



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-06	BOARD MEETING: April 21, 2015	PROJECT NO: 15-011	PROJECT COST: Original: \$0 Current: \$
FACILITY NAME: Fresenius Medical Care McLean County		CITY: Bloomington	
TYPE OF PROJECT: Non-substantive			HSA: IV

PROJECT DESCRIPTION: Fresenius Medical Care Normal, LLC d/b/a Fresenius Medical Care McLean County and Fresenius Medical Holdings, Inc. ("the applicants") are requesting a change of ownership of a 20 station ESRD facility located in Bloomington, Illinois. There is no cost to the project.



EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- Fresenius Medical Care Normal, LLC d/b/a Fresenius Medical Care McLean County and Fresenius Medical Holdings, Inc. ("the applicants") are requesting a change of ownership of a 20 station ESRD facility located in Bloomington, Illinois. There is no cost to the project. **The anticipated project completion date is December 31, 2015.**

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project proposes a change of ownership of a health care facility as defined by the Act. 20 ILCS 3960/3

REQUIREMENTS FOR CHANGE OF OWNERSHIP:

- **An applicant proposing a change of ownership must provide**
- details on any proposed changes in the beds or services currently offered,
- the reason for the transaction,
- any anticipated additions or reductions in employees,
- any changes in the restriction of patient admissions, and;
- document that no reductions in access to care will result from the proposed change of ownership transaction.
- **A change of ownership of an existing health care facility does not require evidence of need for the facility.**

BACKGROUND/COMPLIANCE ISSUES:

- None

PUBLIC COMMENTS:

- No letters of support or opposition were received by the State Board Staff and there was no request for a public hearing.

CONCLUSIONS:

- **The applicants have attested the transaction is a corporate restructuring, resulting in the transfer of assets between two companies wholly owned by Fresenius Medical Care Holdings, Inc.**
- there will be no change in stations or services being offered,
- no change in the number of employees, and
- no restrictions in the admission of patients or access to care.



**Fresenius Medical Care McLean County
Project #15-011**

APPLICATION CHRONOLOGY	
Applicants	Fresenius Medical Care Holdings, Inc. and Fresenius Medical Care Normal, LLC d/b/a Fresenius Medical Care McLean County
Facility Name	Fresenius Medical Care McLean County
Location	1505 East Medical Plaza, Bloomington, Illinois
Application Received	February 26, 2015
Application Deemed Complete	March 5, 2015
Permit Holder	Fresenius Medical Care Normal, LLC d/b/a Fresenius Medical Care McLean County
Owner of the Site	OSF Healthcare
Scheduled Review Period Ended	May 4, 2015
Can Applicants Request Another Deferral?	Yes

I. The Proposed Project

Fresenius Medical Care Normal, LLC d/b/a Fresenius Medical Care McLean County and Fresenius Medical Holdings, Inc. ("the applicants") are requesting a change of ownership of a 20 station ESRD facility located in Bloomington, Illinois. There is no cost to the project. **The anticipated project completion date is December 31, 2015.**

II. Summary of Findings

- A. **The State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1110.**
- B. **The provisions of Part 1120 are not applicable to this application.**

III. General Information

The applicants are Fresenius Medical Care Normal, LLC d/b/a Fresenius Medical Care McLean County and Fresenius Medical Holdings, Inc. Fresenius Medical Care McLean County is located at 1505 East Medical Plaza, Bloomington, Illinois. Upon CON approval the facility will continue to be known as Fresenius Medical Care McLean County. The operating entity is Fresenius Medical Care Normal, LLC d/b/a Fresenius Medical Care McLean County and the owner of the site is OSF Healthcare. The proposed project is located in Bloomington in the HSA IV ESRD planning area. HSA IV consists of the following Illinois counties: Champaign, Clark, Coles, Cumberland, DeWitt, Douglas, Edgar, Ford, Iroquois, Livingston,



Macon, McLean, Moultrie, Piatt, Shelby, and Vermilion. Project obligation will occur at the time of permit issuance. **The anticipated project completion date is December 31, 2015.**

Charity Care

The change of ownership of this dialysis facility will not have any impact on safety net services in the community. 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 provides care to all patients regardless of their ability to pay. There are a number of 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 below shows the amount of "self-pay" care provided for the 3 fiscal years prior to submission of the application for **all Fresenius Medical Care facilities in Illinois** and the amount of care provided to Medicaid patients for the three fiscal years prior to submission of the application for all **Fresenius Medical Care facilities in Illinois**. This includes in-center hemodialysis, peritoneal dialysis, home hemodialysis & sub-acute hemodialysis. **At the**

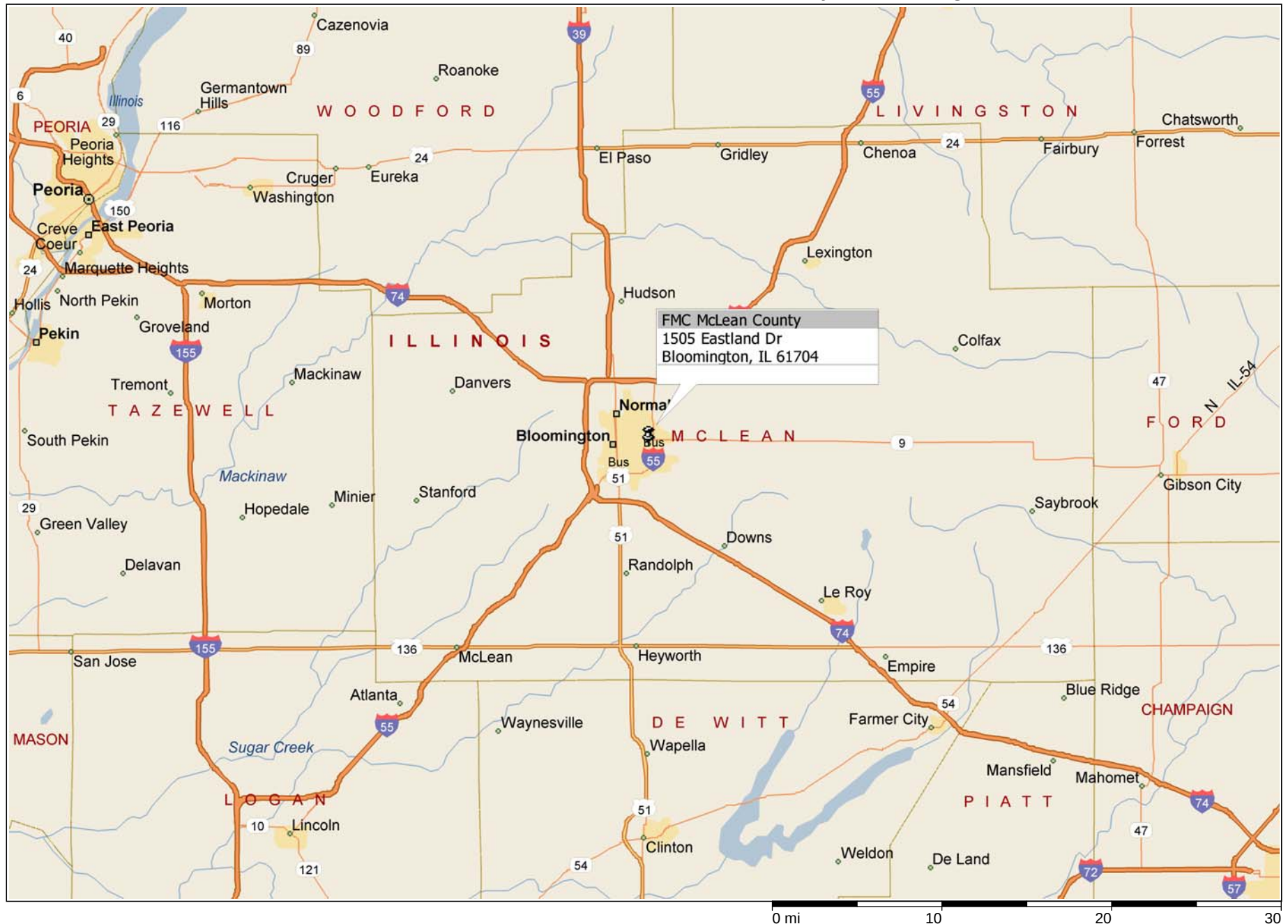


conclusion of this report is the Medicaid and Charity care information by facility. No revenue information by facility has been provided.

TABLE ONE			
Charity Care and Medicaid Information Fresenius Medical Care Facilities in Illinois			
CHARITY CARE			
	2011	2012	2013
Net Revenue	\$362,977, 407	\$387,393,758	\$398,570,288
Charity (# of self-pay patients)	93	203	642
Charity (self-pay) Cost	\$642,947	\$1,536,372	\$5,346,976
Ratio Charity Care Cost to Net Patient Revenue	\$0.18%	.40%	1.34%
MEDICAID			
	2011	2012	2013
Medicaid (Patients)	1,865	1,705	1,660
Medicaid (Revenue)	\$42,367,328	\$36,254,633	\$31,373,534
Ratio Medicaid to Net Patient Revenue	12%	12.99%	7.87%

CHARITY CARE			
	2011	2012	2013
Net Revenue	\$362,977, 407	\$387,393,758	\$398,570,288
Amount of Charity Care (Charges)	\$642,947	\$1,566,380	\$5,346, 976
% of Charity Care/Net Revenue	.18%	.40%	1.34%

15-011 Fresenius Medical Care McLean County - Bloomington



END STAGE RENAL DIALYSIS - FACILITY PROFILE 2013

Ownership, Management and General Information

Name: Fresenius Medical Care McLean County
Address: 1505 Eastland Medical Plaza
City: Bloomington
County: McLean
HSA: 4
Medicare ID: 14-2563

Legal Entity Operator: Dialysis Centers of America - Illinois, Inc.
Legal Entity Owner:
Ownership Type: For Profit Corporation
Property Owner: St. Joseph Medical Center
Other Ownership:
Medical Director Name: Dr. Robert Bruha
Provides Incenter Nocturnal Dialysis: ☐

STATION INFORMATION

Authorized Stations as of 12/31/2013: 20
Certified Stations by CMS: 20
Peak Authorized Stations Operated: 20
Authorized Stations Setup and Staffed in Oct 1-7: 20
Isolation Stations Set up in Oct 1-7: 0
 (subset of authorized stations)
Number of Shifts Operated per day

FACILITY STAFFING - FULL TIME EQUIVALENT

Full-Time Work Week: 32
Registered Nurse : 4
Dialysis Technician : 8
Dietician : 0
Social Worker: 0
LPN : 0
Other Health : 0
Other Non-Health: 1

Dialysis Station Utilization for the Week of Oct 1 - 7

Date of Operation	Oct 1	Oct 2	Oct 3	Oct 4	Oct 5	Oct 6	Oct 7
Hours operated	12	16	12	16	12	0	16
Number of Patients Treated	36	42	37	44	36	0	47

Facility Utilization Information

Facility Reported Patient Information

Patients treated as of 1/1/2013: 85
 (Beginning patients)
Patients treated as of 12/31/2013: 85
 (Ending patients)
Total Unduplicated patients treated in calendar year: 142

Facility Reported Treatment Information

In-Center Treatments in calendar year: 10,119
Number of Missed Treatments: 270
Average Daily Treatments:
Average Treatment Time (min): 270.0

ADDITIONS to the FACILITY

New Patients: 29
Transient Patients: 24
Patients Re-Started: 2
Post-Transplant Patien 2
Total: 57

LOSSES to the FACILITY

Recovered patients: 3
Transplant Recipients: 6
Patients transferred out: 28
Patients voluntarily discontinued 1
Patients lost to follow up: 0
Patients deceased: 19
Total: 57

USE RATE for the FACILITY

Treatment Capacity/year (based on Stations): 18,720
Use Rate (Treatments/Treatment capacity): 54%
Use Rate (including Missed Treatments): 55%
Use Rate (Beginning patients treated): 71%
Use Rate (Year end Patients/Stations*6): 71%
Renal Network Use Rate: 72%

Patients and Net Revenue by Payor Source

	Medicare	Medicaid	Private Insurance	Private Pay	Other Public	TOTAL	Charity Care
	69.7%	7.0%	18.3%	2.1%	2.8%	100.0%	0.0%
Patient	99	10	26	3	4	142	0
1/1/2012 to 12/31/2012	54.1%	2.2%	43.3%	0.4%	0.0%	100.0%	0.0%
Net Revenue	\$2,841,576	\$116,350	\$2,277,001	\$18,968	\$0	\$5,253,895	\$0

Patients by Age and Sex

AGE GROUPS	MALE	FEMALE	TOTAL
<14 yrs	0	0	0
15-44 yr	21	8	29
45-64 yr	24	23	47
65-74 yr	22	9	31
75 < yrs	22	13	35
Total	89	53	142

Patients by Race

Asian Patients:	4
Native American/ Indian:	0
Black/ African American :	39
Hawaiian /Pacific Islande	0
White:	99
Unknown :	0
TOTAL:	142

Patients by Ethnicity

Hispanic Latino Patients:	7
Non-Hispanic Latino Patien	135
Unknown Ethnicity Patients	0
TOTAL:	142

Fresenius Medical Care does not hold long term debt on any Illinois dialysis location balance sheet. Fresenius Medical Care does not, as a for profit corporation, provide charity care under the Board's definition of same; however, it treats all patients regardless of ability to pay and thus does provide uncompensated care.

Source: Data based on 2013 Annual ESRD Questionnaire administered on behalf of Illinois Department of Public Health, Health Systems Development.