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September 12, 2017

**FEDERAL EXPRESS**

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

**RECEIVED**

SEP 14 2017

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**Re: Annual Progress Report – South Holland Renal Center (Proj. No. 15-025)**

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 Inc., ISD Renal, Inc., and Genesis KC Development, LLC (the "Permit Holders") to submit the annual progress report for South Holland Renal Center (Project No. 15-025). As you are aware, on August 25, 2015, HFSRB approved the Permit Holders' certificate of need application for the relocation and expansion of South Holland Renal Center (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-025.

**1. Status of the Project**

The Project was obligated on December 11, 2015 through the execution of the construction contract for the dialysis facility. Both shell construction and the interior build out were completed on November 13, 2016. The Certificate of Occupancy was received on November 14, 2016 and the replacement facility began treating its first patients on January 30, 2017. DaVita has been awaiting Medicare certification of the additional four stations and, based on recent experience, anticipates it may take several months for Medicare certification of these additional stations.

**2. Costs Incurred to Date**

To date, the Permit Holders have incurred \$2,231,133 in project costs.

PROJECT COSTS	Approved	Expended
Site Survey and Soil Investigation	\$14,000	\$0
New Construction Contracts	\$2,962,193	\$1,496,063
Contingencies	\$275,640	\$0
A & E Fees	\$244,753	\$90,797
Consulting & Other Fees	\$297,000	\$7,214
Moveable Equipment	\$525,183	\$438,240
Fair Market Value of Leased Space & Equipment	NA	NA
Other Costs to be Capitalized	\$198,819	\$198,819
Net Book Value of Existing Equipment		
<b>Estimated Total Project Cost</b>	<b>\$4,517,588</b>	<b>\$2,231,133</b>

3. Sources of Funds


The project will be financed through \$4,517,588 in cash and cash equivalents.

4. Anticipated Completion Date

The anticipated completion date for the Project is originally October 31, 2017. However, accompanying this Annual Progress Report is a permit renewal letter, requesting a 6-month extension of the permit to April 30, 2018. The additional 4-stations, as part of this relocation and expansion CON project, have yet to be Medicare certified.

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: Gaurav Bhattacharyya, DaVita Inc.  
Anne Cooper, Polsinelli PC

**FEDERAL EXPRESS**

Ms. Kathryn J. Olson  
Chair  
Illinois Health Facilities and Services Review  
Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

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SEP 14 2017

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**Re: Permit Renewal Request – South Holland Renal Center (Proj. No. 15-025)**

Dear Ms. Olson:

I am writing on behalf of DaVita Inc., ISD Renal Inc., and Genesis KC Development LLC (collectively, "DaVita") to request a six month extension of the completion date for Project No. 15-025 (South Holland Renal Center). On August 25, 2015, the Illinois Health Facilities and Services Review Board ("HFSRB") approved DaVita's certificate of need application for the relocation and expansion of South Holland Renal Center (the "Project"). While construction is complete and the replacement facility started treating patients on January 30, 2017, Medicare certification of the additional four stations has yet to occur. Based on recent experience, DaVita anticipates it may take several months for Medicare certification of these additional stations. Accordingly, DaVita respectfully requests a six month renewal of the Project permit and a new project completion date of April 30, 2018.

**1. Requested Project Completion Date**

DaVita requests the HFSRB grant a six month renewal of the Project permit and establish April 30, 2018 as the new project completion date.

**2. Status of the Project**

The Project was obligated on December 11, 2015, through the execution of the construction contract for the dialysis facility. Both the shell construction and interior build out were completed on November 13, 2016. The Certificate of Occupancy was received on November 14, 2016 and the replacement facility began its first treatments on January 30, 2017. DaVita has been awaiting Medicare certification of the additional four stations and, based on recent experience, anticipates it may take several months for Medicare certification of these additional stations. Therefore, to allow sufficient time to complete the Project, DaVita requests a six month renewal of the Project permit.

To date, DaVita has expended \$2,231,133 on the Project.

3. Statement Regarding Completion of the Project

Construction is complete and the replacement facility treated its first patients on January 30, 2017. To ensure adequate time to allow for Medicare survey and certification of the additional four stations, DaVita respectfully requests a six month renewal of the Project permit.

4. Confirmatory Evidence of Project Compliance

I hereby certify, pursuant to 77 Ill. Admin. Code §1130.740, DaVita's compliance with the scope and costs of the project approved by the HFSRB pursuant to Project Permit #15-025.

Based on the above information, which is provided to the HFSRB in compliance with Section 1130.740 of the Illinois Administrative Code, DaVita formally requests a six month renewal of its permit for Project #15-025 and a new project completion date of April 30, 2018.

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

Sincerely,



Gaurav Bhattacharyya  
Division Vice President  
DaVita Inc.

SUBSCRIBED AND SWORN  
to before me this 12 day of  
September, 2017



My commission expires: 06/15/19

cc: Jim Burke, DaVita Inc.  
Michael Constantino, HFSRB