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JUN 14 2016

HEALTH FACILITIES &
SERVICES REVIEW BOARD

June 13, 2016

FEDERAL EXPRESS

Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Annual Progress Report – Calumet City Dialysis (Proj. No. 15-020)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita HealthCare Partners Inc. and Total Renal Care Inc. (the “Permit Holders”) to submit the annual progress report for Calumet City Dialysis (Project No. 15-020). As you are aware, on June 2, 2015, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Calumet City Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-020.

1. Status of the Project

The Project was obligated on June 25, 2015, through the execution of a lease to establish the dialysis facility. Shell construction began May 6, 2016 and is estimated to be completed by November 11, 2016. The interior build out is estimated to start in August 2016. The Certificate of Occupancy is estimated to be received by November 16, 2016.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$2,091,267 in project costs.

PROJECT COSTS	Approved	Expended
New Construction Contracts	\$1,232,500	\$0
Contingencies	\$110,000	\$0
A & E Fees	\$97,500	\$76,242
Consulting & Other Fees	\$75,000	\$0
Moveable Equipment	\$588,942	\$0
Fair Market Value of Leased Space & Equipment	\$2,015,025	\$2,015,025
Other Costs to be Capitalized	\$0	\$0
Estimated Total Project Cost	\$4,118,967	\$2,091,267

3. Sources of Funds

The project will be financed through \$2,103,942 in cash and cash equivalents and a \$2,015,025 lease.

4. Anticipated Completion Date

The anticipated completion date for the Project is July 31, 2017.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Timothy V. Tincknell

cc: Michael Mills, HFSRB
Penny Davis, DaVita HealthCare Partners Inc.



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

April 28, 2016

Charles Sheets, Attorney
Polsinelli PC
161 N. Clark Street, Ste 4200
Chicago, IL 60601

RE: Notice Requirement for Submitting the Annual Progress Report for Project # 15-020

Dear Charles Sheets,

Please accept this letter as notice for submitting the Annual Progress Report for Project # 15-020- Calumet City Dialysis, Calumet City. Pursuant to the Illinois Health Facilities Planning Act (Act), this notice fulfills the Health Facilities and Services Review Board's (State Board) requirement for providing notice to permit holders of post-permit reporting requirements. Your Annual Progress Report is due no later than July 2, 2016.

The requirements for a compliant Annual Progress Report are defined in the State Board's regulations under 77 Ill. Adm. Code 1130.760. Effective June 1, 2013, substantive changes to the 77 Ill. Adm. Code 1130 rules went into effect. Please be advised that permit holders should follow the direction in Section 5 of the Act regarding deadlines for submitting post-permit reporting requirements and disregard the deadline language in 77 Ill. Adm. Code 1130.760.

Please be aware that this permit is valid only for the defined construction or modification, site, amount and the named permit holders as approved by the State Board on June 2, 2015. In accordance with the Act, the permit is valid until such time as the project has been completed, provided that all post-permit reporting requirements have been fulfilled, pursuant to the requirements of 77 Ill. Adm. Code 1130. Failure to comply with the post-permit reporting requirements may result in fines as defined in the Act and State Board regulations.

If the permit holder believes that a change to the project will occur, please refer to 77 Ill. Adm. Code 1130.750 for allowable alterations and proper procedure for pursuing a permit alteration.

If the permit holder believes that additional time is required to complete the project, please refer to 77 Ill. Adm. Code 1130.740 for proper procedure for pursuing a permit renewal.

If you have already submitted your Annual Progress Report to the Board, please disregard this notice. Should you have any questions regarding this notice, please contact Michael Constantino at 217-782-3516. Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Olson".

Kathy Olson, Board Chair
Illinois Health Facilities and Services Review Board