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November 25, 2013

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Via FedEx**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Kathryn Olson
Chair
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Opposition to RCG - Evanston (Proj. No. 13-053)

Dear Chair Olson:

I am a Group Facility Administrator for DaVita HealthCare Partners Inc. ("DaVita"). I am writing on behalf of DaVita to oppose Fresenius Medical Care's ("Fresenius") proposal to expand its Evanston in-center hemodialysis center by six stations. While there is a calculated need for 82 stations in HSA 7, existing facilities within the geographic service area ("GSA") are currently underutilized and can accommodate the proposed referrals to RCG Evanston. Further, last year DaVita filed an application to relocate its Evanston Renal Center. The initial application included a two station expansion. DaVita subsequently modified the application to a straight relocation because the GSA could not support the additional stations. Since that time, utilization of existing facilities in the GSA has not increased significantly to justify the addition of six stations to an underutilized GSA. Accordingly, DaVita respectfully requests the Illinois Health Facilities and Services Review Board (the "State Board") deny Fresenius' application to expand RCG Evanston.

There are currently twenty-five in-center hemodialysis facilities within 30 minutes normal travel time of RCG Evanston (or the GSA). (Attachment 1). As of September 30, 2013, only three of the existing facilities within the GSA were operating at or above the State Board's 80% utilization standard. Importantly, RCG Evanston is operating at 76% utilization, which is slightly lower than the utilization at the time of filing the application (79.76%). Further, average utilization of existing facilities in the GSA is 64%. In fact, the existing facilities have sufficient capacity to accommodate the 96 projected referrals from NorthShore Faculty Practice Association ("NSFPA"). In fact, all of the facilities NSFPA currently refers to are operating under the State Board's utilization standard and have sufficient capacity to accommodate the additional referrals.¹ Finally, the existing facilities within 15 minutes normal travel time of RCG Evanston² are operating at 56% utilization with no facility achieving target utilization. Collectively, these facilities can accommodate up to 151 patients before achieving the State

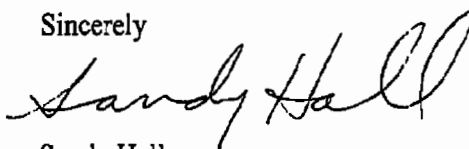
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Board's 80% utilization standard. There is sufficient capacity within the immediate area to accommodate the proposed referrals from NSFPA.

Finally, Fresenius notes it surrendered eight stations as a condition for approval of its Northfield facility. Importantly, FMC Northfield, which is located approximately 13 minutes from RCG Evanston, recently commenced operations and could easily accommodate additional patients from NSFPA. It would be premature to add stations to RCG Evanston until the utilization at FMC Northfield is settled.

Due to underutilization of existing facilities in the area as well as the recent opening of FMC Northfield, it would not be prudent to add stations to RCG Evanston at this time. Accordingly, DaVita respectfully requests the State Board deny Fresenius' application to add six stations to RCG Evanston.

Sincerely

A handwritten signature in black ink, appearing to read "Sandy Hall", with a stylized flourish at the end.

Sandy Hall
Group Facility Administrator
DaVita HealthCare Partners Inc.

Attachment

cc: Michael Constantino

Utilization of Existing Facilities within 30 Minutes of RCG Evanston											
Facility	City	Distance	Drive Time	Adjusted Drive Time	3/31/2012 Stations	9/30/2013 Stations	3/31/2012 Patients	9/30/2013 Patients	3/31/2012 Utilization	9/30/2013 Utilization	Available Capacity
RCG - Mid America Evanston	Evanston	-	0	0	12	14	61	64	85%	76%	20
Evanston Renal Center	Evanston	1.1	3	3	18	18	57	60	53%	56%	48
Evanston Hospital	Evanston	1.8	5	6	5	5	0	0	0%	0%	30
FMC - Skokie	Skokie	2.6	6	7	14	14	58	64	69%	76%	20
Fresenius Medical Care Northfield	Northfield	4.9	11	13	12	12	0	1	0%	1%	71
Center for Renal Replacement	Lincolnwood	4.7	12	14	16	16	72	68	75%	71%	28
Big Oaks Dialysis	Niles	7.3	13	15	12	12	19	20	26%	28%	52
FMC - Rogers Park	Chicago	4.3	13	15	20	20	84	81	70%	68%	39
Fresenius Medical Care Niles	Niles	6.9	15	17	32	32	142	136	74%	71%	56
Fresenius Medical Care North Kilpatrick	Chicago	9.5	16	18	28	28	133	144	79%	86%	24
Satellite Dialysis of Glenview	Glenview	8.1	17	20	16	16	0	86	0%	72%	10
Nephron Dialysis Ctr Swedish Covenant	Chicago	7.5	18	21	12	12	69	71	96%	99%	1
Glenview Dialysis Center	Glenview	8.5	19	22	20	20	91	86	76%	72%	34
Fresenius Medical Care of Deerfield	Deerfield	10.5	19	22	12	12	35	52	49%	72%	20
Logan Square Dialysis	Chicago	12.5	20	23	28	28	113	116	67%	69%	52
Fresenius Medical Care West Belmont	Chicago	11.4	21	24	13	17	72	80	92%	78%	22
FMC - Logan Square	Chicago	12.7	21	24	12	12	0	0	0%	0%	72
Fresenius Medical Care Northcenter	Chicago	12.6	21	24	16	16	73	75	76%	78%	21
Highland Park Hospital	Highland Park	12.5	22	25	20	20	99	88	83%	73.33%	32
Resurrection Medical Center	Chicago	13.6	23	26	14	14	55	54	65%	64%	30
Fresenius Medical Care West Willow	Chicago	15.1	23	26	12	12	5	35	7%	49%	37
Fresenius Medical Care Des Plaines	Des Plaines	10.9	25	29	12	12	0	1	0%	1%	71
TRC Children's Dialysis	Chicago	16.6	25	29	6	8	21	0	58%	0%	48
Lincoln Park Dialysis Center	Chicago	14.7	25	29	22	22	103	102	78%	77%	30
FMC - Uptown	Chicago	8.9	25	29	12	12	65	64	90%	89%	8
Fresenius Medical Care Northwest	Norridge	15.5	26	30	16	16	67	75	70%	78%	21
Total					412	420	1,494	1,623	60%	64%	897
Total Excluding TRC Children's Dialysis (Pediatric ESRD Facility)					406	412	1,473	1,623	60%	66%	849
Total Excluding TRC Children's Dialysis & Evanston Hospital					401	407	1,473	1,623	61%	66%	819