness of the Company and investments by the Company, and require the Company to maintain certain financial ratios defined in the agreement. Additionally, the 2012 Credit Agreement provides for a limitation on dividends and other restricted payments which is €300,000 ($395,820 based upon the December 31, 2012 spot rate) for dividends to be paid in 2013, and increases in subsequent years. In default, the outstanding balance under the 2012 Credit Agreement becomes immediately due and payable at the option of the Lenders. The Company was in compliance with all covenants at December 31, 2012.

The Company incurred fees of approximately $17,227 in conjunction with the 2012 Credit Agreement, which will be amortized over the life of the 2012 Credit Agreement.

(Dollars in thousands, except share data)

The following table shows the available and outstanding amounts under the 2012 Credit Agreement at December 31, 2012 and the Amended 2006 Senior Credit Agreement at December 31, 2011:

2012 Credit Agreement	**Maximum Amount Available December 31, 2012 (1)**				**Balance Outstanding December 31, 2012**			
Revolving Credit USD	$	600,000	$	600,000	$	59,340	$	59,340
Revolving Credit EUR	€	500,000	$	659,700	€	—	$	—
Term Loan A	$	2,600,000	$	2,600,000	$	2,600,000	$	2,600,000
			$	3,859,700			$	2,659,340

Amended 2006 Senior Credit Agreement		**Maximum Amount Available December 31, 2011**		**Balance Outstanding December 31, 2011**
Revolving Credit	$	1,200,000	$	$ 58,970
Term Loan A		1,215,000		—
Term Loan B		1,521,619		1,521,619
	$	3,936,619	$	1,580,589

(1) These amounts represent the maximum amount available under the 2012 Credit Agreement, which replaced the Amended 2006 Senior Credit Agreement on October 30, 2012. The 2012 Credit Agreement utilizes different tranches than the previous agreement and, as such, the tables are presented separately for increased clarity.

In addition, at December 31, 2012 and December 31, 2011, the Company had letters of credit outstanding in the amount of $77,188 and $180,766, respectively, which are not included above as part of the balance outstanding at those dates but which reduce available borrowings under the respective revolving credit facility.

(a) (Receivables)Borrowings from Affiliates

The Company has various outstanding borrowings with KGaA and affiliates. The funds were used for general corporate purposes. The loans are due at various maturities.

(Dollars in thousands, except share data)

At December 31, 2012 and 2011, (receivables) borrowings from affiliates consisted of the following:

	December 31	
	2012	2011
(Receivables) borrowings from affiliates consists of:		
Fresenius Medical Care AG & Co. KGaA borrowings (receivables) primarily at interest rates approximating 0.82% and 0.76%, respectively	$ (860,000)	(800,000)
RTC Holdings International, Inc. borrowings at a fixed interest rate of 1.04% and 0.77%, respectively	13,116	13,040
FMC B LLC borrowings, net of discounts at fixed rates of interest between 5.25% and 5.45%.	1,610,983	—
FMC B LLC borrowings, net of discounts at a fixed rate of 1.437%.	(511)	—
FMC US Finance borrowings, net of discounts at a rate of LIBOR plus 1.11%	7,482	6,752
FMC Finance II borrowings, net of discounts at a fixed rate of 7.00%	408,942	408,942
FMC Finance II borrowings, net of discounts at a rate of LIBOR plus 1.125%	3,229	438
Fresenius Medical Care North America Holdings Limited Partnership receivables at a rate of LIBOR plus 1.5%	$ (1,949,924)	(616,685)
	(766,683)	(987,513)
Less amounts classified as current	(2,796,809)	(1,403,646)
Total	$ 2,030,126	416,133

Scheduled maturities of long-term debt and borrowings (receivables) from affiliates are as follows:

2013	$ (2,695,731)
2014	6,822
2015	—
2016	—
2017	2,721,340
2018 and thereafter	2,030,126
Total	$ 2,062,557

(Dollars in thousands, except share data)

(8) Goodwill and Other Intangible Assets

At December 31, 2012 and 2011, the carrying value and accumulated amortization of other intangible assets consisted of the following:

	December 31, 2012			December 31, 2011		
	Gross carrying value	Accumulated amortization	Carrying value	Gross carrying value	Accumulated amortization	Carrying value
Amortizable intangible assets:						
Noncompete agreements	$ 300,805	(207,368)	93,437	241,046	(181,289)	59,757
Acute care agreements	151,680	(136,698)	14,982	139,849	(132,406)	7,443
License and distribution agreements	55,369	(20,718)	34,651	54,984	(15,819)	39,165
Technology	65,536	(26,280)	39,256	65,536	(21,960)	43,576
Other intangibles	135,627	(50,452)	85,175	109,923	(34,327)	75,596
Construction in progress	45,148	—	45,148	60,212	—	60,212
	754,165	(441,516)	312,649	671,550	(385,801)	285,749
Nonamortizable intangible assets:						
Tradename	$ 208,766	—	208,766	208,766	—	208,766
Management contracts	3,163	—	3,163	3,163	—	3,163
	211,929	—	211,929	211,929	—	211,929
Net intangibles	$ 966,094	(441,516)	524,578	883,479	(385,801)	497,678

Amortization expense for amortizable intangible assets for the years ended December 31, 2012 and 2011 was \$53,693 and \$41,328, respectively. Amortization expense is estimated to be \$54,000 for 2013, \$55,000 for 2014, \$56,000 for 2015, \$57,000 for 2016 and \$58,000 for 2017.

(a) Goodwill

Changes in the reporting unit's carrying amount of goodwill for the years ended December 31, 2012 and 2011 are as follows:

	December 31	
	2012	2011
Carrying value as of beginning of year	$ 7,677,810	7,162,623
Goodwill acquired	2,282,234	513,552
Divested clinics	(109,880)	—
Other reclassifications	(141)	1,635
Carrying value as of end of year	$ 9,850,023	7,677,810

(9) Special Charge for Legal Matters

In 2001, the Company recorded a \$258,159 special charge to address legal matters relating to transactions pursuant to the Agreement and Plan of Reorganization dated as of February 4, 1996 by and between W. R. Grace & Co. and Fresenius AG (the Merger), estimated liabilities and legal expenses arising in connection with the W. R. Grace & Co. Chapter 11 proceedings (the Grace Chapter 11 Proceedings) and the cost of resolving pending litigation and other disputes with certain commercial insurers. During the second quarter of 2003, the court supervising the Grace Chapter 11 Proceedings approved a definitive settlement agreement entered into among the Company, the committee representing the asbestos creditors and W. R. Grace & Co. Under the settlement agreement, the Company will pay $115,000, without interest, upon plan confirmation (see note 18(c)). With the exception of the proposed $115,000 payment under the Settlement Agreement, all other matters included in the special charge have been resolved.

(Dollars in thousands, except share data)

At December 31, 2012, there is a remaining balance of $115,555 for the accrual for the special charge for legal matters. During the years ended December 31, 2012 and 2011, $139 and $134, respectively, in charges were applied against the accrued special charge for legal matters.

(10) Income Taxes

Income (loss) before income taxes is as follows:

		Year ended December 31	
		2012	**2011**
Domestic	$	1,476,417	1,101,985
Foreign		(2,095)	6,656
Total income before income taxes	$	1,474,322	1,108,641

The provisions for income taxes are as follows:

		Year ended December 31	
		2012	**2011**
Current tax expense:			
Federal	$	334,461	230,650
State		56,405	57,872
Foreign		6,789	1,509
Total current		397,655	290,031
Deferred tax expense:			
Federal		72,463	116,698
State		17,048	2,735
Foreign		399	827
Total deferred tax expense		89,910	120,260
Total provision	$	487,565	410,291

(Dollars in thousands, except share data)

The provision for income taxes for the years ended December 31, 2012 and 2011 differed from the amount of income taxes determined by applying the applicable statutory federal income tax rate to pre-tax earnings as a result of the following differences:

	Year ended December 31	
	2012	**2011**
Statutory federal tax rate	35.0%	35.0%
State income taxes, net of federal tax benefit	3.8	4.2
Provision for tax audit liability	0.6	0.9
Non taxable gain on acquisition	(3.3)	—
Noncontrolling partnership interests	(3.3)	(3.0)
Foreign losses and taxes	0.6	—
Manufacturing deduction	(0.2)	(0.2)
Other	(0.1)	0.1
Effective tax rate	33.1%	37.0%

Deferred tax liabilities (assets) are comprised of the following:

	December 31	
	2012	**2011**
Reserves and other accrued liabilities	$ (179,937)	(128,172)
Depreciation and amortization	697,344	565,637
Special charge not currently deductible	(43,930)	(44,030)
Derivatives	1,075	(7,523)
Pension valuation	(83,926)	(64,281)
Stock based compensation expense	(20,656)	(21,267)
Other	(1)	(149)
Net deferred tax liabilities	$ 369,969	300,215

The Company has established valuation allowances for deferred tax assets of $23,422 and $22,847 at December 31, 2012 and 2011, respectively.

The net increase in the valuation allowance for deferred tax assets was $575 and $7,638 for the years ended December 31, 2012 and 2011 respectively. The changes aforementioned relate to activities incurred in state and foreign jurisdictions.

It is the Company's expectation that it is more likely than not to generate future taxable income to utilize its remaining deferred tax assets.

At December 31, 2012, there is a federal net operating loss carryover of $6,828 the majority of which will begin to expire in 2024. In addition, there is a Federal Tax Credit of $1,270 which will begin to expire in

2020. State net operating loss carryovers are \$262,156 with varying expiration dates and foreign net operating losses are \$17,932, the majority of which expire within seven years.

Provision has not been made for additional federal, state, or foreign taxes on \$44,426 of undistributed earnings of foreign subsidiaries. Prior to a decision on the evaluation discussed below, those earnings have been and will continue to be reinvested. The earnings could be subject to additional tax if they were remitted as dividends, if foreign earnings were loaned to the Company or a U.S. affiliate or if the Company should sell its stock in these subsidiaries. The Company estimates that the distribution of these earnings would result in \$15,632 of additional foreign withholding tax and U.S. federal income taxes.

The Company applies ASC 740, *Income Taxes* (ASC 740), formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*. ASC 740 prescribes a two-step approach to the recognition and measurement of all tax positions taken or expected to be taken in a tax return. The enterprise must determine whether it is more-likely than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. If the threshold is met, the tax position is measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement and is recognized in the consolidated financial statements.

The Company filed claims for refunds contesting the Internal Revenue Service's ("IRS") disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of \$37,000, inclusive of interest and preserved the right to pursue claims in the United States Courts for refunds of all other disallowed deductions, which totaled approximately \$126,000. On December 22, 2008, the Company filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. On August 15, 2012, a jury entered a verdict for FMCH granting additional deductions of \$95,000. The District Court is now considering post-trial motions by the IRS to set aside the verdict and the terms of the judgment to be entered against the United States to reflect the amount of the tax refund due to FMCH.

In the U.S., the tax years 2009 and 2010 are currently under audit by the tax authorities. Fiscal years 2011 and 2012 are open to audit. FMCH is also subject to audit in various state jurisdictions. A number of these audits are in progress and various years are open to audit in various state jurisdictions. All expected results for both federal and state income tax audits have been recognized in the consolidated financial statements.

(Dollars in thousands, except share data)

The following table shows the reconciliation of the beginning and ending amounts of unrecognized tax benefits:

		2012	2011
Unrecognized tax benefits (net of interest):			
Balance at January 1	$	66,024	70,725
Increases in unrecognized tax benefits prior periods		5,831	11,016
Decreases in unrecognized tax benefits prior periods		(513)	(5,932)
Increases in unrecognized tax benefits current periods		2,083	3,198
Changes related to settlements with tax authorities		(14,978)	(9,883)
Reductions due to statute of limitations		—	(3,100)
Balance at December 31	$	58,447	66,024

Included in the balance is $35,028 and $43,205 of unrecognized tax benefits at December 31, 2012 and 2011, respectively which would affect the effective tax rate if recognized. The Company is currently not in a position to forecast the timing and magnitude of changes in the unrecognized tax benefits within the next twelve months.

During the year ended December 31, 2012 and 2011, the Company recognized $3,185 and $7,922 in interest and penalties, respectively. The Company paid $35,084 and $17,464 in interest and penalties during 2012 and 2011, respectively.

(11) Property, Plant and Equipment

As of December 31, 2012 and 2011, property, plant and equipment consisted of the following:

		December 31	
		2012	2011
Land and improvements	$	12,700	12,145
Buildings		205,496	185,366
Capital lease property		4,585	3,587
Leasehold improvements		1,307,360	1,115,402
Equipment and furniture		1,439,717	1,227,023
Construction in progress		85,569	146,246
		3,055,427	2,689,769
Accumulated depreciation and amortization		(1,487,196)	(1,291,956)
Property, plant and equipment, net	$	1,568,231	1,397,813

Depreciation expense relating to property, plant and equipment amounted to $299,319 and $263,450 for the years ended December 31, 2012 and 2011, respectively.

Included in property, plant and equipment as of December 31, 2012 and 2011 were $99,567 and $100,474, respectively, of peritoneal dialysis cycler machines which the Company leases to customers with end-stage renal disease on a month-to-month basis. Rental income for the peritoneal dialysis cycler machines was $8,351 and $7,357, for the years ended December 31, 2012 and 2011, respectively.

(Dollars in thousands, except share data)

Leases

The Company leases buildings and machinery and equipment under various lease agreements expiring on dates through 2019. Rental expense for operating leases was $462,112 and $419,117 for the years ended December 31, 2012 and 2011, respectively. Amortization of properties under capital leases amounted to $371 and $2,090 for the years ended December 31, 2012 and 2011, respectively.

Future minimum payments under noncancelable leases (principally for clinics, offices and equipment) for the five years succeeding December 31, 2012 and thereafter are as follows:

	Operating leases	Capital leases	Total
2013	$ 428,811	747	429,558
2014	389,477	758	390,235
2015	339,842	614	340,456
2016	284,723	368	285,091
2017	291,639	219	291,858
2018 and beyond	774,736	178	774,914
Total minimum payments	$ 2,509,228	2,884	$ 2,512,112
Less interest and operating costs		430	
Present value of minimum lease payments ($1,078 payable in 2013)		$ 2,454	

Lease agreements frequently include renewal options and require that the Company pay for utilities, taxes, insurance and maintenance expenses. Options to purchase are also included in some lease agreements, particularly capital leases.

(12) Mandatorily Redeemable Preferred Securities

FMCAG & KGaA issued Trust Preferred Securities through Fresenius Medical Care Capital Trusts, statutory trusts organized under the laws of the state of Delaware. FMCAG & KGaA owns all of the common securities of these trusts. The sole asset of each trust is a senior subordinated note of FMCAG & KGaA or a wholly owned subsidiary of FMCAG & KGaA. FMCAG & KGaA, Fresenius Medical Care Deutschland GmbH (D-GmbH) and FMCH have guaranteed payment and performance of the senior subordinated notes to the Fresenius Medical Care Capital Trusts. The Trust Preferred Securities are guaranteed by FMCAG & KGaA through Series of undertakings by FMCAG & KGaA and FMCH and D-GmbH.

The holders of the Redeemable Preferred Securities are entitled to receive dividends in an amount of dollars per share that varies from approximately 3% to 5% of the purchase price depending on the year. The dividends will be declared and paid in cash at least annually. All the Redeemable Preferred Securities have a par value of $0.01 per share.

Upon liquidation or dissolution or winding up of the issuer of the Redeemable Preferred Securities, the holders of the Redeemable Preferred Securities are entitled to an amount equal to the liquidation preference for each share of stock plus an amount equal to all accrued and unpaid dividends thereon through the date of distribution. The liquidation preference is the sum of the issuance price plus, for each year or portion thereof, an amount equal to one-half of one percent of the issue price, not to exceed 5% of the issue price in the aggregate.

The Series A Redeemable Preferred Securities plus any accrued and unpaid dividends will be sold back to the Company. Series A was offered in March 2007 and was redeemed in March 2013.

Dividends accrued were recorded and classified as part of interest expense in the consolidated statements of operations in the amounts of $24,418 and $23,390, for the years ended December 31, 2012 and 2011, respectively. During the years ended December 31, 2012 and 2011, cash dividend payments were made totaling $23,290 and $23,938, respectively.

The holders of the Redeemable Preferred Securities have the same participation rights as the holders of all other classes of capital stock of the issuing subsidiary.

(13) Pension and Other Post Retirement Benefits

(a) National Medical Care, Inc. Defined Benefit Pension Plan

The Company has a noncontributory, defined benefit pension plan (NMC plan). Each year the Company contributes at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended. Plan assets consist primarily of publicly traded common stock, fixed income securities and cash equivalents.

In 2002, the Company curtailed its defined benefit and supplemental executive retirement plans. Under the curtailment amendment for substantially all employees eligible to participate in the plan, benefits have been frozen as of the curtailment date and no additional defined benefits for future services will be earned. The Company has retained all employee benefit obligations as of the curtailment date. There was no minimum funding requirement for FMCH for the defined benefit plan in 2012 and 2011. The Company contributed $10,200 for the years ended December 31, 2012. No contributions were made for the year ended December 31, 2011. Expected funding for 2013 is $9,400.

(Dollars in thousands, except share data)

The following table shows the changes in benefit obligations, the changes in plan assets, and the funded status of the NMC plan:

		Year ended December 31	
		2012	2011
Change in benefit obligation:			
Benefit obligation at beginning of year	$	339,265	271,873
Service cost		2,301	1,782
Interest cost		17,169	16,006
Actuarial loss		69,248	58,765
Benefits paid		(19,153)	(9,161)
Benefit obligation at end of year		408,830	339,265
Change in plan assets:			
Fair value of plan assets at beginning of year		218,990	232,325
Actual return on plan assets		18,357	(4,174)
Employer contribution		10,200	—
Benefits paid		(19,153)	(9,161)
Fair value of plan assets at end of year		228,394	218,990
Funded status at year-end	$	(180,436)	(120,275)

The pension liability recognized as of December 31, 2012 and 2011, is equal to the amount shown as 2012 and 2011 funded status at end of year in the table above. The funded status as of December 31, 2012 and 2011 of $180,436 and $120,275, respectively is recorded as other liabilities in the consolidated balance sheets.

The accumulated benefit obligation for the NMC plan was $405,330 and $336,137 at December 31, 2012 and 2011, respectively. The accumulated benefit obligation for the NMC plan with an obligation in excess of plan assets was $176,936 and $117,147 at December 31, 2012 and 2011, respectively. The related plan assets had a fair value of $228,394 and $218,990 at December 31, 2012 and 2011, respectively.

(Dollars in thousands, except share data)

The pre-tax changes in the table below for 2012 and 2011 reflect actuarial losses in other comprehensive income relating to pension liabilities. As of December 31, 2012 there are no cumulative effects of prior service costs included in other comprehensive income.

		Actuarial losses
Adjustments related to pensions at January 1, 2011	$	84,000
Additions		80,688
Releases		(7,261)
Adjustments related to pensions at December 31, 2011		157,427
Additions		66,133
Releases		(17,139)
Adjustments related to pensions at December 31, 2012	$	206,421

The actuarial loss expected to be amortized from other comprehensive income into net periodic pension cost over the next year is $21,841.

The following weighted average assumptions were utilized in determining benefit obligations as of December 31:

	2012	2011
Discount rate	4.21%	5.03%
Rate of compensation increase	3.50	4.00

The NMC plan net periodic benefit costs are comprised of the following components:

		2012	2011
Components of net periodic benefit cost:			
Service cost	$	2,301	1,782
Interest cost		17,169	16,006
Expected return on plan assets		(15,242)	(17,750)
Amortization of unrealized losses		17,139	7,263
Net periodic benefit cost	$	21,367	7,301

The discount rates for the plan are derived from an analysis and comparison of yields of portfolios of equity and highly rated debt instruments with maturities that mirror the plan's benefit obligation. The Company's discount rate is the weighted average of these plans based upon their benefit obligations at

(Dollars in thousands, except share data)

December 31, 2012. The following weighted average assumptions were used in determining net periodic benefit cost for the years ended December 31:

	2012	2011
Discount rate	5.03%	5.80%
Expected return on plan assets	7.00	7.50
Rate of compensation increase	4.00	4.50

Expected benefit payments for the NMC plan for the next five years and in the aggregate for the five years thereafter are as follows:

2013	$	12,106
2014		13,258
2015		14,440
2016		15,511
2017		16,825
2018 through 2022		101,572

(Dollars in thousands, except share data)

Plan Assets

The following table presents the fair values of the Company's pension plan assets at December 31, 2012 and 2011:

		Fair value measurements at December 31, 2012			Fair value measurements at December 31, 2011		
		Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2	Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2
Asset category:							
Equity investments:							
Index funds [1]	$	58,511	—	58,511	55,538	—	55,538
Fixed income investments:							
Government securities [2]		9,859	8,504	1,355	6,612	5,025	1,587
Corporate bonds [3]		152,332	—	152,332	143,782	—	143,782
Other bonds [4]		457	—	457	483	—	483
U.S. Treasury money market funds [5]		2,975	2,975	—	6,600	6,600	—
Other types of investments:							
Cash, money market and mutual funds [6]		4,260	4,260	—	5,975	5,975	—
Total	$	228,394	15,739	212,655	218,990	17,600	201,390

1 This category comprises low-cost equity index funds not actively managed that track the S&P 500, S&P 400, Russell 2000, MSCI Emerging Markets Index and the Morgan Stanley International EAFE Index.

2 This category comprises fixed income investments by the U.S. Government and government sponsored entities.

3 This category represents investment grade bonds of U.S. issuers from diverse industries.

4 This category comprises private placement bonds as well as collateralized mortgage obligations.

5 This category represents funds that invest in treasury obligations directly or in treasury-backed obligations.

6 This category represents cash, money market funds as well as mutual funds comprised of high grade corporate bonds.

The methods and inputs used to measure the fair value of plan assets are as follows:

Index funds are valued based on market quotes.

Government bonds are valued based on market quotes.

Corporate bonds and other bonds are valued based on market quotes as of the balance sheet date.

Cash is stated at nominal value which equals the fair value.

U.S. Treasury money market funds as well as other money market and mutual funds are valued at their market price.

Plan Investment Policy and Strategy

The Company periodically reviews the assumption for long-term expected return on pension plan assets. As part of the assumptions review, independent consulting actuaries determine a range of reasonable expected investment returns for the pension plan as a whole based on their analysis of expected future returns for each asset class weighted by the allocation of the assets. The range of returns developed relies both on forecasts, which include the actuarial firm's expected long-term rates of return for each significant asset class or economic indicator, and on broad-market historical benchmarks for expected return, correlation, and volatility for each asset class. As a result, the Company's expected rate of return on pension plan assets was 7.00% for 2012 and 7.50% for 2011, respectively.

The Company's overall investment strategy is to achieve a mix of approximately 96% of investments for long-term growth and 4% for near-term benefit payments with a wide diversification of asset types, fund strategies and fund managers.

The investment policy, utilizing a revised target investment allocation of 35% equity and 65% long-term U.S. bonds, considers that there will be a time horizon for invested funds of more than 5 years. The total portfolio will be measured against a policy index that reflects the asset class benchmarks and the target asset allocation. The NMC Plan policy does not allow investments in securities of the Company or other related-party securities. The performance benchmarks for the separate asset classes include: S&P 500 Index, S&P 400 Index, Russell 2000 Growth Index, MSCI EAFE Index, MSCI Emerging Markets Index, Barclays Capital Long Term Government Index and Barclays Capital 20 Year U.S. Treasury Strip Index.

(b) Supplemental Executive Retirement Plan

The Company's supplemental executive retirement plan provides certain key executives with benefits in excess of normal pension benefits. This plan was also curtailed prior to 2010. The projected benefit obligation was $14,680 and $13,031 at December 31, 2012 and 2011, respectively. Pension expense for this plan, for the years ended December 31, 2012 and 2011 was $1,451 and $1,173, respectively. The Company has recorded $5,900 and $5,097 to accumulated other comprehensive income (loss) to recognize the additional liability for this plan at December 31, 2012 and 2011, respectively. The Company contributed $604 and $556 to this plan during 2012 and 2011, respectively. Expected funding for 2013 is $907.

The pension liability recognized as of December 31, 2012 and 2011 of $14,680 and $13,031, respectively, includes a current portion of $888 and $771, respectively which is recognized as a current liability in the line item "accrued liabilities" within the consolidated balance sheets. The noncurrent portion of $13,792 as of December 31, 2012 and $12,260 as of December 31, 2011 is recorded as noncurrent pension liability in "other liabilities" within the consolidated balance sheets.

The Company does not provide any post-retirement benefits to its employees other than those provided under its pension plan and supplemental executive retirement plan.

(c) Defined Contribution Plans

Most of the Company's employees are eligible to join a 401(k) savings plan. Employees can deposit up to 75% of their pay up to a maximum of $16.5 if under 50 years old ($22.0 if 50 or over) under this savings plan. The Company will match 50% of the employee deposit up to a maximum Company contribution of 3% of the employee's pay. The Company's total expense under this defined contribution plan for the years ended December 31, 2012 and 2011 was $38,582 and $33,741, respectively.

(14) Noncontrolling Interests Subject to Put Provisions

The Company has potential obligations to purchase the noncontrolling interests held by third parties in certain of its consolidated subsidiaries. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase all or part of third-party owners' noncontrolling interests at the appraised fair value at the time of exercise. The methodology the Company uses to estimate the fair values of the noncontrolling interest subject to put provisions assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors. The estimated fair values of the noncontrolling interests subject to these put provisions can also fluctuate and the implicit multiple of earnings at which these noncontrolling interest obligations may ultimately be settled could vary significantly from our current estimates depending upon market conditions.

As of December 31, 2012 and 2011 the Company's potential obligations under these put options are $511,707 and $404,015, respectively, of which, at December 31, 2012, $221,452 were exercisable. In the last two fiscal years ending December 31, 2012 one put has been exercised for a total consideration of $3,087.

(Dollars in thousands, except share data)

Following is a rollforward of noncontrolling interests subject to put provisions for the years ended December 31, 2012 and 2011:

		2012	2011
Beginning balance	$	404,015	273,022
Dividends paid		(114,536)	(43,104)
Purchase/sale of noncontrolling interests		129,824	37,786
Contributions from noncontrolling interests		16,566	7,222
Changes in fair value of noncontrolling interests		(18,880)	86,233
Net income		94,718	42,856
Ending balance	$	511,707	404,015

(15) Equity

(a) *Preferred Stock $1.00 Par Value*

During 2006, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 5,000,000 shares at $1.00 par value of Series C Preferred Stock. The Company received proceeds of $1,250,000. Simultaneous to the issuance of the securities, the Company entered into a conditional forward sale contract on the shares with DLP (see note 17 (d)). At each reporting period, the securities are marked to market at the Euro spot rate. Changes in the fair value are recognized in earnings.

During the first quarter of 2011, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 2,653,560 shares at $1.00 par value of Series E Preferred stock. The Company received proceeds of $663,390.

During the second quarter of 2011, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 2,100,000 shares at $1.00 par value of Series F Preferred stock. The Company received proceeds of $525,000.

At December 31, 2012 and 2011, the components of the Company's preferred stocks as presented in the consolidated balance sheets consisted of the following:

		December 31	
		2012	2011
Preferred stock $1.00 par value:			
Class C; 5,000,000 shares authorized, issued and outstanding.	$	1,362,566	1,336,232
Class E; 2,653,560 shares authorized, issued and outstanding.		663,390	663,390
Class F; 2,100,000 shares authorized, issued and outstanding.		525,000	525,000
Total Preferred Stock	$	2,550,956	2,524,622

(b) Stock Options

In connection with its stock option program, the Company incurred compensation expense of $18,059 and $20,767 for the years ended December 31, 2012 and 2011, respectively. There were no capitalized compensation costs in any of the two years presented. The Company also recorded a related deferred income tax of $7,124 and $8,193 for the years ended December 31, 2012 and 2011, respectively.

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (2011 SOP) was established by resolution of the Parent Company's annual general meeting (AGM). The 2011 SOP, together with the Phantom Stock Plan 2011, which was established by resolution of the General Partner's Management and Supervisory Boards, forms the Parent Company's Long Term Incentive Program 2011 (2011 Incentive Program). Under the 2011 Incentive Program, participants may be granted awards, which will consist of a combination of stock options and phantom stock. Awards under the 2011 Incentive Program will be granted over a five year period and can be granted on the last Monday in July and/or the first Monday in December each year. Prior to the respective grant, the participants will be able to choose how much of the granted value is granted in the form of stock options and phantom stock in a predefined range of 75:25 to 50:50, stock options vs. phantom stock. The number of phantom shares that plan participants may choose to receive instead of stock options within the aforementioned predefined range is determined on the basis of a fair value assessment pursuant to a binomial model. With respect to grants made in July, this fair value assessment will be conducted on the day following the Parent Company's AGM and with respect to the grants made in December, on the first Monday in October.

The awards under the 2011 Incentive Program are subject to a four-year vesting period. The vesting of the awards granted is subject to achievement of performance targets measured over a four-year period beginning with the first day of the year of the grant. For each such year, the performance target is achieved if the Parent Company's adjusted basic income per ordinary share (Adjusted EPS), as calculated in accordance with the 2011 Incentive Program, increases by at least 8% year over year during the vesting period or, if this is not the case, the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year of the Adjusted EPS during the four-year vesting period. At the end of the vesting period, one-fourth of the awards granted is forfeited for each year in which the performance target is not achieved. All awards are considered vested if the compounded annual growth rate of the Adjusted EPS reflects an increase of at least 8% per year during the four-year vesting period. Vesting of the portion or portions of a grant for a year or years in which the performance target is met does not occur until completion of the four-year vesting period.

The exercise price of stock options granted under the 2011 Incentive Program shall be the average stock exchange price on the Frankfurt Stock Exchange of the Parent Company's ordinary shares during the 30 calendar days immediately prior to each grant date. Stock options granted under the 2011 Incentive Program have an eight-year term and can be exercised only after a four-year vesting period. Stock options granted under the 2011 Incentive Program to US participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2011 Incentive Program are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or disposed of otherwise.

In 1996, FMCAG adopted a stock incentive plan (the FMCAG Plan) under which the Parent Company and the Company's key management and executive employees are eligible. Under the FMCAG Plan, eligible employees will have the right to acquire preference shares of FMCAG. Options granted under the FMCAG Plan will be evidenced by a nontransferable convertible bond and corresponding nonrecourse loan to the employee, secured solely by the bond with which it was made. The bonds mature in ten years and are generally fully convertible after three to five years. Each convertible bond, which is deutsche mark (DM) denominated, entitles the holder thereof to convert the bond in preference shares equal to the face amount of the bond divided by the preference share's nominal value.

During 1998, FMCAG adopted a new stock incentive plan (FMCAG 98 Plan) under which the Parent Company and the Company's key management and executive employees are eligible. Under the FMCAG 98 Plan, eligible employees will have the right to acquire Preference Shares of FMCAG. Options granted under the FMCAG 98 Plan will be evidenced by a nontransferable convertible bond and a corresponding nonrecourse loan to the employee, secured solely by the bond with which it was made. Each convertible bond, which is DM denominated, will entitle the holder thereof to convert the bond in Preference Shares equal to the face amount of the bond divided by the preference share's nominal value. Effective September 2001, no additional grants or options will be awarded under the FMCAG 98 Plan.

On May 23, 2001, by resolution of the FMCAG shareholders, the FMCAG 98 Plan was replaced by a new plan (FMCAG International Plan). Under the FMCAG International Plan, options in the form of convertible bonds with a principal of up to 10,240 Euros were issued to the members of the FMCAG Management Board and other employees of the Company representing grants for up to 4 million nonvoting preference shares. The convertible bonds originally had a par value of 2.56 Euros and bear interest at a rate of 5.5%. In connection with the share split effected in 2007, the principal amount was adjusted in the same proportion as the share capital out of the capital increase and the par value of the convertible bonds was adjusted to 0.85 Euros without affecting the interest rate. Except for the members of the FMCAG Management Board, eligible employees may purchase the bonds by issuing a nonrecourse note with terms corresponding to the terms of and secured by the bond. The Parent Company has the right to offset its obligation on a bond against the employee's obligation on the related note; therefore, the convertible bond obligations and employee note receivables represent stock options issued by the Parent Company and are not reflected in the Parent Company's consolidated financial statements. The options expire ten years from issuance and can be exercised beginning two, three or four years after issuance.

Upon issuance of the option, the employees had the right to choose options with or without a stock price target. The conversion price of options subject to a stock price target corresponds to the stock exchange quoted price of the preference shares upon the first time the stock exchange quoted price exceeds the initial value by at least 25%. The initial value (Initial Value) is the average price of the preference shares during the last 30 trading days prior to the date of grant. In the case of options not subject to a stock price target, the number of convertible bonds awarded to the eligible employee would be 15% less than if the employee elected options subject to the stock price target. The conversion price of the options without a stock price target is the Initial Value. Each option entitles the holder thereof, upon payment of the respective conversion price, to acquire one preference share.

Effective May 2006, no further grants can be issued under the FMCAG International Plan and no options were granted under the FMCAG International Plan after 2005.

On May 9, 2006 as amended on May 15, 2007 the FMCAG & KGaA Stock Option Plan 2006 (the 2006 Amended Plan) was established by resolution of the FMCAG & KGaA annual general meeting with a conditional capital increase up to 15,000 Euros subject to the issue of up to fifteen million no par value bearer ordinary shares with a nominal value of 1.00 euros each. Under the 2006 Amended Plan, up to 15 million options can be issued to members of the management board and to other employees of FMCAG and the Company.

Options under the 2006 Amended Plan can be granted the last Monday in July and/or the first Monday in December. The exercise price of the options granted under the 2006 Amended Plan shall be the average closing price on the Frankfurt Stock Exchange of FMCAG & KGaA ordinary shares during the 30 calendar days immediately prior to each grant date. Options granted under the 2006 Amended Plan have a seven-year term but can be exercised only after a three-year vesting period. The vesting of options granted is subject to satisfaction of performance targets measured over a three-year period from the grant date. The performance targets for 2012 and 2011 were met. Vesting of a portion or portions of a grant for a year in which the performance target is met does not occur until completion of the entire three-year vesting period. Upon the exercise of vested options, FMCAG & KGaA has the right to issue ordinary shares it owns or that it purchases on the market in place of increasing capital by the issuance of new shares.

Options granted under the 2006 Amended Plan to U.S. participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2006 Amended Plan are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or otherwise disposed of.

The table below provides reconciliations for options outstanding at December 31, 2012, as compared to December 31, 2011.

	Options (In thousands)	Weighted average exercise price
Ordinary shares:		
Balance at December 31, 2010	7,766	$ 45.21
Granted	1,338	67.87
Exercised	(1,336)	42.24
Forfeited	(149)	44.74
Balance at December 31, 2011	7,619	49.73
Granted	1,519	70.11
Exercised	(1,827)	42.52
Forfeited	(584)	39.49
Balance at December 31, 2012	6,727	58.51

	Options (In thousands)	Weighted average exercise price
Preference shares:		
Balance at December 31, 2010	59	$ 24.83
Exercised	(9)	29.14
Forfeited	(1)	23.56
Balance at December 31, 2011	49	24.12
Exercised	(7)	20.54
Forfeited	(4)	24.59
Balance at December 31, 2012	38	25.41

The following table provides a summary of fully vested options outstanding and exercisable for both preference and ordinary shares at December 31, 2012:

	Fully vested outstanding and exercisable options			
	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price	Aggregate intrinsic value
Options for ordinary shares	2,138	3.68	$ 42.21	57,322
Options for preference shares	38	2.00	25.41	1,141

At December 31, 2012, there is $37,282 of total unrecognized compensation costs related to nonvested options granted under all plans. These costs are expected to be recognized over a weighted average period of 2.0 years.

During the years ended December 31, 2012 and 2011, the Parent Company received cash of $75,802 and $60,972, respectively, from the exercise of stock options. The intrinsic value of options exercised for the years ended December 31, 2012 and 2011 were $53,252 and $32,978, respectively. The Company recorded a related tax benefit of $21,008 and $6,025 for the years ended December 31, 2012 and 2011, respectively.

(c) Fair Value Information

The Company used a binomial option-pricing model in determining the fair value of the awards under the 2011 SOP and the 2006 Plan. Option valuation models require the input of subjective assumptions including expected stock price volatility. The Company's assumptions are based upon its past experiences, market trends and the experiences of other entities of the same size and in similar industries. Expected volatility is based on historical volatility of the Company's shares. To incorporate the effects of expected early exercise in the model, an early exercise of vested options was assumed as soon as the share price exceeds 155% of the exercise price. The Company's stock options have characteristics that vary significantly from traded options and changes in subjective assumptions can materially affect the fair value of the option.

(Dollars in thousands, except share data)

The assumptions used to determine the fair value of the 2012 and 2011 grants are as follows:

		2012	2011
Expected dividend yield		1.61%	1.62%
Risk-free interest rate		1.09	2.55
Expected volatility		22.20	22.22
Expected life of options		8 years	8 years
Weighted average exercise price	$	75.41	67.87

(16) Financial Instruments

As a supplier of dialysis services and products, the Company is faced with a concentration of credit risks due to the nature of the reimbursement system which are often provided by the governments of the jurisdictions in which the Company operates. Changes in reimbursement rates or scope of coverage could have a material adverse effect on the Company's business, financial condition and results of operations and thus on its capacity to generate cash flow. In the past the Company experienced and also expects in the future generally stable reimbursements for its dialysis services. This includes the balancing of favorable and unfavorable reimbursement changes. Due to the fact that a large portion of the Company's reimbursement is provided by public healthcare organizations and private insurers, the Company expects that most of its accounts receivables will be collectable.

(Dollars in thousands, except share data)

Nonderivative Financial Instruments

The following table presents the carrying amounts and fair values of the Company's nonderivative financial instruments at December 31, 2012 and 2011:

		December 31, 2012		December 31, 2011	
		Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Nonderivatives:					
Assets:					
Cash and cash equivalents	$	341,071	341,071	204,142	204,142
Accounts receivables		1,361,637	1,361,637	1,188,700	1,188,700
Receivables from affiliates		2,796,809	2,796,809	1,403,646	1,403,646
Long term notes receivable		—	—	234,490	233,514
Liabilities:					
Accounts payable	$	373,768	373,768	309,345	309,345
Short-term borrowings		23,804	23,804	17,445	17,445
Long-term debt and capital lease obligations, excluding Amended 2006 Senior Credit Agreement		171,276	171,276	542,819	542,819
Amended 2006 Senior Credit Agreement		2,659,340	2,646,764	1,580,589	1,572,957
Mandatorily redeemable preferred securities		665,500	665,500	665,500	665,500
Borrowings from affiliates		2,030,126	2,030,126	416,133	416,133
Noncontrolling interests subject to put provisions	$	511,707	511,707	404,015	404,015

The carrying amounts in the table are included in the consolidated balance sheets under the indicated captions.

The significant methods and assumptions used in estimating the fair values of financial instruments are as follows:

Cash and cash equivalents are stated at nominal value which equals the fair value.

Short-term financial instruments such as accounts receivable, accounts payable and short-term borrowings are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

The valuation of the long-term notes receivable is determined using significant unobservable inputs (Level 3). It is valued using a constructed index based upon similar instruments with comparable credit ratings, terms, tenor, interest rates and that are within the Company's industry. The Company tracked the prices of the constructed index from the note issuance date to the reporting date to determine fair value.

The fair values of the long-term debt and capital lease obligations are calculated on the basis of market information. Instruments for which market quotes are available are measured using these quotes. The fair values of the other long-term financial liabilities are calculated at the present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs (Level 3). See note 14 for a discussion of the Company's methodology for estimating the fair value of these noncontrolling interests subject to put obligations.

Currently, there is no indication that a decrease in the value of the Company's financing receivables is probable. Therefore, the allowances on credit losses of financing receivables are immaterial.

(17) Derivative Financial Instruments

The Company is exposed to market risk from changes in interest rates and foreign exchange rates. In order to manage the risk of interest rate and currency exchange rate fluctuations, the Company enters into various hedging transactions with highly rated financial institutions as authorized by the Parent Company. On a quarterly basis an assessment of the Company's counterparty credit risk is performed, which the Company considers to be low. The Company does not use financial instruments for trading purposes.

The Company established guidelines for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

The table below summarizes the derivative financial instruments pre-tax and after-tax effect on accumulated other comprehensive income (loss) in equity for the years ended December 31, 2012 and 2011:

		Year ended December 31	
		2012	2011
		(Dollars in millions)	
Interest rate swaps:			
Pre-tax (gain)	$	(9.8)	(49.9)
After-tax (gain)		(6.0)	(30.2)
Forecasted raw material product purchases and other obligations:			
Pre-tax loss/(gain)	$	(12.0)	9.2
After-tax loss/(gain)		(7.2)	5.6

The interest rate swaps are designated as cash flow hedges effectively converting certain variable interest rate payments into fixed interest rate payments. After-tax gains and losses are deferred in other comprehensive income and subsequently reclassified to earnings when the hedged item also affects earnings. Interest payable and receivable under the swap terms are accrued and recorded as adjustments to interest expense at each reporting date.

The Company enters into forward rate agreements that are designated and effective as hedges of forecasted raw material purchases and other obligations. After-tax gains and losses are deferred in other comprehensive income and are reclassified into cost of medical supplies in the period during which the hedged transactions affect earnings. All deferred amounts are reclassified into earnings within the next twelve months.

The Company entered into a forward sale agreement related to preference shares (Preferred Stock) of FMCH issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP). This instrument is reflected in the consolidated balance sheets at fair value as part of Preferred Stock with changes in fair value recognized in earnings. Pre-tax (losses) and gains recorded in the consolidated statements of operations for the years ended December 31, 2012 and 2011 were ($26.3) million and $43.7 million, respectively. After-tax (losses) and gains recorded in the consolidated statements of operations for the years ended December 31, 2012 and 2011 were ($16.9) million and $27.4 million, respectively.

Upon maturity (March 31, 2013) (see note 2(v)) or termination of the exchange agreement, DLP is obligated to pay to FMCH, the Euro equivalent of $1.25 billion converted at spot rate and FMCH will pay to DLP the final settlement amount of $1.25 billion (plus any outstanding period interest payments). This instrument is reflected in the consolidated balance sheets at fair value as a derivative asset at the reporting date with changes in fair value recognized in earnings. Pre-tax gains and (losses) recorded in the consolidated statements of operations for the years ended December 31, 2012 and 2011 were $38.5 million and ($96.4) million, respectively. After-tax gains and (losses) recorded in the consolidated statements of operations for the years ended December 31, 2012 and 2011 were $24.4 million and ($60.8) million, respectively.

Periodically, the Company enters into derivative instruments with related parties to form a natural hedge for currency exchange rate exposures on intercompany obligations. These instruments are reflected in the consolidated balance sheets at fair value with changes in fair value recognized in earnings. Pre-tax gains and (losses) recorded in the consolidated statements of operations for the years ended December 31, 2012 and 2011 were $11.1 million and ($14.8) million, respectively. After-tax gains and (losses) recorded in the consolidated statements of operations for the years ended December 31, 2012 and 2011 were $7.0 million and ($9.4) million, respectively.

(a) Foreign Currency Contracts

The Company uses foreign exchange contracts as a hedge against foreign exchange risks associated with the settlement of foreign currency denominated payables and firm commitments. At December 31, 2012 and 2011, the Company had outstanding foreign currency contracts for the purchase of Euros (EUR) totaling 55,578 and 78,171, respectively, contracts for the purchase of 288,000 and 279,000 Mexican pesos, respectively, and contracts for the sale of 3,206 and 6,323 Canadian dollars, respectively. The contracts outstanding at December 31, 2012 include forward contracts for purchase of EUR at rates ranging from $1.221 to $1.401 per EUR, forward contracts for the purchase of Mexican Pesos at rates ranging from $13.345 to $13.708 per U.S. dollar, and outright sale contracts for Canadian dollars at rates ranging from $0.962 to $1.021 per Canadian dollar. All contracts are for periods between January 2013 and March 2014.

The fair value of currency contracts are the estimated amounts that the Company would receive or pay to terminate the agreements at the reporting date, taking into account the current exchange rates and the current creditworthiness of the counterparties in addition to the Company's own nonperformance risk. At December 31, 2012, the Company would have received approximately $1,966 to terminate these contracts and at December 31, 2011, the Company would have paid approximately $7,267 to terminate these contracts.

(b) Interest Rate Agreements

The Company enters into derivatives, particularly interest rate swaps to hedge interest exposures arising from long-term debt at floating rates by effectively swapping them into fixed rates.

At December 31, 2012, the Company did not have any interest rate swaps outstanding. At December 31, 2011, the Company had interest rate swaps outstanding with various commercial banks for notional amounts totaling $1,150,000. All of these agreements were solely entered into for interest rate hedging purposes.

The fair value of the interest rate swaps and options is the estimated amount that the Company would receive or pay to terminate the agreements at the reporting date, taking into account the current exchange rates and the current creditworthiness of the counterparties in addition to the Company's own nonperformance risk. The fair value of these agreements at December 31, 2011 would generate a negative cash flow of $11,725. This estimate is subjective in nature and involves uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions significantly affect the estimate.

(c) Credit Risk

The Company is exposed to credit risk to the extent of potential nonperformance by counterparties on financial instruments. As of December 31, 2012, the Company's credit exposure was insignificant and limited to the fair value stated above; the Company believes the risk of incurring losses due to credit risk is remote. Also, the Company does not require collateral or other security to support financial instruments subject to credit risk. The Company's standard contracts do not contain credit-risk-related contingent features whereby the Company would be required to post cash collateral as a result of a credit event.

(d) Forward Sale and Currency Exchange Agreements

The Company entered into a conditional forward sale agreement related to preference shares (Preferred Stock) issued to DLP. The conditional aspects of the contract are not certain to occur and are related to dissolution or reorganization of DLP. However, if the conditions were to occur, the forward sale agreement requires that the Company redeem the securities at the same Euro value that was used to acquire the shares when initially issued plus any accumulated and declared but unpaid dividends at the spot rate in effect on the settlement date.

The Company also entered into a currency exchange agreement with DLP. The notional principal amount of the currency exchange agreement is $1.25 billion and a Euro amount with equal market value applying the market foreign exchange rate at the time the exchange agreement was entered into. The currency exchange agreement requires that at each periodic settlement date, DLP is obligated to pay to FMCH, Euro interest on the Euro equivalent of $1.25 billion. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on $1.25 billion in U.S. dollars.

(Dollars in thousands, except share data)

Upon maturity (March 31, 2013) or execution of the currency exchange agreement, DLP is obligated to pay to FMCH, the Euro equivalent of $1.25 billion converted at the spot rate and FMCH will pay to DLP the final settlement amount of $1.25 billion (plus any outstanding period interest payments).

This instrument is reflected in other assets and deferred charges within the consolidated balance sheets at fair value as a derivative asset at the reporting date with changes in fair value recognized in earnings. At December 31, 2012 and 2011, the fair value of the derivative asset was $145 million and $184 million, respectively.

The following table shows the Company's derivatives at December 31, 2012 and 2011:

	2012		2011	
	Assets (2)	Liabilities (2)	Assets (2)	Liabilities (2)
Derivatives in cash flow hedging relationships (1):				
Current:				
Foreign currency contracts	$ 2,521	(1,332)	494	(6,186)
Dollar interest rate hedges	—	—	—	(11,725)
Noncurrent:				
Foreign currency contracts	783	145,395	57	(185,471)
Dollar interest rate hedges	—	—	—	—
Total	$ 3,304	144,063	551	(203,382)

(1) As of December 31, 2012 and 2011, the valuation of the Company's derivatives was determined using Significant Other Observable inputs (Level 2) in accordance with the fair value hierarchy levels established in U.S. GAAP.

(2) Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at each reporting date.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in other current assets in the consolidated balance sheets while the current portion of those indicated as liabilities are included in other current liabilities. The noncurrent portions indicated as assets or liabilities are included in the consolidated balance sheets in other assets or other liabilities, respectively.

The significant methods and assumptions used in estimating the fair values of derivative financial instruments are as follows:

The fair value of interest rate swaps is calculated by discounting the future cash flows on the basis of the market interest rates applicable for the remaining term of the contract as of the balance sheet date.

(Dollars in thousands, except share data)

To determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the balance sheet date. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the applicable currency.

The Company includes its own credit risk when measuring the fair value of derivative financial instruments.

The Effect of Derivatives on the Consolidated Financial Statements

	Amount of gain or (loss) recognized in OCI on derivatives (effective portion) December 31		Location of gain (loss) reclassified from OCI in income (effective portion)	Amount of gain (loss) reclassified from OCI in income (effective portion) for the twelve months ended December 31	
	2012	2011		2012	2011
Dollar interest rate hedges	$ (152)	(12,326)	Interest income/expense	$ 11,878	62,184
Foreign currency contracts	5,051	(6,975)	Cost of medical supplies	5,018	(2,274)
	$ 4,899	(19,301)		$ 16,896	59,910

The Company expects to recognize $720 of losses deferred in accumulated other comprehensive income at December 31, 2012, in earnings during the next twelve months.

As of December 31, 2012, the Company had foreign currency contracts with maturities of up to 15 months.

(18) Legal Proceedings

(a) *Commercial Litigation*

The Company was originally formed as a result of a series of transactions it completed pursuant to the Agreement and Plan of Reorganization dated as of February 4, 1996, by and between W.R. Grace & Co. and Fresenius SE (the "Merger"). At the time of the Merger, a W.R. Grace & Co. subsidiary known as W.R. Grace & Co.-Conn. had, and continues to have, significant liabilities arising out of product-liability related litigation (including asbestos-related actions), pre-Merger tax claims and other claims unrelated to National Medical Care, Inc. ("NMC"), which was W.R. Grace & Co.'s dialysis business prior to the Merger. In connection with the Merger, W.R. Grace & Co.-Conn. agreed to indemnify the Company, FMCH, and NMC against all liabilities of W.R. Grace & Co., whether relating to events occurring before or after the Merger, other than liabilities arising from or relating to NMC's operations. W.R. Grace & Co. and certain of its subsidiaries filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code (the "Grace Chapter 11 Proceedings") on April 2, 2001.

Prior to and after the commencement of the Grace Chapter 11 Proceedings, class action complaints were filed against W.R. Grace & Co. and FMCH by plaintiffs claiming to be creditors of W.R. Grace & Co.-Conn., and by the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate in the Grace Chapter 11 Proceedings, alleging, among other things that the Merger was a fraudulent conveyance, violated the uniform fraudulent transfer act and constituted a conspiracy. All such cases have been stayed and transferred to or are pending before the U.S. District Court as part of the Grace Chapter 11 Proceedings.

In 2003, the Company reached agreement with the asbestos creditors' committees on behalf of the W.R. Grace & Co. bankruptcy estate and W.R. Grace & Co. in the matters pending in the Grace Chapter 11 Proceedings for the settlement of all fraudulent conveyance and tax claims against it and other claims related to the Company that arise out of the bankruptcy of W.R. Grace & Co. Under the terms of the settlement agreement as amended (the "Settlement Agreement"), fraudulent conveyance and other claims raised on behalf of asbestos claimants will be dismissed with prejudice and the Company will receive protection against existing and potential future W.R. Grace & Co. related claims, including fraudulent conveyance and asbestos claims, and indemnification against income tax claims related to the non-NMC members of the W.R. Grace & Co. consolidated tax group upon confirmation of a W.R. Grace & Co. bankruptcy reorganization plan that contains such provisions. Under the Settlement Agreement, the Company will pay a total of \$115,000 without interest to the W.R. Grace & Co. bankruptcy estate, or as otherwise directed by the Court, upon plan confirmation. No admission of liability has been or will be made. The Settlement Agreement has been approved by the U.S. District Court. In January and February 2011, the U.S. Bankruptcy Court entered orders confirming the plan of reorganization and the confirmation orders were affirmed by the U.S. District Court on January 31, 2012. Multiple parties have appealed to the Third Circuit Court of Appeals and the plan of reorganization will not be implemented until the appeals are finally resolved.

Subsequent to the Merger, W.R. Grace & Co. was involved in a multi-step transaction involving Sealed Air Corporation ("Sealed Air," formerly known as Grace Holding, Inc.). The Company is engaged in litigation with Sealed Air to confirm its entitlement to indemnification from Sealed Air for all losses and expenses incurred by the Company relating to pre-Merger tax liabilities and Merger-related claims. Under the Settlement Agreement, upon final confirmation of a plan of reorganization that satisfies the conditions of the Company's payment obligation, this litigation will be dismissed with prejudice.

On April 4, 2003, FMCH filed a suit in the U. S. District Court for the Northern District of California, styled Fresenius USA, Inc., et al., v. Baxter International Inc., et al., Case No. C 03-1431, seeking a declaratory judgment that FMCH does not infringe patents held by Baxter International Inc. and its subsidiaries and affiliates ("Baxter"), that the patents are invalid, and that Baxter is without right or authority to threaten or maintain suit against FMCH for alleged infringement of Baxter's patents. In general, the asserted patents concern the use of touch screen interfaces for hemodialysis machines. Baxter filed counterclaims against FMCH seeking more than \$140,000 in monetary damages and injunctive relief, and alleging that FMCH willfully infringed on Baxter's patents. On July 17, 2006, the court entered judgment on a jury verdict in favor of FMCH finding all asserted claims of Baxter patents invalid as obvious and/or anticipated in light of prior art.

On February 13, 2007, the court granted Baxter's motion to set aside the jury's verdict in favor of FMCH and reinstated the patents and entered judgment of infringement. Following a trial on damages, the court entered judgment on November 6, 2007 in favor of Baxter on a jury award of \$14,300. On April 4, 2008, the court denied Baxter's motion for a new trial, established a royalty payable to Baxter of 10% of the sales price for continuing sales of FMCH's 2008K hemodialysis machines and 7% of the sales price of related disposables, parts and service beginning November 7, 2007, and enjoined sales of the touchscreen-equipped 2008K machine effective January 1, 2009. The Company appealed the court's rulings to the United States Court of Appeals for the Federal Circuit ("Federal Circuit"). In October 2008, the Company completed design modifications to the 2008K machine that eliminate any incremental hemodialysis machine royalty payment exposure under the District Court order. On September 10, 2009, the Federal Circuit reversed the district court's decision and determined that the asserted claims in two of the three patents at issue are invalid. As to the third patent, the Federal Circuit affirmed the district court's decision; however, the Court also vacated the injunction and award of damages. These issues were remanded to the District Court for reconsideration in light of the invalidity ruling on most of the claims. As a result, FMCH is no longer required to fund the court-approved escrow account set up to hold the royalty payments ordered by the district court. Funds of $70,000 were contributed to the escrow fund. Upon remand, the district court reduced the post verdict damages award to $10,000 and $61,000 of the escrowed funds was returned to FMCH. In the parallel reexamination of the last surviving patent, the U.S. Patent and Trademark Office ("USPTO") and the Board of Patent Appeals and Interferences ruled that the remaining Baxter patent is invalid. On May 17, 2012 the Federal Circuit affirmed the USPTO's ruling and invalidated the final remaining Baxter patent. Baxter's request to the Federal Circuit for a rehearing has been denied, and the Federal Circuit has issued a mandate to the USPTO to cancel the claims of the last remaining asserted Baxter HD patent. Baxter has appealed to the Federal Circuit claiming that approximately $20,000 of damages awarded to it by the District Court before the Federal Circuit affirmed the USPTO ruling constitutes a final judgment that may be collected. The Company is opposing this appeal.

On August 27, 2012, Baxter filed suit in the U.S. District Court for the Northern District of Illinois, styled Baxter International Inc., et al., v. Fresenius Medical Care Holdings, Inc., Case No. 12-cv-06890, alleging that the Company's Liberty™ cycler infringes certain U.S. patents that were issued to Baxter between October 2010 and June 2012. The Company believes it has valid defenses to these claims, and will defend this litigation vigorously.

On December 12, 2012, a group of plaintiffs' counsel filed a petition to form a federal multidistrict litigation and thereby consolidate certain lawsuits alleging wrongful death and personal injury claims against FMCH and its affiliates. The complaints to be consolidated for pre-trial management allege generally that inadequate labeling and warnings for FMCH's dialysate concentrate products NaturaLyte® and Granuflo® caused harm to patients. In addition, a substantial number of similar state court cases have been filed that cannot be formally consolidated with the federal cases. FMCH believes that these lawsuits are without merit, and will defend them vigorously.

(b) Other Litigation and Potential Exposures

Renal Care Group, Inc. ("RCG"), which the Company acquired in 2006, is named as a nominal defendant in a complaint originally filed September 13, 2006 in the Chancery Court for the State of Tennessee Twentieth Judicial District at Nashville styled Indiana State District Council of Laborers and Hod Carriers Pension Fund v. Gary Brukardt et al. Following the trial court's dismissal of the complaint, plaintiff's appeal in part, and reversal in part by the appellate court, the cause of action purports to be a class action on behalf of former shareholders of RCG and seeks monetary damages only against the individual former directors of RCG. The individual defendants, however, may have had claims for indemnification and reimbursement of expenses against the Company. Subject to the approval of the Nashville Chancery Court, the plaintiff has agreed to dismiss the Complaint with prejudice against the plaintiff and all other class members in exchange for a payment that is not material to the Company.

On February 15, 2011, a qui tam relator's complaint under the False Claims Act against FMCH was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. The United States has not intervened in the case United States ex rel. Chris Drennen v. Fresenius Medical Care Holdings, Inc., 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleges that the Company seeks and receives reimbursement from government payors for serum ferritin and hepatitis B laboratory tests that are medically unnecessary or not properly ordered by a physician. On March 6, 2011, the United States Attorney for the District of Massachusetts issued a Civil Investigative Demand seeking the production of documents related to the same laboratory tests that are the subject of the relator's complaint. FMCH has cooperated fully in responding to the additional Civil Investigative Demand, and will vigorously contest the relator's complaint.

On June 29, 2011, FMCH received a subpoena from the United States Attorney for the Eastern District of New York ("E.D.N.Y."). On December 6, 2011, a single Company facility in New York received a subpoena from the Office of the Inspector General of the Department of Health and Human Services that was substantially similar to the one issued by the U.S. Attorney for the E.D.N.Y. These subpoenas are part of a criminal and civil investigation into relationships between retail pharmacies and outpatient dialysis facilities in the State of New York and into the reimbursement under government payor programs in New York for medications provided to patients with ESRD. Among the issues encompassed by the investigation is whether retail pharmacies may have provided or received compensation from the New York Medicaid program for pharmaceutical products that should be provided by the dialysis facilities in exchange for the New York Medicaid payment to the dialysis facilities. The Company has cooperated in the investigation.

Civil investigative demands were issued under the supervision of the United States Attorneys for Rhode Island and Connecticut to American Access Care LLC (AAC) and certain affiliated entities prior to the Company's acquisition of AAC in October 2011. In March 2012, a third subpoena was issued under the supervision of the United States Attorney for the Southern District of Florida (Miami). The subpoenas cover a wide range of documents and activities of AAC, but appear to focus on coding and billing practices and procedures. The Company has assumed responsibility for responding to the subpoenas and is cooperating fully with the United States Attorneys.

The Company has received communications alleging certain conduct in certain countries outside the U.S. and Germany that may violate the U.S. Foreign Corrupt Practices Act ("FCPA") or other anti-bribery laws. In response to the allegations, the Audit and Corporate Governance Committee of the Company's Supervisory Board is conducting an internal review with the assistance of independent counsel retained for such purpose. The Company voluntarily advised the U.S. Securities and Exchange Commission and the U.S. Department of Justice that allegations have been made and of the Company's internal review. The Company has also directed its independent counsel, in conjunction with the Company's Compliance Department, to review the Company's compliance program including internal controls related to compliance with international anti-bribery laws and implement appropriate enhancements. The Company is fully committed to FCPA compliance. It cannot predict the final outcome of its review.

In December 2012 and January 2013, FMCH received subpoenas from the United States Attorneys for the District of Massachusetts and the Western District of Louisiana requesting production of a range of documents relating to products manufactured by FMCH, including the Granuflo® and Naturalyte® dialysate concentrate products. FMCH intends to cooperate fully in these matters.

The Company filed claims for refunds contesting the Internal Revenue Service's ("IRS") disallowance of FMCH's civil settlement payment deductions taken by FMCH in prior year tax returns. As a result of a settlement agreement with the IRS, the Company received a partial refund in September 2008 of $37,000, inclusive of interest and preserved its right to pursue claims in the United States Courts for refunds of all other disallowed deductions, which totaled approximately $126,000. On December 22, 2008, the Company filed a complaint for complete refund in the United States District Court for the District of Massachusetts, styled as Fresenius Medical Care Holdings, Inc. v. United States. On August 15, 2012, a jury entered a verdict for FMCH granting additional deductions of $95,000. The District Court is now considering post trial motions by the IRS to set aside the verdict and the terms of the judgment to be entered against the United States to reflect the amount of the tax refund due to FMCH.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, like other healthcare providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. The Company must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law, and other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from the Company's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence "qui tam" or "whistle blower" actions. In May 2009, the scope of the False Claims Act was expanded and additional protections for whistle blowers and procedural provisions to aid whistle blowers' ability to proceed in a False Claims Act case were added. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, investigative demands, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not always be aware that an inquiry or action has begun, particularly in the case of "whistle blower" actions, which are initially filed under court seal.

The Company operates many facilities throughout the United States and other parts of the world. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees or other agents deliberately, recklessly or inadvertently contravene the Company's policies or violate applicable law. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law, the False Claims Act and the Foreign Corrupt Practices Act, among other laws and comparable laws of other countries.

Physicians, hospitals and other participants in the healthcare industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

(c) Accrued Special Charge for Legal Matters

As of December 31, 2001, the Company had recorded a pre-tax special charge of $258,159 to reflect anticipated expenses associated with the defense and resolution of pre-Merger tax claims, Merger-related claims, and commercial insurer claims. The costs associated with the Settlement Agreement and settlements with insurers have been charged against this accrual. With the exception of the proposed $115,000 payment under the Settlement Agreement, all other matters included in the special charge have been resolved. While the Company believes that its remaining accrual reasonably estimates its currently anticipated costs related to the continued defense and resolution of this matter, no assurances can be given that its actual costs incurred will not exceed the amount of this accrual (see note 9).

Criterion 1120.310 (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									
	A	B	C	D	E	F	G	H	
Department (list below)	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	Total Cost (G + H)
ESRD		161.00			10,000			1,610,000	1,610,000
Contingency		16.00			10,000			160,000	160,000
TOTALS		177.00			10,000			1,770,000	1,770,000
* Include the percentage (%) of space for circulation									

Criterion 1120.310 (d) – Projected Operating Costs

Year 2017

Salaries	$498,960
Benefits	124,740
Supplies	114,371
Total	$738,071

Annual Treatments 8,986

Cost Per Treatment $82.13

Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs

Year 2017

Depreciation/Amortization	$115,617
Interest	0
CAPITAL COSTS	$115,617

Treatments: 8,986

Capital Cost per treatment $12.87

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Lemont, LLC

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By:____________________

Title: Mark Fawcett
Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this______ day of ______, 2013

____
Signature of Notary

Seal

By:____________________

Title: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 24 day of June, 2013

C. Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
MY COMM. EXPIRES AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Holdings, Inc.

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By: ______________________

Title: Mark Fawcett
Vice President & Treasurer

By: ______________________

Title: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this_______ day of _______, 2013

Signature of Notary

Seal

Notarization:
Subscribed and sworn to before me
this 24 day of June, 2013

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
MY COMM. EXPIRES AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Lemont, LLC

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

> There is no debt financing. The project will be funded with cash and leasing arrangements; and
>
> The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By:	By:
ITS: Mark Fawcett Vice President & Treasurer	ITS: Bryan Mello Assistant Treasurer
Notarization: Subscribed and sworn to before me this_______ day of _______, 2013	Notarization: Subscribed and sworn to before me this 24 day of June, 2013
Signature of Notary	C Wynelle Scenna Signature of Notary
Seal	Seal

C. WYNELLE SCENNA
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
MY COMM. EXPIRES AUG. 1, 2014

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Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Holdings, Inc.

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

> There is no debt financing. The project will be funded with cash and leasing arrangements; and
>
> The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By:____________________

ITS:____________________

Mark Fawcett
Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this______ day of ______, 2013

____
Signature of Notary

Seal

By:____________________
Bryan Mello

ITS: ~~Assistant Treasurer~~

Notarization:
Subscribed and sworn to before me
this 24 day of June, 2013

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
MY COMM. EXPIRES AUG. 1, 2014

Safety Net Impact Statement

The establishment of the Fresenius Medical Care Lemont dialysis facility will not have any impact on safety net services in the Lemont area. Outpatient dialysis services are not typically considered "safety net" services, to the best of our knowledge. However, we do provide care for patients in the community who are economically challenged and/or who are undocumented aliens, who do not qualify for Medicare/Medicaid. We assist patients who do not have insurance in enrolling when possible in Medicaid and/or Medicaid as applicable, and also our social services department assists patients who have issues regarding transportation and/or who are wheel chair bound or have other disabilities which require assistance with respect to dialysis services and transport to and from the unit.

This particular application will not have an impact on any other safety net provider in the area, as no hospital within the area provides dialysis services on an outpatient basis.

Fresenius Medical Care is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the Board's definition. However, Fresenius Medical Care provides care to all patients regardless of their ability to pay. There are patients treated by Fresenius who either do not qualify for or will not seek any type of coverage for dialysis services. These patients are considered "self-pay" patients. These patients are invoiced as all patients are invoiced, however payment is not expected and Fresenius does not initiate any collections activity on these accounts. These unpaid invoices are written off as bad debt. Fresenius notes that as a for profit entity, it does pay sales, real estate and income taxes. It also does provide community benefit by supporting various medical education activities and associations, such as the Renal Network and National Kidney Foundation.

The table on the following page shows the amount of "self-pay" care and Medicaid services provided for the 3 fiscal years prior to submission of the application for all Fresenius Medical Care facilities in Illinois.

Safety Net Information Fresenius Medical Care Facilities in Illinois			
NET REVENUE	**$364,295,636**	**$397,467,778**	**$353,355,908**
CHARITY CARE			
	2009	**2010**	**2011**
Charity Care (# of self-pay patients)	260	146	93
Charity (self-pay) Cost	$3,642,751	$1,307,966	632,154
% of Charity Care to Net Rev.	1.00%	.33%	0.2%
MEDICAID			
	2009	**2010**	**2011**
Medicaid (# of patients)	1,783	1,828	1,865
Medicaid (revenue)	$40,401,403	$44,001,539	$42,367,328
% of Medicaid to Net Revenue	11.9%	11.07%	12%

2011 data accounts for in-center hemodialysis patients only. 2009 & 2010 included some home dialysis patients and we were unable to remove them from the above numbers. Going forward data on in-center patients only will be submitted

Uncompensated care #'s listed in the previous chart have gone down substantially over the past three years. This is due to an aggressive effort on our clinics part to obtain coverage for every patient. All ESRD patients can qualify for some type of coverage as is explained in Attachment 44.

While it may appear that the uncompensated numbers went down at a much higher rate than the rate the Medicaid numbers rose, one has to look at the percentage of the total number of patients/treatments for accurate comparison because the volume of Medicaid patients is significantly higher than that of uncompensated patients. For example in 2011 vs 2010 the percentage of the total for Medicaid was 12% and 11.7% respectively. In the same comparison for uncompensated care there was .2% vs .33% of the total. The Medicaid numbers increased .5% and the uncompensated care numbers decreased .1% as they relate to the total.

(See attachment 44 for Uncompensated and Medicaid Care by facility)

Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition. They do provide uncompensated care. The applicant(s) are for profit corporations and do not receive the benefits of not for profit entities, such as sales tax and/or real estate exemptions, or charitable donations. The applicants are not required, by any State or Federal law, including the Illinois Healthcare Facilities Planning Act, to provide charity care. The applicant(s) are prohibited by Federal law from advising patients that they will not be invoiced for care, as this type of representation could be an inducement for patients to seek care prior to qualifying for Medicaid, Medicare or other available benefits.

The applicants do provide access to care at all of its clinics regardless of payer source or whether a patient is likely to receive treatments for which the applicants are not compensated. Uncompensated care occurs when a patient is not eligible for any type of insurance coverage (whether private or governmental) and receives treatment at our facilities. It is rare in Illinois for patients to have no coverage as patients who are not Medicare eligible are Medicaid eligible. This represents a small number of patients, as Medicare covers all dialysis services as long as an individual is entitled to receive Medicare benefits (i.e. has worked and paid into the social security system as a result) regardless of age. In addition, in Illinois Medicaid covers patients who are undocumented and/or who do not qualify for Medicare, and who otherwise qualify for public assistance. Also, the American Kidney Fund provides low cost insurance coverage for patients who meet the AKF's financial parameters and who suffer from end stage renal disease (see uncompensated care attachment). The applicants work with patients to procure coverage for them as possible whether it be Medicaid, Medicare and/or coverage through the AKF. The applicants donate to the AKF to support its initiatives.

If a patient has no available insurance coverage, they are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants

It is noted in the above charts on the following pages, that the number of patients receiving uncompensated care has declined. This is not because of any policy or admissions changes at Fresenius Medical Care. We still accept any patient regardless of ability to pay. The reduction is due to an aggressive approach within our facilities to obtain insurance coverage for all patients, thus the rise in Medicaid treatments/costs. Nearly all dialysis patients in Illinois will qualify for some type of coverage. Our Financial Coordinators work with patients to assist in finding the right coverage for each patient's particular situation. This coverage applies not only to dialysis services, but all health care services this chronically ill patient population may receive. Therefore, while assisting the patient to obtain coverage benefits the patient and Fresenius, it also assists other health care providers. Mainly though, it relieves patients of the stress of not having coverage or affordable coverage for health care.

Uncompensated Care By Facility

Facility	Uncompensated Treatments			Uncompensated Costs		
	2009	2010	2011	2009	2010	2011
Fresenius Alsip	0	0	0	0	0	0
Fresenius Antioch	102	0	0	27,356	0	0
Fresenius Aurora	83	87	13	18,102	20,475	3,008
Fresenius Austin Community	140	0	0	38,748	0	0
Fresenius Berwyn	715	228	102	159,825	50,216	21,728
Fresenius Blue Island	174	80	0	47,787	22,092	0
Fresenius Bolingbrook	48	21	0	12,190	4,945	0
Fresenius Bridgeport	528	45	150	116,096	9,767	35,073
Fresenius Burbank	721	49	40	174,834	11,589	9,742
Fresenius Carbondale	79	42	0	21,053	11,058	0
Fresenius Chicago	328	45	1	87,584	13,006	294
Fresenius Chicago Westside	146	0	43	47,296	0	12,683
Fresenius Congress Parkway	176	14	0	45,015	3,555	0
Fresenius Crestwood	67	320	69	16,604	81,301	17,203
Fresenius Decatur	0	0	0	0	0	0
Fresenius Deerfield	0	0	0	0	0	0
Fresenius Downers Grove	20	233	0	4,604	55,040	0
Fresenius Du Page West	76	34	0	17,683	8,106	0
Fresenius Du Quoin	37	10	0	10,153	2,664	0
Fresenius East Peoria	52	0	0	11,791	0	0
Fresenius Elgin	0	0	0	0	0	0
Fresenius Elk Grove	127	53	51	28,162	11,934	12,501
Fresenius Evanston	194	215	90	48,763	55,760	22,969
Fresenius Evergreen Park	510	197	12	135,802	51,112	3,113
Fresenius Garfield	177	54	171	45,571	13,562	38,597
Fresenius Glendale Heights	159	15	9	34,921	3,565	2,023
Fresenius Glenview	87	46	169	19,416	9,809	37,965
Fresenius Greenwood	251	179	26	60,119	42,049	6,103
Fresenius Gurnee	122	35	25	28,363	7,609	5,350
Fresenius Hazel Crest	34	22	83	8,927	5,874	20,550
Fresenius Hoffman Estates	33	17	19	7,219	3,783	4,173
Fresenius Jackson Park	528	3	0	121,478	637	0
Fresenius Kewanee	0	72	0	0	20,269	0
Fresenius Lake Bluff	65	5	21	16,903	1,052	4,824
Fresenius Lakeview	27	13	11	7,284	3,026	2,712
Fresenius Lombard	0	0	0	0	0	0
Fresenius Macomb	0	0	0	0	0	0
Fresenius Marquette Park	362	0	0	90,374	0	0
Fresenius McHenry	186	5	1	53,929	1,240	265
Fresenius McLean County	67	19	23	16,821	4,012	5,111
Fresenius Melrose Park	19	0	2	5,048	0	479
Fresenius Merrionette Park	105	41	46	27,067	9,535	10,728
Fresenius Midway	0	0	0	0	0	0
Fresenius Mokena	44	3	0	15,784	976	0
Fresenius Morris	42	104	0	11,078	27,519	0
Fresenius Naperville	301	100	0	62,828	21,795	0
Fresenius Naperville North	183	0	18	45,371	0	3,887

Continued...

Continued Uncompensated Care by Facility

Facility		Uncompensated Treatments			Uncompensated Costs		
		2009	2010	2011	2009	2010	2011
Fresenius	Niles	152	26	10	36,586	5,912	2,274
Fresenius	Norridge	6	3	0	1,433	718	0
Fresenius	North Avenue	94	74	0	23,140	17,785	0
Fresenius	North Kilpatrick	0	64	0	0	14,161	0
Fresenius	Northcenter	121	78	0	33,725	19,191	0
Fresenius	Northwestern	226	77	160	54,801	20,482	43,652
Fresenius	Oak Park	126	6	0	29,782	1,370	0
Fresenius	Orland Park	121	0	12	29,308	0	3,072
Fresenius	Oswego	12	1	0	3,294	277	0
Fresenius	Ottawa	8	2	3	2,377	443	844
Fresenius	Palatine	0	0	0	0	0	0
Fresenius	Pekin	0	20	100	0	4,582	22,951
Fresenius	Peoria Downtown	46	45	24	10,787	10,650	5,674
Fresenius	Peoria North	54	13	0	12,693	3,116	0
Fresenius	Plainfield	0	8	7	0	4,776	1,803
Fresenius	Polk	231	104	102	57,903	25,023	25,642
Fresenius	Pontiac	19	0	0	4,664	0	0
Fresenius	Prairie	114	54	215	29,278	13,918	50,109
Fresenius	Randolph County	4	32	0	1,200	8,794	0
Fresenius	Rockford	74	24	0	23,729	6,932	0
Fresenius	Rodgers Park	328	224	48	85,308	55,507	11,633
Fresenius	Rolling Meadows	0	204	215	0	50,445	52,184
Fresenius	Roseland	164	99	9	60,432	29,927	2,593
Fresenius	Ross Dialysis Englewood	184	8	12	51,398	2,031	3,151
Fresenius	Round Lake	182	1	54	42,228	231	12,274
Fresenius	Saline County	21	11	0	5,679	2,892	0
Fresenius	Sandwich	18	3	0	8,054	966	0
Fresenius	Skokie	18	10	25	4,418	2,606	6,609
Fresenius	South Chicago	747	278	135	196,277	67,614	31,622
Fresenius	South Holland	127	104	0	29,620	24,321	0
Fresenius	South Shore	110	8	0	29,182	1,943	0
Fresenius	South Suburban	566	241	41	139,684	57,649	9,809
Fresenius	Southside	483	137	27	120,241	32,823	6,263
Fresenius	Southwestern Illinois	0	0	0	0	0	0
Fresenius	Spoon River	38	35	0	8,910	8,633	0
Fresenius	Spring Valley	1	31	9	221	6,446	1,952
Fresenius	Streator	0	0	34	0	0	11,545
Fresenius	Uptown	134	110	2	43,063	32,398	533
Fresenius	Villa Park	369	27	0	91,054	6,488	0
Fresenius	West Belmont	191	70	76	51,405	17,653	18,057
Fresenius	West Chicago	44	0	0	23,875	0	0
Fresenius	West Metro	880	237	143	178,477	47,199	29,431
Fresenius	West Suburban	273	146	37	60,862	32,995	8,190
Fresenius	Westchester	0	0	0	0	0	0
Fresenius	Williamson County	0	28	0	0	7,360	0
Fresenius	Willowbrook	45	0	0	10,771	0	0
	Totals	**13,448**	**5,037**	**2,695**	**3,343,810**	**1,235,189**	**642,947**

Medicaid Treatments/Costs By Facility

Facility	Medicaid Treatments			Medicaid Costs		
	2009	2010	2011	2009	2010	2011
Alsip	624	749	732	188,014	212,319	202,715
Antioch	148	937	763	39,693	228,932	187,329
Aurora	1,230	1,521	1,464	267,289	356,763	338,760
Austin Community	1,574	2,111	2,405	435,633	514,900	631,509
Berwyn	3,618	4,102	3,792	808,338	903,204	807,772
Blue Island	1,901	1,937	2,043	521,183	537,714	525,668
Bolingbrook	1,246	1,628	1,721	316,437	382,502	403,285
Bridgeport	4,570	5,610	6,674	1,004,278	1,223,924	1,560,507
Burbank	2,142	2,046	2,274	519,411	488,784	553,829
Carbondale	1,214	1,650	885	323,528	434,440	208,033
Chicago	5,466	5,279	4,898	1,459,549	1,525,782	1,439,559
Chicago Westside	3,509	3,807	4,690	1,136,730	1,095,994	1,383,369
Congress Parkway	3,685	4,197	4,713	942,506	1,065,797	1,136,642
Crestwood	1,166	1,072	1,090	288,958	272,784	271,757
Decatur	1	136	221	234	35,461	57,763
Deerfield	0	100	156	0	43,140	50,046
Downers Grove	1,010	995	1,166	232,543	234,923	271,484
Du Page West	2,086	2,725	2,097	484,530	645,664	501,321
Du Quoin	318	203	99	87,259	54,088	24,270
East Peoria	607	1,083	548	137,256	245,724	128,413
Elgin	0	0	90	0	0	73,782
Elk Grove	1,414	1,996	2,207	313,551	453,597	541,081
Evanston	1,513	1,535	1,592	380,303	397,971	406,302
Evergreen Park	2,284	3,231	2,730	608,498	836,493	708,304
Garfield	2,684	3,299	3,238	691,027	828,310	730,863
Glendale Heights	2,085	2,332	2,290	457,922	554,123	514,638
Glenview	984	992	1,055	219,602	213,744	236,999
Greenwood	3,349	3,712	3,894	802,189	872,008	914,042
Gurnee	1,859	2,143	2,688	432,191	472,662	575,243
Hazel Crest	979	657	585	257,041	179,494	144,844
Hoffman Estates	1,726	2,513	3,112	377,555	559,184	683,470
Jackson Park	5,444	5,972	5,101	1,252,508	1,521,259	1,210,846
Kewanee	182	146	220	50,299	41,100	61,426
Lake Bluff	1,541	1,354	1,402	400,725	316,621	322,029
Lakeview	1,398	1,516	1,811	377,127	352,907	446,470
Lombard	0	0	44	0	0	21,595
Macomb	212	116	145	55,286	29,952	40,553
Marquette Park	2,339	2,473	2,126	583,937	678,627	541,896
McHenry	457	546	406	132,590	150,364	107,459
McLean County	1,225	1,044	711	307,556	220,456	157,995
Melrose Park	1,015	1,390	1,573	269,659	346,195	376,797
Merrionette Park	1,001	749	526	258,043	176,214	122,674
Midway	0	28	304	0	35,664	105,702
Mokena	0	125	295	0	40,676	82,346
Morris	119	200	324	31,388	52,788	78,235
Naperville	512	544	536	106,931	119,021	118,367
Naperville North	494	654	719	122,478	149,538	155,271

Continued...

Continued Medicaid Treatments/Costs By Facility

Facility	Medicaid Treatments			Medicaid Costs		
	2009	2010	2011	2009	2010	2011
Niles	1,675	1,914	2,129	403,072	443,720	484,136
Norridge	858	1,037	1,079	204,977	248,143	254,192
North Avenue	1,818	1,854	1,472	447,539	445,567	320,511
North Kilpatrick	2,323	2,504	3,856	507,261	553,942	820,684
Northcenter	1,603	1,981	2,015	446,783	490,534	479,942
Northwestern	3,103	2,954	3,322	752,429	789,266	906,323
Oak Park	1,972	2,142	1,836	466,108	488,856	428,507
Orland Park	734	774	606	177,784	205,942	155,116
Oswego	454	482	239	124,620	133,606	63,061
Ottawa	141	70	118	41,889	20,685	33,187
Palatine	0	0	15	0	0	12,802
Pekin	24	136	168	5,392	31,957	38,557
Peoria Downtown	1,238	1,283	856	290,322	306,923	202,385
Peoria North	374	265	229	87,495	63,487	54,170
Plainfield	0	390	695	0	124,618	178,985
Polk	3,151	3,509	3,042	791,176	845,905	764,725
Pontiac	185	284	261	45,411	67,468	61,369
Prairie	1,067	1,108	1,994	274,030	288,116	464,734
Randolph County	190	251	157	57,007	68,980	41,764
Rockford	540	747	0	174,124	215,743	0
Rodgers Park	1,433	1,756	2,268	372,702	435,136	549,669
Rolling Meadows	1,543	2,100	1,629	358,921	519,165	395,386
Roseland	641	1,506	1,702	236,200	455,105	490,393
Ross Dialysis Englewood	814	1,936	2,153	227,382	491,305	565,256
Round Lake	1,909	2,661	2,007	442,931	615,524	456,196
Saline County	676	441	189	182,823	121,425	54,160
Sandwich	60	145	212	32,813	46,687	65,769
Skokie	850	1,096	443	208,691	285,530	117,111
South Chicago	3,995	5,002	5,628	1,049,703	1,216,563	1,318,286
South Holland	1,304	1,603	1,366	304,132	374,873	344,529
South Shore	2,143	1,900	1,858	568,522	492,073	480,279
South Suburban	1,392	1,804	1,917	343,534	431,533	458,639
Southside	5,249	6,248	5,999	1,306,722	1,502,272	1,391,565
Southwestern Illinois	296	428	425	73,467	111,204	113,186
Spoon River	11	30	26	2,579	7,400	6,120
Spring Valley	39	267	356	8,607	56,430	77,209
Streator	7	34	30	2,692	11,273	10,187
Uptown	701	1,037	1,427	225,278	306,675	380,027
Villa Park	922	1,037	988	227,334	249,280	218,544
West Belmont	2,495	3,388	3,950	671,493	860,433	938,469
West Chicago	8	429	579	4,341	146,150	176,609
West Metro	6,331	7,147	5,727	1,283,292	1,422,379	1,178,679
West Suburban	5,951	5,841	5,234	1,326,700	1,324,430	1,158,568
Westchester	669	429	246	167,778	112,477	65,140
Williamson County	363	435	420	88,017	116,421	103,203
Willowbrook	474	1,065	1,087	113,458	250,894	254,937
Totals	**134,666**	**156,600**	**156,121**	**32,811,313**	**37,899,912**	**37,298,532**

(see following page for patient coverage options)

Fresenius Medical Care North America
Community Care

Fresenius Medical Care North America (FMCNA) assists all of our patients in securing and maintaining insurance coverage when possible. However, even if for whatever reason insurance (governmental or otherwise) is not available FMCNA does not deny admission for treatment due to lack of insurance coverage.

American Kidney Fund

FMCNA works with the American Kidney Fund (AKF) to help patients with insurance premiums at no cost to the patient.

Applicants must be dialyzed in the US or its territories and referred to AKF by a renal professional and/or nephrologist The Health Insurance Premium Program is a "last resort" program. It is restricted to patients who have no means of paying health insurance premiums and who would forego coverage without the benefit of HIPP. Alternative programs that pay for primary or secondary health coverage, and for which the patient is eligible, such as Medicaid, state renal programs, etc. must be utilized. Applicants must demonstrate to the AKF that they cannot afford health coverage and related expenses (deductible etc.).

Our team of Financial Coordinators and Social Workers connect patients who cannot afford to pay their insurance premiums, with AKF, which provides financial assistance to the patients for this purpose. FMCNA's North Division currently has 2986 patients with primary insurance coverage and 7469 patients with secondary insurance coverage for a total of 10,455 patients receiving AKF assistance. For the state of Illinois we have 632 primary and 1503 secondary patients receiving AKF assistance. The benefit of working with the AKF is the insurance coverage which AKF facilities applies to all of the patient's insurance needs, not just coverage for dialysis services.

Indigent Waiver Program

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services. In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

Annual Income: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have an annual income in excess of two (2) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (2) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the Office of Business Practices and Corporate Compliance.

Net Worth: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth in excess of $75,000 (or such other amount as may be established by the Office of Business Practices and Corporate Compliance based on changes in the Consumer Price Index

The Company recognizes the financial burdens associated with ESRD and wishes to ensure that patients are not denied access to medically necessary care for financial reasons. At the same time, the Company also recognizes the limitations imposed by federal law on offering "free" or "discounted" medical items or services to Medicare and other government supported patients for the purpose of inducing such patients to receive ESRD-related items and services from FMCNA. An indigent waiver excuses a patient's obligation to pay for items and services furnished by FMCNA. Patients may have dual coverage of AKF assistance and an Indigent Waiver if their financial status qualifies them for both programs.

FMCNA North Division currently has 718 active Indigent Waivers. 21 cover primary balances which means the patient has no insurance coverage, and 697 cover patient balances where there is no supplemental insurance.

Illinois currently has 5 active Indigent Waivers that cover the supplemental balances after the primary insurance pays. There isn't a high volume of Indigent Waivers issued in Illinois because patients are entitled to Medicaid coverage in Illinois.

IL Medicaid and Undocumented patients

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical emergency.

The Regional Insurance Coordinator will petition Medicaid if patients are denied and assist undocumented patients through the application process to get them Illinois Medicaid coverage. This role is actively involved with the Medicaid offices and attends appeals to help patients secure and maintain their Medicaid coverage for all of their healthcare needs, including transportation to their appointments.

FMCNA Collection policy

FMCNA's collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services.

FMCNA does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to FMCNA.

Medicare and Medicaid Eligibility

Medicare: Patients are eligible for Medicare when they meet the following criteria: age 65 or older, under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

There are three insurance programs offered by Medicare, Part A for hospital coverage, Part B for medical coverage and Part D for pharmacy coverage. Most people don't have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary doesn't get premium-free Part A, they may be able to buy it if they (or their spouse) aren't entitled to Social Security, because they didn't work or didn't pay enough Medicare taxes while working, are age 65 or older, or are disabled but no longer get free Part A because they returned to work. Part B and Part D both have monthly premiums. Patients must have Part B coverage for dialysis services.

Medicare does allow members to enroll in Health Plans for supplemental coverage. Supplemental coverage (secondary) is any policy that pays balances after the primary pays reducing any out of pocket expenses incurred by the member.

Medicare will pay 80% of what is allowed by a set fee schedule. The patient would be responsible for the remaining 20% not paid by Medicare. The supplemental (secondary) policy covers the cost of co-pays, deductibles and the remaining 20% of charges.

Medicaid: Low-income Illinois residents who can't afford health insurance may be eligible for Medicaid. In addition to meeting federal guidelines, individuals must also meet the state criteria to qualify for Medicaid coverage in Illinois.

Self-Pay

A self-pay patient would not have any type of insurance coverage (un-insured). They may be un-insured because they do not meet the eligibility requirements for Medicare or Medicaid and can not afford a commercial insurance policy.

In addition, a patient balance becomes self-pay after their primary insurance pays, but the patient does not have a supplemental insurance policy to cover the remaining balance. The AKF assistance referenced earlier may or may not be available to these patients, dependent on whether or not they meet AKF eligibility requirements.

mapquest

Notes

TO USRC BOLINGBROOK
Highway Travel

Trip to:

396 Remington Blvd
Bolingbrook, IL 60440-4302
7.42 miles / 10 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**3.6 Mi** *3.8 Mi Total*
SOUTH 55	3. Merge onto **I-55 S** toward **St Louis**. Map	**2.4 Mi** *6.1 Mi Total*
267 EXIT	4. Take the **IL-53 / Bolingbrook** exit, **EXIT 267**. Map	**0.3 Mi** *6.4 Mi Total*
RAMP	5. Keep **right** to take the ramp toward **Bolingbrook**. Map	**0.04 Mi** *6.4 Mi Total*
NORTH 53	6. Turn **right** onto **S Bolingbrook Dr / IL-53 N**. Map	**0.1 Mi** *6.5 Mi Total*
	7. Turn **left** onto **Remington Blvd**. Map	**0.9 Mi** *7.4 Mi Total*
	8. **396 REMINGTON BLVD** is on the **right**. Map	

396 Remington Blvd, Bolingbrook, IL 60440-4302

Total Travel Estimate: **7.42 miles - about 10 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO USRC BOLINGBROOK
NON-HIGHWAY

Trip to:

396 Remington Blvd
Bolingbrook, IL 60440-4302
8.86 miles / 16 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St** toward **Rolling Meadow Dr**. Map	**1.7 Mi** *1.7 Mi Total*
	2. Turn **left** onto **New Ave**. Map	**1.0 Mi** *2.7 Mi Total*
	3. Turn **right** onto **E Romeo Rd / E 135th St**. Map	**1.6 Mi** *4.4 Mi Total*
53	4. Turn **right** onto **N Independence Blvd / IL-53**. Map	**2.2 Mi** *6.6 Mi Total*
NORTH 53	5. Turn **left** onto **IL-53 N / Bolingbrook Dr**. Map	**1.4 Mi** *8.0 Mi Total*
	6. Turn **left** onto **Remington Blvd**. Map	**0.9 Mi** *8.9 Mi Total*
	7. **396 REMINGTON BLVD** is on the **right**. Map	

396 Remington Blvd, Bolingbrook, IL 60440-4302

Total Travel Estimate: **8.86 miles - about 16 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE BOLINGBROOK
HIGHWAY TRAVEL

Trip to:

329 Remington Blvd
Bolingbrook, IL 60440-5827
7.22 miles / 10 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**3.6 Mi** *3.8 Mi Total*
SOUTH 55	3. Merge onto **I-55 S** toward **St Louis**. Map	**2.4 Mi** *6.1 Mi Total*
267 EXIT	4. Take the **IL-53 / Bolingbrook** exit, **EXIT 267**. Map	**0.3 Mi** *6.4 Mi Total*
RAMP	5. Keep **right** to take the ramp toward **Bolingbrook**. Map	**0.04 Mi** *6.4 Mi Total*
NORTH 53	6. Turn **right** onto **S Bolingbrook Dr / IL-53 N**. Map	**0.1 Mi** *6.5 Mi Total*
	7. Turn **left** onto **Remington Blvd**. Map	**0.6 Mi** *7.2 Mi Total*
	8. Make a **U-turn** onto **Remington Blvd**. Map	**0.06 Mi** *7.2 Mi Total*
	9. **329 REMINGTON BLVD** is on the **right**. Map	

329 Remington Blvd, Bolingbrook, IL 60440-5827

Total Travel Estimate: **7.22 miles - about 10 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE BOLINGBROOK
NON-HIGHWAY TRAVEL

Trip to:

329 Remington Blvd
Bolingbrook, IL 60440-5827
8.67 miles / 17 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St** toward **Rolling Meadow Dr**. Map	**1.7 Mi**	*1.7 Mi Total*
2. Turn **left** onto **New Ave**. Map	**1.0 Mi**	*2.7 Mi Total*
3. Turn **right** onto **E Romeo Rd / E 135th St**. Map	**1.6 Mi**	*4.4 Mi Total*
53 — 4. Turn **right** onto **N Independence Blvd / IL-53**. Map	**2.2 Mi**	*6.6 Mi Total*
NORTH 53 — 5. Turn **left** onto **IL-53 N / Bolingbrook Dr**. Map	**1.4 Mi**	*8.0 Mi Total*
6. Turn **left** onto **Remington Blvd**. Map	**0.6 Mi**	*8.6 Mi Total*
7. Make a **U-turn** onto **Remington Blvd**. Map	**0.06 Mi**	*8.7 Mi Total*
8. **329 REMINGTON BLVD** is on the **right**. Map		

329 Remington Blvd, Bolingbrook, IL 60440-5827

Total Travel Estimate: **8.67 miles - about 17 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO DAVITA SILVER CROSS EAST
HIGHWAY TRAVEL

Trip to:

1890 Silver Cross Blvd
New Lenox, IL 60451-9508
9.11 miles / 12 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.3 Mi** *0.3 Mi Total*
SOUTH 355	2. Merge onto **I-355 S** / **Veterans Memorial Tollway** via the ramp on the **left** toward **SouthWest Suburbs** (Portions toll). Map	**7.6 Mi** *7.9 Mi Total*
EXIT	3. Take the **US-6** / **SouthWest Hwy** exit. Map	**0.4 Mi** *8.3 Mi Total*
WEST 6	4. Merge onto **Maple Rd** / **W Maple Rd** / **SouthWest Hwy** / **US-6 W** toward **Joliet**. Map	**0.3 Mi** *8.6 Mi Total*
	5. Turn **left** onto **Silver Cross Blvd**. Map	**0.4 Mi** *8.9 Mi Total*
	6. Make a **U-turn** onto **Silver Cross Blvd**. Map	**0.2 Mi** *9.1 Mi Total*
	7. **1890 SILVER CROSS BLVD** is on the **right**. Map	

1890 Silver Cross Blvd, New Lenox, IL 60451-9508

Total Travel Estimate: **9.11 miles - about 12 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO DAVITA SILVER CROSS EAST
NON-HIGHWAY TRAVEL

Trip to:

1890 Silver Cross Blvd
New Lenox, IL 60451-9508
10.24 miles / 21 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**0.7 Mi**	*0.7 Mi Total*
2. Turn **right** onto **State St**. Map	**1.0 Mi**	*1.7 Mi Total*
3. **State St** becomes **Lemont Rd**. Map	**1.5 Mi**	*3.2 Mi Total*
4. Turn **right** onto **W 147th St**. Map	**0.5 Mi**	*3.7 Mi Total*
5. **W 147th St** becomes **S Gougar Rd**. Map	**5.0 Mi**	*8.7 Mi Total*
6. Turn **left** onto **Maple Rd / US-6 / W Maple Rd**. Map	**1.0 Mi**	*9.7 Mi Total*
7. Turn **right** onto **Silver Cross Blvd**. Map	**0.4 Mi**	*10.1 Mi Total*
8. Make a **U-turn** onto **Silver Cross Blvd**. Map	**0.2 Mi**	*10.2 Mi Total*
9. **1890 SILVER CROSS BLVD** is on the **right**. Map		

1890 Silver Cross Blvd, New Lenox, IL 60451-9508

Total Travel Estimate: **10.24 miles - about 21 minutes**

MapQuest Travel Times
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mapquest

Notes

TO DAVITA PALOS PARK
No Highway Travel Available

Trip to:

13155 S la Grange Rd
Orland Park, IL 60462-1162
9.22 miles / 16 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **east** on **W 127th St** toward **Timberline Dr.** Map	**0.7 Mi** *0.7 Mi Total*
	2. Turn **right** onto **State St.** Map	**0.8 Mi** *1.5 Mi Total*
171	3. Turn **sharp left** onto **IL-171 / S Archer Ave.** Map	**0.7 Mi** *2.2 Mi Total*
	4. Turn **right** onto **W 131st St.** Map	**7.0 Mi** *9.2 Mi Total*
45	5. Turn **right** onto **S La Grange Rd / 96th Ave / US-45.** Map	**0.05 Mi** *9.2 Mi Total*
	6. **13155 S LA GRANGE RD** is on the **left.** Map	

13155 S la Grange Rd, Orland Park, IL 60462-1162

Total Travel Estimate: **9.22 miles - about 16 minutes**

MapQuest Travel Times
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mapquest

Notes

TO FRESENIUS MEDICAL CARE WILLOWBROOK
HIGHWAY TRAVEL

Trip to:

6300 Kingery Hwy
Willowbrook, IL 60527-2248
11.37 miles / 16 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St**. Map	**0.1 Mi**	*0.1 Mi Total*
2. Merge onto **I-355 N** / **Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**3.2 Mi**	*3.4 Mi Total*
3. Merge onto **I-55 N** / **Joliet Rd N** toward **Chicago**. Map	**5.0 Mi**	*8.4 Mi Total*
4. Take the **IL-83** / **Kingery Rd** exit, **EXIT 274**. Map	**0.2 Mi**	*8.6 Mi Total*
5. Merge onto **IL-83 N** via the ramp on the **left**. Map	**2.8 Mi**	*11.4 Mi Total*
6. Turn **left** onto **63rd St**. Map	**0.01 Mi**	*11.4 Mi Total*
7. **6300 KINGERY HWY**. Map		

6300 Kingery Hwy, Willowbrook, IL 60527-2248

Total Travel Estimate: **11.37 miles - about 16 minutes**

MapQuest Travel Times
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mapquest

Notes

TO FRESENIUS MEDICAL CARE WILLOWBROOK
NON-HIGHWAY TRAVEL

Trip to:

6300 Kingery Hwy
Willowbrook, IL 60527-2248
11.42 miles / 18 minutes

16177 W 127th St, Lemont, IL 60439-7501

		1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**2.1 Mi** *2.1 Mi Total*
	171	2. Turn **left** onto **S Archer Ave / IL-171**. Map	**3.9 Mi** *6.0 Mi Total*
	NORTH 83	3. Stay **straight** to go onto **IL-83 N**. Map	**5.4 Mi** *11.4 Mi Total*
		4. Turn **left** onto **63rd St**. Map	**0.01 Mi** *11.4 Mi Total*
		5. **6300 KINGERY HWY**. Map	

6300 Kingery Hwy, Willowbrook, IL 60527-2248

Total Travel Estimate: **11.42 miles - about 18 minutes**

MapQuest Travel Times
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mapquest

Notes

TO FRESENIUS MEDICAL CARE JOLIET
HIGHWAY TRAVEL

Trip to:

721 E Jackson St
Joliet, IL 60432-2560
12.90 miles / 18 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.3 Mi** *0.3 Mi Total*
SOUTH 355	2. Merge onto **I-355 S** / **Veterans Memorial Tollway** via the ramp on the **left** toward **SouthWest Suburbs** (Portions toll). Map	**7.6 Mi** *7.9 Mi Total*
EXIT	3. Take the **US-6** / **SouthWest Hwy** exit. Map	**0.4 Mi** *8.3 Mi Total*
WEST 6	4. Merge onto **US-6 W** toward **Joliet**. Map	**4.6 Mi** *12.9 Mi Total*
	5. **721 E JACKSON ST** is on the **right**. Map	

721 E Jackson St, Joliet, IL 60432-2560

Total Travel Estimate: **12.90 miles - about 18 minutes**

MapQuest Travel Times
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mapquest

Notes

TO FRESENIUS MEDICAL CARE JOLIET
NON-HIGHWAY TRAVEL

Trip to:

721 E Jackson St
Joliet, IL 60432-2560
11.46 miles / 22 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St** toward **Rolling Meadow Dr**. Map	**1.7 Mi**	*1.7 Mi Total*
2. Turn **left** onto **New Ave**. Map	**3.8 Mi**	*5.5 Mi Total*
SOUTH 171 3. Turn **right** onto **N State St / IL-171 S**. Map	**0.9 Mi**	*6.4 Mi Total*
7 4. Turn **left** onto **E 9th St / IL-7**. Map	**0.5 Mi**	*6.8 Mi Total*
5. Turn **right** onto **Garfield Ave**. Map	**0.3 Mi**	*7.2 Mi Total*
6. Turn **left** onto **E Division St**. Map	**0.2 Mi**	*7.3 Mi Total*
7. Take the 1st **right** onto **S Briggs St**. Map	**2.9 Mi**	*10.2 Mi Total*
6 8. Turn **right** onto **Maple Rd / US-6**. Continue to follow **US-6**. Map	**1.2 Mi**	*11.5 Mi Total*
9. **721 E JACKSON ST** is on the **right**. Map		

721 E Jackson St, Joliet, IL 60432-2560

Total Travel Estimate: **11.46 miles - about 22 minutes**

MapQuest Travel Times
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mapquest

Notes
TO FRESENIUS MEDICAL CARE NAPERBROOK
HIGHWAY TRAVEL

Trip to:

2451 S Washington St
Naperville, IL 60565-5419
12.49 miles / 19 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St**. Map	**0.1 Mi**	*0.1 Mi Total*
2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**3.6 Mi**	*3.8 Mi Total*
3. Merge onto **I-55 S** toward **St Louis**. Map	**2.4 Mi**	*6.1 Mi Total*
4. Take the **IL-53 / Bolingbrook** exit, **EXIT 267**. Map	**0.3 Mi**	*6.4 Mi Total*
5. Keep **right** to take the ramp toward **Bolingbrook**. Map	**0.04 Mi**	*6.4 Mi Total*
6. Turn **right** onto **S Bolingbrook Dr / IL-53 N**. Map	**1.7 Mi**	*8.1 Mi Total*
7. Turn **left** onto **W Boughton Rd**. Map	**3.0 Mi**	*11.1 Mi Total*
8. Turn **right** onto **N Weber Rd**. Map	**0.3 Mi**	*11.4 Mi Total*
9. **N Weber Rd** becomes **N Naperville Rd**. Map	**0.8 Mi**	*12.2 Mi Total*
10. Turn **left** onto **S Washington St**. Map	**0.3 Mi**	*12.5 Mi Total*
11. **2451 S WASHINGTON ST** is on the **left**. Map		

2451 S Washington St, Naperville, IL 60565-5419

Total Travel Estimate: **12.49 miles - about 19 minutes**

mapquest

Trip to:

2451 S Washington St
Naperville, IL 60565-5419
11.24 miles / 22 minutes

Notes

TO FRESENIUS MEDICAL CARE NAPERBROOK
NON-HIGHWAY TRAVEL

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St** toward **Rolling Meadow Dr**. Map	**1.7 Mi**	*1.7 Mi Total*
2. Turn **left** onto **New Ave**. Map	**1.0 Mi**	*2.7 Mi Total*
3. Turn **right** onto **E Romeo Rd / E 135th St**. Map	**1.6 Mi**	*4.4 Mi Total*
53 4. Turn **right** onto **N Independence Blvd / IL-53**. Map	**1.0 Mi**	*5.4 Mi Total*
5. Turn **left** onto **W Normantown Rd**. Map	**0.3 Mi**	*5.6 Mi Total*
6. Take the 2nd **right** onto **Luther Dr / Dalhart Ave**. Map	**0.5 Mi**	*6.1 Mi Total*
7. Take the 3rd **left** onto **Veterans Pky**. Map	**3.0 Mi**	*9.2 Mi Total*
8. Turn **right** onto **S Weber Rd**. Map	**1.0 Mi**	*10.2 Mi Total*
9. **S Weber Rd** becomes **N Naperville Rd**. Map	**0.8 Mi**	*10.9 Mi Total*
10. Turn **left** onto **S Washington St**. Map	**0.3 Mi**	*11.2 Mi Total*
11. **2451 S WASHINGTON ST** is on the **left**. Map		

2451 S Washington St, Naperville, IL 60565-5419

Total Travel Estimate: **11.24 miles - about 22 minutes**

MapQuest Travel Times
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mapquest

Notes

TO FRESENIUS MEDICAL CARE ORLAND PARK
HIGHWAY TRAVEL

Trip to:

9160 W 159th St
Orland Park, IL 60462-5648
13.28 miles / 20 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.3 Mi** *0.3 Mi Total*
	2. Merge onto **I-355 S / Veterans Memorial Tollway** via the ramp on the **left** toward **SouthWest Suburbs** (Portions toll). Map	**3.7 Mi** *4.0 Mi Total*
EXIT	3. Take the **IL-7 / 159th Street** exit. Map	**0.4 Mi** *4.4 Mi Total*
RAMP	4. Keep **left** to take the ramp toward **Orland Park / Homer Glen**. Map	**0.02 Mi** *4.4 Mi Total*
	5. Turn **left** onto **W 159th St / IL-7 E**. Continue to follow **W 159th St**. Map	**8.8 Mi** *13.3 Mi Total*
	6. **9160 W 159TH ST** is on the **left**. Map	

9160 W 159th St, Orland Park, IL 60462-5648

Total Travel Estimate: **13.28 miles - about 20 minutes**

MapQuest Travel Times
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mapquest

Trip to:

9160 W 159th St
Orland Park, IL 60462-5648
13.29 miles / 23 minutes

Notes

TO FRESENIUS MEDICAL CARE ORLAND PARK
NON-HIGHWAY TRAVEL

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **east** on **W 127th St** toward **Timberline Dr.** Map	**0.7 Mi** *0.7 Mi Total*
	2. Turn **right** onto **State St.** Map	**0.8 Mi** *1.5 Mi Total*
171	3. Turn **sharp left** onto **IL-171 / S Archer Ave.** Map	**0.7 Mi** *2.2 Mi Total*
	4. Turn **right** onto **W 131st St.** Map	**7.0 Mi** *9.2 Mi Total*
45	5. Turn **right** onto **S La Grange Rd / 96th Ave / US-45.** Map	**3.5 Mi** *12.7 Mi Total*
6	6. Turn **left** onto **W 159th St / US-6.** Map	**0.6 Mi** *13.3 Mi Total*
	7. **9160 W 159TH ST** is on the **left.** Map	

9160 W 159th St, Orland Park, IL 60462-5648

Total Travel Estimate: **13.29 miles - about 23 minutes**

mapquest

Notes

TO FRESENIUS MEDICAL CARE NAPERVILLE
HIGHWAY TRAVEL

Trip to:

100 Spalding Dr
Naperville, IL 60540-6550
13.59 miles / 22 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**6.4 Mi** *6.6 Mi Total*
EXIT	3. Take the **75th St** exit. Map	**0.3 Mi** *6.9 Mi Total*
	4. Turn **left** onto **75th St**. Map	**4.9 Mi** *11.8 Mi Total*
	5. Turn **right** onto **S Washington St**. Map	**1.3 Mi** *13.1 Mi Total*
	6. Turn **left** onto **Osler Dr**. Map	**0.3 Mi** *13.4 Mi Total*
	7. Turn **right** onto **Brom Dr**. Map	**0.1 Mi** *13.5 Mi Total*
	8. Turn **right** onto **Spalding Dr**. Map	**0.06 Mi** *13.6 Mi Total*
	9. **100 SPALDING DR** is on the **left**. Map	

100 Spalding Dr, Naperville, IL 60540-6550

Total Travel Estimate: **13.59 miles - about 22 minutes**

MapQuest Travel Times
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mapquest

Notes

TO FRESENIUS MEDICAL CARE NAPERVILLE
NON-HIGHWAY TRAVEL

Trip to:

100 Spalding Dr
Naperville, IL 60540-6550
15.18 miles / 28 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**0.7 Mi** *0.7 Mi Total*
	2. Take the 3rd **left** onto **State St**. Map	**1.7 Mi** *2.4 Mi Total*
	3. **State St** becomes **Lemont Rd**. Map	**5.0 Mi** *7.4 Mi Total*
	4. Turn **left** onto **75th St / W 75th St**. Continue to follow **75th St**. Map	**6.0 Mi** *13.4 Mi Total*
	5. Turn **right** onto **S Washington St**. Map	**1.3 Mi** *14.7 Mi Total*
	6. Turn **left** onto **Osler Dr**. Map	**0.3 Mi** *15.0 Mi Total*
	7. Turn **right** onto **Brom Dr**. Map	**0.1 Mi** *15.1 Mi Total*
	8. Turn **right** onto **Spalding Dr**. Map	**0.06 Mi** *15.2 Mi Total*
	9. **100 SPALDING DR** is on the **left**. Map	

100 Spalding Dr, Naperville, IL 60540-6550

Total Travel Estimate: **15.18 miles - about 28 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE DOWNERS GROVE
HIGHWAY TRAVEL

Trip to:

3825 Highland Ave

Downers Grove, IL 60515-1554

15.27 miles / 21 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N** / **Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**10.3 Mi** *10.4 Mi Total*
EAST 88	3. Merge onto **I-88 E** / **IL-110 E** / **Ronald Reagan Memorial Tollway** toward **Chicago** (Portions toll). Map	**3.6 Mi** *14.0 Mi Total*
EXIT	4. Take the **Highland Ave** exit. Map	**0.3 Mi** *14.3 Mi Total*
RAMP	5. Keep **right** to take the ramp toward **Good Samaritan Hospital** / **Midwestern College** / **Keller College**. Map	**0.02 Mi** *14.3 Mi Total*
	6. Merge onto **Highland Ave**. Map	**1.0 Mi** *15.3 Mi Total*
	7. **3825 HIGHLAND AVE** is on the **left**. Map	

3825 Highland Ave, Downers Grove, IL 60515-1554

Total Travel Estimate: **15.27 miles - about 21 minutes**

MapQuest Travel Times

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mapquest

Notes

TO FRESENIUS MEDICAL CARE DOWNERS GROVE
NON-HIGHWAY TRAVEL

Trip to:

3825 Highland Ave
Downers Grove, IL 60515-1554
12.16 miles / 26 minutes

16177 W 127th St, Lemont, IL 60439-7501

1.	Start out going **east** on **W 127th St** toward **Timberline Dr.** Map	**0.7 Mi** *0.7 Mi Total*
2.	Take the 3rd **left** onto **State St.** Map	**1.7 Mi** *2.4 Mi Total*
3.	**State St** becomes **Lemont Rd.** Map	**5.5 Mi** *7.9 Mi Total*
4.	**Lemont Rd** becomes **Main St.** Map	**4.1 Mi** *12.0 Mi Total*
5.	**Main St** becomes **Highland Ave.** Map	**0.1 Mi** *12.2 Mi Total*
6.	**3825 HIGHLAND AVE** is on the **right**. Map	

3825 Highland Ave, Downers Grove, IL 60515-1554

Total Travel Estimate: **12.16 miles - about 26 minutes**

MapQuest Travel Times
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mapquest

Notes

TO SUN HEALTH DIALYSIS
HIGHWAY TRAVEL

Trip to:

2121 Oneida St
Joliet, IL 60435-6544
19.73 miles / 25 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St**. Map	**0.3 Mi**	*0.3 Mi Total*
2. Merge onto **I-355 S / Veterans Memorial Tollway** via the ramp on the **left** toward **SouthWest Suburbs** (Portions toll). Map	**8.8 Mi**	*9.1 Mi Total*
3. Merge onto **I-80 W** toward **I-80 W / Iowa**. Map	**9.1 Mi**	*18.2 Mi Total*
4. Merge onto **S Larkin Ave / IL-7 N** via **EXIT 130B**. Map	**1.0 Mi**	*19.2 Mi Total*
5. Turn **left** onto **W Jefferson St / US-52**. Map	**0.3 Mi**	*19.5 Mi Total*
6. Take the 1st **right** onto **N Hammes Ave**. Map	**0.2 Mi**	*19.7 Mi Total*
7. Take the 1st **left** onto **W Oneida St**. Map	**0.03 Mi**	*19.7 Mi Total*
8. **2121 ONEIDA ST** is on the **right**. Map		

2121 Oneida St, Joliet, IL 60435-6544

Total Travel Estimate: **19.73 miles - about 25 minutes**

MapQuest Travel Times
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mapquest

Notes
TO SUN HEALTH DIALYSIS
NON-HIGHWAY TRAVEL

Trip to:
2121 Oneida St
Joliet, IL 60435-6544
14.67 miles / 27 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St** toward **Rolling Meadow Dr.** Map	**1.7 Mi** *1.7 Mi Total*
	2. Turn **left** onto **New Ave**. Map	**1.0 Mi** *2.7 Mi Total*
	3. Turn **right** onto **E Romeo Rd / E 135th St**. Map	**1.6 Mi** *4.4 Mi Total*
53	4. Turn **left** onto **N Independence Blvd / IL-53**. Continue to follow **IL-53**. Map	**5.2 Mi** *9.6 Mi Total*
	5. Turn **right** onto **W Caton Farm Rd**. Map	**1.8 Mi** *11.3 Mi Total*
	6. Turn **left** onto **Weber Rd**. Map	**0.6 Mi** *11.9 Mi Total*
	7. **Weber Rd** becomes **N Larkin Ave**. Map	**2.3 Mi** *14.3 Mi Total*
	8. Turn **right** onto **W Oneida St**. Map	**0.4 Mi** *14.7 Mi Total*
	9. **2121 ONEIDA ST** is on the **right**. Map	

2121 Oneida St, Joliet, IL 60435-6544

Total Travel Estimate: **14.67 miles - about 27 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE NAPERVILLE NO HIGHWAY TRAVEL

Trip to:

516 W 5th Ave

Naperville, IL 60563-2901

14.96 miles / 26 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St**. Map	**0.1 Mi**	*0.1 Mi Total*
2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**6.4 Mi**	*6.6 Mi Total*
3. Take the **75th St** exit. Map	**0.3 Mi**	*6.9 Mi Total*
4. Turn **left** onto **75th St**. Map	**4.9 Mi**	*11.8 Mi Total*
5. Turn **right** onto **S Washington St**. Map	**2.6 Mi**	*14.4 Mi Total*
6. Turn **left** onto **W Spring Ave**. Map	**0.3 Mi**	*14.7 Mi Total*
7. Turn **right** onto **N Mill St**. Map	**0.2 Mi**	*14.9 Mi Total*
8. Take the 1st **left** onto **W 5th Ave**. Map	**0.04 Mi**	*15.0 Mi Total*
9. **516 W 5TH AVE** is on the **left**. Map		

516 W 5th Ave, Naperville, IL 60563-2901

Total Travel Estimate: **14.96 miles - about 26 minutes**

mapquest

Notes

TO FRESENIUS MEDICAL CARE NAPERVEILL NO NON-HIGHWAY TRAVEL

Trip to:

516 W 5th Ave

Naperville, IL 60563-2901

16.55 miles / 32 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**0.7 Mi** *0.7 Mi Total*
	2. Take the 3rd **left** onto **State St**. Map	**1.7 Mi** *2.4 Mi Total*
	3. **State St** becomes **Lemont Rd**. Map	**5.0 Mi** *7.4 Mi Total*
	4. Turn **left** onto **75th St / W 75th St**. Continue to follow **75th St**. Map	**6.0 Mi** *13.4 Mi Total*
	5. Turn **right** onto **S Washington St**. Map	**2.6 Mi** *16.0 Mi Total*
	6. Turn **left** onto **W Spring Ave**. Map	**0.3 Mi** *16.3 Mi Total*
	7. Turn **right** onto **N Mill St**. Map	**0.2 Mi** *16.5 Mi Total*
	8. Take the 1st **left** onto **W 5th Ave**. Map	**0.04 Mi** *16.5 Mi Total*
	9. **516 W 5TH AVE** is on the **left**. Map	

516 W 5th Ave, Naperville, IL 60563-2901

Total Travel Estimate: **16.55 miles - about 32 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO USRC OAK BROOK
HIGHWAY TRAVEL

Trip to:

1213 Butterfield Rd

Downers Grove, IL 60515-1032

14.55 miles / 20 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N** / **Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**13.2 Mi** *13.3 Mi Total*
EXIT	3. Take the **IL-56** / **Butterfield Rd** exit. Map	**0.6 Mi** *13.9 Mi Total*
EAST 56	4. Merge onto **IL-56 E** / **Butterfield Rd** toward **Oak Brook**. Map	**0.4 Mi** *14.3 Mi Total*
	5. Turn **right** onto **Downers Dr**. Map	**0.05 Mi** *14.4 Mi Total*
	6. Turn **left** onto **Butterfield Rd**. Map	**0.2 Mi** *14.6 Mi Total*
	7. **1213 BUTTERFIELD RD** is on the **right**. Map	

1213 Butterfield Rd, Downers Grove, IL 60515-1032

Total Travel Estimate: **14.55 miles - about 20 minutes**

mapquest

Notes

TO USRC OAK BROOK
NON-HIGHWAY TRAVEL

Trip to:

1213 Butterfield Rd

Downers Grove, IL 60515-1032
13.63 miles / 29 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**0.7 Mi**	*0.7 Mi Total*
2. Take the 3rd **left** onto **State St**. Map	**1.7 Mi**	*2.4 Mi Total*
3. **State St** becomes **Lemont Rd**. Map	**5.5 Mi**	*7.9 Mi Total*
4. **Lemont Rd** becomes **Main St**. Map	**4.1 Mi**	*12.0 Mi Total*
5. **Main St** becomes **Highland Ave**. Map	**1.3 Mi**	*13.3 Mi Total*
6. Turn **left** onto **Butterfield Rd**. Map	**0.3 Mi**	*13.6 Mi Total*
7. **1213 BUTTERFIELD RD** is on the **left**. Map		

1213 Butterfield Rd, Downers Grove, IL 60515-1032

Total Travel Estimate: **13.63 miles - about 29 minutes**

mapquest

Notes

TO FRESENIUS MEDICAL CARE ELMHURST
HIGHWAY TRAVEL

Trip to:

133 E Brush Hill Rd
Elmhurst, IL 60126-5658
20.23 miles / 26 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**10.3 Mi** *10.4 Mi Total*
EAST 88	3. Merge onto **I-88 E / IL-110 E / Ronald Reagan Memorial Tollway** toward **Chicago** (Portions toll). Map	**8.1 Mi** *18.6 Mi Total*
EXIT	4. Take the **I-294 S** exit toward **Indiana**. Map	**0.3 Mi** *18.9 Mi Total*
EXIT	5. Take the **York Rd** exit. Map	**0.2 Mi** *19.1 Mi Total*
	6. Turn **right** onto **York Rd**. Map	**0.8 Mi** *19.9 Mi Total*
	7. Turn **left** onto **E Brush Hill Rd**. Map	**0.3 Mi** *20.2 Mi Total*
	8. **133 E BRUSH HILL RD**. Map	

133 E Brush Hill Rd, Elmhurst, IL 60126-5658

Total Travel Estimate: **20.23 miles - about 26 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE ELMHURST
NON-HIGHWAY TRAVEL

Trip to:

133 E Brush Hill Rd
Elmhurst, IL 60126-5658
18.73 miles / 29 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**2.1 Mi** *2.1 Mi Total*
171	2. Turn **left** onto **S Archer Ave / IL-171**. Map	**3.9 Mi** *6.0 Mi Total*
NORTH 83	3. Stay **straight** to go onto **IL-83 N**. Map	**11.1 Mi** *17.1 Mi Total*
EAST 56	4. Merge onto **IL-56 E / Butterfield Rd** toward **IL-38 E / Roosevelt Rd**. Map	**0.7 Mi** *17.8 Mi Total*
	5. Turn **right** onto **Commonwealth Ln**. Map	**0.1 Mi** *17.9 Mi Total*
	6. **Commonwealth Ln** becomes **Brush Hill Rd**. Map	**0.8 Mi** *18.7 Mi Total*
	7. **133 E BRUSH HILL RD**. Map	

133 E Brush Hill Rd, Elmhurst, IL 60126-5658

Total Travel Estimate: **18.73 miles - about 29 minutes**

mapquest

Trip to:

2400 Wolf Rd
Oak Brook, IL 60523
17.98 miles / 26 minutes

Notes
TO FRESENIUS MEDICAL CARE WESTCHESTER
HIGHWAY TRAVEL

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**3.2 Mi** *3.4 Mi Total*
NORTH 55	3. Merge onto **I-55 N** toward **Chicago**. Map	**7.7 Mi** *11.0 Mi Total*
277A EXIT	4. Take **EXIT 277A** toward **I-294 N / Wisconsin**. Map	**1.5 Mi** *12.5 Mi Total*
NORTH 294	5. Merge onto **I-294 N** via the exit on the **left** toward **Wisconsin / Tri-State** (Portions toll). Map	**2.9 Mi** *15.4 Mi Total*
EAST 34	6. Merge onto **US-34 E / Ogden Ave**. Map	**1.0 Mi** *16.3 Mi Total*
	7. Turn **left** onto **Wolf Rd**. Map	**1.6 Mi** *18.0 Mi Total*
	8. **2400 WOLF RD** is on the **left**. Map	

2400 Wolf Rd, Oak Brook, IL 60523

Total Travel Estimate: **17.98 miles - about 26 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE WESTCHESTER
NON-HIGHWAY TRAVEL

Trip to:

2400 Wolf Rd

Oak Brook, IL 60523

19.04 miles / 29 minutes

A **16177 W 127th St**, Lemont, IL 60439-7501

	1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**2.1 Mi**	*2.1 Mi Total*
171	2. Turn **left** onto **S Archer Ave / IL-171**. Map	**3.9 Mi**	*6.0 Mi Total*
NORTH 83	3. Stay **straight** to go onto **IL-83 N**. Map	**9.2 Mi**	*15.2 Mi Total*
RAMP	4. Take the **Oak Brook Rd / 31st Street** ramp. Map	**0.3 Mi**	*15.5 Mi Total*
	5. Turn **right** onto **Oak Brook Rd / 31st St**. Map	**2.8 Mi**	*18.3 Mi Total*
	6. Turn **left** onto **Wolf Rd**. Map	**0.7 Mi**	*19.0 Mi Total*
	7. **2400 WOLF RD** is on the **left**. Map		

B **2400 Wolf Rd**, Oak Brook, IL 60523

Total Travel Estimate: **19.04 miles - about 29 minutes**

MapQuest Travel Times

Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE MOKENA
HIGHWAY TRAVEL

Trip to:

8910 W 192nd St
Mokena, IL 60448-8110
17.10 miles / 20 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **west** on **W 127th St**. Map	**0.3 Mi**	*0.3 Mi Total*
2. Merge onto **I-355 S** / **Veterans Memorial Tollway** via the ramp on the **left** toward **SouthWest Suburbs** (Portions toll). Map	**8.8 Mi**	*9.1 Mi Total*
3. Merge onto **I-80 E** via the exit on the **left** toward **Indiana**. Map	**6.0 Mi**	*15.1 Mi Total*
4. Merge onto **US-45 S** / **La Grange Rd** via **EXIT 145**. Map	**1.0 Mi**	*16.1 Mi Total*
5. Turn **left** onto **191st St**. Map	**0.6 Mi**	*16.7 Mi Total*
6. Take the 2nd **right** onto **Darvin Dr**. Map	**0.2 Mi**	*16.8 Mi Total*
7. **Darvin Dr** becomes **W 192nd St**. Map	**0.3 Mi**	*17.1 Mi Total*
8. **8910 W 192ND ST** is on the **left**. Map		

8910 W 192nd St, Mokena, IL 60448-8110

Total Travel Estimate: **17.10 miles - about 20 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes
FRESENIUS MEDICAL CARE MOKENA
NON-HIGHWAY TRAVEL

Trip to:
8910 W 192nd St
Mokena, IL 60448-8110
17.76 miles / 30 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**0.7 Mi**	*0.7 Mi Total*
2. Turn **right** onto **State St**. Map	**0.8 Mi**	*1.5 Mi Total*
171 3. Turn **sharp left** onto **IL-171 / S Archer Ave**. Map	**0.7 Mi**	*2.2 Mi Total*
4. Turn **right** onto **W 131st St**. Map	**4.0 Mi**	*6.2 Mi Total*
5. Turn **right** onto **S Will Cook Rd**. Map	**3.5 Mi**	*9.7 Mi Total*
6. Turn **left** onto **W 159th St / IL-7**. Continue to follow **W 159th St**. Map	**3.0 Mi**	*12.7 Mi Total*
SOUTH 45 7. Turn **right** onto **S La Grange Rd / US-45 S / 96th Ave**. Continue to follow **S La Grange Rd / US-45 S**. Map	**4.1 Mi**	*16.7 Mi Total*
8. Turn **left** onto **191st St**. Map	**0.6 Mi**	*17.3 Mi Total*
9. Take the 2nd **right** onto **Darvin Dr**. Map	**0.2 Mi**	*17.5 Mi Total*
10. **Darvin Dr** becomes **W 192nd St**. Map	**0.3 Mi**	*17.8 Mi Total*
11. **8910 W 192ND ST** is on the **left**. Map		

8910 W 192nd St, Mokena, IL 60448-8110

Total Travel Estimate: **17.76 miles - about 30 minutes**

MapQuest Travel Times
Appendix - 1

mapquest

Notes

TO FRESENIUS MEDICAL CARE LOMBARD
HIGHWAY TRAVEL

Trip to:

1940 Springer Dr
Lombard, IL 60148-6419
15.22 miles / 21 minutes

16177 W 127th St, Lemont, IL 60439-7501

	1. Start out going **west** on **W 127th St**. Map	**0.1 Mi** *0.1 Mi Total*
NORTH 355	2. Merge onto **I-355 N / Veterans Memorial Tollway** toward **West Suburbs** (Portions toll). Map	**13.2 Mi** *13.3 Mi Total*
EXIT	3. Take the **IL-56 / Butterfield Rd** exit. Map	**0.6 Mi** *13.9 Mi Total*
EAST 56	4. Merge onto **IL-56 E / Butterfield Rd** toward **Oak Brook**. Map	**0.2 Mi** *14.1 Mi Total*
	5. Turn **left** onto **Finley Rd**. Map	**0.9 Mi** *15.0 Mi Total*
	6. Turn **left** onto **Foxworth Blvd**. Map	**0.1 Mi** *15.1 Mi Total*
	7. Turn **right** onto **Springer Dr**. Map	**0.1 Mi** *15.2 Mi Total*
	8. **1940 SPRINGER DR** is on the **left**. Map	

1940 Springer Dr, Lombard, IL 60148-6419

Total Travel Estimate: **15.22 miles - about 21 minutes**

mapquest

Notes

TO FRESENIUS MEDICAL CARE LOMBARD
NON-HIGHWAY TRAVEL

Trip to:

1940 Springer Dr
Lombard, IL 60148-6419
15.75 miles / 31 minutes

16177 W 127th St, Lemont, IL 60439-7501

1. Start out going **east** on **W 127th St** toward **Timberline Dr**. Map	**0.7 Mi**	*0.7 Mi Total*
2. Take the 3rd **left** onto **State St**. Map	**1.7 Mi**	*2.4 Mi Total*
3. **State St** becomes **Lemont Rd**. Map	**5.0 Mi**	*7.4 Mi Total*
4. Turn **left** onto **75th St / W 75th St**. Continue to follow **75th St**. Map	**0.9 Mi**	*8.3 Mi Total*
5. Turn **right** onto **Woodward Ave**. Map	**1.5 Mi**	*9.8 Mi Total*
6. Turn **left** onto **63rd St**. Map	**0.3 Mi**	*10.1 Mi Total*
7. Take the 2nd **right** onto **Belmont Rd**. Map	**2.4 Mi**	*12.5 Mi Total*
8. **Belmont Rd** becomes **Finley Rd**. Map	**3.0 Mi**	*15.5 Mi Total*
9. Turn **left** onto **Foxworth Blvd**. Map	**0.1 Mi**	*15.6 Mi Total*
10. Turn **right** onto **Springer Dr**. Map	**0.1 Mi**	*15.7 Mi Total*
11. **1940 SPRINGER DR** is on the **left**. Map		

1940 Springer Dr, Lombard, IL 60148-6419

Total Travel Estimate: **15.75 miles - about 31 minutes**

MapQuest Travel Times
Appendix - 1

KIDNEY CARE CENTER

812 Campus Drive • Joliet, IL 60435
Tel.: (815) 741-6830 • Fax: (815) 741-6832

Tunji Alausa, M.D.
M.S. Shafi, M.D.
Stella Awua-Larbi, M.D.
Nitesh Thakker, M.D.
Amit Jamnadas, M.D.

July 3, 2013

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

Dear Ms. Avery,

I am a nephrologist practicing in the southwest collar counties of Chicago. I also serve as Medical Director of the Fresenius Medical Care Plainfield & Joliet dialysis centers and the Joliet & Homer Glen Home Dialysis Network facilities. I am part of Kidney Care Centers practice group in Joliet. Along with my partners, Mohammed Shafi, M.D., Nitesh Thakker, M.D., Stella Awua-Larbi, M.D. and Amit Jamnadas, M.D. we currently see patients at Fresenius Medical Care Plainfield, Bolingbrook, Mokena, Morris, Naperville, Joliet and the Joliet & Homer Glen Home Dialysis Network, DaVita Silver Cross Renal West, Renal East & Morris and Sun Health. I am writing to support the establishment of the Fresenius Lemont dialysis clinic to better serve the growing number of dialysis patients in my practice.

We were treating 83 in-center hemodialysis patients at the end of 2010, 101 at the end of 2011 and 111 at the end of 2012 as reported to The Renal Network. At the end of the 1st quarter 2013 we had 124 in-center hemodialysis patients. Over the past twelve months, we have referred 66 patients for in-center hemodialysis to those facilities mentioned above. I currently have 91 pre-ESRD patients in my practice from the Lemont area that would be expected to be referred to the Lemont facility in the first two years after beginning operations. Of these I expect approximately 30% to expire, regain function, move out of the area or choose home dialysis before dialysis therapy is started. I expect then that approximately 64 of these patients would be referred to Lemont facility for dialysis. My partners and I will continue to refer patients to the other area facilities per the patient's place of residence and choice. We are also strong supporters of home dialysis through our Joliet, Plainfield and Homer Glen home therapies programs and will continue to refer those patients who are good candidates for home dialysis services.

www.kidnevcares.com

KIDNEY CARE CENTER

812 Campus Drive • Joliet, IL 60435
Tel.: (815) 741-6830 • Fax: (815) 741-6832

Tunji Alausa, M.D.
M.S. Shafi, M.D.
Stella Awua-Larbi, M.D.
Nitesh Thakker, M.D.
Amit Jamnadas, M.D.

I respectfully ask you to consider the constant growth of ESRD in northeast Will and southwest Cook Counties and approve the Lemont facility to maintain access for future dialysis patients.

Thank you for your consideration.

I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other CON application.

Sincerely,

Morufu Alausa, M.D.

Notarization:
Subscribed and sworn to before me
this 30 day of July, 2013

Signature of Notary

Seal

OFFICIAL SEAL
DENISE ANN CARMODY
Notary Public - State of Illinois
My Commission Expires May 09, 2015

PRE - ESRD PATIENTS KIDNEY CARE EXPECTS TO REFER TO FRESENIUS MEDICAL CARE LEMONT WITHIN 2 YEARS OF PROJECT COMPLETION

Initials	Zip Code
AR	60439
CB	60446
JB	60441
JB	60462
RB	60441
RB	60441
RB	60462
TB	60491
JC	60462
JC	60441
MD	60441
RD	60441
TD	60441
CE	60441
AF	60446
BF	60462
IF	60446
JF	60441
PF	60441
RF	60446
AG	60441
DG	60446
EG	60441
FG	60446
JG	60441
RG	60441
EH	60439
JH	60491
JH	60441
LH	60446
LH	60491
PH	60441
RH	60441
VH	60446
DJ	60441
JJ	60441
LJ	60441
PJ	60446
RJ	60441
LK	60446
MK	60441
MK	60441
RK	60441
WK	60439
CL	60439

Initials	Zip Code
HL	60446
NL	60439
RL	60491
SL	60441
MC	60446
MC	60441
DM	60439
JM	60441
JM	60441
SM	60441
AN	60441
EN	60462
BO	60491
JO	60446
MO	60441
BP	60491
CP	60441
JP	60441
KP	60446
MP	60441
RP	60439
RP	60446
SP	60441
TP	60441
TP	60441
ER	60441
IR	60446
AS	60441
AS	60441
AS	60446
BS	60446
CS	60446
CS	60446
JS	60446
KS	60462
MS	60441
RS	60446
RS	60439
RS	60441
CT	60446
GT	60439
RT	60491
CV	60441
BW	60441
KW	60441
KW	60441

Summary

Zip Code	City	Patients
60439	Lemont	9
60441	Lockport	46
60446	Romeoville	23
60462	Orland Park	6
60491	Homer Glen	7
Total		91

IN-CENTER HEMODIALYSIS ADMISSIONS OF KIDNEY CARE FOR THE MOST RECENT TWELVE MONTHS – 06/01/2012 THROUGH 05/31/2013

	Fresenius Medical Care				DaVita			
Zip Code	Bolingbrook	Joliet	Mokena	Plainfield	Chicago Heights	Silver Cross East	Silver Cross West	Total
60403		1		1				2
60411					1			1
60415		1						1
60423		1	1					2
60425					1			1
60429				1				1
60432		4		3		1		8
60433		7		2				9
60435		4		6				10
60436		3		2				5
60440	1							1
60441		3						3
60445		1						1
60447				1				1
60448			2					2
60451		1					1	2
60455		1						1
60477		1						1
60491		1						1
60545				1				1
60563				1				1
60565				1				1
60586				5				5
60628			1					1
60636					1			1
60639				1				1
60645				1				1
60677			1					1
Total	**1**	**29**	**5**	**26**	**3**	**1**	**1**	**66**

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 12/31/2010

Zip	Fresenius Medical Care		Silver Cross		Sun	
Code	Mokena	Plainfield	Hospital	West	Health	Total
60403		5		3		8
60404		1		1		2
60407		1				1
60421		1				1
60431		2				2
60432		3	1	8	1	13
60433		1	2	3		6
60435		6		7		13
60436				5	3	8
60441		2		1		3
60442				3		3
60446		1		1		2
60447		2				2
60448	3	1				4
60451			1	1		2
60467			1			1
60477					1	1
60544		1		1		2
60559		1				1
60586		6		2		8
Total	3	34	5	36	5	83

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 12/31/2011

Zip Code	Fresenius Medical Care				Silver Cross			Sun Health	Total
	Bolingbrook	Mokena	Morris	Plainfield	East	Morris	West		
60403				7			4		11
60404							1		1
60408							1		1
60412							1		1
60421				1					1
60431				1					1
60432		1		3	1		6		11
60433			1	2	2		6		11
60435				12			5		17
60436					1		5	3	9
60441				1			1		2
60443				1	1				2
60446	2			2			1		5
60447				2					2
60448		2							2
60450			1						1
60457		1			1				2
60467					1				1
60477								1	1
60487		1							1
60505				1					1
60544				1		1	1		3
60586				11			2		13
60914				1					1
Total	2	5	2	46	7	1	34	4	101

190

Physician Referrals
Appendix - 2

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 12/31/2012

Zip Code	Fresenius Medical Care					DaVita			Sun Health	Total
	Bolingbrook	Joliet	Mokena	Naperville	Plainfield	Silver Cross East	Silver Cross Morris	Silver Cross West		
60403				1	4			2		7
60404					1					1
60408								1		1
60412		1								1
60423			1							1
60429					1					1
60430								1		1
60431					3					3
60432		4	1		2	1		5		13
60433		3			7	1		1		12
60435		2			9		1	5		17
60436		2			1			3	2	8
60440								1		1
60441		4			5					9
60442						1				1
60445		1								1
60446	1				1					2
60447					1			1		2
60448			2							2
60451			1		1					2
60460					1					1
60467			1			1				2
60477		1							1	2
60506					1					1
60543					1					1
60544					3			1		4
60565					1					1
60586					12			1		13
Total	**1**	**18**	**6**	**1**	**55**	**4**	**1**	**22**	**3**	**111**

IN-CENTER HEMODIALYSIS PATIENTS OF KIDNEY CARE FOR 1ST QUARTER 2013

Zip Code	Fresenius Medical Care					DaVita			
	Bolingbrook	Joliet	Mokena	Naperville	Plainfield	Silver Cross East	Silver Cross West	Sun Health	Total
60403		2		1	3		1		7
60404					1				1
60408							1		1
60411		1							1
60412		1							1
60425		1							1
60429					1				1
60431					3				3
60432		9	2		3	1	3		18
60433		8			4				12
60435		4			10		4		18
60436		3			1		4	2	10
60440	1								1
60441		3			3				6
60442						1			1
60445		1							1
60446	1				1		1		3
60447					1		1		2
60448			3						3
60451		1	1		1		1		4
60455		1							1
60466		1							1
60467						1			1
60477		1						1	2
60481					1				1
60544					2		1		3
60563					1				1
60565					1				1
60586					12		1		13
60628			1						1
60639					1				1
60644							1		1
60645					1				1
60677			1						1
Total	**2**	**37**	**8**	**1**	**51**	**3**	**19**	**3**	**124**