



**FRESENIUS
MEDICAL CARE**

RECEIVED

FEB 14 2014

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

February 13, 2014

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

**Re: Supplemental Information
Project #13-040, Fresenius Medical Care Lemont**

Dear Ms. Avery,

The enclosed pages contain supplemental information in response to the Intent to Deny given to the above mentioned project at the December 17, 2013 meeting.

Thank you for your time and consideration of this information.

Sincerely,

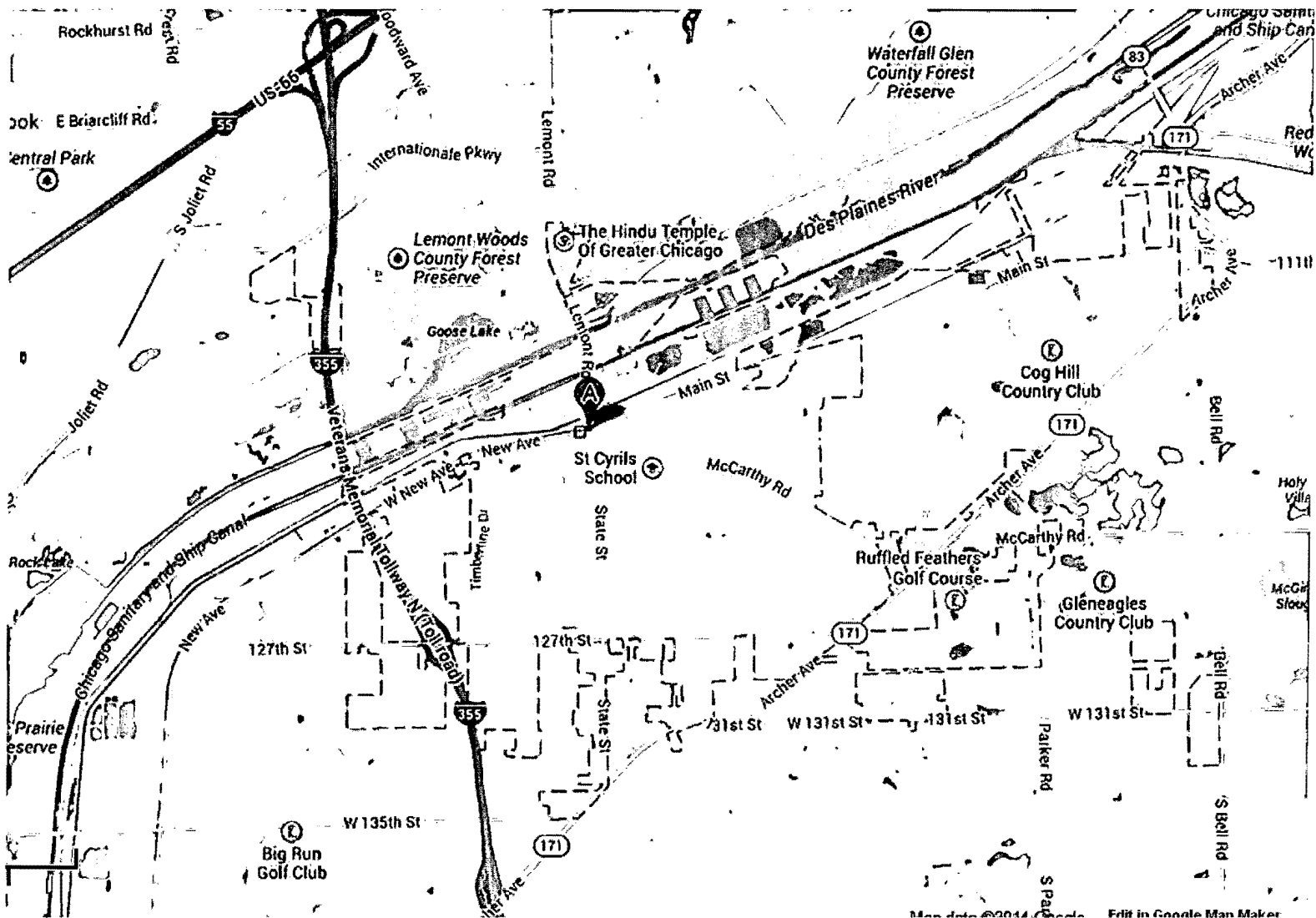
Lori Wright
Senior CON Specialist

cc: Clare Ranalli

**SUPPLEMENTAL INFORMATION FOR
#13-040 Fresenius Medical Care Lemont**

In response to the Intent to Deny issued to project #13-040 at the December 17, 2013 meeting, Fresenius Medical Care is submitting this additional information and requests the Board to reconsider its position based on the following information.

Lemont is a town of approximately 23,000 located in a somewhat secluded area in far southwest Cook County. It has a physical border to the north and west created by the Des Plaines River and the I&M Canal which is industrial in nature. To the east it is bordered by Cog Hill Golf club and wooded areas with numerous quarries left over from the mining days of the early 1900's. To the south there are newer sub-divisions and additional forest preserves. Until I-355 was extended into this area several years ago, there was limited access to this area.



In calendar year 2013 the patient population at the clinics considered to be within 30 minutes travel time of Lemont via non-highway travel (as shown in the chart below) grew by over 5%, which is significantly higher than the average yearly State rate of 1.92% (for 2010-2012).

State ESRD Growth¹

	2010	2011	2012		11 vs 10	12 vs 11		Avg Yearly Growth
Illinois ESRD	16,608	16,907	17,584		1.80%	4.00%		1.92%

Lemont Area ESRD Growth by Clinic

Facility	Address	City	Miles	Adjusted Minutes		Stations	Patients 12/2012	Patients 12/2013	12/2013 Utilization
				Per Board Rules With Highway Travel	Per Board Rules With NO Highway Travel				
USR Bolingbrook	396 Remington Blvd	Bolingbrook	7.42	12	18	13	7	37	428.57%
DaVita Palos Park	13155 S La Grange Rd	Orland Park	9.22	18	18	12	12	27	125.00%
Fresenius Bolingbrook	329 Remington Blvd	Bolingbrook	7.22	12	20	24	132	120	-9.09%
Fresenius Willowbrook	6300 Kingery Highway	Willowbrook	11.37	18	21	20	88	76	-13.64%
DaVita SC Hosp	1890 Silver Cross Blvd.	New Lenox	9.11	14	24	19	81	83	2.47%
Fresenius Joliet	721 E. Jackson Street	Joliet	12.9	21	25	16	19	48	152.63%
Fresenius Naperville*	2451 S. Washington	Naperville	12.49	22	25	16	78	70	-10.26%
Fresenius Orland Park	9160 W 159th St	Orland Park	13.28	23	26	18	76	85	11.84%
Fresenius Downers Grove	3825 Highland Ave	Downers Grove	14.55	24	30	19	94	73	-22.34%
							587	619	5.45%

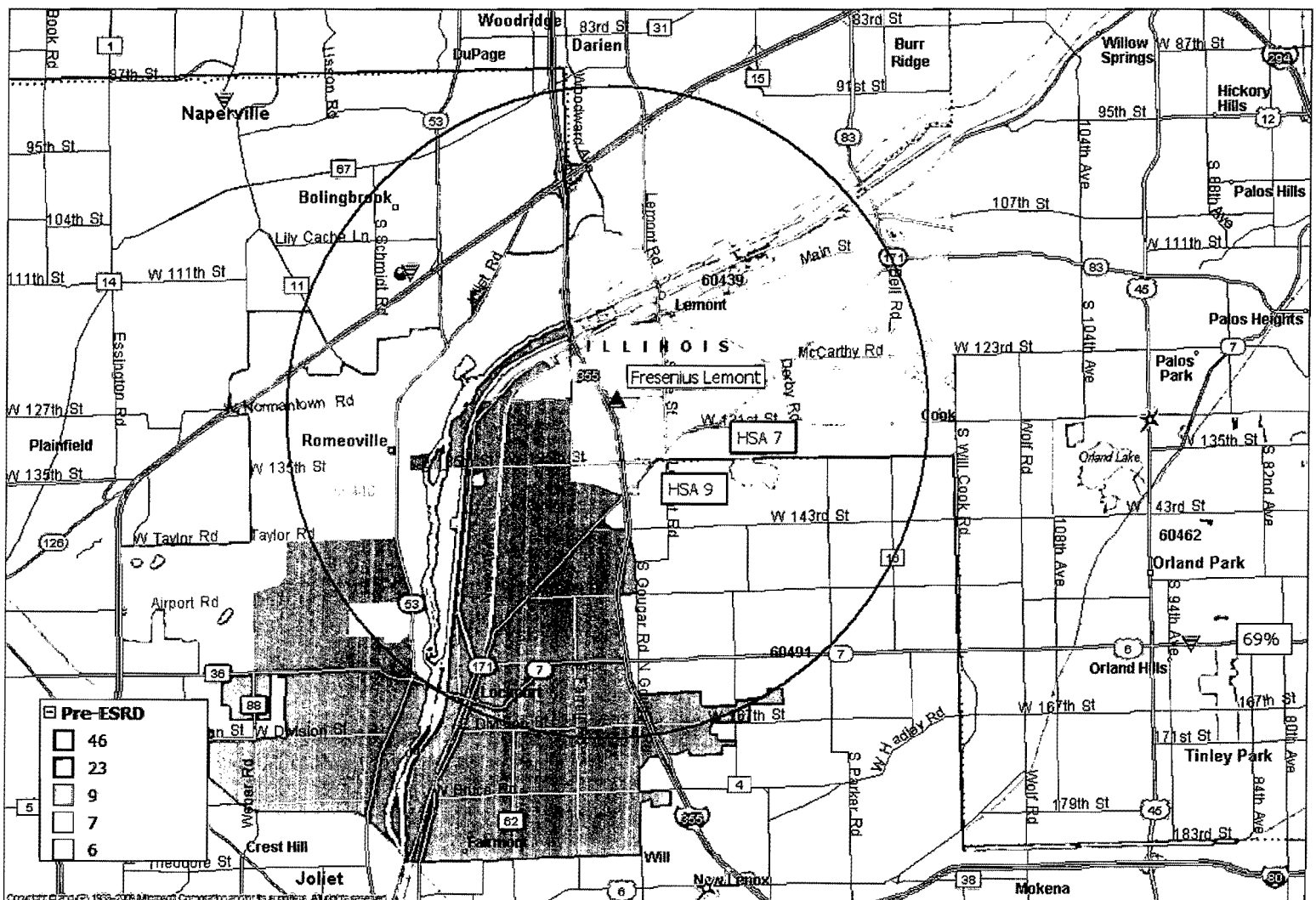
*Naperville Dialysis will be closed by April 2014 and all patients transferred to the Naperville facility. For purposes of this travel/growth study, those patients of the Naperville Dialysis center are listed under the Naperville facility.

Facilities below are over 30 minutes travel via non-highway travel									
Sun Health	2121 W Oneida St	Joliet	19.73	29	31	17	59	54	
USR Oak Brook	1213 Butterfield Road	Downers Grove	14.55	23	33	13	4	34	
Fresenius Westchester	2400 Wolf Road	Westchester	17.98	30	33	20	89	97	
Fresenius Elmhurst	133 E Brush Hill Road	Elmhurst	20.23	30	33	28	132	101	
Fresenius Mokena	8910 W 192nd St	Mokena	17.1	23	35	12	45	52	
Fresenius Lombard	1940 Springer Dr	Lombard	15.22	24	36	12	44	36	
Fresenius Naperville North	516 W 5th Ave	Naperville	14.96	30	37	21	76	75	

1. Utilization and ESRD census data taken from the Renal Network 10 Annual Report for 2010, 2011 & 2012.

Because Lemont is situated on the border of Cook County (HSA 7) and Will County (HSA 9) it cannot reasonably serve only one HSA. As noted by the opposition, a majority of identified pre-ESRD patients who would use the Lemont clinic do not reside in HSA 7, but rather in HSA 9 ***as stated in the application***. However, a majority of these patients reside within 5 miles of the chosen location; therefore it ***will*** serve its market area. This was ***not*** the case in a previous application submitted for Lemont by an applicant other than Fresenius. (The previous application also used duplicated patients, which the Fresenius application does not.)

HSA 7 & 9 with Zip Codes of Pre-ESRD Patients Identified for the Lemont Facility



Since the previous area application was given an intent-to-deny, several changes have taken place. At that time there were six new/start up facilities within 30 minutes of Lemont, all with 0% utilization (US Renal Bolingbrook, US Renal Oak Brook, DaVita Palos Park, Fresenius Joliet, Naperbrook and Lockport). Five are now in full operation with an average utilization of 50% as of December 2013, although the average time of operation for these five facilities is only 13 months. The sixth facility, Fresenius Lockport, has since surrendered its permit.

While there are facilities within 30 minutes that are under the State's 80% target utilization rate, we note that the proposed Lemont facility will not be operational for approximately 2 years from the date it receives Board approval, because the developer will not build the shell building until this occurs. Depending on when the Board issues a final decision on this application, that may mean the facility would not be treating patients until December, 2016. Given the growth in the area it would not be reasonable to expect the current underutilization to remain a full two and a half years from now. While we are required to provide this supplemental information now, we fully expect that new utilization statistics will show that area facilities have only continued to grow to reach or come closer to reaching the Board's utilization target of 80%.

Additionally, over half of the facilities considered within 30 minutes are between ten and 20 miles away.

We respectfully ask the Board to reconsider its decision based on the need evidenced by the ESRD growth in this area and the unique location of the city of Lemont, which straddles two HSAs, one where there is significant need. We thank Board members and staff for their time and consideration of this additional information.