

Original

15-028

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**RECEIVED**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

JUN 23 2015

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD**Facility/Project Identification**

Facility Name: <i>Fresenius Medical Care Schaumburg</i>			
Street Address <i>815-825 Wise Road</i>			
City and Zip Code: <i>Schaumburg 60193</i>			
County: <i>Cook</i>	Health Service Area <i>7</i>	Health Planning Area:	

Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: <i>Fresenius Medical Care Schaumburg, LLC d/b/a Fresenius Medical Care Schaumburg</i>	
Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Name of Registered Agent: <i>CT Systems</i>	
Name of Chief Executive Officer: <i>Ron Kuerbitz</i>	
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Telephone Number: <i>800-662-1237</i>	

Type of Ownership of Applicant

☐ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☒ Limited Liability Company	☐ Sole Proprietorship
☐ Other	

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each
- o is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Co-Applicant Identification

Provide for each co-applicant [refer to Part 1130.220]

Exact Legal Name: <i>Fresenius Medical Care Holdings, Inc.</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Ron Kuerbitz</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>800-662-1237</i>

Type of Ownership of Co-Applicant

☐ Non-profit Corporation	☐ Partnership	
☒ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other

☐ Corporations and limited liability companies must provide an **Illinois Certificate of Good Standing**.
☐ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6807</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>630-960-6812</i>

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: <i>Coleen Muldoon</i>
Title: <i>Regional Vice President</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6706</i>
E-mail Address: <i>coleen.muldoon@fmc-na.com</i>
Fax Number: <i>630-960-6812</i>

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6807</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>630-960-6812</i>

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: <i>Clare Ranalli</i>
Title: <i>Attorney</i>
Company Name: <i>McDermott, Will & Emery</i>
Address: <i>227 W. Monroe Street, Suite 4700, Chicago, IL 60606</i>
Telephone Number: <i>312-984-3365</i>
E-mail Address: <i>cranalli@mwe.com</i>
Fax Number: <i>312-984-7500</i>

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Schaumburg 1.0, LLC</i>
Address of Site Owner: <i>10531 Timberwood Circle, Suite D, Louisville, KY 40223</i>
Street Address or Legal Description of Site: <i>815 – 825 W. Wise Road, Schaumburg, IL 60193</i>
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: <i>Fresenius Medical Care Schaumburg, LLC d/b/a Fresenius Medical Care Schaumburg</i>		
Address: <i>920 Winter Street, Waltham, MA 02451</i>		
☐ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☒ Limited Liability Company	☐ Sole Proprietorship	☐ Other
- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT-5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:



Substantive



Non-substantive

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Fresenius Medical Care Schaumburg, LLC, proposes to establish a 12 station in-center hemodialysis facility at 815 – 825 W. Wise Road, Schaumburg, IL. The facility will be in leased space. The interior of the leased space will be built out by the applicant.

This project is “substantive” under Planning Board rule 1110.10(b) as it entails the establishment of a health care facility that will provide chronic renal dialysis services

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,268,532	228,790	1,497,322
Contingencies	121,536	21,920	143,456
Architectural/Engineering Fees	127,080	22,920	150,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	300,000	60,000	360,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	2,134,172 213,550	2,347,722	384,915
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	4,164,870	718,545	4,883,415
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	1,817,148	333,630	2,150,778
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	2,347,722	384,915	2,732,637
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	4,164,870	718,545	4,883,415

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
 Purchase Price: \$ _____
 Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
☒ Yes ☐ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ 141,510.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

☒ None or not applicable ☐ Preliminary
☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): February 28, 2017

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- ☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
☒ Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

- ☐ Cancer Registry
☐ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
In-Center Hemodialysis	\$4,164,870		7,596		7,596		
Total Clinical	\$4,164,870		7,596		7,596		
NON REVIEWABLE							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	\$718,545		1,370		1,370		
Total Non-clinical	\$718,545		1,370		1,370		
TOTAL	\$4,883,415		8,966		8,966		

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of ***Fresenius Medical Care Schaumburg, LLC**** in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

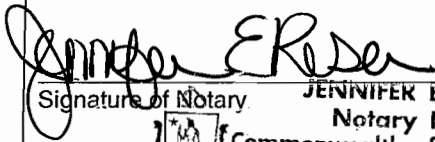

SIGNATURE

Bryan Mello
PRINTED NAME
Assistant Treasurer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14th day of October 2014


Signature of Notary

JENNIFER E. ROSA

Notary Public

Seal



Commonwealth of Massachusetts

My Commission Expires

January 21, 2016

*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. A narrative of the rationale that supports the projections must be provided.

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE: NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF tot be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES: NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

G. Criterion 1110.1430 - In-Center Hemodialysis

- Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
- Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
☒ In-Center Hemodialysis	0	12

- READ the applicable review criteria outlined below and submit the required documentation for the criteria:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X
APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST			

- Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

<u>2,150,778</u>	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
<u>N/A</u>	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
<u>N/A</u>	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
<u>2,732,637</u>	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
<u>N/A</u>	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
<u>N/A</u>	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
<u>N/A</u>	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>\$4,883,415</u>	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-36. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio	APPLICANT MEETS THE FINANCIAL VIABILITY WAIVER CRITERIA IN THAT ALL OF THE PROJECTS CAPITAL EXPENDITURES ARE COMPLETELY FUNDED THROUGH INTERNAL SOURCES, THEREFORE NO RATIOS ARE PROVIDED.			
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		167.00			7,596			1,268,532	1,268,532
Contingency		16.00			7,596			121,536	121,536
Total Clinical		183,000			7,596			1,390,068	1,390,068
Non Clinical		167.00			1,370			228,790	228,790
Contingency		16.00			1,370			21,920	21,920
Total Non		183,000			1,370			250,710	250,710
TOTALS		\$183,000			8,966			\$1,640,778	\$1,640,778

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for **ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS**:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 40.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Net Revenue	\$387,393,758	\$398,570,288	\$411,981,839
	2012	2013	2014
Charity * (# of self-pay patients)	203	499	251
Charity (cost in dollars)	\$1,536,372	\$5,346,976	\$5,211,664
Ratio Charity Care Cost to Net Patient Revenue	.40%	1.34%	1.57%
MEDICAID			
	2012	2013	2014
Medicaid (# of patients)	1,705	1,660	750
Medicaid (revenue)	\$36,254,633	\$31,373,534	\$22,027,882
Ratio Medicaid to Net Patient Revenue	12.99%	7.87%	5.35%

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 41.

CHARITY CARE			
	2012	2013	2014
Net Patient Revenue	\$387,393,758	\$398,570,288	\$411,981,839
Amount of Charity Care (charges)	\$1,566,380	\$5,346,976	\$5,211,664
Cost of Charity Care	\$1,566,380	\$5,346,976	\$5,211,664
	.40%	1.34%	1.27%

APPEND DOCUMENTATION AS **ATTACHMENT-41**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	22-23
2	Site Ownership	24-30
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	31
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	32
5	Flood Plain Requirements	33
6	Historic Preservation Act Requirements	34
7	Project and Sources of Funds Itemization	35
8	Obligation Document if required	36
9	Cost Space Requirements	37
10	Discontinuation	
11	Background of the Applicant	38-59
12	Purpose of the Project	60
13	Alternatives to the Project	61-63
14	Size of the Project	64
15	Project Service Utilization	65
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	66-90
27	Non-Hospital Based Ambulatory Surgery	
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	
35	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
36	Availability of Funds	91-97
37	Financial Waiver	98
38	Financial Viability	
39	Economic Feasibility	99-103
40	Safety Net Impact Statement	104-105
41	Charity Care Information	106-108
	Appendix 1 – MapQuest Travel Times	109-136
	Appendix 2 – Physician Referral Letter	137-144

Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name:	<i>Fresenius Medical Care Schaumburg, LLC d/b/a Fresenius Medical Care Schaumburg*</i>
Address:	<i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent:	<i>CT Systems</i>
Name of Chief Executive Officer:	<i>Ron Kuerbitz</i>
CEO Address:	<i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number:	<i>800-662-1237</i>

Type of Ownership of Applicant

☐ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☒ Limited Liability Company	☐ Sole Proprietorship	☐ Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

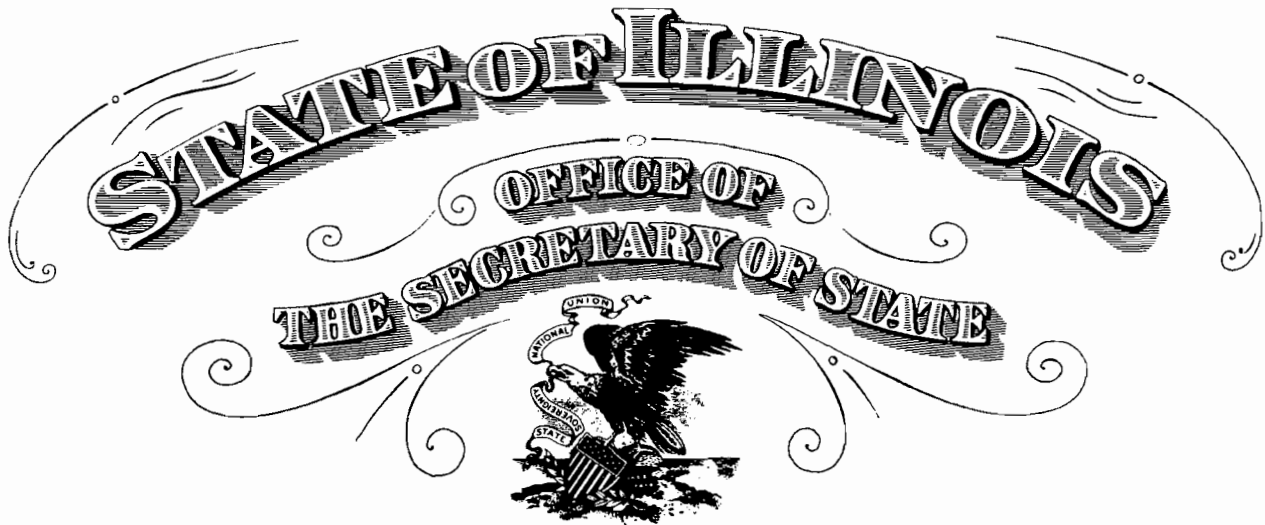
APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.***Certificate of Good Standing for Fresenius Medical Care Schaumburg, LLC on following page.****Co - Applicant Identification****[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name:	<i>Fresenius Medical Care Holdings, Inc.</i>
Address:	<i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent:	<i>CT Systems</i>
Name of Chief Executive Officer:	<i>Ron Kuerbitz</i>
CEO Address:	<i>920 Winter Street, Waltham, MA 02541</i>
Telephone Number:	<i>781-669-9000</i>

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**Type of Ownership – Co-Applicant**

☐ Non-profit Corporation	☐ Partnership	
☒ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 02, 2011, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1514701976

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 27TH day of MAY A.D. 2015 .

Jesse White

SECRETARY OF STATE

Certificate of Good Standing
ATTACHMENT 1

Site Ownership

[[Provide this information for each applicable site]]

Exact Legal Name of Site Owner: *Schaumburg 1.0, LLC*

Address of Site Owner: *10531 Timberwood Circle, Suite D, Louisville, KY 40223*

Street Address or Legal Description of Site: *815 – 825 W. Wise Road, Schaumburg, IL 60193*

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.



Cushman & Wakefield of
Illinois, Inc.
455 N. Cityfront Plaza Drive
Suite 2800
Chicago, IL 60611-5555
(312) 470-1800 Tel
(312) 470-3800 Fax
www.cushwake.com

October 7, 2014

Chad Middendorf
Waukegan 1.0 LLC
10531 Timberwood Circle, Suite D
Louisville, KY 40223

RE: **Fresenius Medical Care Schaumburg, LLC.**
Letter of Intent – Schaumburg, IL

Dear Chad,

Cushman & Wakefield has been exclusively authorized by FRESenius MEDICAL CARE OF ILLINOIS, LLC, to present the following letter of intent to lease space from your company.

FRESenius MEDICAL CARE is the world's leading provider of dialysis products and services. The company manages in excess of 1,800 kidney dialysis clinics and 50 billing centers and regional offices throughout North America.

LANDLORD:

Waukegan 1.0 LLC
10531 Timberwood Circle, Suite D
Louisville, KY 4022

TENANT:

FRESenius MEDICAL CARE SCHAUMBURG, LLC.

LOCATION:

815 – 825 W. Wise Road.

PIN: 07-33-200-057-0000

**INITIAL SPACE
REQUIREMENTS:**

Approximately 8,966 contiguous usable square feet.

FRESenius MEDICAL CARE SCHAUMBURG, LLC may have the need and therefore must have the option to increase or decrease the area by up to ten percent (10%) until approval of final construction drawings.

PRIMARY TERM:

An initial lease term of fifteen (15) years. The Lease and rent would commence on the date that the facility starts treating patients. For purposes of establishing an actual occupancy date, both parties will execute an amendment after occupancy has occurred, setting forth dates for purposes of calculations, notices, or other events in the Lease that may be tied to a commencement date.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

DELIVERY OF PREMISES:

Landlord shall deliver the Premises to FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. for completion of the Tenant Improvements upon substantial completion of the shell.

OPTIONS TO RENEW:

Three (3), five (5) year options to renew the Lease. Option rental rates for second and third options shall be based upon the lower of Fair Market Value or the increase in the Consumer Price Index over the previous five years, capped at 2.5% per year. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC shall provide ninety (90) days' prior written notification of its desire to exercise the option.

RENTAL RATE:

\$26.75 per usable square foot

ESCALATION:

10% increase in years 6, 11 and 16.

TENANT ALLOWANCE:

Please see Building Shell Exhibit. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

CONCESSIONS:

A rent free period of 3 months upon commencement.

USE:

FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. may operate on the Premises, at FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. 's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

DEMISED PREMISES

SHELL:

Landlord is responsible for delivery a shell building in conformance with FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. 's specifications attached as *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

**CONTRACTOR FOR
TENANT IMPROVEMENTS:**

FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. shall be responsible for the implementation and management of the tenant improvement construction and will not be responsible to pay for Landlord's project manager, if any.

HVAC:

Landlord will provide HVAC service to the space to meet FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. 's requirements as outlined in Exhibit A. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. requires HVAC service 24 hours per day, 7 days per week. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

DELIVERIES:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. requires delivery access to the Premises 24 hours per day, 7 days per week.

EMERGENCY GENERATOR:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. shall have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon between the parties.

**SPACE PLANNING/
ARCHITECTURAL AND
MECHANICAL DRAWINGS:**

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. 's responsibility.

**PRELIMINARY
IMPROVEMENT PLAN:**

At this time, please provide AutoCAD files that include one-eighth inch scale architectural drawings of the proposed demised premises and detailed building specifications.

PARKING:

Landlord will provide a parking ratio of 5 per 1,000 RSF with as many of those spaces as possible to be directly in front of the building for patient use. FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. shall require that 10% of the parking (**specify number**) be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense).

BUILDING CODES:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. requires that the site, shell and all interior structures constructed or provided by the Landlord to meet all local, State, and Federal building code requirements, including all provisions of ADA.

**CORPORATE
IDENTIFICATION:**

Tenant shall have signage rights in accordance with local code.

**COMMON AREA EXPENSES
AND REAL ESTATE TAXES:**

Tenant shall be responsible for all Real Estate Taxes and Operating Expenses associate with the building.

**ASSIGNMENT/
SUBLETTING:**

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without Landlord's consent. Any other assignment or subletting will be subject to Landlord's prior consent, which shall not be unreasonably withheld or delayed.

MAINTENANCE:

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the exterior portions and structural portions of the Building to keep the building weather and water tight and structurally sound including,

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without limitation: foundations, structure, load bearing walls, exterior walls, doors and windows, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, footings as well as any elevators, water mains, gas and sewer lines, sidewalks, private roadways, landscape, parking areas, common areas, and loading docks, if any, on or appurtenant to the Building or the Premises.

With respect to the parking and other exterior areas of the Building and subject to reasonable reimbursement by Tenant, Landlord shall perform the following, pursuant to good and accepted business practices throughout the term: repainting the exterior surfaces of the building when necessary, repairing, resurfacing, repaving, re-striping, and resealing, of the parking areas; repair of all curbing, sidewalks and directional markers; removal of snow and ice; landscaping; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

Tenant shall maintain and keep the interior of the Premises in good repair, free of refuse and rubbish and shall return the same at the expiration or termination of the Lease in as good condition as received by Tenant, ordinary wear and tear, and damage or destruction by fire, flood, storm, civil commotion or other unavoidable causes excepted. Tenant shall be responsible for maintenance and repair of Tenant's equipment in the Premises.

UTILITIES:

Tenant shall pay all charges for water, electricity, gas, telephone and other utility services furnished to the Premises. Tenant shall receive all savings, credits, allowances, rebates or other incentives granted or awarded by any third party as a result of any of Tenant's utility specifications in the Premises. Landlord agrees to bring water, electricity, gas and sanitary sewer to the Premises in sizes and to the location specified by Tenant and pay for the cost of meters to meter their use. Landlord shall pay for all impact fees and tapping fees associated with such utilities.

SURRENDER:

At any time prior to the expiration or earlier termination of the Lease, Tenant may remove any or all the alterations, additions or installations, installed by or on behalf of Tenant, in such a manner as will not substantially injure the Premises. Tenant agrees to restore the portion of the Premises affected by Tenant's removal of such alterations, additions or installations to the same condition as existed prior to the making of such alterations, additions, or installations. Upon the expiration or earlier termination of the Lease, Tenant shall turn over the Premises to Landlord in good condition, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion, or other unavoidable cause excepted. All alterations, additions, or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

**ZONING AND
RESTRICTIVE COVENANTS:**

Landlord confirms that the current property zoning is acceptable for the proposed use as an outpatient kidney dialysis clinic. There are no restrictive covenants imposed by the development, owner, and/or

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

municipality that would in any way limit or restrict the operation of FRESINIUS MEDICAL CARE SCHAUMBURG, LLC. 's dialysis clinic

FLOOD PLAIN:

Landlord confirms that the property and premises is not in a Flood Plain.

CAPITALIZATION TEST:

Landlord will complete the attached Accounting Classification Form to ensure FRESINIUS MEDICAL CARE SCHAUMBURG, LLC. is not entering into a capitalized lease arrangement.

FINANCING:

Landlord will provide a non-disturbance agreement.

EXCLUSIVITY

Landlord will not, during the term of the Lease and any option terms, lease space in a 5 mile radius to any other provider of hemodialysis services.

ENVIRONMENTAL:

Landlord confirms that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. A Phase One Environmental Study has been conducted and has been made available for FRESINIUS MEDICAL CARE SCHAUMBURG, LLC. 's review. Landlord also confirms that no other tenants or their activities present issues as to the generation of hazardous materials.

DRAFT LEASE:

FRESINIUS MEDICAL CARE SCHAUMBURG, LLC. requires the use of its Standard Form Lease, which is attached.

BROKERAGE FEE:

Cushman & Wakefield of Illinois, is the exclusive real estate services provider to FMCNA, its subsidiaries and affiliates. The Landlord will pay a market commission to Cushman & Wakefield of Illinois. The real estate commission shall be payable 50% upon lease execution and 50% upon occupancy. FRESINIUS MEDICAL CARE SCHAUMBURG, LLC. and FMCNA shall retain the right to offset rent for failure to pay the real estate commission.

LEASE EXECUTION:

Both parties agree that they will make best efforts to reach a fully executed lease document within thirty days of the execution of this letter of intent.

LEASE SECURITY:

Fresenius Medical Holdings Corp shall fully guarantee the lease.

CONFIDENTIAL:

The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter into a Lease, and it is not to be copied or discussed with any other person.

EXCLUSIVE NEGOTIATING

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

PERIOD:

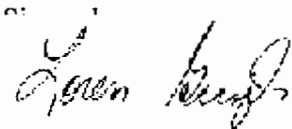
The parties agree that they will negotiate on an exclusive basis for a period of thirty (30) days from the execution of this document.

NON-BINDING NATURE:

This proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive Lease agreement has been fully executed and delivered by the parties. The parties agree that this proposal is not intended to create any agreement or obligation by either party to negotiate a definitive Lease agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive, fully executed agreement, and without any liability to the other party, either party may (i) propose different terms from those summarized herein, (ii) enter into negotiations with other parties and/or (iii) unilaterally terminate all negotiations with the other party hereto.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

You may email the proposal to loren.guzik@cushwake.com. Thank you for your time and cooperation in this matter, should you have any questions please call me at 312.470.1897.



Loren Guzik
Senior Director
Office Group
Phone: 312-470-1897
Fax: 312-470-3800
e-mail: loren_guzik@cushwake.com

CC: Mr. Bill Popken

AGREED AND ACCEPTED this 08 day of October, 2014

By Chad Middendorf

Title: Manager

AGREED AND ACCEPTED this ____ day of _____, 2014

By: _____

Title: _____

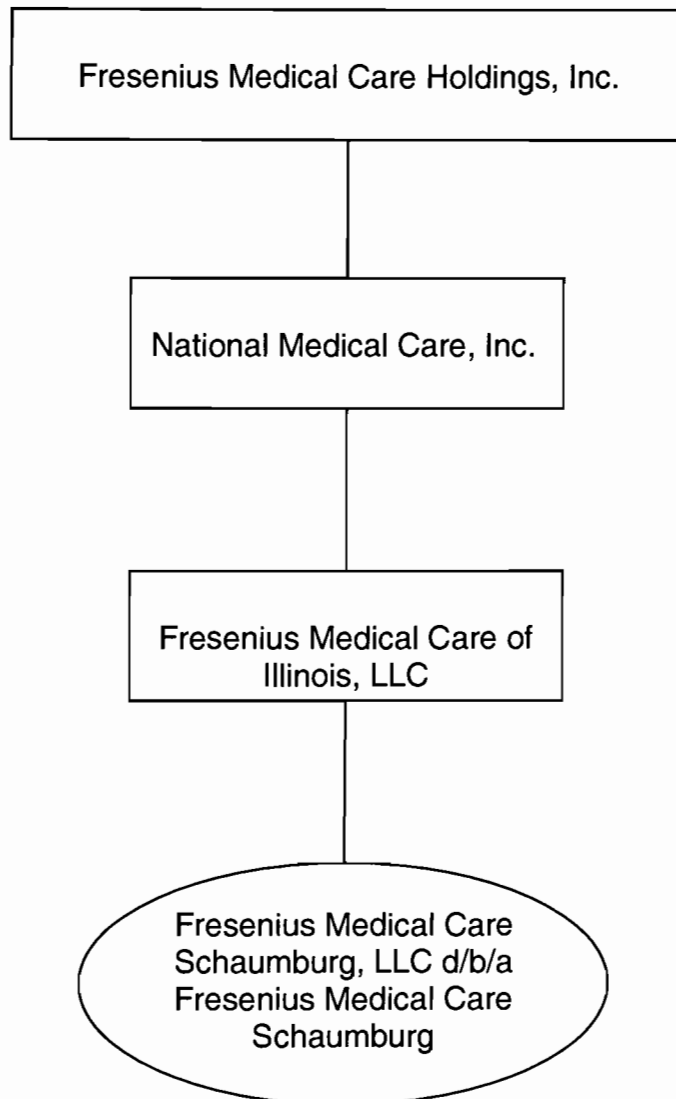
No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

Operating Identity/Licensee

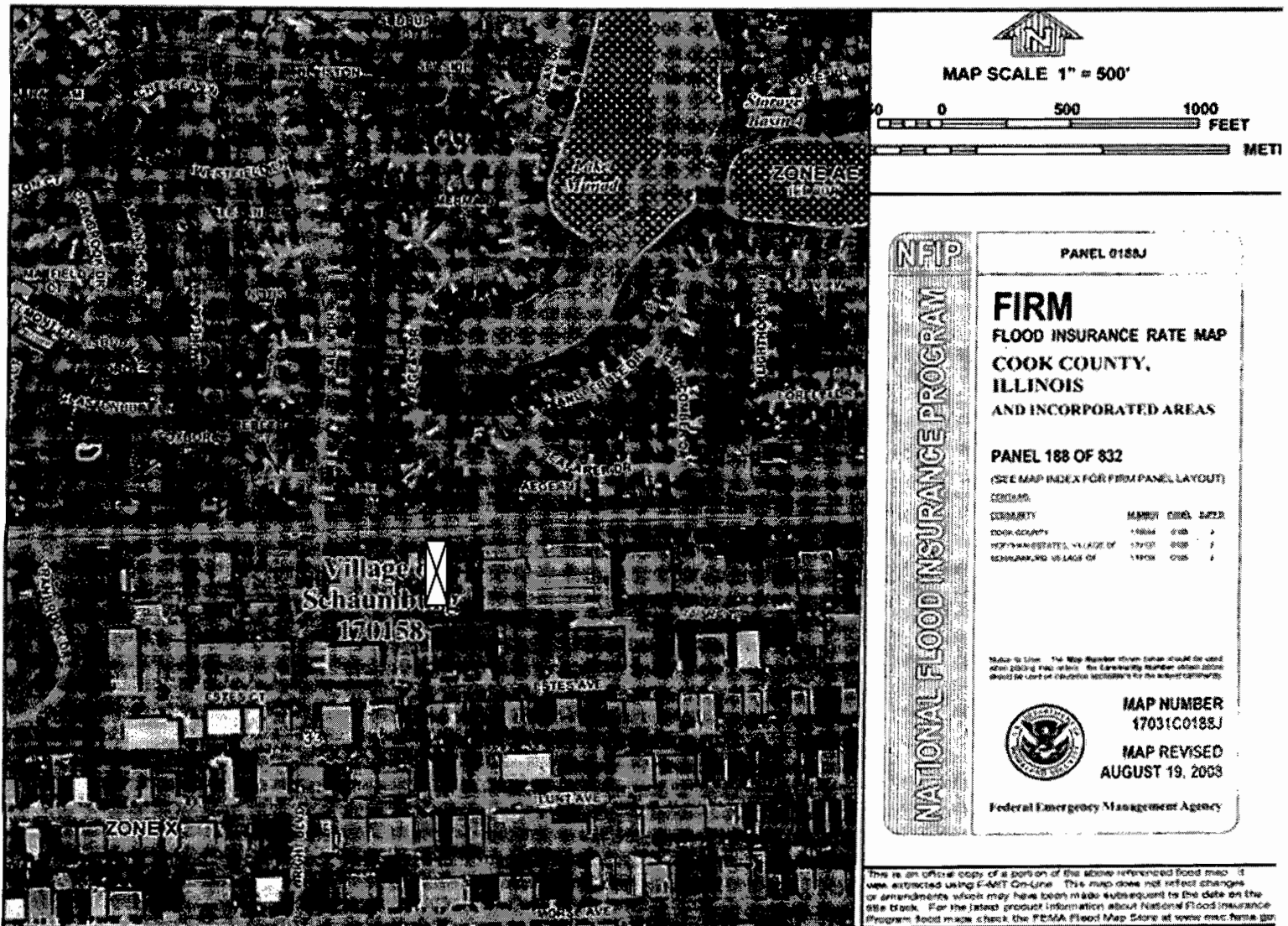
[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: <i>Fresenius Medical Care Schaumburg, LLC d/b/a Fresenius Medical Care Schaumburg*</i>			
Address: <i>920 Winter Street, Waltham, MA 02451</i>			
☐	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☒	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. ○ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. ○ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			

***Certificate of Good Standing at Attachment – 1.**



Flood Plain Requirements



The proposed site for the establishment of Fresenius Medical Care Schaumburg complies with the requirements of Illinois Executive Order #2005-5. The site, 815-825 Wise Road, Schaumburg, is not located in a flood plain as can be seen on the FEMA flood plain map above.



Illinois Historic Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Cook County
Schaumburg
815 Wise Road

PLEASE REFER TO: IHPA LOG #002010512

New construction, 12 station dialysis facility, Fresenius Medical Care

January 9, 2012

Lori Wright
Fresenius Medical Services
One Westbrook Corporate Center, Suite 1000
Westchester, IL 60154

Dear Ms. Wright:

The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

SUMMARY OF PROJECT COSTS

Modernization	
General Conditions	74,900
Temp Facilities, Controls, Cleaning, Waste Management	3,700
Concrete	19,166
Masonry	22,750
Metal Fabrications	11,200
Carpentry	131,600
Thermal, Moisture & Fire Protection	26,650
Doors, Frames, Hardware, Glass & Glazing	102,550
Walls, Ceilings, Floors, Painting	241,800
Specialities	18,706
Casework, Fl Mats & Window Treatments	8,900
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	479,100
Wiring, Fire Alarm System, Lighting	289,000
Miscellaneous Construction Costs	67,300
Total	1,497,322
Contingencies	
	\$143,456
Architecture/Engineering Fees	
	\$150,000
Moveable or Other Equipment	
Dialysis Chairs	25,000
Clinical Furniture & Equipment	35,000
Office Equipment & Other Furniture	35,000
Water Treatment	180,000
TVs & Accessories	25,000
Telephones	15,000
Generator	10,000
Facility Automation	20,000
Other miscellaneous	15,000
	\$360,000
Fair Market Value of Leased Space and Equipment	
FMV Leased Space (8,966 GSF)	2,519,087
FMV Leased Dialysis Machines	200,550
FMV Leased Office Equipment	13,000
	\$2,732,637
Grand Total	\$4,883,415

Itemized Costs
ATTACHMENT - 7

Project Status and Completion Schedules

- Anticipated completion date is February 28, 2017.
- Project obligation will occur after permit issuance.
- **List of Current CON Permits**

Project Number	Name	Project Type	Completion Date
#12-029	Fresenius SW Illinois	Relocation	05/01/2015
#12-095	Fresenius Waterloo	Establishment	02/28/2015
#12-098	Fresenius Monmouth	Establishment	02/28/2015
#14-012	Fresenius Gurnee	Relocation/Expansion	12/31/2015
#14-019	Fresenius Summit	Establishment	12/31/2015
#13-040	Fresenius Lemont	Establishment	09/30/2016
#14-041	Fresenius Elgin	Expansion	06/30/2016
#14-026	Fresenius New City	Establishment	06/30/2016
#14-047	Fresenius Medical Care Humboldt Park	Establishment	12/31/2016
#14-065	Fresenius Medical Care Plainfield North	Relocation	12/31/2016
#15-001	Fresenius Medical Care Steger	Expansion	12/31/2016
#15-012	Fresenius Medical Care Round Lake	Change of Ownership	12/31/2015
#15-013	Fresenius Medical Care Antioch	Change of Ownership	12/31/2015
#15-014	Fresenius Medical Care McHenry	Change of Ownership	12/31/2015
#15-015	Fresenius Medical Care Waukegan Harbor	Change of Ownership	12/31/2015
#15-022	Fresenius Medical Care Blue Island	Expansion	12/31/2016

Cost Space Requirements

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
In-Center Hemodialysis	\$4,164,870		7,596		7,596		
Total Clinical	\$4,164,870		7,596		7,596		
NON REVIEWABLE							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	\$718,545		1,370		1,370		
Total Non-clinical	\$718,545		1,370		1,370		
TOTAL	\$4,883,415		8,966		8,966		

Certification & Authorization

Fresenius Medical Care Schaumburg, LLC

In accordance with Section III, A (2) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Schaumburg, LLC by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities & Services Review Board; and

In regards to section III, A (3) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

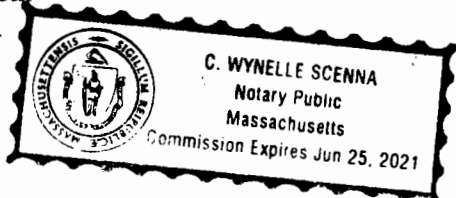
By: Bryan Mello
ITS: Bryan Mello
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this 10 day of Nov, 2014

C. Wynelle Scenna
Signature of Notary

Seal



Certification & Authorization

Fresenius Medical Care Holdings, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Holdings, Inc. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities & Services Review Board; and

In regards to section III, A (3) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: Bhullo
ITS: Bryan Mello
Assistant Treasurer

By: Maria T. C. Notar
ITS: Maria T. C. Notar
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2014

Notarization:
Subscribed and sworn to before me
this 10 day of Nov, 2014

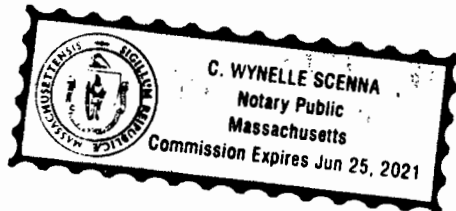
Signature of Notary

C Wynelle Scenna

Signature of Notary

Seal

Seal



Fresenius Medical Care Holdings, Inc. In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002
Aurora	14-2515	455 Mercy Lane	Aurora	60506
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406
Bolingbrook	14-2605	329 Remington	Bolingbrook	60440
Breese	14-2637	160 N. Main Street	Breese	62230
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609
Burbank	14-2641	4811 W. 77th Street	Burbank	60459
Carbondale	14-2514	1425 Main Street	Carbondale	62901
Centre West Springfield	14-2546	1112 Centre West Drive	Springfield	62704
Champaign	14-2588	1405 W. Park Street	Champaign	61801
Chatham	14-2744	333 W. 87th Street	Chicago	60620
Chicago Dialysis	14-2506	1806 W. Hubbard Street	Chicago	60622
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608
Cicero	14-2754	3000 S. Cicero	Chicago	60804
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445
Decatur East	14-2603	1830 S. 44th St.	Decatur	62521
Deerfield	14-2710	405 Lake Cook Road	Deerfield	60015
Des Plaines	14-2774	1625 Oakton Place	Des Plaines	60018
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185
DuQuoin	14-2595	825 Sunset Avenue	DuQuoin	62832
East Peoria	14-2562	3300 North Main Street	East Peoria	61611
Elgin	14-2726	2130 Point Boulevard	Elgin	60123
Elk Grove	14-2507	901 Biesterfeld Road, Ste. 400	Elk Grove	60007
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139
Glenview	14-2551	4248 Commercial Way	Glenview	60025
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619
Gurnee	14-2549	101 Greenleaf	Gurnee	60031
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429
Highland Park	142782	1657 Old Skokie Road	Highland Park	60035
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195
Humboldt Park	-	3500 W. Grand Avenue	Chicago	60651
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649
Joliet	14-2739	721 E. Jackson Street	Joliet	60432
Kewanee	14-2578	230 W. South Street	Kewanee	61443
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613
Lemont	-	16177 W. 127th Street	Lemont	60439
Logan Square	14-2766	2721 N. Spalding	Chicago	60647
Lombard	14-2722	1940 Springer Drive	Lombard	60148
Macomb	14-2591	523 E. Grant Street	Macomb	61455
Marquette Park	14-2566	6515 S. Western	Chicago	60636
McHenry	14-2672	4312 W. Elm St.	McHenry	60050
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960
Midway	14-2713	6201 W. 63rd Street	Chicago	60638
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448
Maple City		1225 N. Main Street	Monmouth	61462
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450
Mundelein	14-2731	1400 Townline Road	Mundelein	60060
Naperbrook	14-2765	2451 S Washington	Naperville	60565
Naperville	14-2543	100 Spalding Drive Ste. 108	Naperville	60566

Clinic	Provider #	Address	City	Zip
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563
New City	-	4622 S. Bishop Street	Chicago	60609
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714
Normal	14-2778	1531 E. College Avenue	Normal	61761
Norridge	14-2521	4701 N. Cumberland	Norridge	60656
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630
Northcenter	14-2531	2620 W. Addison	Chicago	60618
Northfield	14-2771	480 Central Avenue	Northfield	60093
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611
Oak Forest	14-2764	5340A West 159th Street	Oak Forest	60452
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462
Oswego	14-2677	1051 Station Drive	Oswego	60543
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350
Palatine	14-2723	691 E. Dundee Road	Palatine	60074
Pekin	14-2571	3521 Veteran's Drive	Pekin	61554
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544
Polk	14-2502	557 W. Polk St.	Chicago	60607
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764
Prairie	14-2569	1717 S. Wabash	Chicago	60616
Randolph County	14-2589	102 Memorial Drive	Chester	62233
Regency Park	14-2558	124 Regency Park Dr., Suite 1	O'Fallon	62269
River Forest	14-2735	103 Forest Avenue	River Forest	60305
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008
Roseland	14-2690	135 W. 111th Street	Chicago	60628
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621
Round Lake	14-2616	401 Nippersink	Round Lake	60073
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946
Sandwich	14-2700	1310 Main Street	Sandwich	60548
Skokie	14-2618	9801 Wood Dr.	Skokie	60077
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617
South Deering	14-2756	10559 S. Torrence Ave.	Chicago	60617
South Holland	14-2542	17225 S. Paxton	South Holland	60473
South Shore	14-2572	2420 E. 79th Street	Chicago	60649
Southside	14-2508	3134 W. 76th St.	Chicago	60652
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461
Southwestern Illinois	14-2535	7 Professional Drive	Alton	62002
Spoon River	14-2565	340 S. Avenue B	Canton	61520
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362
Steger	14-2725	219 E. 34th Street	Steger	60475
Streator	14-2695	2356 N. Bloomington Street	Streator	61364
Summit	-	7319-7322 Archer Avenue	Summit	60501
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640
Waterloo	-	624 Voris-Jost Drive	Waterloo	62298
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510
West Belmont	14-2523	4943 W. Belmont	Chicago	60641
West Chicago	14-2702	1859 N. Neltor	West Chicago	60185
West Metro	14-2536	1044 North Mozart Street	Chicago	60622
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302
West Willow	14-2730	1444 W. Willow	Chicago	60620
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527

Fresenius Medical Care

Fresenius Medical Care is the leading provider of dialysis products and services in the world and as such has a long-standing commitment to adhere to high quality standards, to provide compassionate patient centered care, educate patients to become in charge of their health decisions, implement programs to improve clinical outcomes while reducing mortality & hospitalizations and to stay on the cutting edge of technology in development of dialysis related products.

The size of the company and range of services provides healthcare partners/employees and patients with an expansive range of resources from which to draw experience, knowledge and best practices. It has also allowed it to establish an unrivaled emergency preparedness and disaster relief program that's designed to provide life sustaining dialysis care to dialysis patients whose access to clinics are disrupted in areas of the U.S. that are compromised by disaster (e.g. hurricanes, tornadoes, earthquakes). Through this program we also provide clinics, employees and others with essential supplies such as generators, gasoline and water.

Quality Measures – Fresenius Medical Care continually tracks five quality measures on all patients. These are:

- eKdrt/V – tells us if the patient is getting an adequate treatment
- Hemoglobin – monitors patients for anemia
- Albumin – monitors the patient's nutrition intake
- Phosphorus – monitors patient's bone health and mineral metabolism
- Catheters – tracks patients access for treatment, the goal is no catheters which leads to better outcomes

The above measures as well as other clinic operations are discussed each month with the Medical Directors, Clinic Managers, Social Workers, Dietitians, Area Managers and referring nephrologists at each clinic's Quality Assessment Performance Improvement (QAI) meeting to ensure the provision of high quality care, patient safety, and regulatory compliance.

INITIATIVES that Fresenius has implemented to bring about better outcomes and increase the patient's quality of life are the TOPS program, Right Start Program and The Catheter Reduction Program.

TOPs Program (Treatment Options) – This is a company-wide program designed to reach the pre-ESRD patient (also known as CKD – Chronic Kidney Disease) to educate them about available treatment options when they enter end stage renal disease. TOPs programs are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, home hemodialysis, peritoneal dialysis and nocturnal dialysis.

Right Start Program – This is an intensive 90-day intervention program for the new dialysis patient centering on education, anemia management, adequate dialysis dose, nutrition, reduction of catheter use, review of medications and logistical and psychosocial support. The Right Start Program results in improved morbidity and mortality in the long term but also notably in the first 90 days of the start of dialysis.

Catheter Reduction Program – This is a key strategic clinical initiative to support nephrologists and clinical staff with increasing the number of patients dialyzed with a permanent access, preferably a venous fistula (AVF) versus a central venous catheter (CVC) venous fistula). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates. Overall adequacy of dialysis treatment also increases with the use of the AVF.

Diabetes Care Partnership - Fresenius Medical Care and Joslin Diabetes Center, the world's preeminent diabetes research, clinical care and education organization, announced an agreement to jointly develop renal care programs in select Joslin Affiliated Centers for patients with diabetic kidney disease (DKD). Fresenius and Joslin will jointly develop clinical guidelines and effective care delivery systems to manage high blood pressure, glucose, and nutrition in patients with DKD. In addition, the organizations will help educate patients as they prepare for the possibility of end stage renal disease (ESRD) and the necessity for dialysis or kidney transplantation. Fresenius Medical Care and Joslin's multidisciplinary and coordinated approach to chronic disease management will seek to improve patient outcomes while reducing unnecessary or lengthy hospitalizations, drug interactions and overall morbidity and mortality associated with uncoordinated care.

Locally, in Illinois, Fresenius Medical Care is a predominant supporter of the National Kidney Foundation of Illinois (NKFI), Kidney Walk in downtown Chicago. Fresenius Medical Care employees in Chicago alone raised almost \$15,000 for the foundation. The NKFI is an affiliate of the National Kidney Foundation, which funds medical research improving lives of those with kidney disease, prevention screenings and is a leading educator on kidney disease. Fresenius Medical Care also donates another \$25,000 annually to the NKFI and another \$5,000 in downstate Illinois.

FRESENIUS MEDICAL CARE

TOP
education

Treatment Options Program

Treatment Options Program

For People with
Chronic Kidney Disease


Fresenius Medical Care

FRESENIUS MEDICAL CARE

TOP
education

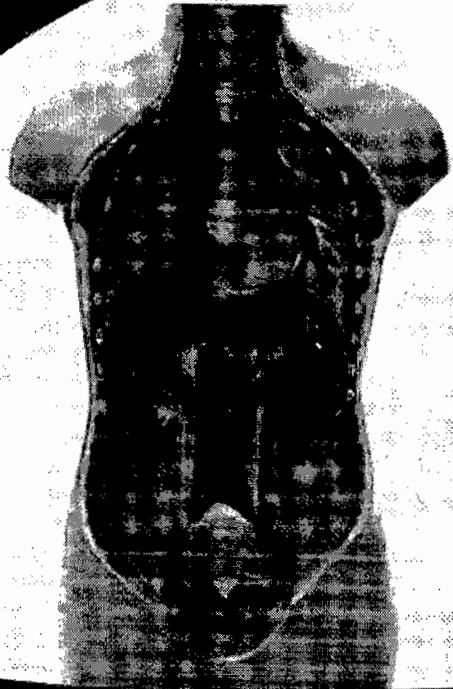
Treatment Options Program

Welcome to the Treatment Options Program

Over the next hour you will learn:

- What your kidneys do to keep you healthy
- What gradually or suddenly may happen to you if your kidneys stop working properly
- What you need to know if you are diagnosed by your physician with Chronic Kidney Disease (CKD)
- What you need to know if you develop "kidney failure"
- How you can live with "kidney failure" and lead a productive life
- The treatment options available to make living with "kidney failure" a good fit with your lifestyle

44



Your Kidneys and What They Do

- Kidneys are two bean-shaped organs about the size of your fist.
- They are located on either side of the spine, just below the rib cage.
- Your kidneys perform several important functions:
 - Filter your blood to remove waste and excess fluid;
 - Control the making of red blood cells;
 - Help control blood pressure;
 - Help control the amounts of calcium, potassium, and phosphorus in the body.



Fresenius Medical Care



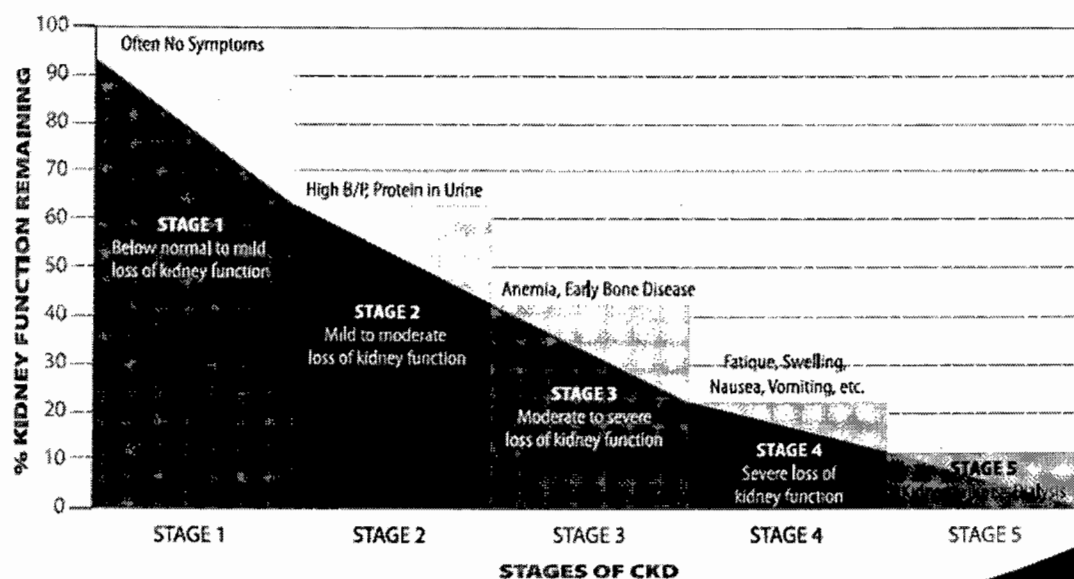
What is Chronic Kidney Disease (CKD)?

CKD is a progressive disease that advances from Stage I through Stage V.

Stage V CKD or End-Stage Renal Disease (ESRD) is commonly referred to as "kidney failure."

Kidney failure is when your kidneys no longer work well enough to keep you alive, and where death will occur if treatment is not provided.

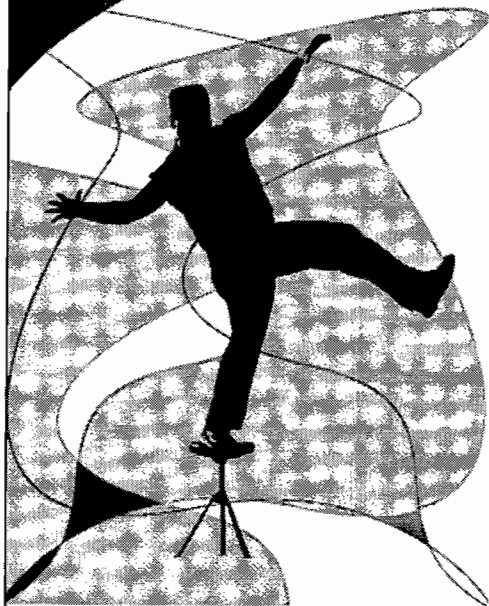
The progression of CKD



Common Causes of Chronic Kidney Disease (CKD):



- A history of diabetes, especially if poorly controlled
- A history of high blood pressure, especially if poorly controlled
- Repeated kidney infections
- Immune diseases of the kidney (like glomerulonephritis)
- Heredity (like polycystic kidneys)
- Others, including unknown



What Happens to Your Body with Chronic Kidney Disease?

- Build up of fluid (water) and waste products in your blood
 - Causes swelling and generally not feeling well
- Chemical imbalances
 - Potassium, sodium, phosphorus and calcium
- Loss of hormone production that helps:
 - Control your blood pressure
 - Build red blood cells
 - Keep your bones strong



Fresenius Medical Care



Symptoms of Chronic Kidney Disease (CKD)

Common symptoms of CKD include:

- Nausea, poor appetite, and weight loss
- Trouble sleeping
- Loss of concentration
- Dry, itchy skin
- Swelling of face, hands, and feet
- Cramping at night
- Difficulty breathing
- Tiredness and weakness

If Your Doctor has Told You that You Have (CKD), YOU ARE NOT ALONE

- People are often unaware of their kidney disease.
- One in nearly seven adult Americans (13%) have kidney disease*.
- A recent study reported over 358,000 people in the US were on dialysis.
- Roughly 16,000 (or 5%) of these people received a kidney transplant***
- The remaining 342,000 people (or 95%) needed to choose one of the types of dialysis treatments that you will learn about in this presentation**

* NHANES (1999-2004)

** USRDS (2006 data report)

*** 2007 OPTN/SRTR Annual Report 1997-2006.
HHS/HRSA/HSB/DOH



Fresenius Medical Care

People Like You

- Prior to 1960 people with kidney failure had little hope for survival.
- Today many people have not only survived on dialysis for over 25 years, but continue leading productive lives.
- A growing number of people performing their dialysis treatments at home are finding it possible to continue pursuing their careers and life aspirations.
- Many patients have also received kidney transplants and are alive and well 30 to 40 years later.
- If your kidneys stop working that doesn't mean that you have to; treatment options are available for you.

If You Have CKD You Need to Know:

- Early diagnosis & treatment helps slow the disease process.
- It's important to learn about the available treatments now before therapy is needed.
- You can take an active role in deciding with your doctor the best choice to meet your medical needs and lifestyle preferences.
- Managing your disease well helps determine the quality of your life.
- You have the right not to accept treatment for your kidney failure (ESRD).



Fresenius Medical Care

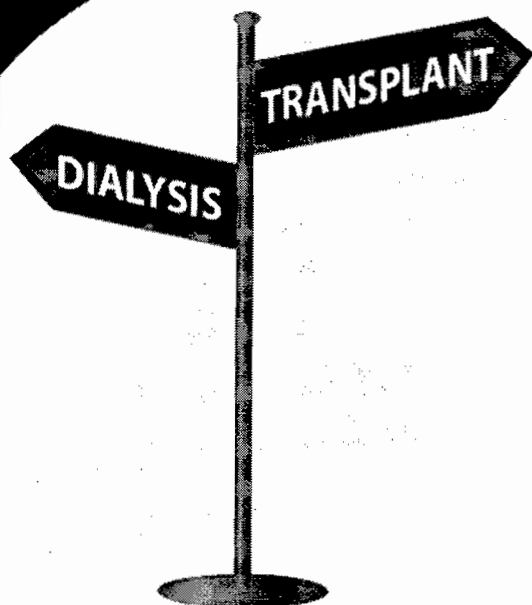
Managing Your CKD

Diet & Medication



- Dietary changes help decrease the fluid and waste build-up that the kidneys can no longer remove.
- Medications replace some of the functions that the kidneys can no longer do:
 - Control blood pressure
 - Make red blood cells
 - Keep bones healthy and strong
- Be prepared, before you become sick, to treat your CKD with one of the methods outlined in this training.

Treatments for Kidney Failure or ESRD



- Kidney Transplant: considered the “Gold Standard”
- Kidney Dialysis
Two types of treatments to remove excess fluid and waste from your blood
 - Peritoneal Dialysis (PD)
 - Hemodialysis (HD)



Fresenius Medical Care

The Transplant Option

- A kidney transplant is not a cure. It is a treatment option that requires life long commitments (taking medications and being followed by a kidney specialist).
- A transplant is considered the “Gold Standard” because it is the treatment that comes closest to “normal” kidney function.
- A transplant is a major surgical procedure that places a healthy kidney from another person into your lower abdomen.
- Usually it is not necessary to remove your kidneys, however it is the donated kidney that performs the functions yours once did.
- It is possible to have a kidney transplant without going on dialysis.



A Kidney Transplant is Not for Everyone

Several factors determine if a transplant is an option for you:

- General health
- Emotional health
- Health insurance and financial resources
- Treatment compliance

The benefits of a transplant should outweigh the risks associated with surgery and life long medications.



Fresenius Medical Care



Finding a donor kidney

- Your body tissues must "match" the tissues of the donor
 - Living donor:
 - Relatives (usually the closest match)
 - Non-relative (spouse, friend)
 - Non-Living donor:
 - A person that donates their organs when he/she dies
- A non-living donor kidney may not be immediately available
- The waiting list may extend beyond a year or two





Caring for the Donated Kidney

- Daily, lifelong medication is usually required to prevent rejection.
- Regular follow-up with your physician is required.
- Follow all other physician guidelines:
 - Diet
 - Activity
- Watch for signs of potential problems.

Kidney Transplant Option

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Closest treatment to "normal" kidney function • Fewer dietary and fluid restrictions • Allows you to maintain your normal schedule & activities | | <ul style="list-style-type: none"> • Risks associated with surgery and kidney rejection • Daily medications may have side effects and can be costly • Must take medications and follow up with physician for life of the kidney • May be placed on a waiting list for an extended period of time |
|---|--|--|

The Dialysis Options

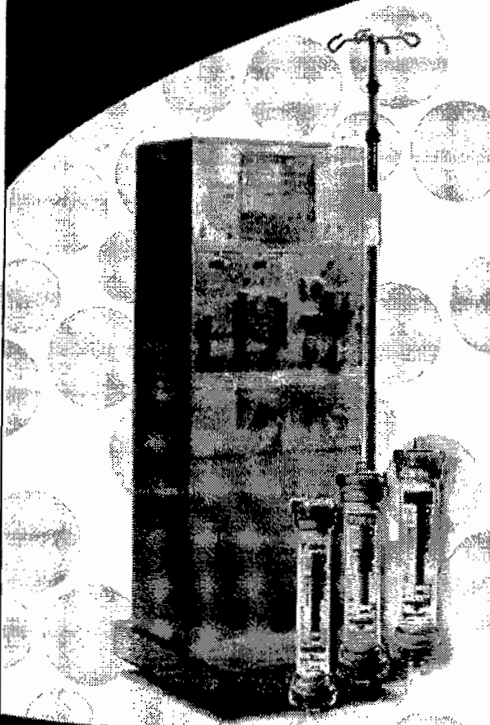


- There are two types of dialysis:
 - Peritoneal dialysis
 - Hemodialysis
- Both remove excess fluid and wastes from the body
- Hemodialysis is routinely done in a dialysis facility, and can be done at home with training.
- Peritoneal Dialysis is typically done at home.



Fresenius Medical Care

Hemodialysis

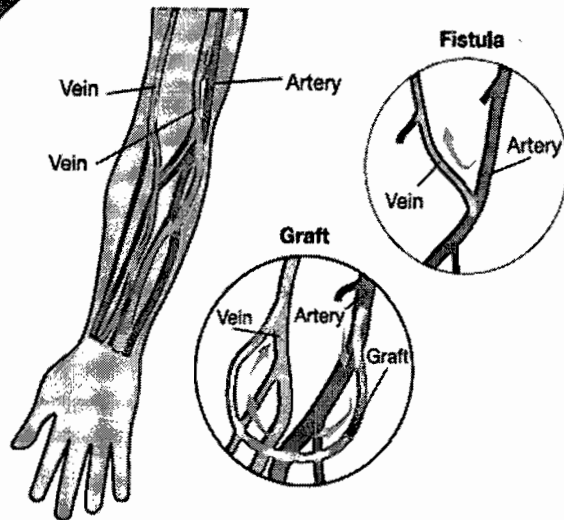


- Blood is cleaned by an "artificial kidney" or dialyzer and a machine
- Tubing allows blood to flow from your body to the machine and back to your body
- Two needles are required for each treatment if you have a fistula or graft; one to remove the blood, one to return the blood
- Only a small amount of blood is out of your body at any time



Fresenius Medical Care

Hemodialysis Access



- Your blood must flow out and back to your body through a blood vessel that can be used repeatedly. This is called an access.
- A **fistula**, the 1st choice, is a surgical connection of your artery and your vein.
- A **graft**, 2nd choice, is a surgical insertion of a special tube which is used like a vein.
- A **catheter** is a temporary tubing inserted through the skin and sutured into place.



Fresenius Medical Care

In-Center Hemodialysis Option



- Treatments are done by trained dialysis nurses and technicians.
- You are on a fixed schedule for your treatments, and changes may be difficult.
- You must travel to/from the dialysis center.
- Treatments are usually done 3 times each week.
- No equipment or supplies needed at home.
- Opportunity for regular social interaction with other dialysis patients.
- Treatments usually last 3.5-4.0 hours each.

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In-Center Nocturnal (night-time) Hemodialysis Option

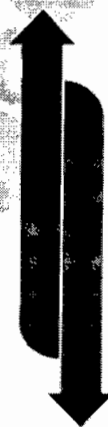
- Treatments are done by dialysis nurses and technicians
- Treatment occurs during the night while you sleep at the dialysis center; usually 3 times a week for about 8 hours each treatment
 - Allows you to work, go to school, or participate in other activities during the day
 - Provides more treatment over a longer period of time
 - Useful when needing to remove large amounts of fluid
 - Helpful when removing fluid is difficult with regular hemodialysis
- You must travel to the dialysis facility for treatment and are away from home 3 nights each week
- May not be offered in your area



Fresenius Medical Care

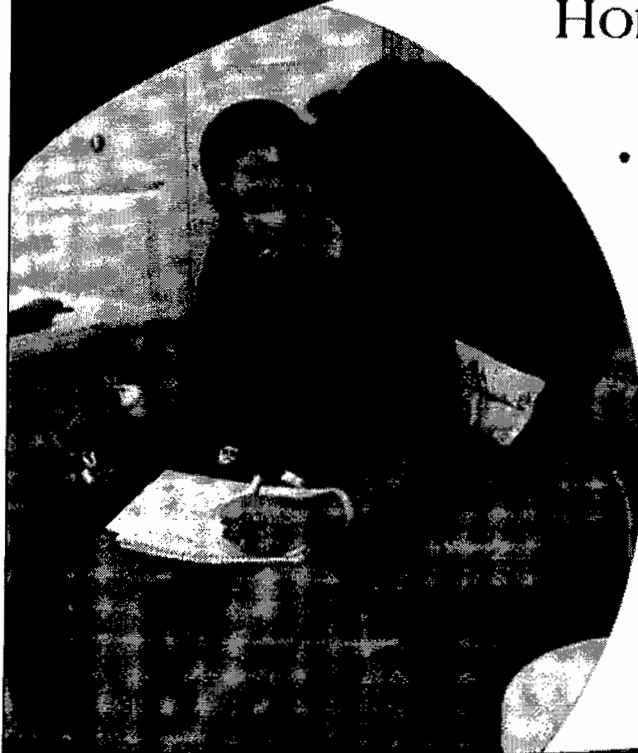
In-Center Hemodialysis Considerations

- Therapy performed by trained clinicians
- No equipment or supplies needed at home
- Opportunity for more frequent social interaction with other dialysis patients
- Patient must travel to the clinic usually 3 times per week
- Patients are on a fixed schedule to receive their therapy



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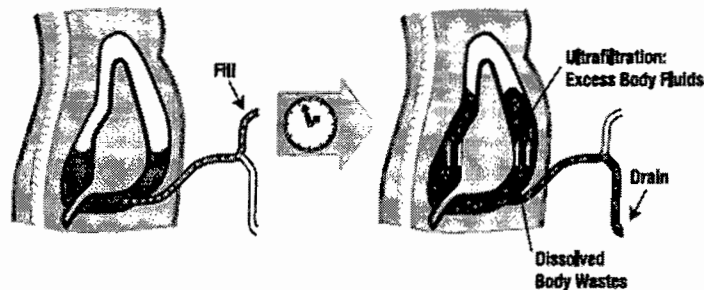
Home Hemodialysis Option

- Easier to fit into your daily or nightly schedule
- No travel to clinic needed
- Comfort and privacy of your own home
- Easier to keep working if you have a job
- Must have a trained helper or partner
- Must have space in home for supplies and equipment
- Home may need changes and plumbing or wiring
- Less social interaction with other dialysis patients than at a dialysis center



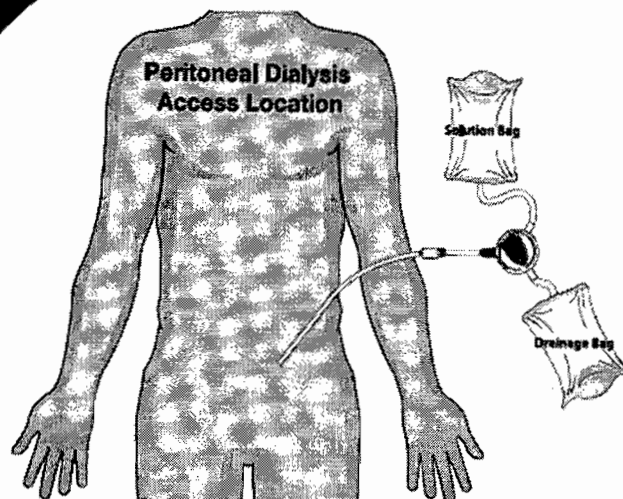
Fresenius Medical Care

Peritoneal Dialysis (PD)



- Blood is cleansed inside the body by using the peritoneum; a filter-like membrane located in the lower abdomen.
- Solution is inserted into the abdomen where it is in contact with the peritoneum.
- Excess fluid and waste products in the nearby blood vessels are filtered through the peritoneum and collect in the solution in the abdomen.
- The solution is allowed to dwell for a period of time, then is drained out of the abdomen and replaced with fresh solution.

Peritoneal Dialysis Access



- PD solution flows in and out of your body through a catheter
- A PD catheter is surgically inserted into the lower abdomen and secured in place
- The catheter extends several inches out of your body
- Your clothes cover the catheter when it is not being used



Fresenius Medical Care

Two types of PD



1. Continuous Ambulatory Peritoneal Dialysis (CAPD)

- A manual process usually done during the day
- Can be done in any clean location at home, work or while traveling
- Average 4 to 5 exchanges each day
- About 30-45 minutes for each exchange



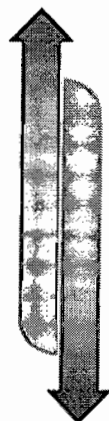
Two types of PD

2. Continuous Cycling Peritoneal Dialysis (CCPD)

- A machine-controlled process usually done overnight while sleeping, for about 9-10 hours
- Solution remains in the peritoneum during the day until you go to bed and hook up to the machine
- Occasionally some patients require an additional exchange during the daytime

Peritoneal Dialysis Option

- A partner is not required, but may be needed by some
- More flexible dialysis treatment schedule
- Allows independence and a more normal (working) lifestyle
- Gentle treatment more like "normal" kidney function
- A bloodless form of treatment with no needles required



- Treatment needs to be performed every day
- Risk of infection
- External catheter
- Need storage space in home for supplies
- Larger people may need to do more exchanges

Dialysis Options Comparison

Advantages	IN-CENTER		HOME		Advantages	IN-CENTER		HOME	
	HD	NHD	HD	PD		HD	NHD	HD	PD
Treatment Time Flexibility			✓	✓	Perform treatments during nightly sleep		✓	✓	✓
Treatment Location Flexibility			✓	✓	Improved availability during work hours		✓	✓	✓
Treatment Duration Flexibility				✓	Bloodless access				✓
Reduced Clinic Visit Time			✓	✓	More Independent lifestyle			✓	✓
Reduced Clinic Travel Time			✓	✓	Greater treatment supervision	✓	✓		
Reduced Clinic Travel Costs			✓	✓	No supply delivery & storage needs	✓	✓		
No treatment partner needed	✓	✓		✓	No routine needle sticks				✓
Greater Privacy			✓	✓	Greater Travel options				✓
Greater Social Interaction with Other Dialysis Patients	✓				No additional electrical/plumbing	✓	✓		✓

Note: Together with your nephrologist, who will advise you based on your medical condition, you should seek a treatment option which best suits your medical and lifestyle needs.

Fresenius Medical Care

People Like You

Shad Ireland's kidneys failed in 1983 at age 10.

On July 25th, 2004 Shad became the first dialysis patient to complete an Ironman triathlon.



Shad continues to compete, and has also created the Shad Ireland Foundation to help people with renal disease improve their lives through physical activity.

Mickey Sledge developed kidney failure in 2000 at age 46. He has developed a passion for taking care of himself as a result of his disease. As a volunteer for treadmill manufacturers he enjoys demonstrating his fitness at major dialysis conferences around the country. "Working helps me stay in tune with reality," says Mickey, who continues his job of 23 years. Apart from routine appointments, Mickey takes pride in never having had to take time off work because of his kidney disease.

Lori Hartwell, a kidney patient since the age of two, founded the Renal Support Network to instill "health, happiness, and hope" into the lives of fellow patients. Lori travels throughout the country educating and inspiring patients and healthcare professionals with her stories, insight, and humor. She was named "2005 Woman of the Year" by California State Senator Jack Scott and continues to be widely recognized for her contributions to improving the lives of people with Chronic Kidney Disease.

Criterion 1110.230 – Purpose of Project

This project is being proposed to address access issues related to high utilization of the Schaumburg area Fresenius Medical Care clinics (Elk Grove at 84% and Hoffman Estates at 93% which is operating a 4th shift to accommodate patients). Fresenius Medical Care Schaumburg will alleviate high utilization at these clinics, maintain physician and patient choice of treatment at a Fresenius clinic and allow Schaumburg ESRD patients the option of dialyzing in a Fresenius clinic without travelling outside of their market.

Due to the historic high utilization of the market's Fresenius ESRD facilities physicians/patients have inadequate access to provider choice and to treatment schedule times that effectively work into the patient's daily lives and that offer access to available transportation options. This can be problematic because new patients are ill and unfamiliar with dialysis and have to adjust to this major life-changing event while trying to maintain their quality of life. When a clinic operates above 80% utilization new patients are generally given the 3rd shift of the day which does not end until approximately 8:00 p.m. This treatment time severely interrupts their life and makes transportation more difficult because public medical transportation does not operate after 4:00 p.m. Fresenius Hoffman Estate's fourth shift, ending at midnight, makes these issues even more problematic.

In addition area hospitals are experiencing high readmission rates of ESRD patients most commonly related to congestive heart failure which is prevalent among dialysis patients. Often patients are in need of an extra dialysis treatment due to fluid overload caused by heart disease, but they cannot receive one outside of their already scheduled treatment time due to high utilization at the Fresenius area clinics they currently dialyze at. They cannot go to other providers for the extra treatment. These patients are sent to the emergency room, admitted, and given dialysis, all of which leads to extensive costs to the hospital, not to mention a significant burden to the patients. The Schaumburg facility we propose will provide capacity for these extra treatments and lower hospital admission rates.

The goal of Fresenius Medical Care is to provide Schaumburg physicians and ESRD patients with dialysis access by creating additional treatment schedule times at a Fresenius clinic and maintain patient choice. Our goal is to also reduce the readmission rates of ESRD patients with congestive heart failure. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. The Fresenius Hoffman Estates and Elk Grove facilities that serve this area have exceptional quality outcomes and the same is expected of the proposed Schaumburg facility as listed below:

- 94% of patients had a URR $\geq$ 65%
- 95% of patients had a Kt/V $\geq$ 1.2

Demographic data contained in the application was taken from U.S. Census Bureau.

Clinic utilization was received from the IHFSRB.

Purpose
ATTACHMENT – 12

Alternatives

1) All Alternatives

A. Proposing a project of greater or lesser scope and cost.

Fresenius Medical Care has already followed through on several plans that are of lesser scope. One was to add 3 stations to its Hoffman Estates clinic per #E-011-11. The final cost of that project was \$293,440. However, this facility is now operating a 4th shift of patients that does not end until midnight. The Elk Grove facility is a large 28 station clinic and is also not able to expand further and it at 84% utilization. While not in the immediate Schaumburg market, the Glendale Heights facility recently expanded by 6 stations (not yet certified) and given historic growth of that clinic it is expected to reach 80% quickly with separate patients as identified in #14-059 which costs were \$147,653. Expanding other facilities in the area has not helped to alleviate over utilization at the Schaumburg area Fresenius clinics.

The only lesser alternative would be to do nothing, however this option was not considered to be a viable option considering the high area utilization, patients on waiting lists at area facilities for a earlier daytime treatment shift and high hospital readmission rates. There is no cost to doing nothing.

B. Pursuing a joint venture or similar arrangement with one or more providers of entities to meet all or a portion of the project's intended purposes' developing alternative settings to meet all or a portion of the project's intended purposes.

The preferred Fresenius model of ownership is for our facilities to be wholly owned, however we do enter into joint ventures on occasion. Fresenius Medical Care always maintains control of the governance, assets and operations of a facility it enters into a joint venture agreement with to ensure financial stability. Our healthy financial position and abundant liquidity indicate that that we have the ability to support the development of additional dialysis centers. Fresenius Medical Care has more than adequate capability to meet all of its expected financial obligations and does not require any additional funds to meet expected project costs. This ownership of this facility is structured so that if physicians choose to invest at a later date they would be able to do so. The cost of a joint venture would be the same as the current project, however split amongst joint venture partners.

C. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project

As evidenced by Dr. Wick's support letter for this project, he and his NANI partners currently admit to all the operating facilities in the Schaumburg market (Fresenius Hoffman Estates & Elk Grove, DaVita Schaumburg and US Renal Streamwood). However if the physicians and their patients prefer a Fresenius clinic, there is not one in the market that they can currently go to. It is not in the patient's best interest to send them further out of their healthcare market for treatment. They would then loose important physician/patient relationships and have increased travel hardships especially if they have to cross township or county lines. Medical transportation services generally do not transport across these lines. There is no monetary cost to sending patients to area facilities.

D. The only alternative that is going to effectively reduce utilization in the Schaumburg market Fresenius clinics, provide patients with a choice of a Fresenius clinic, create needed treatment schedule options and reduce readmission rates is to proceed with the proposed Fresenius Medical Care Schaumburg. The cost of this project is \$4,883,415.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Maintain Status Quo	\$0	Lack of patient access to a Fresenius clinic and lack of treatment shift options. Ongoing high readmission rates for area hospitals. Patients will have to travel out of their health care service area to obtain treatment creating undue hardship.	While patient quality would remain the same at the Fresenius clinics, the patient's quality of life would diminish with increased travel times, loss of continuity of care and ongoing risk of hospital readmission.	The only financial implication would be to the patient with increased travel costs.
Pursue Joint Venture	\$4,883,415	Same as current proposed project, however cost would be divided among Joint Venture members. Costs would likely be split 60/40 between Fresenius Medical Care and JV partner.	Patient clinical quality would remain above standards just as they are currently at Fresenius Aurora.	No effect on patients Fresenius Medical Care is capable of meeting its financial obligations and does not require assistance in meeting its financial obligations. If this were to become a JV, Fresenius Medical Care would maintain control of the facility and therefore ultimate financial responsibilities.
Utilize Area Providers	\$0	No patient or physician choice of a Fresenius provider in Schaumburg, loss of access to treatment schedule times, ongoing hospital readmissions due to fluid overload and travel issue with patients travelling out of the area for treatment which also results in loss of continuity of care.	Unavailability to choose a Fresenius provider and a treatment schedule shift could cause transportation problems which leads to missed treatments and lower individual patient quality. Loss of continuity of care which would lead to lower patient outcomes. Travel hardships for patients.	No financial cost to Fresenius Medical Care Cost of patient's transportation would increase with higher travel times
Establish Fresenius Medical Care Schaumburg	\$4,883,415	Continued access to dialysis treatment as patient numbers have continually grown in the Schaumburg area at the Fresenius clinics. Access to acceptable treatment schedule times and access to schedule times for those patients requiring extra treatments thereby reducing hospital readmissions.	Patient clinical quality would remain above standards, however individual outcomes and quality of life could improve as patients would have easier access to treatment at a preferred provider and less missed treatments	This is an expense to Fresenius Medical Care only.

3. Empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. The Fresenius Hoffman Estates and Elk Grove facilities that serve this area have exceptional quality outcomes and the same is expected of the proposed Schaumburg facility as listed below:

- 93% of patients had a URR $\geq$ 65%
- 94% of patients had a Kt/V $\geq$ 1.2

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD 450-650 BGSF Per Station	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	7,596 (12 Stations)	5,400 – 7,800 BGSF	None	Yes
Non-clinical	1,370	N/A	N/A	N/A

As seen in the chart above, the State Standard for ESRD is between 450 - 650 BGSF per station or 5,400 – 7,800 BGSF. The proposed 7,596 BGSF for the in-center hemodialysis space falls within this range therefore meeting the State standard.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	IN-CENTER HEMODIALYSIS	N/A Proposed Facility	40%	80%	No
YEAR 2	IN-CENTER HEMODIALYSIS		80%	80%	Yes

Dr. Wick has identified 173 pre-ESRD patients with lab values indicative of active kidney failure who live in the Schaumburg market area and that are expected to require dialysis services in the first two years after the Schaumburg facility begins operations. Due to natural attrition of patients it is expected that 74 of these would begin dialysis at Fresenius Schaumburg during this time.

However, calculating when a patient will require dialysis treatment two years out is not an exact science. Each patient is unique and clinical indications can vary greatly.

Planning Area Need – Formula Need Calculation:

The proposed Fresenius Medical Care Schaumburg dialysis facility is located in Cook County in HSA 7. HSA 7 is comprised of suburban Cook and DuPage Counties. According to the June 2015 Inventory there is an excess of 2 stations in this HSA.

2. Planning Area Need – Service To Planning Area Residents:

- A. The primary purpose of this project is to provide in-center hemodialysis services in to the Schaumburg market area, which is in northwest Cook County in HSA 7. 100% of the patients identified for the Fresenius Schaumburg facility reside in HSA 7.

City	County	Zip Code	Pre-ESRD
Elk Grove	Cook	60007	40
Streamwood	Cook	60107	15
Hanover Park	Cook	60133	16
Hoffman Estates	Cook	60169	16
Schaumburg	Cook	60173	2
Schaumburg	Cook	60193	33
Schaumburg	Cook	60194	14
Schaumburg	Cook	60195	1
Bloomington	DuPage	60108	15
Itasca	DuPage	60143	9
Medinah	DuPage	60157	1
Roselle	DuPage	60172	11
Total			173

Of these patients, 106 would be most likely to use the proposed Schaumburg facility. Those living in Elk Grove, Hoffman Estates, and Schaumburg alone would put the proposed clinic at the 80% target occupancy rate. The remaining patients could be referred to other area clinics or the proposed Schaumburg clinic based on patient choice, location, shift availability and physician.

June 19, 2015

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

Dear Ms. Avery:

I am a nephrologist practicing with Nephrology Associates of Northern Illinois (NANI) which is located in Hoffman Estates in the greater Schaumburg area. In the past six years the number of patients we care for in our practice and who will eventually reach end stage renal disease has grown by over 25%. I have worked primarily with Fresenius Medical Care clinics in the Schaumburg area, although I also see patients at DaVita and US Renal clinics. I have found Fresenius Medical Care standards to be exceptional, their methodologies soundly based, and I am excited about the opportunity to partner with them by serving the patients as Medical Director of the proposed Schaumburg clinic.

At this time Fresenius does not have a clinic in Schaumburg. It does have clinics in the general area, but none to directly serve the patients identified for the proposed Fresenius Schaumburg clinic. Although the DaVita Schaumburg clinic has some capacity, I prefer to admit my patients to a Fresenius clinic offering my patients a choice. Schaumburg is densely populated and currently has no access to a Fresenius clinic.

The Schaumburg area Fresenius clinics that my practice partners admit the majority of their patients to are experiencing high utilization rates making it difficult to find availability for treatment schedule times that best suit the patient's needs. These clinics include Fresenius Hoffman Estates and Elk Grove.

The hospitals in the immediate Schaumburg area (Alexian Brothers and St. Alexius) frequently are looking to discharge patients to a clinic, and have difficulty finding a treatment time slot because the nearby clinics are full. These hospitals would not, as an example, discharge a patient to a clinic in Des Plaines, West Chicago or Lombard, even though it may be within 30 minutes of the proposed Fresenius Schaumburg clinic. When hospitals cannot find a discharging patient an appropriate placement in a dialysis clinic, it delays the patient discharge and increases health care costs. Additional dialysis stations in the Schaumburg market would not only allow for patient and physician choice of

providers, but would address these access issues. In addition when a cardiac patient is experiencing fluid overload they require an additional treatment at one of our area Fresenius clinics, aside from their weekly scheduled three. These patients cannot simply go to any clinic. They need to go where they are currently receiving dialysis.

With these clinics well over 80% utilization, it difficult to get them scheduled on an urgent basis for a fourth treatment. An additional facility would also alleviate overutilization at Fresenius Hoffman Estates and Elk Grove, by offering additional access in a Fresenius clinic to residents of Schaumburg. Currently I have approximately 19 patients who reside in Schaumburg that might be interested in transferring from these clinics. Their choice is to go to a Fresenius clinic, which is why they now travel outside their market for care as opposed to going to the DaVita clinic in Schaumburg.

My partners (Dr. Ray, Dr. Rahman, Dr. Lee, Dr. Pillsbury) and I were treating 230 hemodialysis patients at the end of 2012, 237 at the end of 2013 and 263 patients at the end of 2014, as reported to The Renal Network. As of the most recent quarter, we were treating 266 hemodialysis patients. Over the past twelve months we have referred 77 patients for hemodialysis services to Fresenius Elgin, Elk Grove, Glendale Heights, Hoffman Estates, Palatine and Rolling Meadows, DaVita Schaumburg and US Renal Care Streamwood. We currently have 173 pre-ESRD patients that live in the Schaumburg area that could be served at the Fresenius Schaumburg facility in the first two years of its operation. Due to patient attrition it is expected that approximately 74 of these patients will still require dialysis services at the Schaumburg facility by the time it is operating.

I urge you to allow my patients and I to have the opportunity to go to a Fresenius clinic in Schaumburg. If we do not have that choice it will not mean other area clinics will be used instead. Rather the existing Fresenius clinics in the area will simply get more and more patients, making them difficult to access from a scheduling point and possibly requiring a 4th shift. Thank you for your consideration and I respectfully ask you to approve Fresenius Medical Care Schaumburg.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other permitted or pending CON application.

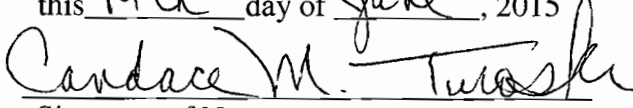
Sincerely,


Grady M. Wick, M.D.

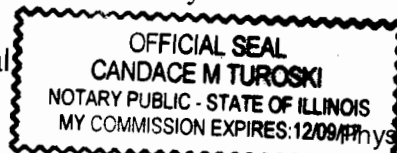
Notarization:
Subscribed and sworn to before me

2

69

this 19th day of June, 2015

Signature of Notary

Seal



Physician Referral Letter
ATTACHMENT 26b - 3

**PRE-ESRD PATIENTS NANI EXPECTS TO REFER TO FRESINIUS MEDICAL
CARE SCHAUMBURG IN THE 1ST 2 YEARS OF OPERATION**

City	Zip Code	Pre- ESRD
Elk Grove	60007	40
Streamwood	60107	15
Bloomington	60108	15
Hanover Park	60133	16
Itasca	60143	9
Medinah	60157	1
Hoffman Estates	60169	16
Roselle	60172	11
Schaumburg	60173	2
Schaumburg	60193	33
Schaumburg	60194	14
Schaumburg	60195	1
Total		173

ADMISSIONS OF NANI FOR THE PAST TWELVE MONTHS

Zip Code	Fresenius Medical Care						DaVita	US Renal	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows			
60004		1							1
60007		7							7
60018	1	1							2
60045		1							1
60046	1								1
60056		1							1
60074					1				1
60101		3							3
60103	1			2				1	4
60106		4							4
60107				1			2	4	7
60108		1	3						4
60110	1								1
60118	2								2
60120				1					1
60124	1								1
60133		1	1						2
60136	1								1
60139			2						2
60143		1							1
60157		1							1
60169		2		8			1		11
60172		2							2
60173		1				1			2
60176							1		1
60191		1							1
60192	1								1
60193		1					6		7
60194				1					1
60195							1		1
60544		1							1
60640	1								1
Total	10	30	6	13	1	1	11	5	77

PATIENTS OF NANI FOR 12/31/2012
FOR THE NORTHWEST SUBURBS

Zip Code	Fresenius Medical Care							DaVita		ARA	US Renal	Total
	Palatine	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Rolling Meadows	West Chicago	Monteclare	Schaumburg	Barrington	Streamwood	
60004						1						1
60005			3									3
60007			30						1			31
60008			1									1
60009			1									1
60010			1		3							4
60016			2		1							3
60018			7			1						8
60056			4									4
60067			1			1						2
60068			1									1
60090	1											1
60101			2	2								4
60103			2		2							4
60107		1	2		9				1	2	4	19
60108			7	1	1				2			11
60110		2			4							6
60118										1		1
60120		3			1				1			5
60124									2			2
60133			5		7				2			14
60137				1								1
60139			3									3
60140					1							1
60142		1										1
60143			9				1					10
60148				1								1
60156		1										1
60157			2									2
60164					1							1
60169			3		7				1			11
60172			7		1				3			11
60173			1									1
60178		1										1
60185			2	1								3
60188		1										1
60191			6									6
60192					1							1
60193			12		2				13			27
60194			2		6				5			13
60195			1						1			2
60406		1										1
60440			1									1
60634								1				1
60656			1									1
61554		1										1
62960									1			1
Total	1	12	119	6	47	3	1	1	33	3	4	230

PATIENTS OF NANI FOR 12/31/2013
FOR THE NORTHWEST SUBURBS

Zip Code	Fresenius Medical Care						DaVita Schaumburg	USRC Streamwood	ARA Barrington	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows				
60004		1				1				2
60005		3								3
60007		35								35
60008		1								1
60009		1								1
60010	1			1	1					3
60016		3		1						4
60017				1						1
60018		7				1				8
60047					1					1
60056		3				1				4
60067		1				1	1			3
60068		1								1
60074		1			2					3
60090					1					1
60101		3								3
60103		3		2						5
60106	1	1								2
60107		3		6			1	5	1	16
60108		3	2	1			2			8
60110	2			2						4
60120	1			2			1			4
60123	2			2						4
60124	1						1			2
60126		1								1
60133		4		8			3			15
60137			1							1
60139		2	1							3
60140	1									1
60142	1									1
60143		9		1						10
60156	1									1
60157		1								1
60169		6		8			3			17
60172		7		1			2			10
60173		1		1	1					3
60185		1								1
60188		1								1
60191		5								5
60192				3						3
60193		8					12			20
60194		3		6			4			13
60195		1		1			1			3
60517		1								1
60561						1				1
60609		1								1
60619		1								1
60626		1								1
60707		1								1
61554	1									1
62960							1			1
Total	12	125	4	47	6	5	32	5	1	237

PATIENTS OF NANI FOR 12/31/2014
FOR THE NORTHWEST SUBURBS

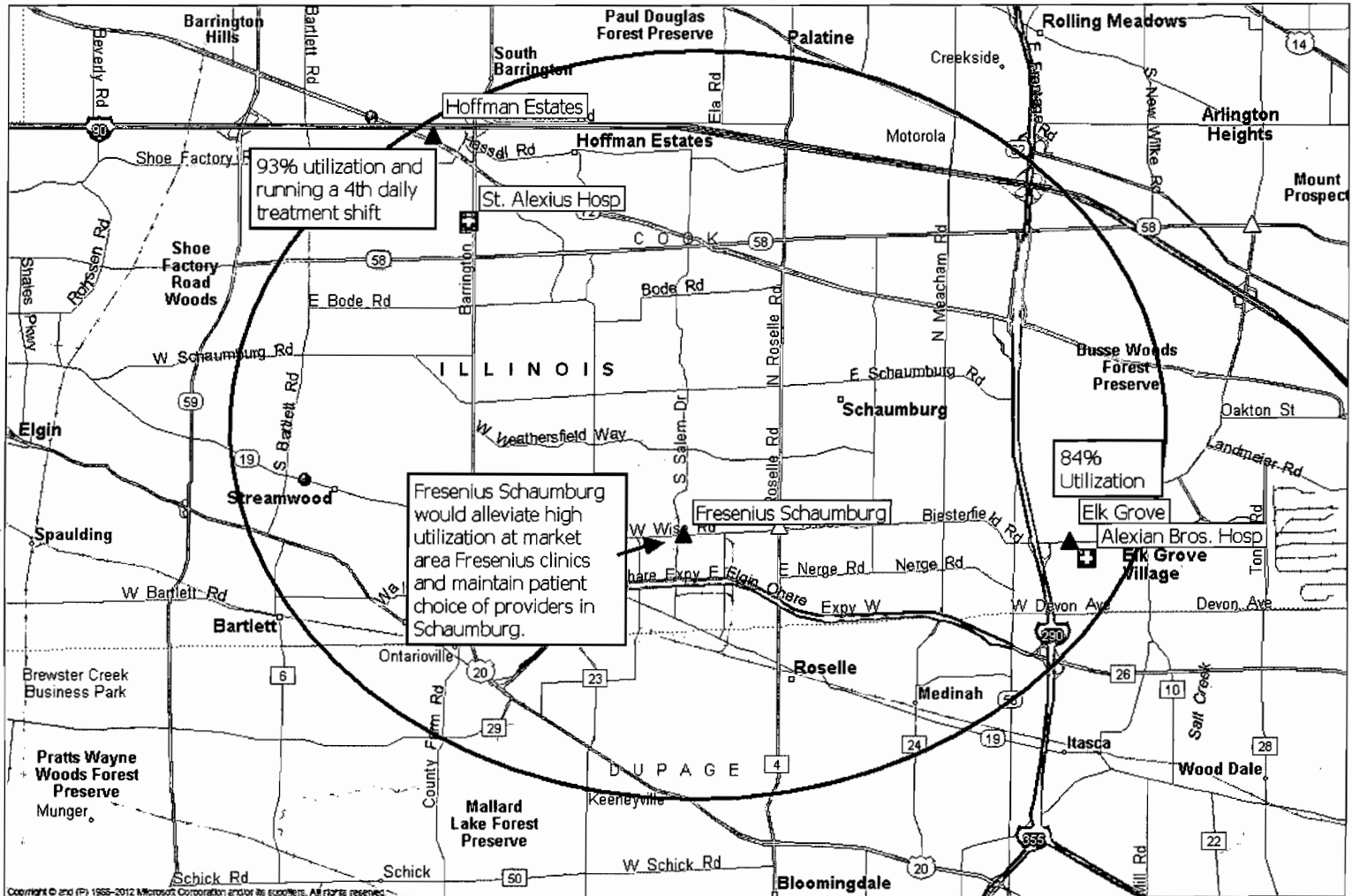
Zip Code	Fresenius Medical Care							DaVita	US Renal	ARA	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows	West Chicago	Schaumburg	Streamwood	Barrington	
60005		3									3
60007		33						1			34
60008		1				1					2
60009		1									1
60010	1			2	1						4
60016		1		2							3
60018	1	8				1					10
60056		2				1					3
60067		1				1					2
60068		1									1
60074					2						2
60089					1						1
60090					1						1
60101		5	1								6
60103				2			1	1	3		7
60106	1	4									5
60107		3		6				3	7	2	21
60108		5	2	1							8
60110	3			2							5
60118	1										1
60120	1			2				1			4
60123	5			1							6
60124	1							1			2
60133	1	4		7				4	1		17
60136	2										2
60139		2	2								4
60140	1										1
60142	2										2
60143		10		1							11
60148			1								1
60156	2										2
60157		2									2
60169		8		11				3			22
60172	1	6		1				2			10
60173		1			1						2
60176								1			1
60185		1									1
60188		1									1
60191		4									4
60192	1			3							4
60193		8		1				14		1	24
60194		2		8				2			12
60195								2			2
60561						1					1
60609		1									1
60626		1									1
60628	1										1
60707		1									1
62960								1			1
Total	25	120	6	50	6	5	1	36	11	3	263

PATIENTS OF NANI FOR 03/31/2015
FOR THE NORTHWEST SUBURBS

Zip Code	Fresenius Medical Care							DaVita	US Renal	ARA	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows	West Chicago	Schaumburg	Streamwood	Barrington	
60004		1									1
60005		2									2
60007		31						2			33
60008		1				1					2
60009		1									1
60010				2	1						3
60016				2							2
60018		7				1					8
60056		3				1					4
60067		1				1					2
60068		1									1
60074					2						2
60089					1						1
60090					1						1
60101		7	1								8
60103		1		1			1		4		7
60106	1	4									5
60107		3		6				2	9	1	21
60108		4	4	1					1		10
60110	3			2							5
60118	2										2
60120	1			3				1			5
60123	5			1							6
60124	1							1			2
60133	1	4	1	7				3	1		17
60136	2										2
60139		2	3								5
60140	1										1
60142	2										2
60143		8		1							9
60148			1								1
60156	1										1
60169		7		15				3			25
60172	1	6		1				2			10
60173		1			1	1					3
60176								1			1
60185		1									1
60188		1									1
60191		4									4
60192	1			3							4
60193		8		1				14		1	24
60194		2		8				3			13
60195								2			2
60561						1					1
60609		1									1
60626		1									1
60628	1										1
60707		1									1
62960								1			1
Total	23	114	10	54	6	6	1	35	15	2	266

Service Accessibility – Service Restrictions

The proposed Fresenius Medical Care Schaumburg dialysis facility will be located in HSA 7 in Schaumburg in northwest Cook County. Schaumburg, which has a population of 300,000 plus, is served by St. Alexius and Alexian Brothers Hospitals. It is a growing and densely populated area consisting of nearly two million people in the 30 minute travel zone.



As can be seen on the above map, the only Fresenius Medical Care facilities that serve Schaumburg residents continue to operate near capacity despite addition of stations in the area. Patients in Schaumburg therefore who prefer a Fresenius provider must travel out of the area to receive treatment or simply remain at either the Hoffman Estates facility on a 4th shift or take an unacceptable shift at the Elk Grove facility due to its high utilization. This is evidenced by the ongoing high utilization at these facilities (a total of 253 patients) while other market provider's utilization remains low. A patient cannot be forced to go to any facility in the area that might have available access. It is a physician/patient decision and they deserve to have that choice. It is clear that Dr. Wick's practice patients are choosing Fresenius Medical Care by the high Fresenius utilization in the Schaumburg market.

Facilities within 30 Minutes Travel of Fresenius Medical Care Schaumburg

Facility	Address	City	Zip Code	MapQuest		MapQuest x 1.15 Adjusted	Stations	3/31/15 Patients	3/31/15 Utilization
				Miles	Time				
DaVita Schaumburg	1156 S Roselle Rd	Schaumburg	60193	1.15	2	2.3	20	72	60.00%
USR Streamwood	149 E Irving Park Road	Streamwood	60107	4.29	7	8.05	13	39	50.00%
Fresenius Elk Grove	901 Biesterfield Rd	Elk Grove Village	60007	4.26	9	10.35	28	141	83.93%
Fresenius Glendale Heights¹	130 E Army Trail Road	Glendale Heights	60139	6.13	12	13.8	29	111	63.79%
Fresenius Hoffman Estates	3150 W Higgins Rd	Hoffman Estates	60169	6.8	12	13.8	20	112	93.33%
ARA South Barrington	33 W Higgins Rd	South Barrington	60010	8.89	15	17.25	14	51	60.71%
DaVita Arlington Heights	17 W Golf Rd	Arlington Heights	60005	8.98	15	17.25	18	65	60.19%
USR Villa Park	200 E North Avenue	Villa Park	60181	12.26	15	17.25	13	68	87.18%
Fresenius Rolling Meadows	4180 Winnetka Ave	Rolling Meadows	60008	9.21	17	19.55	24	112	77.78%
DaVita Cobblestone	836 Dundee St	Elgin	60120	10.48	19	21.85	14	76	90.48%
Fresenius Lombard	1940 Springer Dr	Lombard	60148	15.52	20	23	12	39	54.17%
USR Oak Brook	1201 Butterfield Road	Downers Grove	60515	16.59	20	23	13	47	60.26%
DaVita Buffalo Grove	1291 W Dundee Rd	Buffalo Grove	60089	17.43	20	23	16	66	68.75%
Fresenius West Chicago	1859 N Neltnor	West Chicago	60185	14.16	21	24.15	12	40	55.56%
Nocturnal Dialysis Spa ²	1634 S. Ardmore	Villa Park	60181	15.93	21	24.15	12	0	0.00%
Fresenius Palatine	691 E Dundee Rd	Palatine	60074	12.79	22	25.3	14	50	59.22%
Fresenius Westchester	2400 Wolf Road	Westchester	60154	18.74	22	25.3	20	97	80.83%
Fresenius Downers Grove	3825 Highland Ave	Downers Grove	60515	18.85	22	25.3	19	66	57.89%
Fresenius Des Plaines	1625 Oakton Place	Des Plaines	60160	13.14	23	26.45	12	16	22.22%
Fresenius Elmhurst	133 E Brush Hill Road	Elmhurst	60126	16.97	23	26.45	28	103	61.31%
Loyola	1201 W Roosevelt Rd	Maywood	60153	19.57	23	26.45	30	133	73.89%
Fresenius North Avenue	911 W North Avenue	Melrose Park	60160	17.32	24	27.6	24	109	75.69%
Fresenius Melrose Park	1111 Superior St	Melrose Park	60160	17.37	25	28.75	18	66	61.11%
Fresenius Elgin	2130 Point Blvd	Elgin	60123	17.42	25	28.75	20	79	65.83%

1) Added 8 stations 5/2015 per #14-059 and 105 separate patients identified to reach 80% utilization.

2) Facility not yet operating.

Those Fresenius clinics closest to Schaumburg that could potentially serve Schaumburg residents are operating at a combined utilization rate of 82%. Those in the Schaumburg market are Fresenius Hoffman Estates at 93% and operating a 4th shift to accommodate the high number of patients. The Fresenius Elk Grove facility is at 84%, severely limiting access and patient treatment shift choice. When a new patient begins dialysis it can be an overwhelming and difficult adjustment. If the patient has no choice but to dialyze on the least popular shift of the day (approximately 4 p.m. to 8 p.m.) it can make their life even more unmanageable. This shift creates difficulties with transportation as most medical car services stop at 4 p.m. and interrupts family's evening time. An inadequate shift choice can also interfere with work schedules of patients who are employed. Further, the majority of patients who have no option but to dialyze on the a 4th shift, such as at Hoffman Estates, it becomes even more difficult to manage their disease receiving their treatment at a time when they should be at home going to bed.

With both Fresenius Elk Grove and Hoffman Estates near or at capacity, patients whose choice is to go to a Fresenius clinic are severely restricted in the Schaumburg market. DaVita Schaumburg and USR Streamwood, although showing availability, are not going to be able to accommodate the over flow from these two highly utilized facilities, even if patients chose to transfer, along with servicing the pre-ESRD patients identified by the Medical Director practice supporting their own facilities. Additional stations are needed to keep access available in Schaumburg for Dr. Wick's patients who desire to dialyze at a Fresenius clinic and to enable Dr. Wick to oversee his patient's treatment at his recommended provider.

High utilization in this area can somewhat be attributed to a higher than average concentration of elderly residents. 16% of the Schaumburg area is over age 62 with 12% over age 65 as compared to the rest of Cook County, which is 7% over age 62 and 7% over age 65. The Schaumburg elderly population is double Cook County's elderly population. The elderly population suffers disproportionately from co-morbid conditions such as diabetes, hypertension and heart disease that all lead to kidney failure. Consideration needs to be given to areas of high elderly population when planning for future dialysis services. Elderly patients experience difficulty when travelling out of their healthcare market to seek treatment.

This is also reflected by the 2014 Annual ESRD Survey for the Fresenius clinics in the Schaumburg market. Fresenius Hoffman Estates has 43% of patients over age 65 and Elk Grove's patients are 53% over age 65.

Due to the elderly population of dialysis patients in the Schaumburg area and the historic high utilization of the Fresenius clinics is the exacerbation of the ability to provide extra treatments for patients experiencing fluid overload due to heart disease. Often times patients require a 4th treatment (normal treatment schedule is 3 times weekly) in a given week due to accumulating fluid related to heart disease. While every effort is made to accommodate these patients, with area clinics at capacity, we cannot offer this service in the clinic and patients must go to the emergency room, where they are admitted and dialyzed. This raises healthcare costs for the hospital and patient, puts the patient through unnecessary hospital stays and could be prevented if there was additional capacity in Schaumburg to offer these extra treatments.

Unnecessary Duplication/Maldistribution

ZIP Code	Population
60004	50,582
60005	29,308
60007	33,820
60008	22,717
60010	44,095
60016	59,690
60018	30,099
60047	41,669
60056	55,219
60067	38,585
60068	37,475
60070	16,001
60074	38,985
60089	41,533
60090	37,633
60101	39,119
60103	41,928
60104	19,038
60106	20,309
60107	39,927
60108	22,735
60110	38,557
60118	15,851
60120	50,955
60123	47,405
60124	18,935
60126	46,371
60131	18,097
60133	38,103
60137	37,805
60139	34,381
60143	10,360
60148	51,468
60154	16,773
60155	7,927
60157	2,380
60160	25,432
60162	8,111
60163	5,209
60164	22,048
60165	4,946
60169	33,847
60172	24,537
60173	12,217
60174	30,752
60176	11,795
60177	22,659
60181	28,836
60184	2,448
60185	36,527
60187	29,016
60188	42,656
60189	30,472
60190	10,663
60191	14,310
60192	16,343
60193	39,188
60194	19,777
60195	4,769
60515	27,503
60521	17,597
60523	9,890
60523	9,890
60532	27,066
60558	12,960
60631	28,641
60656	27,613
Total	1,833,553

1(A-B-C) The establishment of Fresenius Medical Care Schaumburg will not result in unnecessary duplication of services in the Schaumburg market. Current Fresenius Medical Care facilities in this market (Elk Grove and Hoffman Estates) are and have historically been operating near capacity. Since Fresenius last applied for a permit to establish the Schaumburg facility three years ago, there have been an additional 103 stations become operational within 30 minutes of Schaumburg and still the Elk Grove and Hoffman Estates facilities are over utilized.

Dr. Wick and his practice patients are choosing the Fresenius facilities for treatment over other area providers and currently that choice for Schaumburg residents is non-existent due to the high utilization at Fresenius clinics in this market. The Elk Grove facility is at 84% utilization severely restricting patient access to optimal treatment shift choices and the Hoffman Estates facility has had to open up a 4th patient treatment shift to accommodate the continual influx of patients. This shift is generally not operated at dialysis clinics, but only initiated when the facility is at capacity to avoid turning a patient away. This treatment shift begins around 8 p.m. and ends at midnight putting the patients through an underserved hardship.

The Fresenius Schaumburg facility will open up access in Schaumburg to those patients who currently choose Fresenius and those who will be starting dialysis in the future who wish to receive treatment at a Fresenius clinic.

2) Maldistribution: The ratio of ESRD stations to population in the zip codes within a 30 minute radius of Fresenius Schaumburg is 1 station per 4,139 residents according to the 2010 census (based on 1,823,663 residents and 443 stations). The State ratio is 1 station per 3,078 residents (based on US Census projections for 2015 of 12,978,800 Illinois residents and June 2015 Board station inventory of 4,217).

There are fewer stations available per resident in the Schaumburg area market than the State indicating a disadvantage when it comes to access.

Although all facilities within thirty minutes travel time are not above the target utilization of 80%, Fresenius Medical Care Schaumburg will not create a maldistribution of services in regard to there being excess capacity. The Fresenius facilities in the Schaumburg market that these identified patients choose to dialyze at are full. This combined with the lower ratio of stations to population than the State standard, demonstrates a need for more stations in the Schaumburg market

Facilities Within 30 Minutes Travel Time of Fresenius Schaumburg

Facility	Address	City	Zip Code	MapQuest		MapQuest x 1.15 Adjusted	Stations	3/31/15 Patients	3/31/15 Utilization
				Miles	Time				
DaVita Schaumburg	1156 S Roselle Rd	Schaumburg	60193	1.15	2	2.3	20	72	60.00%
USR Streamwood	149 E Irving Park Road	Streamwood	60107	4.29	7	8.05	13	39	50.00%
Fresenius Elk Grove	901 Biesterfield Rd	Elk Grove Village	60007	4.26	9	10.35	28	141	83.93%
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DaVita Arlington Heights	17 W Golf Rd	Arlington Heights	60005	8.98	15	17.25	18	65	60.19%
USR Villa Park	200 E North Avenue	Villa Park	60181	12.26	15	17.25	13	68	87.18%
Fresenius Rolling Meadows	4180 Winnetka Ave	Rolling Meadows	60008	9.21	17	19.55	24	112	77.78%
DaVita Cobblestone	836 Dundee St	Elgin	60120	10.48	19	21.85	14	76	90.48%
Fresenius Lombard	1940 Springer Dr	Lombard	60148	15.52	20	23	12	39	54.17%
USR Oak Brook	1201 Butterfield Road	Downers Grove	60515	16.59	20	23	13	47	60.26%
DaVita Buffalo Grove	1291 W Dundee Rd	Buffalo Grove	60089	17.43	20	23	16	66	68.75%
Fresenius West Chicago	1859 N Neltor	West Chicago	60185	14.16	21	24.15	12	40	55.56%
Nocturnal Dialysis Spa ²	1634 S. Ardmore	Villa Park	60181	15.93	21	24.15	12	0	0.00%
Fresenius Palatine	691 E Dundee Rd	Palatine	60074	12.79	22	25.3	14	50	59.22%
Fresenius Westchester	2400 Wolf Road	Westchester	60154	18.74	22	25.3	20	97	80.83%
Fresenius Downers Grove	3825 Highland Ave	Downers Grove	60515	18.85	22	25.3	19	66	57.89%
Fresenius Des Plaines	1625 Oakton Place	Des Plaines	60160	13.14	23	26.45	12	16	22.22%
Fresenius Elmhurst	133 E Brush Hill Road	Elmhurst	60126	16.97	23	26.45	28	103	61.31%
Loyola	1201 W Roosevelt Rd	Maywood	60153	19.57	23	26.45	30	133	73.89%
Fresenius North Avenue	911 W North Avenue	Melrose Park	60160	17.32	24	27.6	24	109	75.69%
Fresenius Melrose Park	1111 Superior St	Melrose Park	60160	17.37	25	28.75	18	66	61.11%
Fresenius Elgin	2130 Point Blvd	Elgin	60123	17.42	25	28.75	20	79	65.83%

1) Added 8 stations 5/2015 per #14-059 and identified 105 separate patients to reach 80% utilization.

2) Facility not yet operating.

Fresenius Glendale Heights, near the Schaumburg market, had been operating near capacity despite recent station additions and added another 8 stations in May 2015 to accommodate patients from northwestern DuPage County. #14-059 identified 105 patients who would begin dialysis there in the next two years, before the proposed Schaumburg facility is even in operation that will bring these 8 stations beyond 80% utilization.

There are also other Fresenius facilities further away from Schaumburg (over 10 miles) that have capacity, but residents of Schaumburg are simply not going to drive to places like West Chicago, Des Plaines, Lombard, Elmhurst or Melrose Park for treatment as evidenced by the high utilization at the Fresenius clinics in the Schaumburg market. The patients and physicians in this market should not be kept from having a choice of a Fresenius clinic simply because other providers are not operating at the State target, while the Fresenius clinics are at capacity.

While there are numerous choices of providers within 30 minutes, there is no longer access to a Fresenius facility in the Schaumburg market. If patients chose to go to the DaVita Schaumburg clinic or the US Renal Streamwood clinic the Fresenius clinics in the Schaumburg market would not be full. Over half of the remaining facilities are between 20 and 30 minutes away and do not serve the residents of Schaumburg. These travel times do not account for traffic congestion during rush hour or inclement weather and many include highway travel, which is generally not preferred for these ill and elderly patients to travel to and from treatment. This is why access close to home is needed.

3) Fresenius Medical Care Schaumburg will not have an adverse effect on any other area ESRD provider, but will have a positive impact by alleviating high utilization at the two current Fresenius Schaumburg market facilities, Hoffman Estates and Elk Grove

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Grady Wick will be the Medical Director for the Fresenius Schaumburg facility. Attached is his curriculum vitae.

B. All Other Personnel

Upon opening the facility will hire a Clinic Manager who is a Registered Nurse (RN) from within the company and will hire one Patient Care Technician (PCT). After we have more than one patient, we will hire another RN and another PCT.

Upon opening we will also employ:

- Part-time Registered Dietitian
- Part-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Part-time Secretary

These positions will go to full time as the clinic census increases. As well, the patient care staff will increase to the following:

- One Clinic Manager – Registered Nurse
- Four Registered Nurses
- Ten Patient Care Technicians

- 3) All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing a 9 week orientation training program through the Fresenius Medical Care staff education department.

Annually all clinical staff must complete OSHA training, Compliance training, CPR Certification, Skills Competency, CVC Competency, Water Quality training and pass the Competency Exam.

- 4) The above staffing model is required to maintain a 4 to 1 patient-staff ratio at all times on the treatment floor. A RN will be on duty at all times when the facility is in operation.

GRADY MADISON WICK, M.D., M.S., B.S.**PERMANENT ADDRESS****BUSINESS ADDRESS**

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Section of Nephrology
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820 South Wood Street
Chicago, Illinois 60612
Phone: (312) 996-6736

EDUCATION / TRAINING

University of Illinois at Chicago College of Medicine, Chicago, Illinois <i>Fellow, Section of Nephrology – Anticipated Graduation June 2008</i>	7/2006 – 6/2008
Loyola University Medical Center, Maywood, Illinois <i>Housestaff Physician, Department of Internal Medicine</i>	6/2003 – 6/2006
Michigan State University College of Human Medicine, East Lansing, Michigan <i>Medical Doctorate</i>	8/1999 – 5/2003
Purdue University, Indianapolis, Indiana <i>Master of Science, Biology</i>	7/1998 – 5/1999
Purdue University, West Lafayette, Indiana <i>Bachelor of Science, Chemical Engineering</i>	8/1993 – 5/1998
University College London, London, UK <i>Purdue University Study Abroad Program</i>	6/1997 – 7/1997

RESEARCH

Wick GM, Setty S, Brooks A, Gaitonde S, Patel A, Sebat C, Rondelli D, Levine JS, Perumal K. Membranous glomerulonephritis in a patient with a CD4+/CD56+ hematodermic neoplasm. Article submitted to *American Journal of Kidney Diseases*, January 2008.

Fischer MJ, Wick GM, Stroupe KT, Browning MM, Huo Z, Hynes DM, Kaufman JS. Chronic Kidney Disease is highly prevalent and poorly recognized among VA healthcare users. Article submitted to *American Journal of Kidney Diseases*, January 2008.

Wick GM, Kramer HJ, Jeske WP, Prechel M, Walenga JM. Inflammatory Markers and Heparin-Induced Thrombocytopenia in Acute Renal Failure after Coronary Artery Bypass Grafting. Abstract presentation at *American Society of Nephrology Renal Week*. October 2004.

Wick GM, Ash SR, Steczko J. In vitro Analysis of Urea and Ammonia Removal using Genetically Engineered *E. Coli* DH5 cells for Patients with Acute Hepatic Coma. Manuscript submitted to *Journal of the International Society for Artificial Organs*. 1998.

CERTIFICATION AND LICENSURE

ACLS/BLS	Renewed April 2007
ABIM Certification	Passed September 2006
USMLE Step III	Passed July 2005
USMLE Step II	Passed November 2002
USMLE Step I	Passed September 2001

PROFESSIONAL MEMBERSHIPS

- National Kidney Foundation of Illinois, Member since 2007
- National Kidney Foundation, Member since 2006
- American Society of Nephrology, Member since 2006
- Renal Physicians Association, Member since 2006
- American Medical Association, Member since 1999
- American College of Physicians, Member 1999 to 2006

CLINICAL SKILLS / PROFICIENCIES

- Inpatient and outpatient renal replacement therapies (hemo/peritoneal dialysis)
- Continuous renal replacement therapies (CVVH, CVVHD, CWHDF, SLED)
- Placement of temporary access for hemodialysis
- Transplant nephrology (inpatient induction and inpatient/outpatient management)
- Renal biopsy (CT and ultrasound-guided, native and transplant)

AWARDS AND HONORS

- Chief Nephrology Fellow, academic year 2007-2008
- Elected by peer residents to Housestaff Representative Committee, 2003 to 2006
- Selected by Loyola University medical students for Teaching Honor Roll, 2003 to 2006
- Omega Chi Epsilon Chemical Engineering Honor Society, 1995
- Alpha Epsilon Delta Pre-Medical Honor Society, 1995
- Tomahawk Service and Leadership Honor Fraternity, 1994
- Golden Key National Honor Society, 1994
- Alpha Lambda Delta/Phi Eta Sigma Honor Societies, 1994
- Eagle Scout, Boy Scouts of America, 1992

VOLUNTEER EXPERIENCE

- Loyola University Medical Student Preceptor, 2004 to 2005
- Community Health Clinic, Chicago, IL, 2003 to 2005
- Genesee Free Clinic, Flint, MI, 2002 to 2003
- MSU CHM Flint campus community liaison, 2001 to 2002
- MSU CHM Big Sib Program, 2000 to 2001
- MSU CHM Student Council Member, 1999 to 2001
- Riley Children's Hospital Dialysis Center volunteer, Indianapolis, IN, 1998 to 1999
- Special Olympics volunteer, 1997
- Home Hospital ER volunteer, Lafayette, IN, 1996 to 1997
- Lehigh Valley Hospital ER volunteer, Allentown, PA, 1995

Mini Bio – Grady M. Wick

Education:

Pre-Medical:

Purdue University, West Lafayette, IN

Graduate:

Indiana University-Purdue University, Indianapolis, IN

Medical Graduate:

Michigan State University College of Human Medicine, East Lansing, MI

Residency:

Foster C. McGaw Hospital, Loyola University Chicago, Chicago, IL

Fellowship:

University of Illinois at Chicago Hospital, Chicago, IL

Certifications:

American Board of Internal Medicine
State of Illinois License

Professional Memberships:

American Medical Association
American Society of Nephrology
National Kidney Foundation
National Kidney Foundation of Illinois
Renal Physicians Association

Interests and Hobbies:

I enjoy traveling (both domestic and abroad), sports (running, soccer, racquetball), college sports (football and basketball), scuba diving, music, the theater, Simpsons trivia, Mystery Science Theater, and sharing time with my wife and best friend, Anna. My wife and I love living in Chicago, spending time with our friends and families, and are looking forward to having children someday.

Criterion 1110.1430 (e)(5) Medical Staff

I am the Regional Vice President at Fresenius Medical Care who will oversee the Schaumburg facility and in accordance with 77 Il. Admin Code 1110.1430, I certify the following:

Fresenius Medical Care Schaumburg will be an "open" unit with regards to medical staff. Any Board Licensed nephrologist may apply for privileges at the Schaumburg facility, just as they currently are able to at all Fresenius Medical Care facilities.

Coleen Muldoon

Signature

Coleen Muldoon

Printed Name

Regional Vice President

Title

Subscribed and sworn to before me
this 16th day of Sept, 2014

Candace M. Turosski

Signature of Notary

Seal



Criterion 1110.1430 (f) – Support Services

I am the Regional Vice at Fresenius Medical Care who will oversee the Fresenius Medical Care Schaumburg facility. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

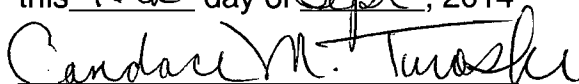
- Fresenius Medical Care utilizes a patient data tracking system in all of its facilities.
- These support services are will be available at Fresenius Medical Care Schaumburg during all six shifts:
 - Nutritional Counseling
 - Psychiatric/Social Services
 - Home/self training
 - Clinical Laboratory Services – provided by Spectra Laboratories
- The following services will be provided via referral to St. Alexius Medical Center:
 - Blood Bank Services
 - Rehabilitation Services
 - Psychiatric Services



Signature

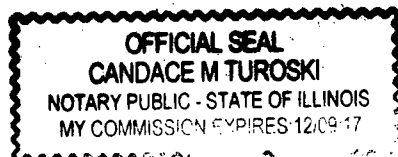
Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 16th day of Sept, 2014



Signature of Notary

Seal



Criterion 1110.1430 (g) – Minimum Number of Stations

Fresenius Medical Care Schaumburg is located in the Chicago-Naperville-Joliet-Gary, IL-IN-WI Metropolitan Statistical Area (MSA). A minimum of eight dialysis stations is required to establish an in-center hemodialysis center in an MSA. Fresenius Medical Care Schaumburg will have 12 dialysis stations thereby meeting this requirement.



ALEXIAN
BROTHERS
St. Alexius Medical Center

December 2, 2011

Ms. Lori Wright
Fresenius Medical Care
One Westbrook Corporate Center
Tower One, Suite 1000
Westchester, IL 60154

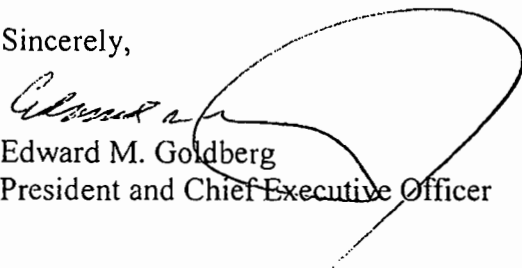
Dear Ms. Wright:

St. Alexius Medical Center will serve as a back-up hospital for emergent treatment, evaluation, possible admission, and dialysis services for those patients dialyzing at Fresenius Medical Care Schaumburg.

Patients with end-stage renal disease from your facility who require emergency treatment or hospitalization as medically determined by the attending physician will be accepted and cared for by St. Alexius Medical Center. Admission is contingent upon bed availability. The Hospital will provide the needed diagnostic or any other physician ordered hospital-based services, which would include rehabilitation, blood bank, pathological laboratory and psychiatric services as well.

St. Alexius Medical Center will continue as a back-up hospital for Fresenius Medical Care Schaumburg with this agreement until one of the parties notifies the other in writing of a change. This notice will be made 30 days prior to termination of the agreement.

Sincerely,

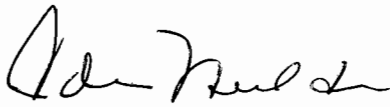

Edward M. Goldberg
President and Chief Executive Officer

Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President Fresenius Medical Care who will oversee the Schaumburg facility. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Schaumburg, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Schaumburg in the first two years of operation, the facility is expected to achieve and maintain the utilization standard, specified in 77 Ill. Adm. Code 1100, of 80% and;
2. Fresenius Medical Care Illinois hemodialysis patients have achieved adequacy outcomes of:
 - o 94% of patients had a URR $\geq$ 65%
 - o 96% of patients had a Kt/V $\geq$ 1.2

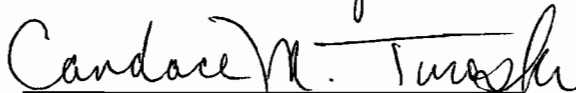
and same is expected for Fresenius Medical Care Schaumburg.



Signature

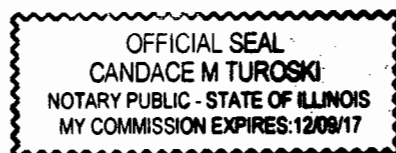
Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 16th day of Sept, 2014



Signature of Notary

Seal





Cushman & Wakefield of
Illinois, Inc.
455 N. Cityfront Plaza Drive
Suite 2800
Chicago, IL 60611-5555
(312) 470-1800 Tel
(312) 470-3800 Fax
www.cushwake.com

October 7, 2014

Chad Middendorf
Waukegan 1.0 LLC
10531 Timberwood Circle, Suite D
Louisville, KY 40223

RE: **Fresenius Medical Care Schaumburg, LLC.**
Letter of Intent – Schaumburg, IL

Dear Chad,

Cushman & Wakefield has been exclusively authorized by FRESENIUS MEDICAL CARE OF ILLINOIS, LLC, to present the following letter of intent to lease space from your company.

FRESENIUS MEDICAL CARE is the world's leading provider of dialysis products and services. The company manages in excess of 1,800 kidney dialysis clinics and 50 billing centers and regional offices throughout North America.

LANDLORD:

Waukegan 1.0 LLC
10531 Timberwood Circle, Suite D
Louisville, KY 4022

TENANT:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC.

LOCATION:

815 – 825 W. Wise Road.

PIN: 07-33-200-057-0000

**INITIAL SPACE
REQUIREMENTS:**

Approximately 8,966 contiguous usable square feet.

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC may have the need and therefore must have the option to increase or decrease the area by up to ten percent (10%) until approval of final construction drawings.

PRIMARY TERM:

An initial lease term of fifteen (15) years. The Lease and rent would commence on the date that the facility starts treating patients. For purposes of establishing an actual occupancy date, both parties will execute an amendment after occupancy has occurred, setting forth dates for purposes of calculations, notices, or other events in the Lease that may be tied to a commencement date.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

DELIVERY OF PREMISES:

Landlord shall deliver the Premises to FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. for completion of the Tenant Improvements upon substantial completion of the shell.

OPTIONS TO RENEW:

Three (3), five (5) year options to renew the Lease. Option rental rates for second and third options shall be based upon the lower of Fair Market Value or the increase in the Consumer Price Index over the previous five years, capped at 2.5% per year. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC shall provide ninety (90) days' prior written notification of its desire to exercise the option.

RENTAL RATE:

\$26.75 per usable square foot

ESCALATION:

10% increase in years 6, 11 and 16.

TENANT ALLOWANCE:

Please see Building Shell Exhibit. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

CONCESSIONS:

A rent free period of 3 months upon commencement.

USE:

FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. may operate on the Premises, at FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. 's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

DEMISED PREMISES

SHELL:

Landlord is responsible for delivery a shell building in conformance with FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. 's specifications attached as *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

**CONTRACTOR FOR
TENANT IMPROVEMENTS:**

FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. shall be responsible for the implementation and management of the tenant improvement construction and will not be responsible to pay for Landlord's project manager, if any.

HVAC:

Landlord will provide HVAC service to the space to meet FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. 's requirements as outlined in Exhibit A. FRESNIUS MEDICAL CARE SCHAUMBURG, LLC. requires HVAC service 24 hours per day, 7 days per week. *(See attached file: Building Shell Exhibit (Existing Space) 09-15-2011.pdf)*

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DELIVERIES:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. requires delivery access to the Premises 24 hours per day, 7 days per week.

EMERGENCY GENERATOR:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. shall have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon between the parties.

**SPACE PLANNING/
ARCHITECTURAL AND
MECHANICAL DRAWINGS:**

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. 's responsibility.

**PRELIMINARY
IMPROVEMENT PLAN:**

At this time, please provide AutoCAD files that include one-eight inch scale architectural drawings of the proposed demised premises and detailed building specifications.

PARKING:

Landlord will provide a parking ratio of 5 per 1,000 RSF with as many of those spaces as possible to be directly in front of the building for patient use. FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. shall require that 10% of the parking (**specify number**) be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense).

BUILDING CODES:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. requires that the site, shell and all interior structures constructed or provided by the Landlord to meet all local, State, and Federal building code requirements, including all provisions of ADA.

**CORPORATE
IDENTIFICATION:**

Tenant shall have signage rights in accordance with local code.

**COMMON AREA EXPENSES
AND REAL ESTATE TAXES:**

Tenant shall be responsible for all Real Estate Taxes and Operating Expenses associate with the building.

**ASSIGNMENT/
SUBLETTING:**

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without Landlord's consent. Any other assignment or subletting will be subject to Landlord's prior consent, which shall not be unreasonably withheld or delayed.

MAINTENANCE:

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the exterior portions and structural portions of the Building to keep the building weather and water tight and structurally sound including,

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without limitation: foundations, structure, load bearing walls, exterior walls, doors and windows, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, footings as well as any elevators, water mains, gas and sewer lines, sidewalks, private roadways, landscape, parking areas, common areas, and loading docks, if any, on or appurtenant to the Building or the Premises.

With respect to the parking and other exterior areas of the Building and subject to reasonable reimbursement by Tenant, Landlord shall perform the following, pursuant to good and accepted business practices throughout the term: repainting the exterior surfaces of the building when necessary, repairing, resurfacing, repaving, re-striping, and resealing, of the parking areas; repair of all curbing, sidewalks and directional markers; removal of snow and ice; landscaping; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

Tenant shall maintain and keep the interior of the Premises in good repair, free of refuse and rubbish and shall return the same at the expiration or termination of the Lease in as good condition as received by Tenant, ordinary wear and tear, and damage or destruction by fire, flood, storm, civil commotion or other unavoidable causes excepted. Tenant shall be responsible for maintenance and repair of Tenant's equipment in the Premises.

UTILITIES:

Tenant shall pay all charges for water, electricity, gas, telephone and other utility services furnished to the Premises. Tenant shall receive all savings, credits, allowances, rebates or other incentives granted or awarded by any third party as a result of any of Tenant's utility specifications in the Premises. Landlord agrees to bring water, electricity, gas and sanitary sewer to the Premises in sizes and to the location specified by Tenant and pay for the cost of meters to meter their use. Landlord shall pay for all impact fees and tapping fees associated with such utilities.

SURRENDER:

At any time prior to the expiration or earlier termination of the Lease, Tenant may remove any or all the alterations, additions or installations, installed by or on behalf of Tenant, in such a manner as will not substantially injure the Premises. Tenant agrees to restore the portion of the Premises affected by Tenant's removal of such alterations, additions or installations to the same condition as existed prior to the making of such alterations, additions, or installations. Upon the expiration or earlier termination of the Lease, Tenant shall turn over the Premises to Landlord in good condition, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion, or other unavoidable cause excepted. All alterations, additions, or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

**ZONING AND
RESTRICTIVE COVENANTS:**

Landlord confirms that the current property zoning is acceptable for the proposed use as an outpatient kidney dialysis clinic. There are no restrictive covenants imposed by the development, owner, and/or

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municipality that would in any way limit or restrict the operation of FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. 's dialysis clinic

FLOOD PLAIN:

Landlord confirms that the property and premises is not in a Flood Plain.

CAPITALIZATION TEST:

Landlord will complete the attached Accounting Classification Form to ensure FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. is not entering into a capitalized lease arrangement.

FINANCING:

Landlord will provide a non-disturbance agreement.

EXCLUSIVITY

Landlord will not, during the term of the Lease and any option terms, lease space in a 5 mile radius to any other provider of hemodialysis services.

ENVIRONMENTAL:

Landlord confirms that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. A Phase One Environmental Study has been conducted and has been made available for FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. 's review. Landlord also confirms that no other tenants or their activities present issues as to the generation of hazardous materials.

DRAFT LEASE:

FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. requires the use of its Standard Form Lease, which is attached.

BROKERAGE FEE:

Cushman & Wakefield of Illinois, is the exclusive real estate services provider to FMCNA, its subsidiaries and affiliates. The Landlord will pay a market commission to Cushman & Wakefield of Illinois. The real estate commission shall be payable 50% upon lease execution and 50% upon occupancy. FRESENIUS MEDICAL CARE SCHAUMBURG, LLC. and FMCNA shall retain the right to offset rent for failure to pay the real estate commission.

LEASE EXECUTION:

Both parties agree that they will make best efforts to reach a fully executed lease document within thirty days of the execution of this letter of intent.

LEASE SECURITY:

Fresenius Medical Holdings Corp shall fully guarantee the lease.

CONFIDENTIAL:

The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter into a Lease, and it is not to be copied or discussed with any other person.

EXCLUSIVE NEGOTIATING

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

PERIOD:

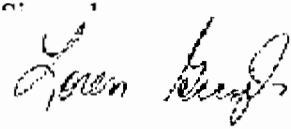
The parties agree that they will negotiate on an exclusive basis for a period of thirty (30) days from the execution of this document.

NON-BINDING NATURE:

This proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive Lease agreement has been fully executed and delivered by the parties. The parties agree that this proposal is not intended to create any agreement or obligation by either party to negotiate a definitive Lease agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive, fully executed agreement, and without any liability to the other party, either party may (i) propose different terms from those summarized herein, (ii) enter into negotiations with other parties and/or (iii) unilaterally terminate all negotiations with the other party hereto.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

You may email the proposal to loren.guzik@cushwake.com. Thank you for your time and cooperation in this matter, should you have any questions please call me at 312.470.1897.



Loren Guzik
Senior Director
Office Group
Phone: 312-470-1897
Fax: 312-470-3800
e-mail: loren_guzik@cushwake.com

CC: Mr. Bill Popken

AGREED AND ACCEPTED this 08 day of October, 2014

By Chad Middendorf

Title: Manager

AGREED AND ACCEPTED this ____ day of _____, 2014

By: _____

Title: _____

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

-7-

97

LOI for Leased Space
ATTACHMENT 36

Criterion 1120.310 Financial Viability

Financial Viability Waiver

This project is being funded entirely through cash and securities thereby meeting the criteria for the financial waiver.

2014 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #15-022, Fresenius Medical Care Blue Island and are the same financials that pertain to this application. In order to reduce buld these financials can be referred to if necessary.

Likewise, 2013 Financial Statements were submitted with #14-029 and 2013 Financial Statements were submitted with #13-040.

Criterion 1120.310 (c) Reasonableness of Project and Related Costs

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		167.00			7,596			1,268,532	1,268,532
Contingency		16.00			7,596			121,536	121,536
Total Clinical		183,000			7,596			1,390,068	1,390,068
Non Clinical		167.00			1,370			228,790	228,790
Contingency		16.00			1,370			21,920	21,920
Total Non		183,000			1,370			250,710	250,710
TOTALS		\$183,000			8,966			\$1,640,778	\$1,640,778
* Include the percentage (%) of space for circulation									

Criterion 1120.310 (d) – Projected Operating Costs

Year 2018

Estimated Personnel Expense:	\$808,740
Estimated Medical Supplies:	\$173,520
Estimated Other Supplies (Exc. Dep/Amort):	\$691,922
	<u>\$1,674,182</u>

Estimated Annual Treatments:	8,986
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Cost Per Treatment:	\$186.31
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Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs

Year 2018

Depreciation/Amortization:	\$150,000
Interest	<u>\$0</u>
Capital Costs:	\$150,000

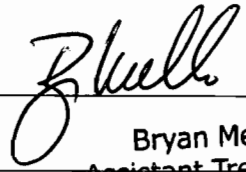
Treatments:	8,986
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Capital Cost per Treatment	\$16.69
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Criterion 1120.310(a) Reasonableness of Financing Arrangements

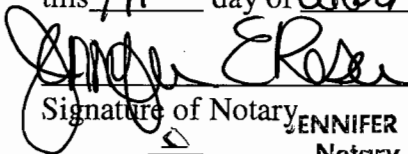
Fresenius Medical Care Schaumburg, LLC

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By: 
Title: Bryan Mello
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this 14th day of October, 2014


Signature of Notary

JENNIFER E. ROSA
Notary Public

Seal

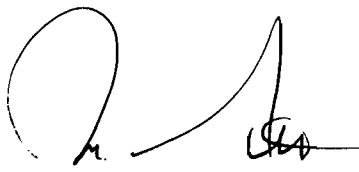


My Commission Expires
January 21, 2016

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Holdings, Inc.

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By: 

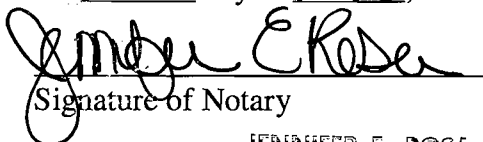
Title: Mark Fawcett
Vice President & Treasurer

By: 

Title: Bryan Mello
Assistant Treasurer

Notarization:

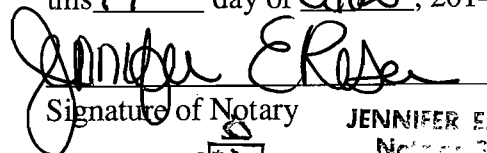
Subscribed and sworn to before me
this 14th day of October, 2014


Signature of Notary

Seal  JENNIFER E. ROSA
Notary Public
Commonwealth of Massachusetts
My Commission Expires
January 21, 2016

Notarization:

Subscribed and sworn to before me
this 14th day of October, 2014


Signature of Notary

Seal  JENNIFER E. ROSA
Notary Public
Commonwealth of Massachusetts
My Commission Expires
January 21, 2016

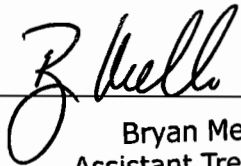
Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Schaumburg, LLC

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

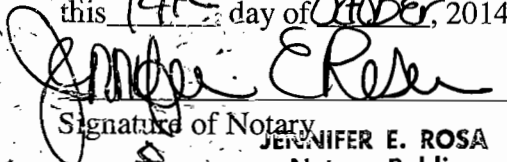
There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: 
ITS: Bryan Mello
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this 14th day of October, 2014



Signature of Notary
JENNIFER E. ROSA
Notary Public
Seal  Commonwealth of Massachusetts
My Commission Expires
January 21, 2016

Criterion 1120.310(b) Conditions of Debt Financing

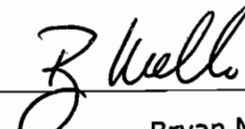
Fresenius Medical Care Holdings, Inc.

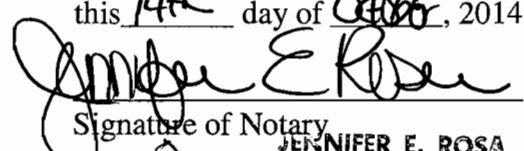
In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

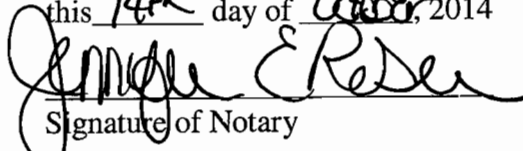
There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: 
ITS: Mark Fawcett
Vice President & Treasurer

By: 
ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 14th day of October, 2014

Signature of Notary
JENNIFER E. ROSA
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Safety Net Impact Statement

The establishment of the Fresenius Medical Care Schaumburg dialysis facility will not have any impact on safety net services in the Schaumburg area of Cook County. 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 pursuant to an Indigent Waiver policy. 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 Medical Care provides care to patients who do not qualify for any type of coverage for dialysis services. These patients are considered "self-pay" patients. They are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants. 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 on the following page shows the amount of "self-pay" care and Medicaid services provided for the 3 fiscal years prior to submission of the application for all Fresenius Medical Care facilities in Illinois.

CHARITY CARE			
Net Revenue	\$387,393,758	\$398,570,288	\$411,981,839
	2012	2013	2014
Charity *			
(# of self-pay patients)	203	499 ¹	251 ²
Charity (cost in dollars)	\$1,536,372	\$5,346,976	\$5,211,664
Ratio Charity Care Cost to Net Patient Revenue	0.40%	1.34%	1.27%
MEDICAID			
	2012	2013	2014
Medicaid (# of patients) ³	1,705	1,660	750
Medicaid (revenue)	36,254,633	31,373,534	22,027,882
Ratio Medicaid to Net Patient Revenue	9.36%	7.87%	5.35%

Note:

- 1) A new billing procedure was put into place in late 2012 to reduce the amount of voids and rebilling. Previously patients with Medicaid pending were considered only under Medicaid and after the procedure change, Medicaid pending patients are considered under self-pay. This has resulted in the increase in "charity" (self-pay) patients and costs.
- 2) Charity (self-pay) patient numbers decreased however treatments were higher per patient resulting in similar costs as 2013.
- 3) Medicaid number of patients is decreasing due to an effort to assist patients in signing up for health insurance in the Healthcare Marketplace.

Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition of charity care because self-pay patients are billed and their accounts are written off as bad debt. Fresenius takes Medicaid patients without limitations or exception. The applicant(s) are for profit corporations and do not receive the benefits of not for profit entities, such as sales tax and/or real estate exemptions, or charitable donations. The applicants are not required, by any State or Federal law, including the Illinois Healthcare Facilities Planning Act, to provide charity care. The applicant(s) are prohibited by Federal law from advising patients that they will not be invoiced for care, as this type of representation could be an inducement for patients to seek care prior to qualifying for Medicaid, Medicare or other available benefits. Self-pay patients are invoiced and then the accounts written off as bad debt.

Uncompensated care occurs when a patient is not eligible for any type of insurance coverage (whether private or governmental) and receives treatment at our facilities. It is rare in Illinois for patients to have no coverage as patients who are not Medicare eligible are Medicaid eligible. This represents a small number of patients, as Medicare covers all dialysis services as long as an individual is entitled to receive Medicare benefits (i.e. has worked and paid into the social security system as a result) regardless of age. In addition, in Illinois Medicaid covers patients who are undocumented and/or who do not qualify for Medicare, and who otherwise qualify for public assistance. Also, the American Kidney Fund provides low cost insurance coverage for patients who meet the AKF's financial parameters and who suffer from end stage renal disease (see uncompensated care attachment). The applicants work with patients to procure coverage for them as possible whether it be Medicaid, Medicare and/or coverage through the AKF. The applicants donate to the AKF to support its initiatives.

If a patient has no available insurance coverage, they are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants

Nearly all dialysis patients in Illinois will qualify for some type of coverage and Fresenius works aggressively to obtain insurance coverage for each patient.

Uncompensated Care For All Fresenius Facilities in Illinois

CHARITY CARE			
	2012	2013	2014
Net Patient Revenue	\$387,393,758	\$398,570,288	\$411,981,839
Amount of Charity Care (charges)	\$1,566,380	\$5,346,976	\$5,211,664
Cost of Charity Care	\$1,566,380	\$5,346,976	\$5,211,664
Ratio Charity Care Cost to Net Patient Revenue	.40%	1.34%	1.27%

Fresenius Medical Care North America - Community Care

Fresenius Medical Care North America (FMCNA) assists all of our patients in securing and maintaining insurance coverage when possible.

American Kidney Fund

FMCNA works with the American Kidney Fund (AKF) to help patients with insurance premiums at no cost to the patient.

Applicants must be dialyzed in the US or its territories and referred to AKF by a renal professional and/or nephrologist. The Health Insurance Premium Program is a "last resort" program. It is restricted to patients who have no means of paying health insurance premiums and who would forego coverage without the benefit of HIPPA. Alternative programs that pay for primary or secondary health coverage, and for which the patient is eligible, such as Medicaid, state renal programs, etc. must be utilized. Applicants must demonstrate to the AKF that they cannot afford health coverage and related expenses (deductible etc.).

Our team of Financial Coordinators and Social Workers connect patients who cannot afford to pay their insurance premiums, with AKF, which provides financial assistance to the patients for this purpose. The benefit of working with the AKF is that the insurance coverage which AKF facilitates applies to all of the patient's insurance needs, not just coverage for dialysis services.

Indigent Waiver Program

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services.

In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

Annual Income: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have an annual income in excess of two (2) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (2) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the Office of Business Practices and Corporate Compliance.

Net Worth: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth in excess of \$75,000 (or such other amount as may be established by the Office of Business Practices and Corporate Compliance based on changes in the Consumer Price Index).

The Company recognizes the financial burdens associated with ESRD and wishes to ensure that patients are not denied access to medically necessary care for financial reasons. At the same time, the Company also recognizes the limitations imposed by federal law on offering "free" or "discounted" medical items or services to Medicare and other government supported patients for the purpose of inducing such patients to receive ESRD-related items and services from FMCNA. An indigent waiver excuses a patient's obligation to pay for items and services furnished by FMCNA. Patients may have dual coverage of AKF assistance and an Indigent Waiver if their financial status qualifies them for both programs.

IL Medicaid and Undocumented patients

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical

emergency.

The Regional Insurance Coordinator will petition Medicaid if patients are denied and assist undocumented patients through the application process to get them Illinois Medicaid coverage. This role is actively involved with the Medicaid offices and attends appeals to help patients secure and maintain their Medicaid coverage for all of their healthcare needs, including transportation to their appointments.

FMCNA Collection policy

FMCNA's collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services.

FMCNA does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to FMCNA.

Medicare and Medicaid Eligibility

Medicare: Patients are eligible for Medicare when they meet the following criteria: age 65 or older, under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

There are three insurance programs offered by Medicare, Part A for hospital coverage, Part B for medical coverage and Part D for pharmacy coverage. Most people don't have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary doesn't get premium-free Part A, they may be able to buy it if they (or their spouse) aren't entitled to Social Security, because they didn't work or didn't pay enough Medicare taxes while working, are age 65 or older, or are disabled but no longer get free Part A because they returned to work. Part B and Part D both have monthly premiums. Patients must have Part B coverage for dialysis services.

Medicare does allow members to enroll in Health Plans for supplemental coverage. Supplemental coverage (secondary) is any policy that pays balances after the primary pays reducing any out of pocket expenses incurred by the member.

Medicare will pay 80% of what is allowed by a set fee schedule. The patient would be responsible for the remaining 20% not paid by Medicare. The supplemental (secondary) policy covers the cost of co-pays, deductibles and the remaining 20% of charges.

Medicaid: Low-income Illinois residents who can't afford health insurance may be eligible for Medicaid. In addition to meeting federal guidelines, individuals must also meet the state criteria to qualify for Medicaid coverage in Illinois.

Self-Pay

A self-pay patient would not have any type of insurance coverage (un-insured). They may be un-insured because they do not meet the eligibility requirements for Medicare or Medicaid and can not afford a commercial insurance policy.

In addition, a patient balance becomes self-pay after their primary insurance pays, but the patient does not have a supplemental insurance policy to cover the remaining balance. The AKF assistance referenced earlier may or may not be available to these patients, dependent on whether or not they meet AKF eligibility requirements.



Trip to:

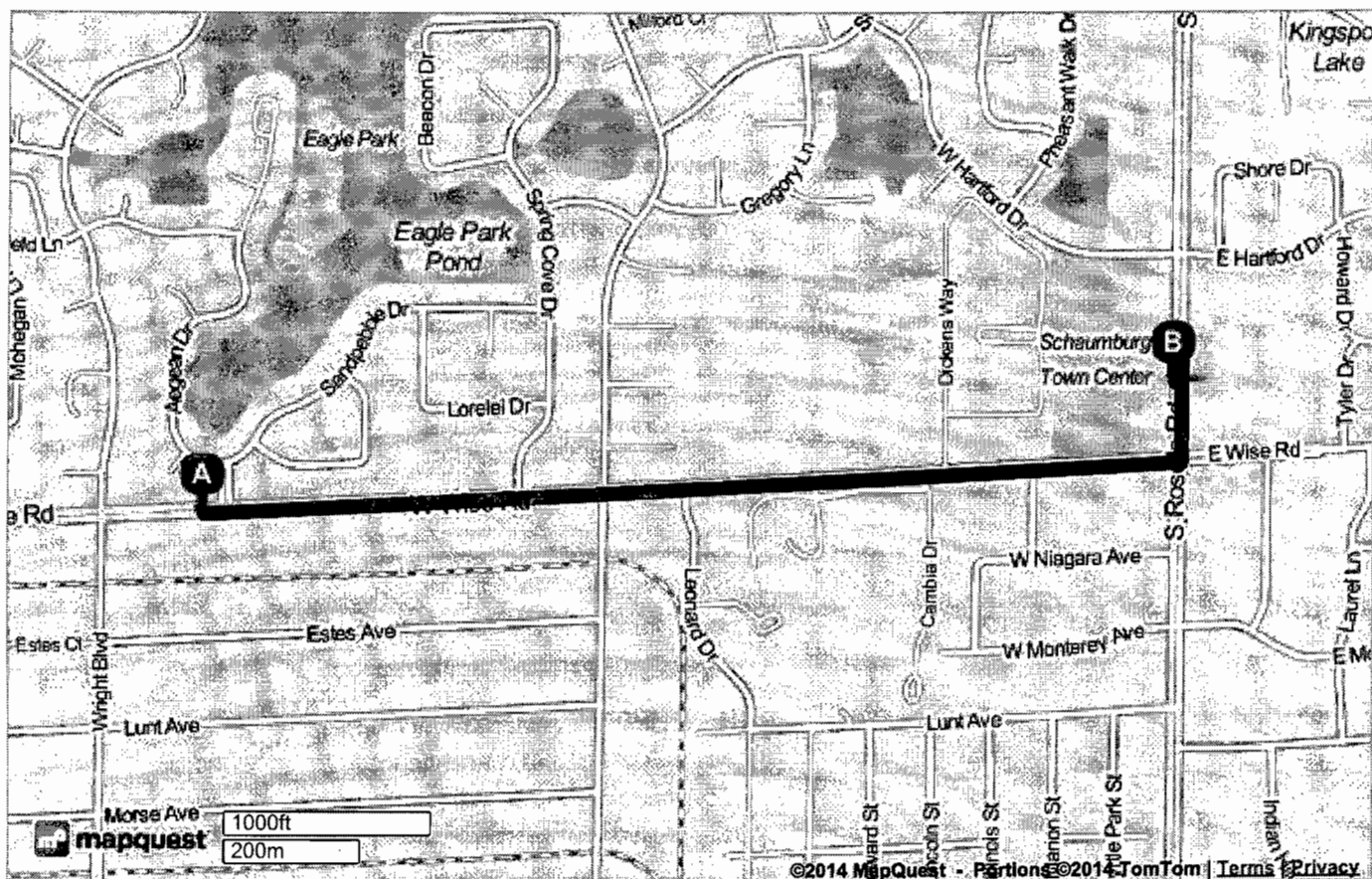
1156 S Roselle Rd

Schaumburg, IL 60193-4072

1.15 miles / 2 minutes

Notes

TO DAVITA SCHAUMBURG



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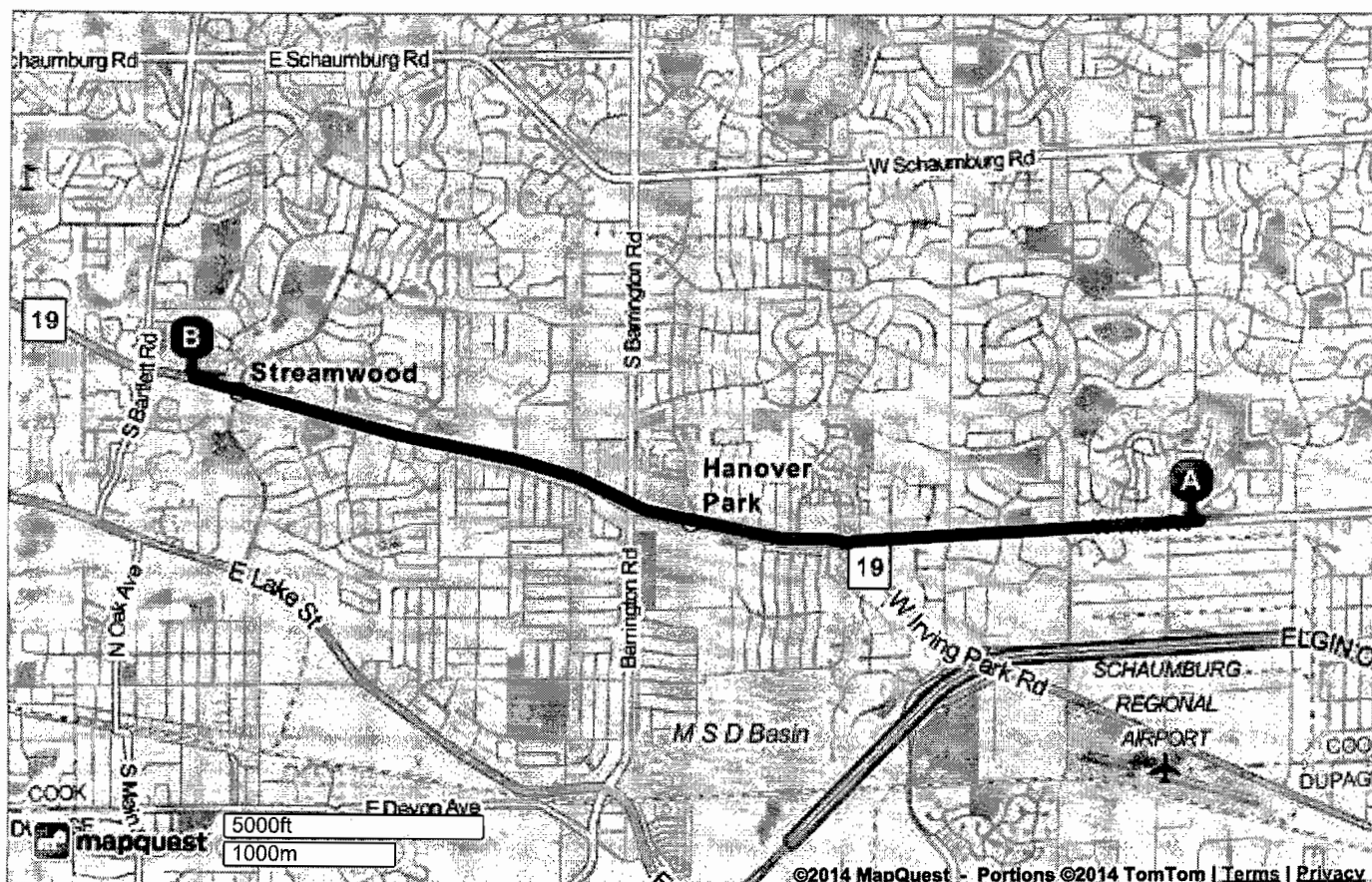
149 E Irving Park Rd

Streamwood, IL 60107-2950

4.29 miles / 7 minutes

Notes

TO US RENAL STREAMWOOD



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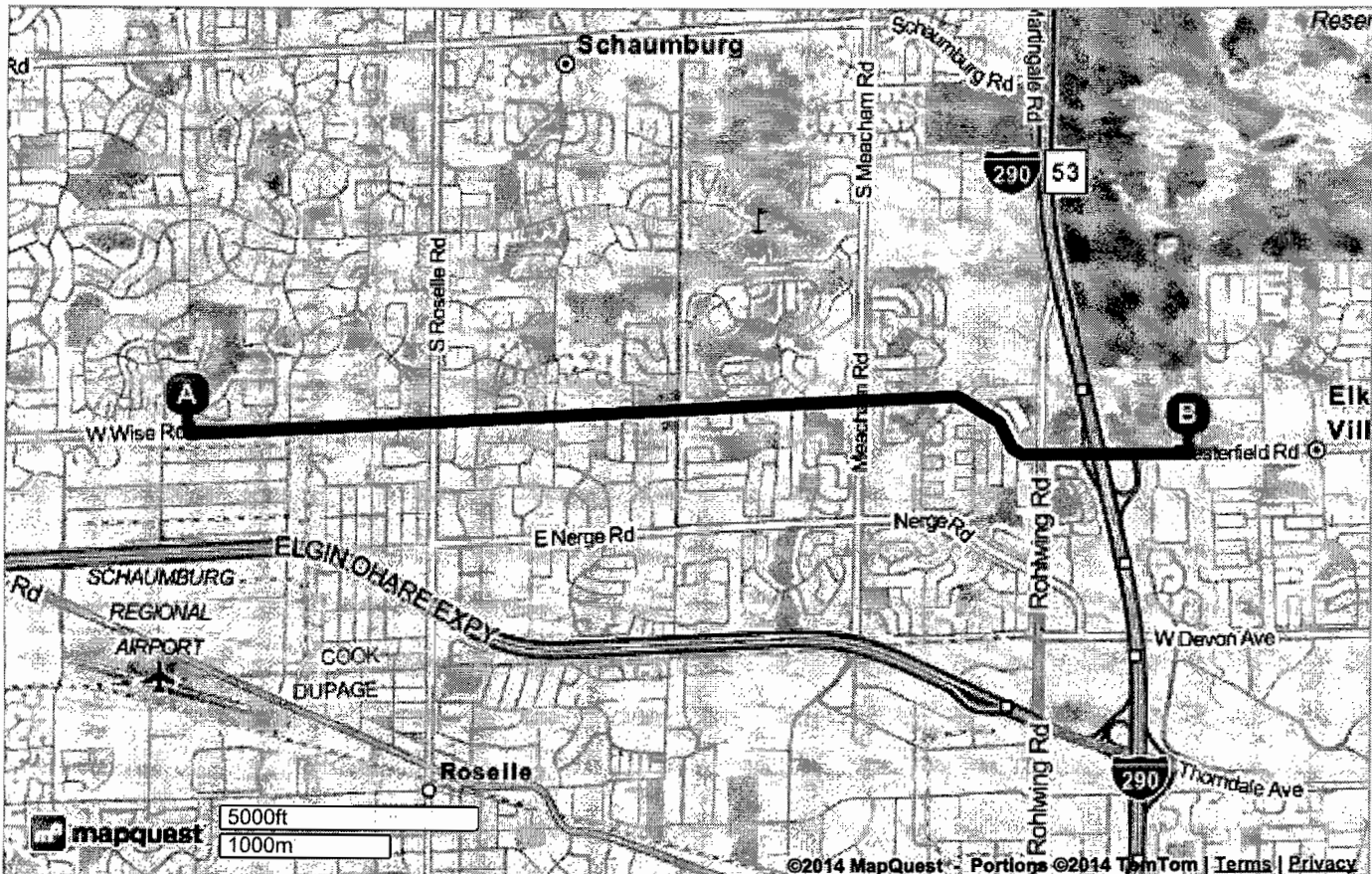
901 Biesterfeld Rd

Elk Grove Village, IL 60007-3354

4.26 miles / 9 minutes

Notes

TO FRESINIUS MEDICAL CARE ELK GROVE



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Trip to:

130 E Army Trail Rd

Glendale Heights, IL 60139-1647

6.13 miles / 12 minutes

Notes

TO FRESENIUS MEDICAL CARE GLENDALE HEIGHTS



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112



Trip to:

3150 W Higgins Rd

Hoffman Estates, IL 60169-2084

6.80 miles / 12 minutes

Notes

TO FRESENIUS MEDICAL CARE HOFFMAN
ESTATES

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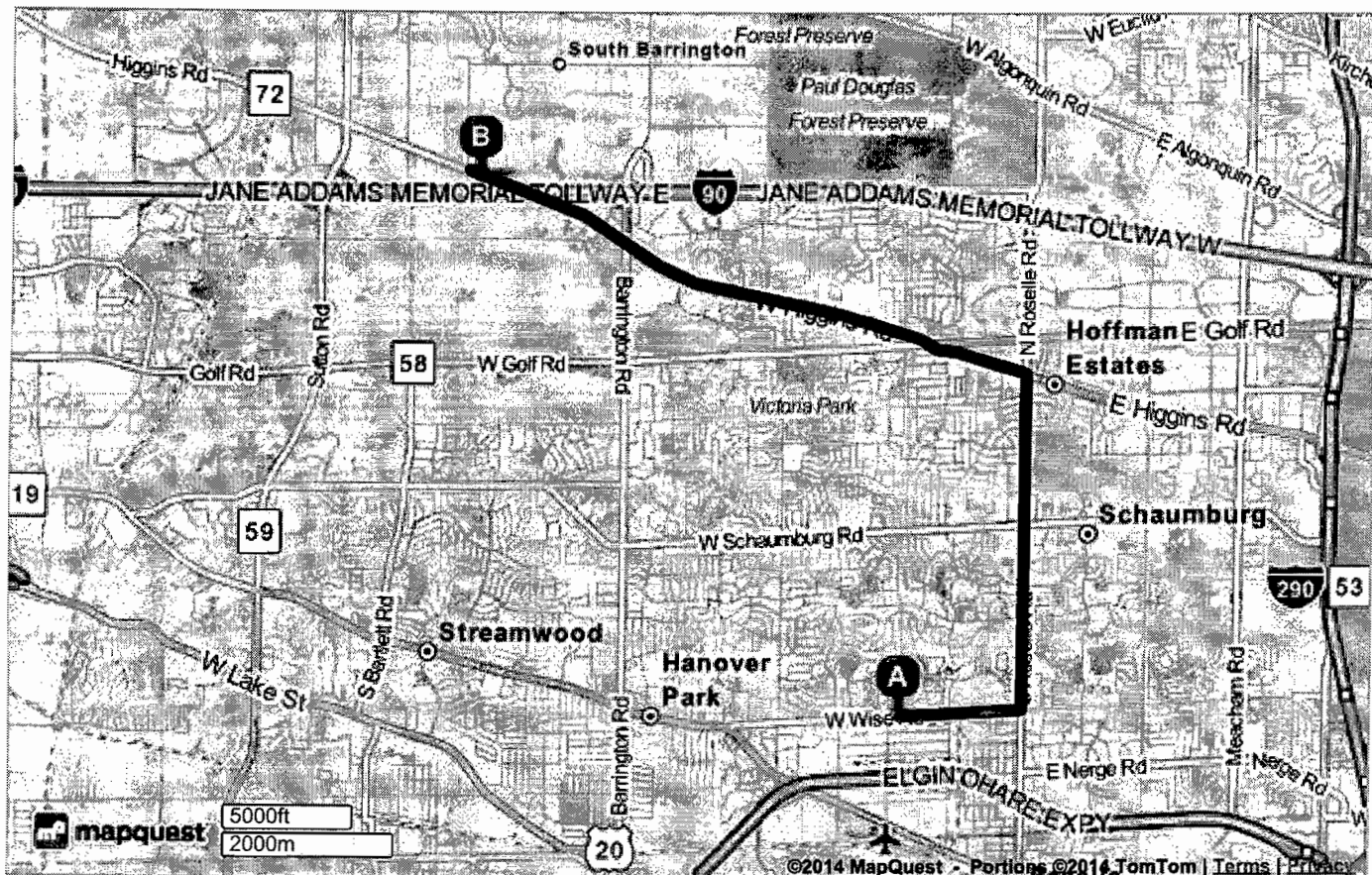
33 W Higgins Rd

Barrington, IL 60010-9103

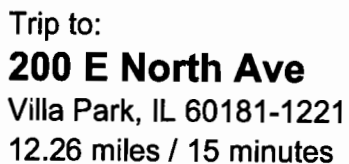
8.89 miles / 15 minutes

Notes

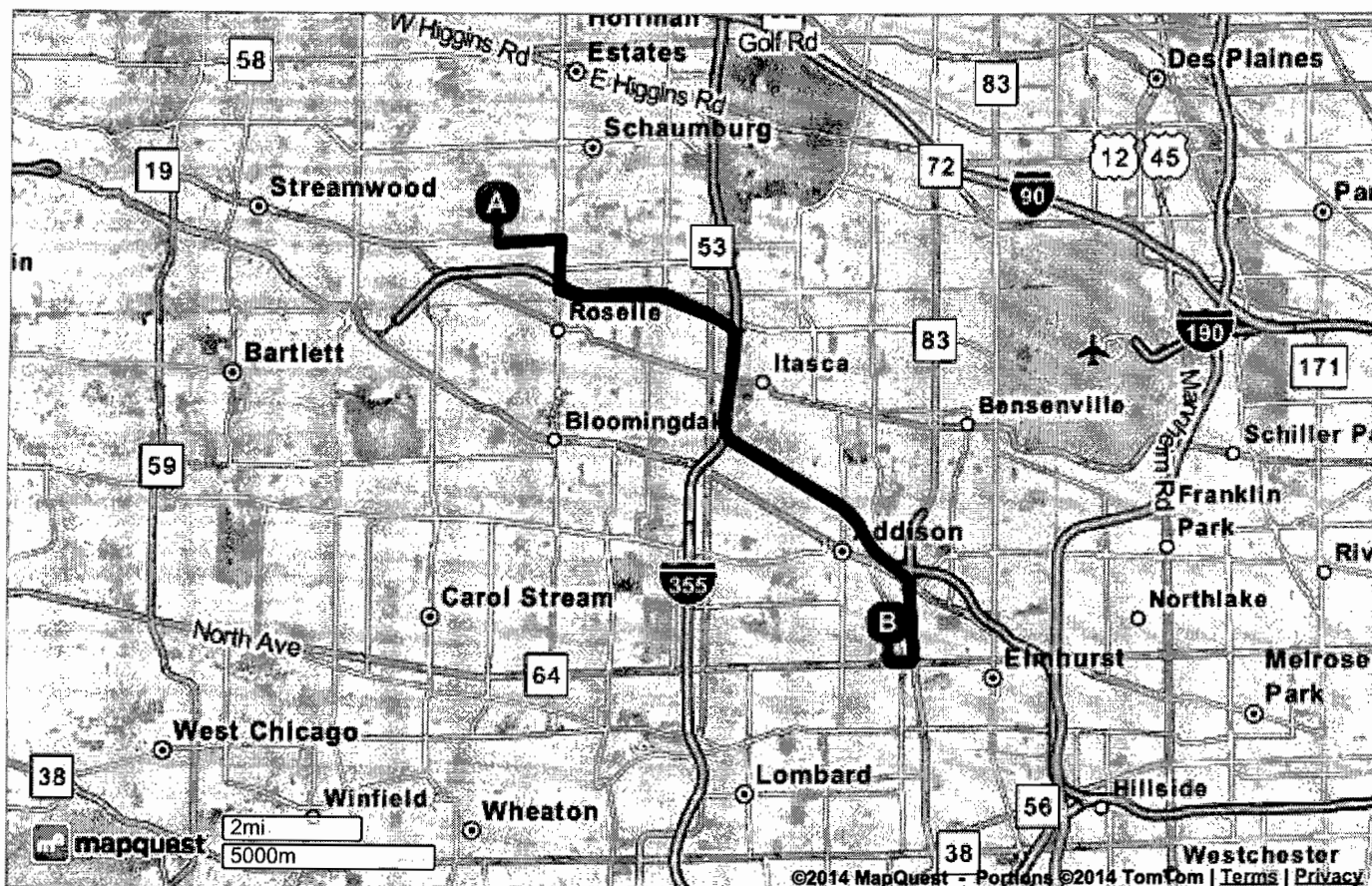
TO ARA SOUTH BARRINGTON



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TO US RENAL VILLA PARK



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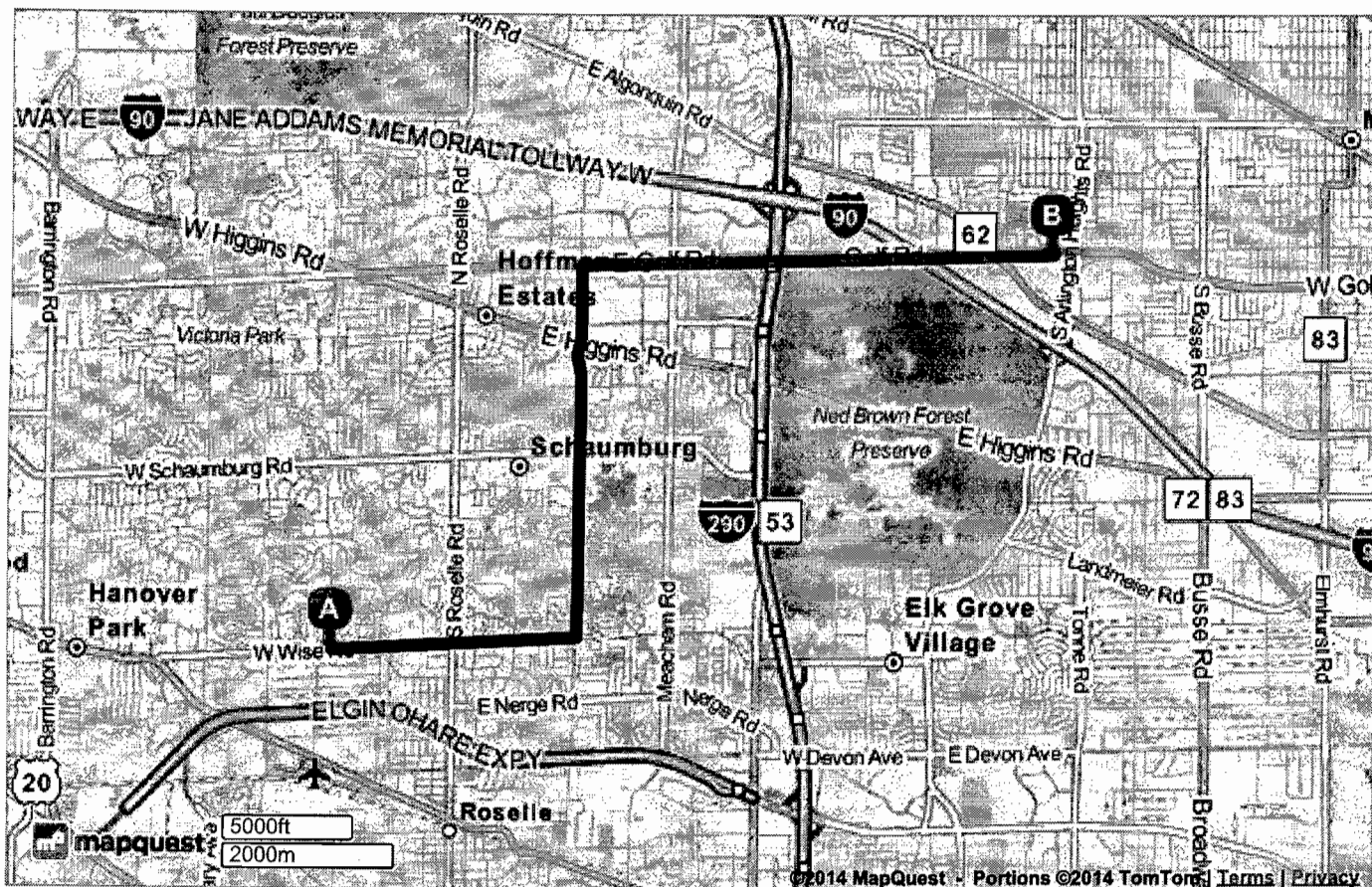
17 W Golf Rd

Arlington Heights, IL 60005-3905

8.98 miles / 15 minutes

Notes

TO DAVITA ARLINGTON HEIGHTS



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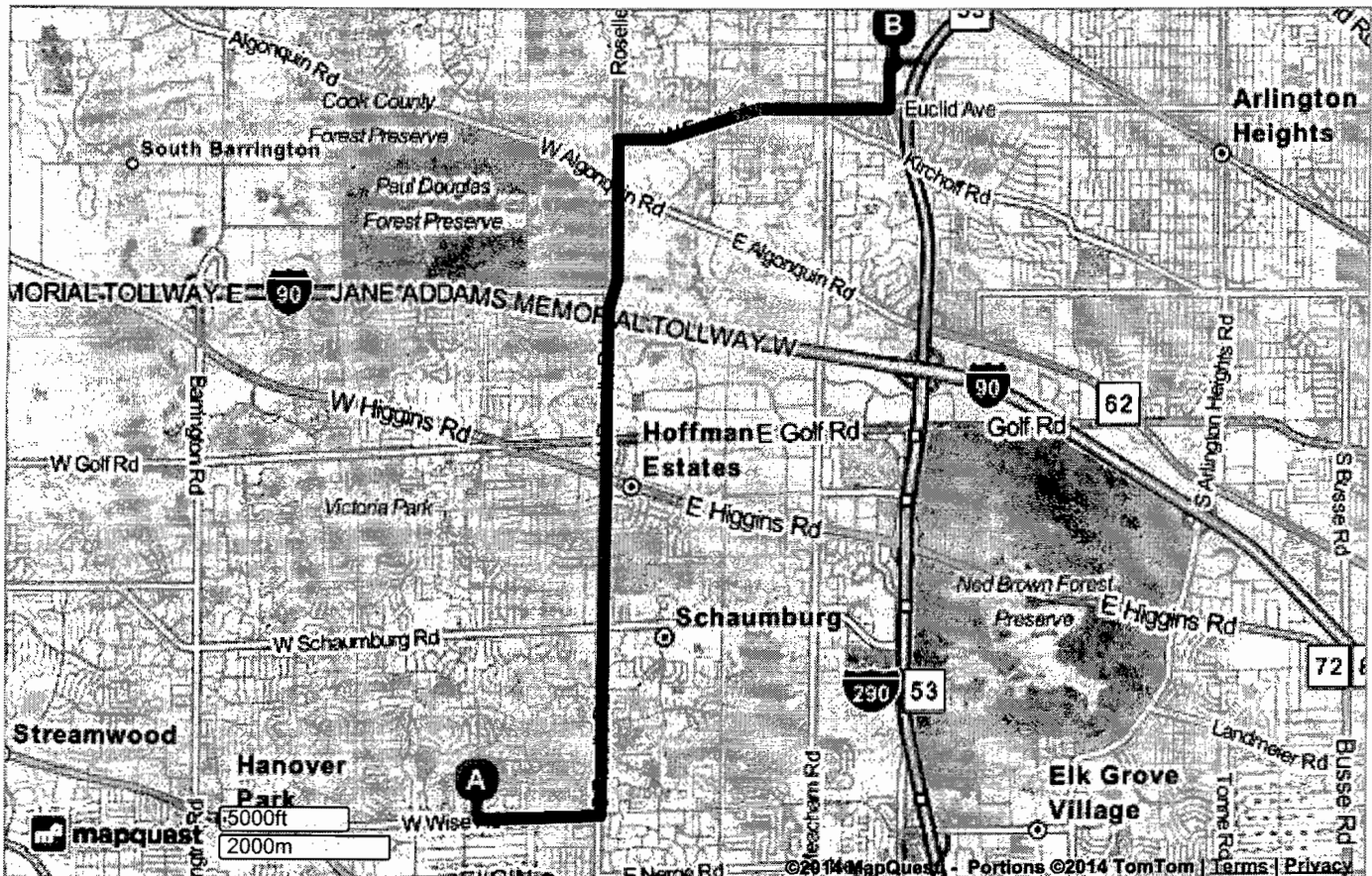
4180 Winnetka Ave

Rolling Meadows, IL 60008-1375

9.21 miles / 17 minutes

Notes

TO FRESNIUS MEDICAL CARE ROLLING MEADOWS



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Trip to:

Davita Dialysis Center
836 Dundee Ave

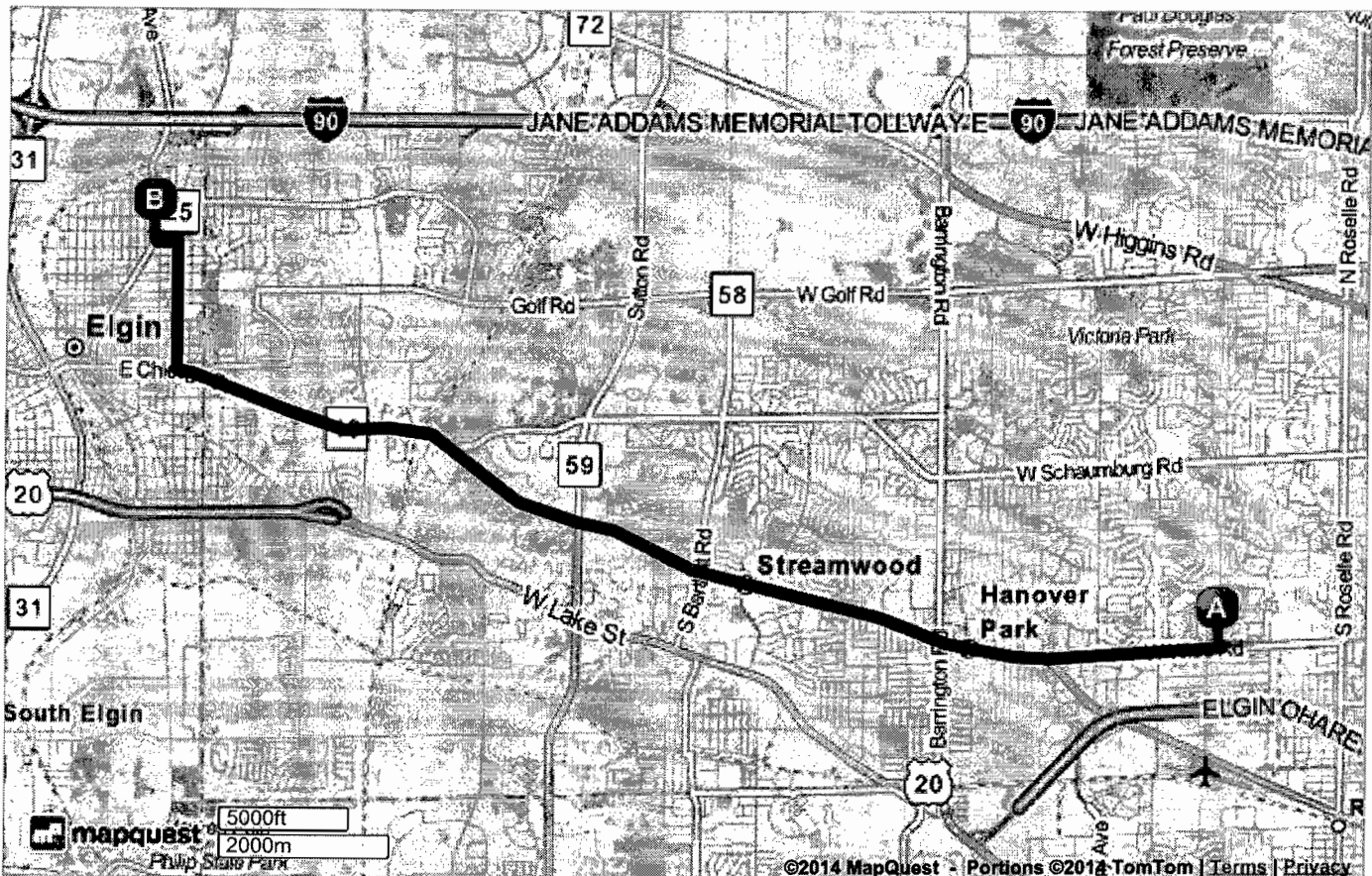
Elgin, IL 60120

(800) 424-6589

10.48 miles / 19 minutes

Notes

TO DAVITA COBBLESTONE



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Trip to:

1201 Butterfield Rd

Downers Grove, IL 60515-1032

16.59 miles / 20 minutes

Notes

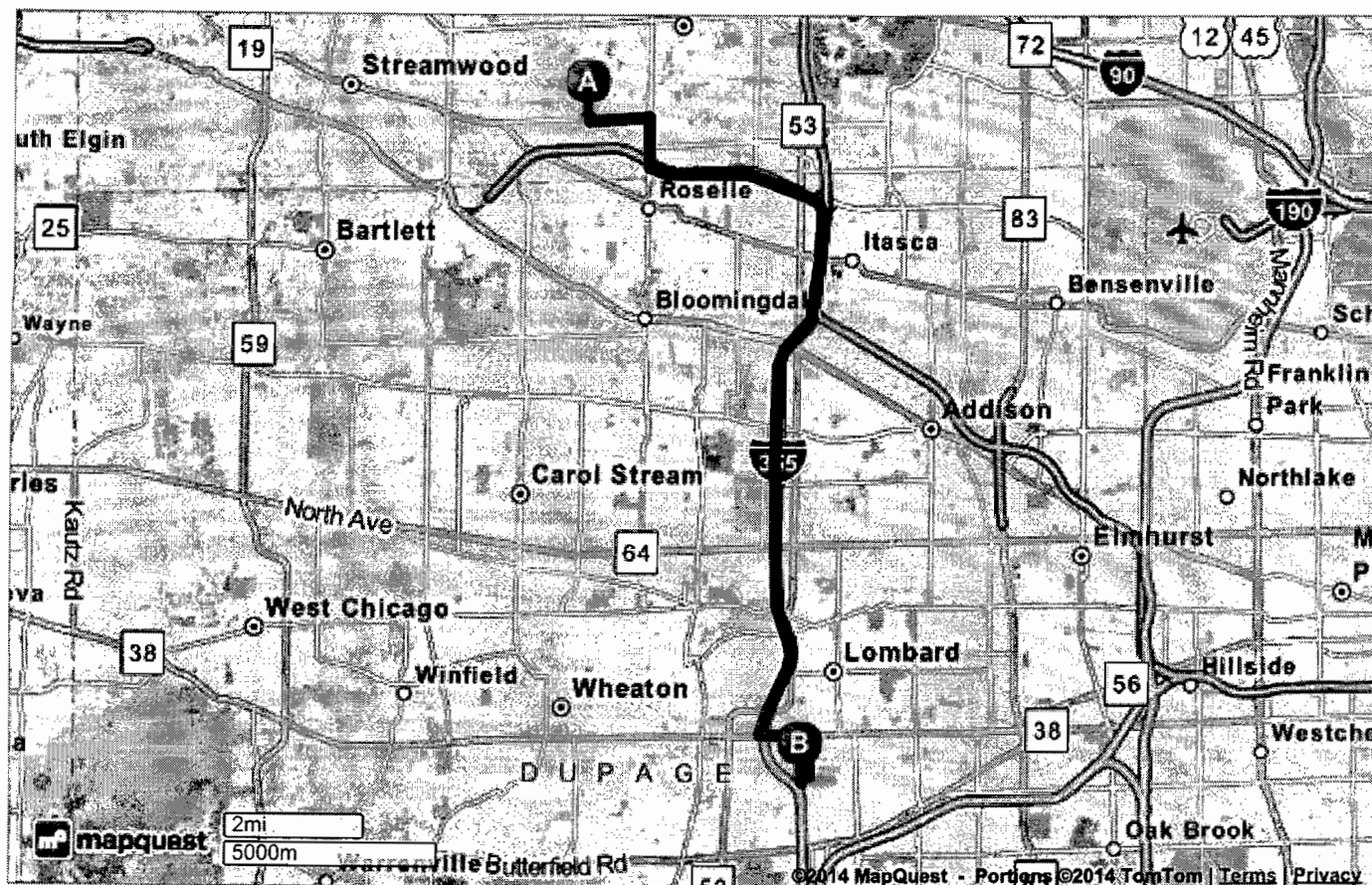
TO US RENAL OAK BROOK



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TO FRESenius MEDICAL CARE LOMBARD



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Notes

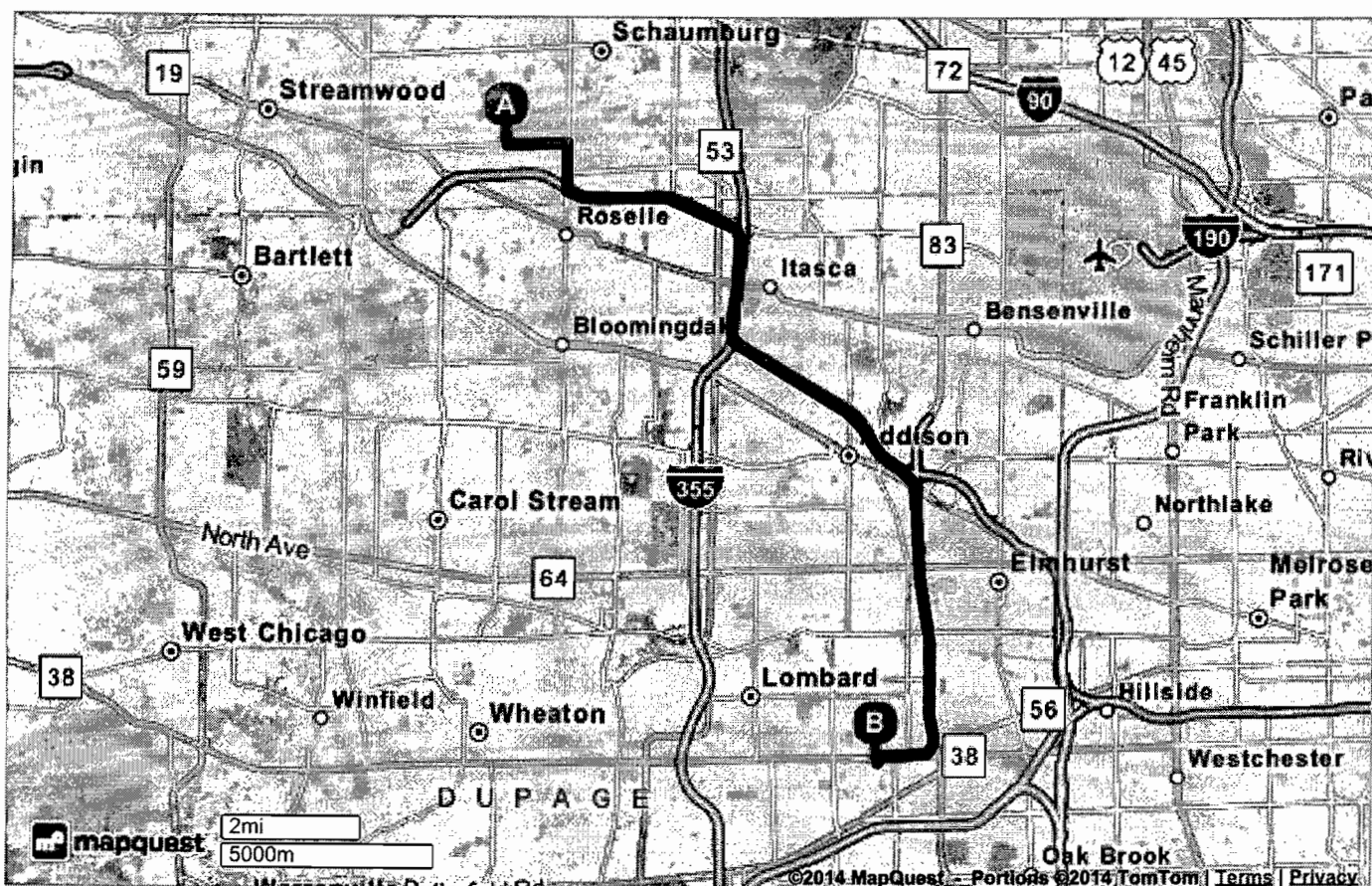
TO NOCTURNAL DIALYSIS SPA

Trip to:

1634 Ardmore Ave

Villa Park, IL 60181

15.93 miles / 21 minutes



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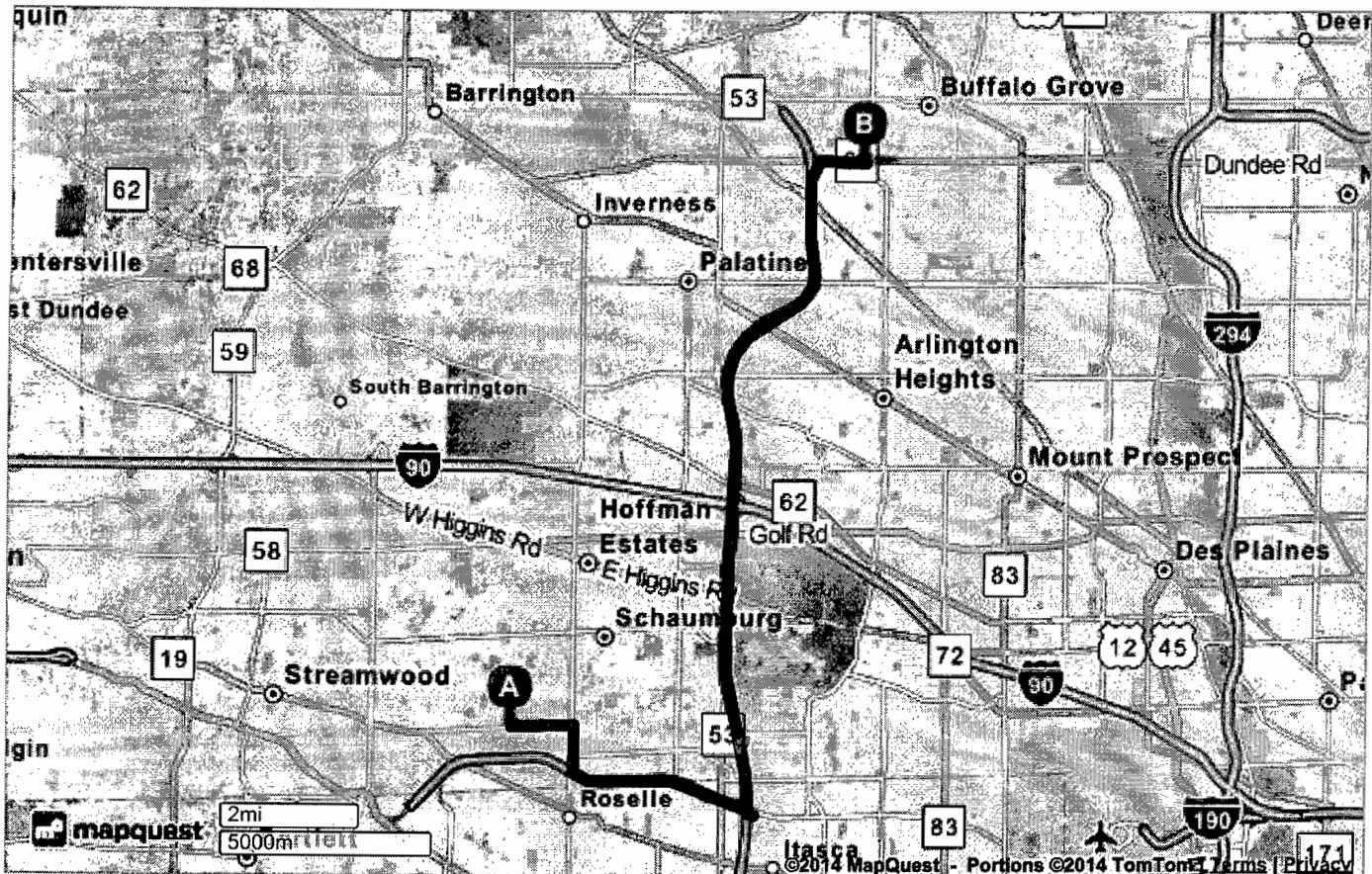
1291 W Dundee Rd

Buffalo Grove, IL 60089-4009

17.43 miles / 20 minutes

Notes

TO DAVITA BUFFALO GROVE



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Trip to:

**Fresenius Medical Care
1859 N Neltnor Blvd**

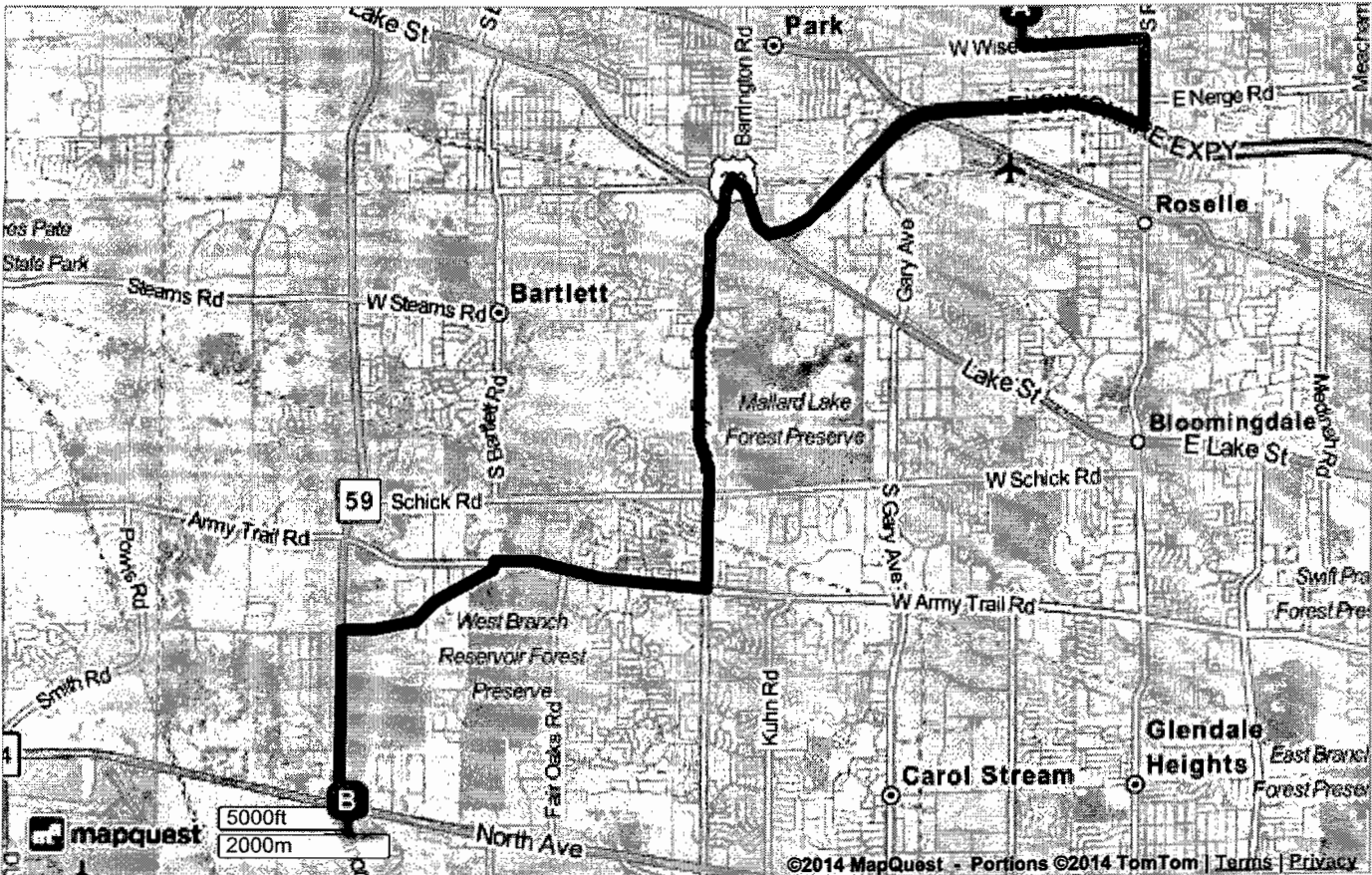
West Chicago, IL 60185

(866) 434-2597

14.16 miles / 21 minutes

Notes

TO FRESENIUS MEDICAL CARE WEST
CHICAGO



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Trip to:

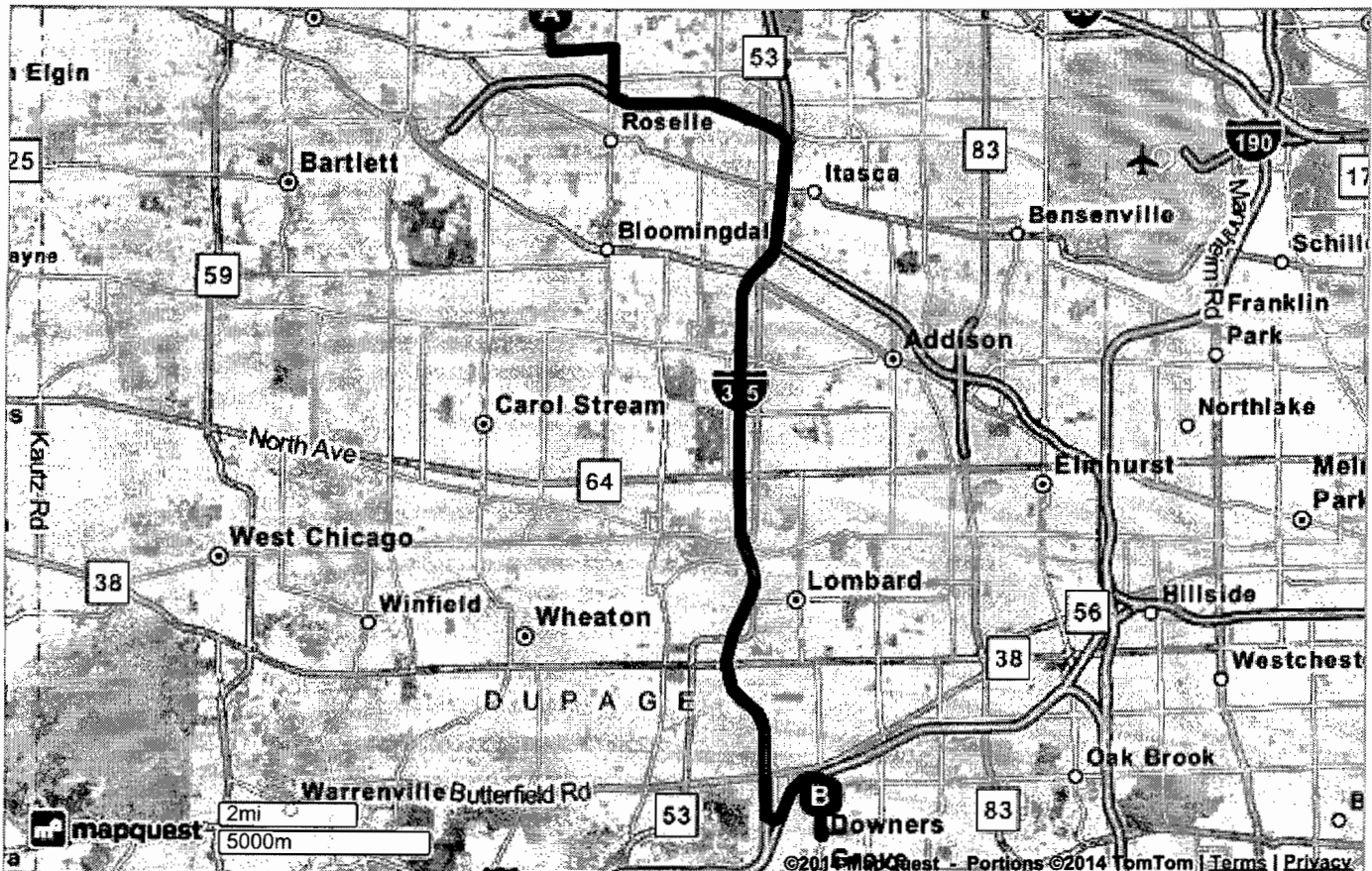
3825 Highland Ave

Downers Grove, IL 60515

18.85 miles / 22 minutes

Notes

TO FRESNIUS MEDICAL CARE DOWNERS GROVE



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Trip to:
2400 S Wolf Rd
 Westchester, IL 60154
 18.74 miles / 22 minutes

Notes

TO FRESENIUS MEDICAL CARE
 WESTCHESTER



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125



Trip to:

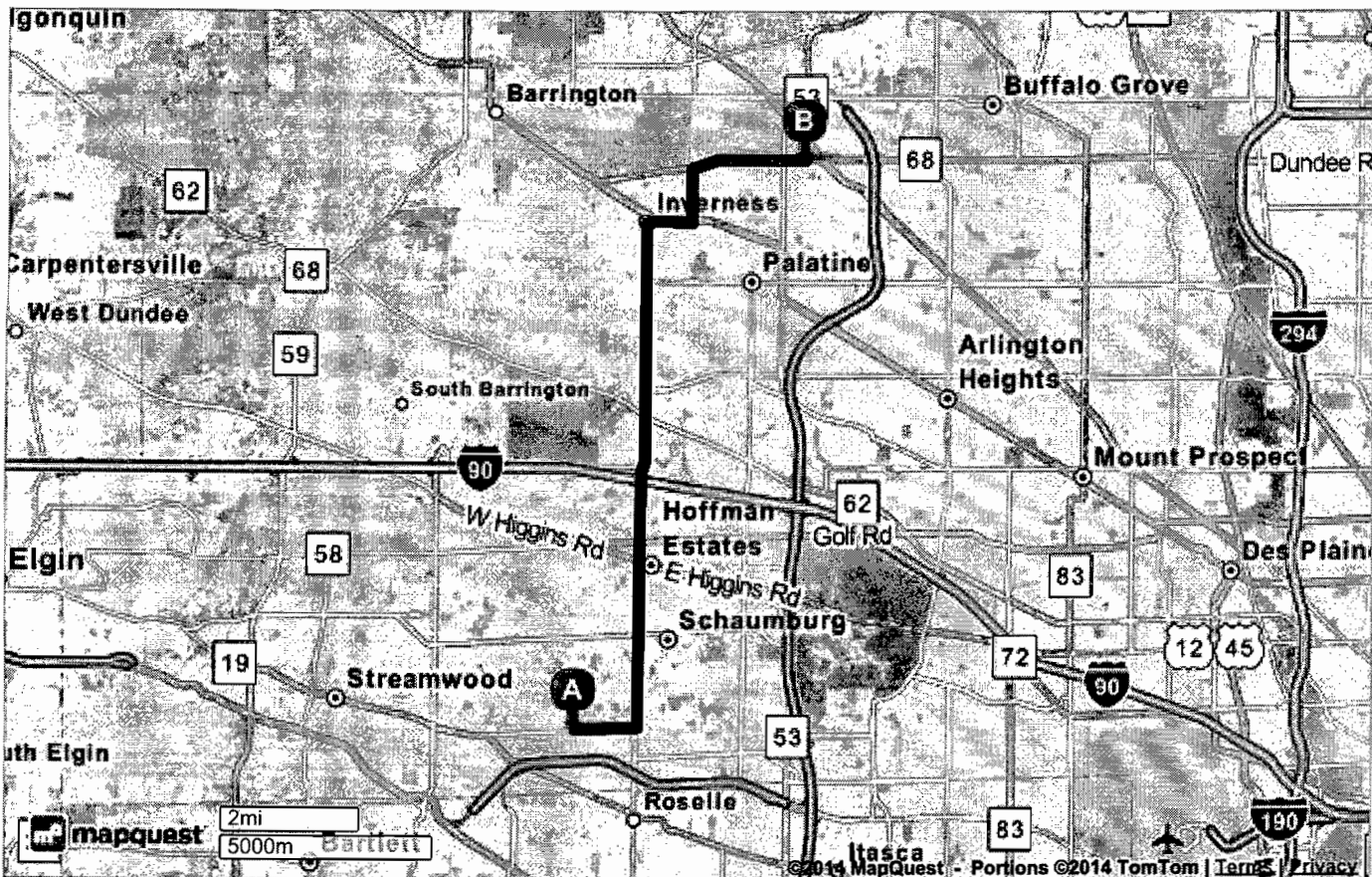
691 E Dundee Rd

Palatine, IL 60074-2817

12.79 miles / 22 minutes

Notes

TO FRESINIUS MEDICAL CARE PALATINE



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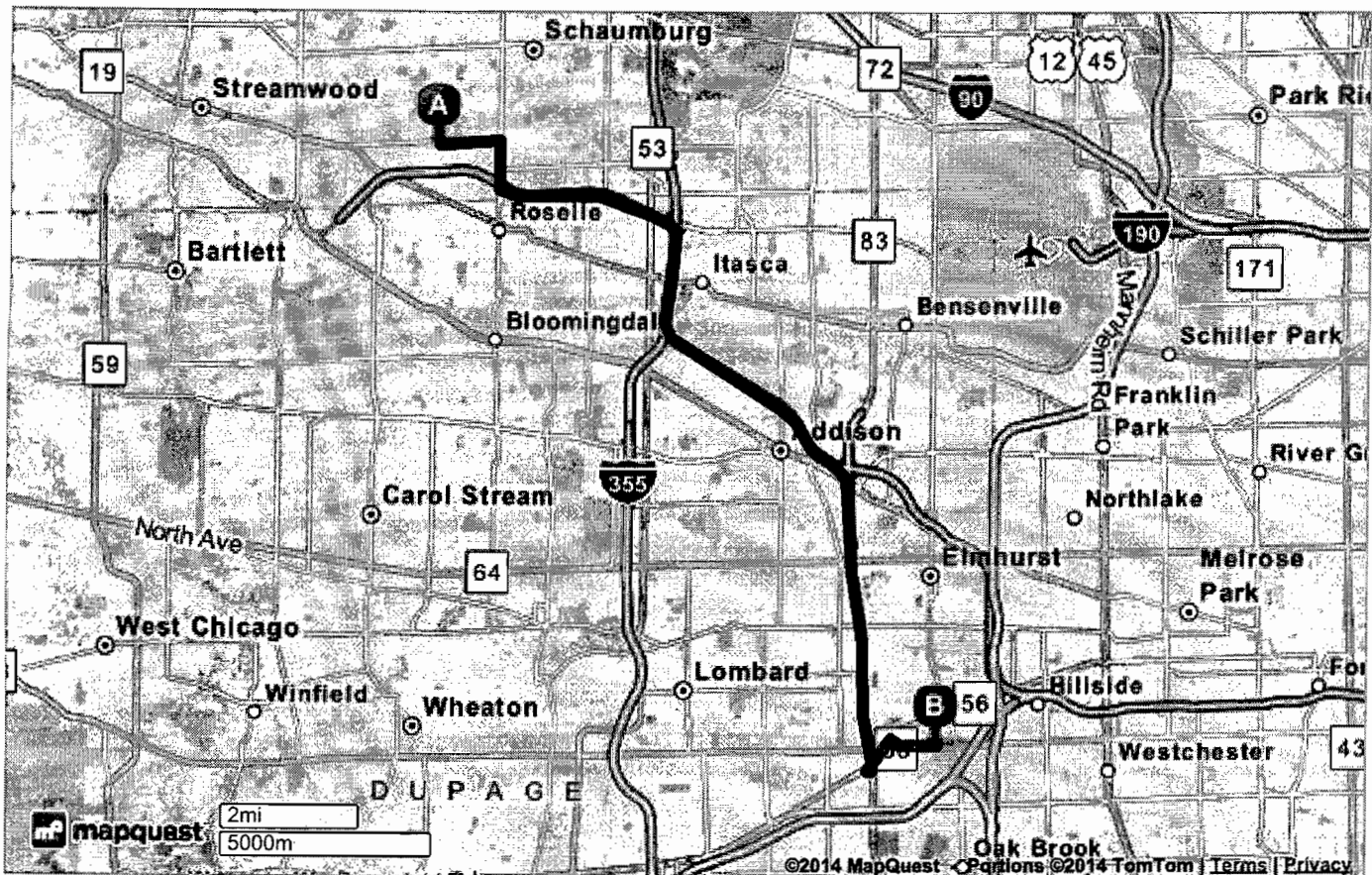
133 E Brush Hill Rd

Elmhurst, IL 60126-5605

16.97 miles / 23 minutes

Notes

TO FRESENIUS MEDICAL CARE ELMHURST



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Notes

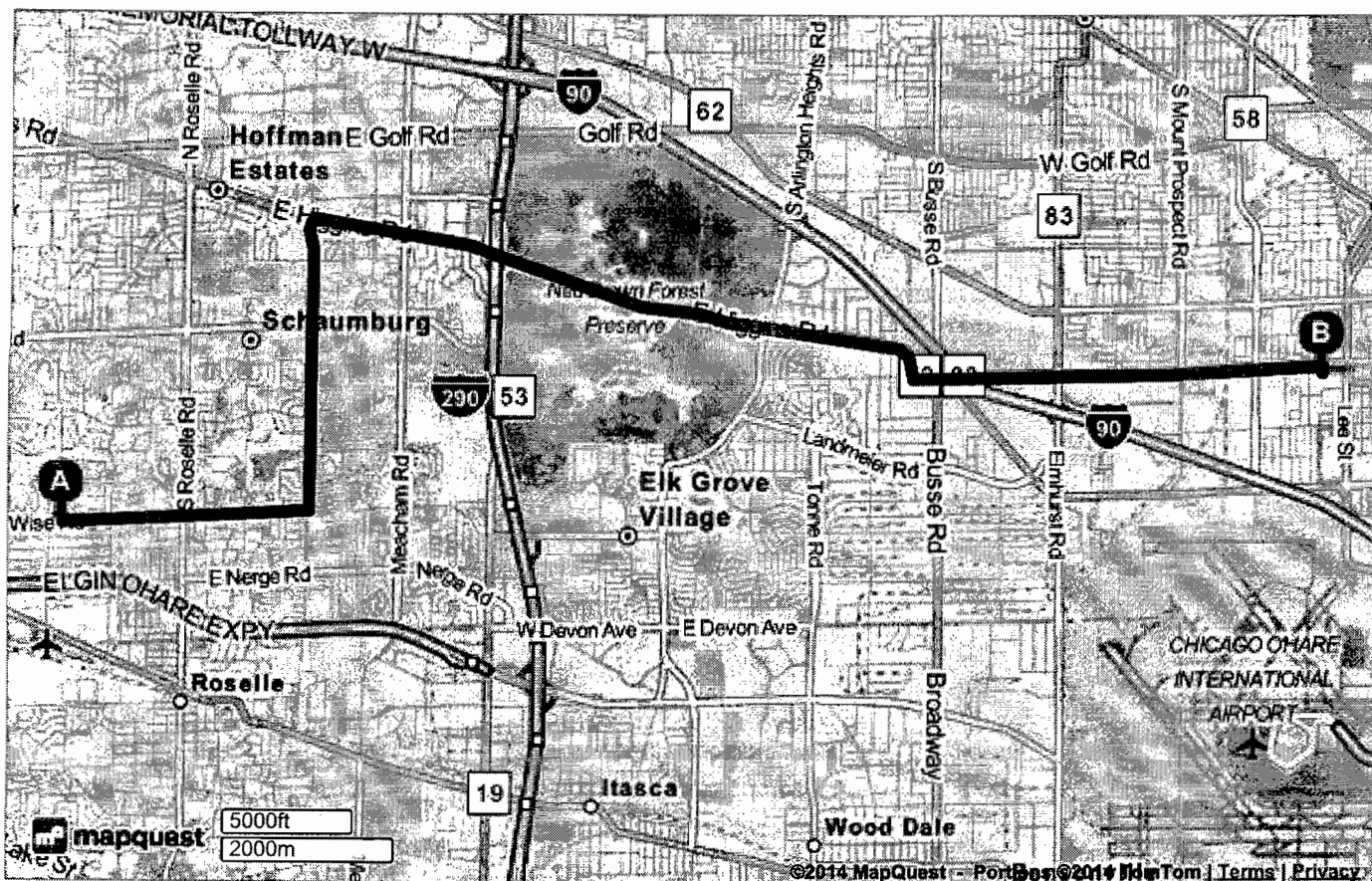
TO FRESENIUS MEDICAL CARE DES PLAINES

Trip to:

1625 Oakton Pl

Des Plaines, IL 60018-2002

13.14 miles / 23 minutes



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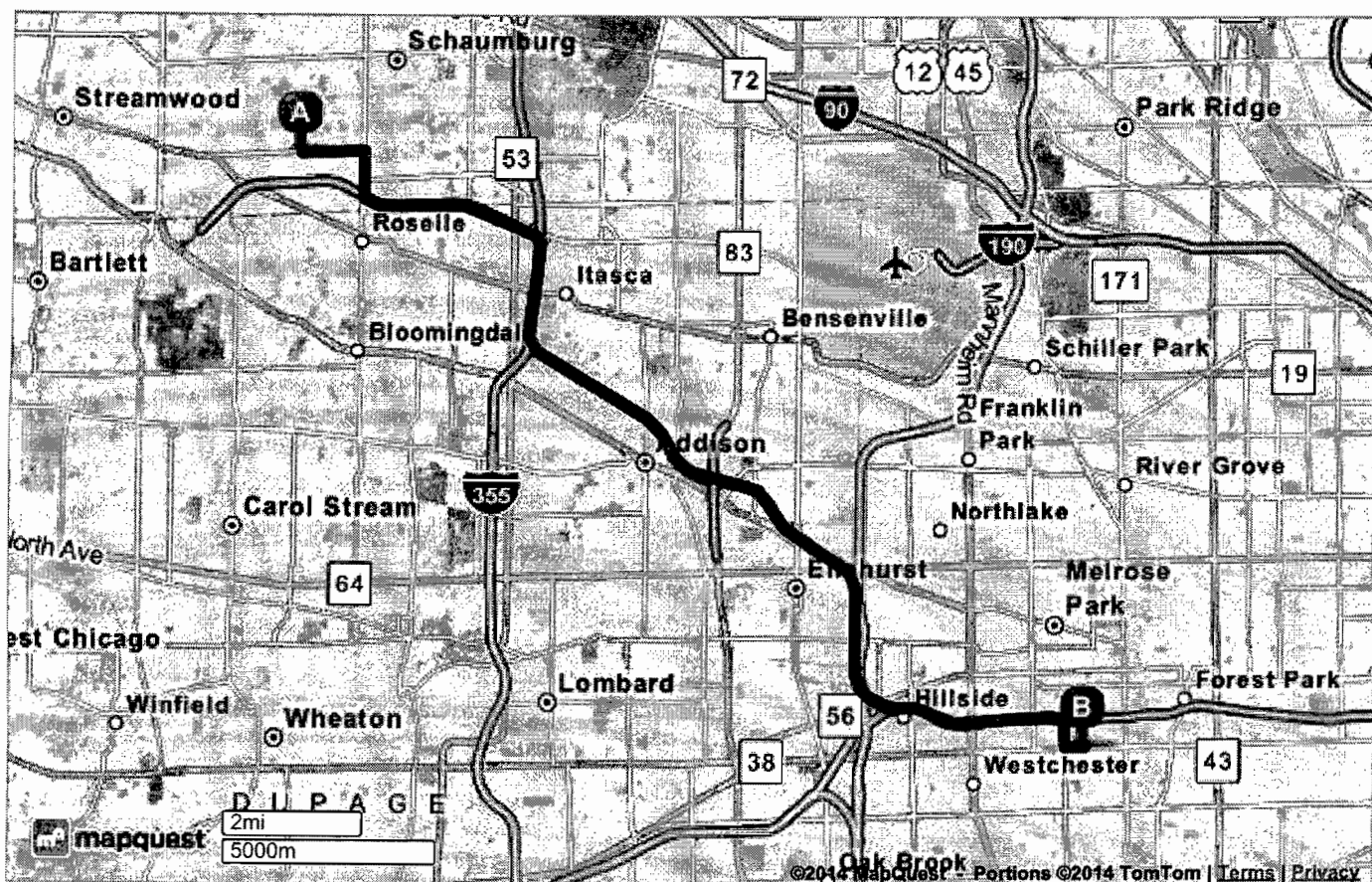


TO LOYOLA DIALYSIS

1201 W Roosevelt Rd

Maywood, IL 60153-4046

19.57 miles / 23 minutes



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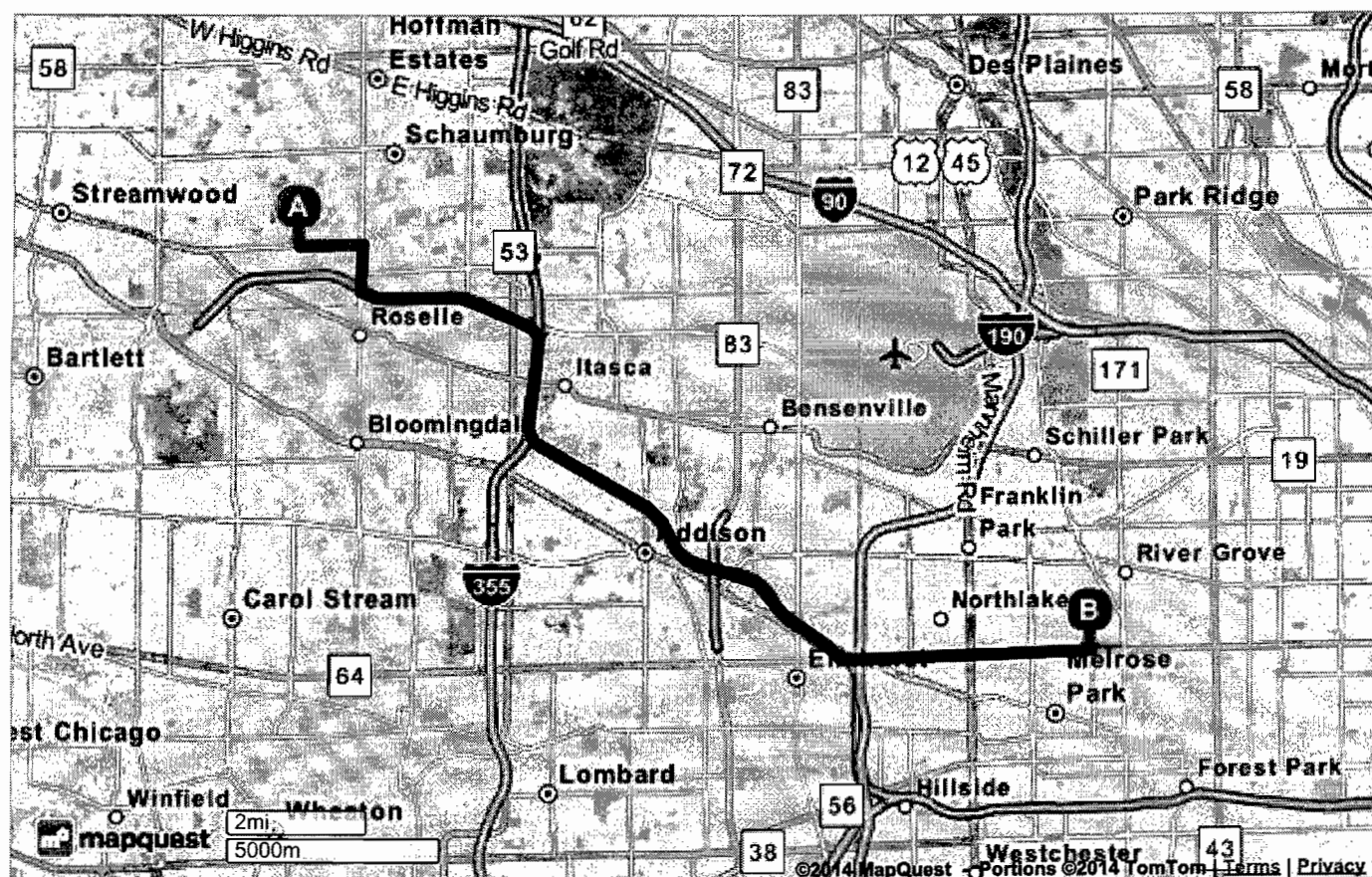
911 W North Ave

Melrose Park, IL 60160-1516

17.32 miles / 24 minutes

Notes

**TO FRESNIENUS MEDICAL CARE NORTH
AVENUE**



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Trip to:

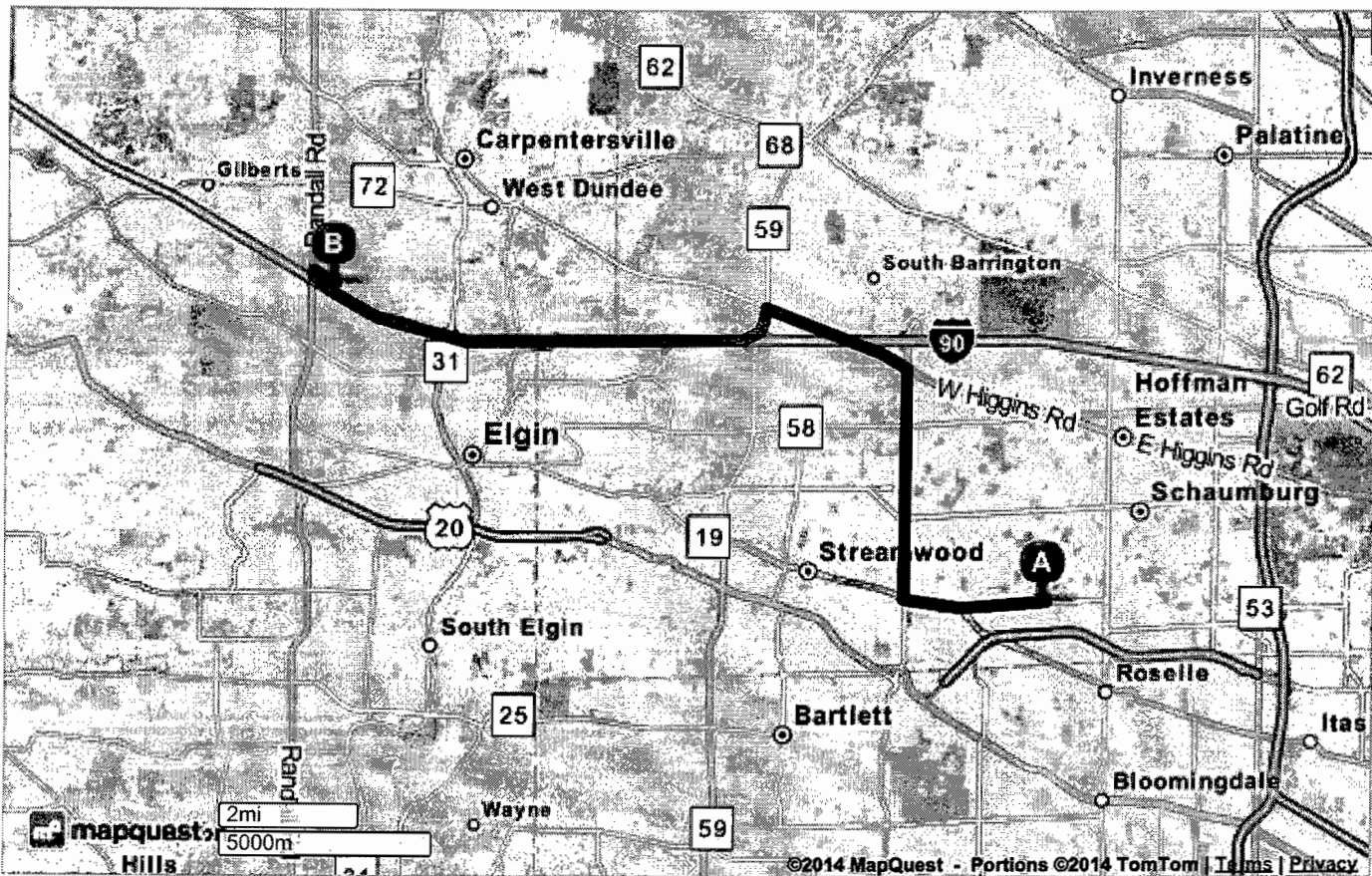
2130 Point Blvd

Elgin, IL 60123-7872

17.42 miles / 25 minutes

Notes

TO FRESENIUS MEDICAL CARE ELGIN



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Notes

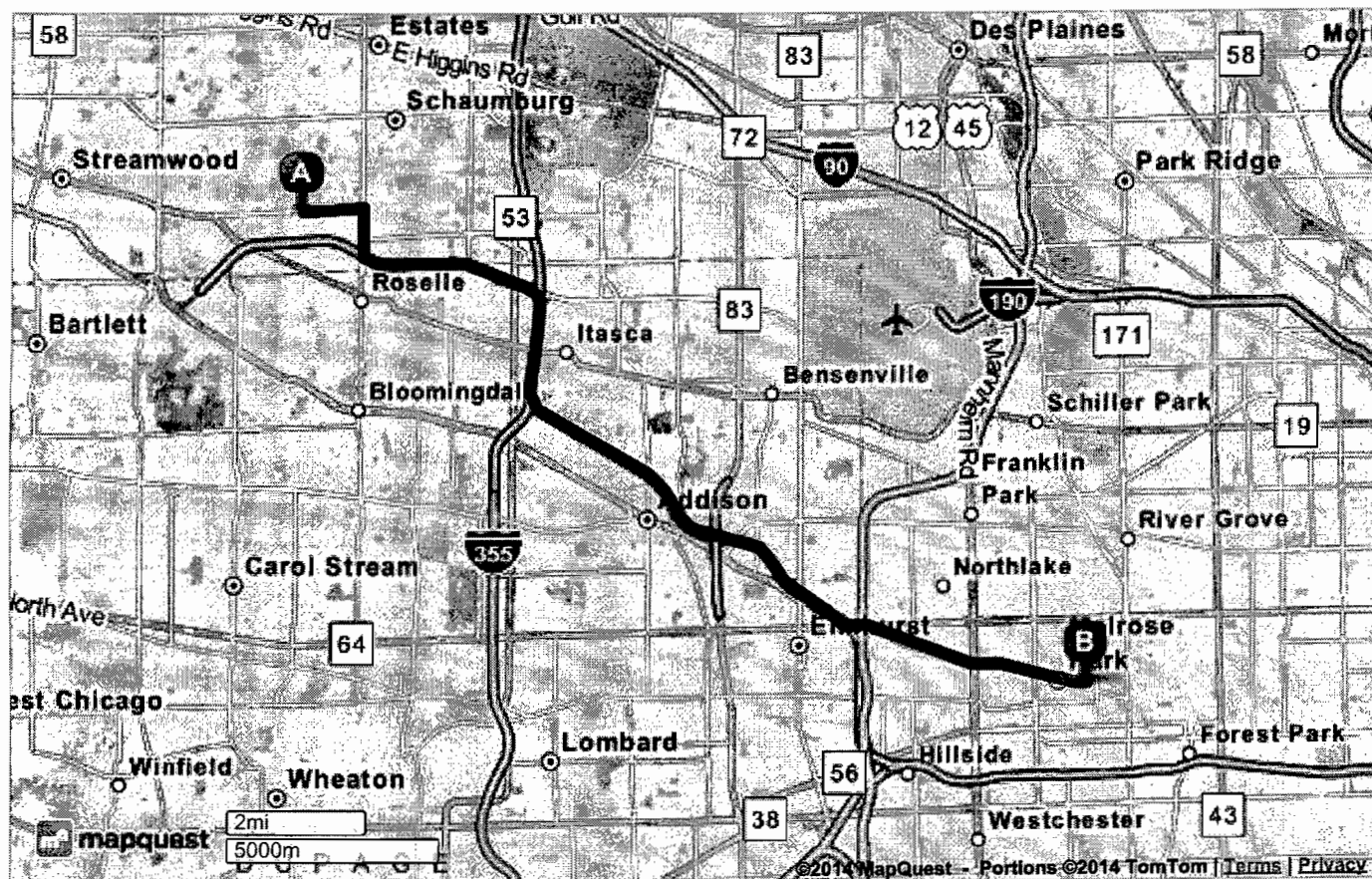
TO FRESENIUS MEDICAL CARE MELROSE
PARK

Trip to:

1111 Superior St

Melrose Park, IL 60160-4137

17.37 miles / 25 minutes



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Trip to:

Davita Dialysis Center
28160 W Northwest Hwy

Barrington, IL 60010

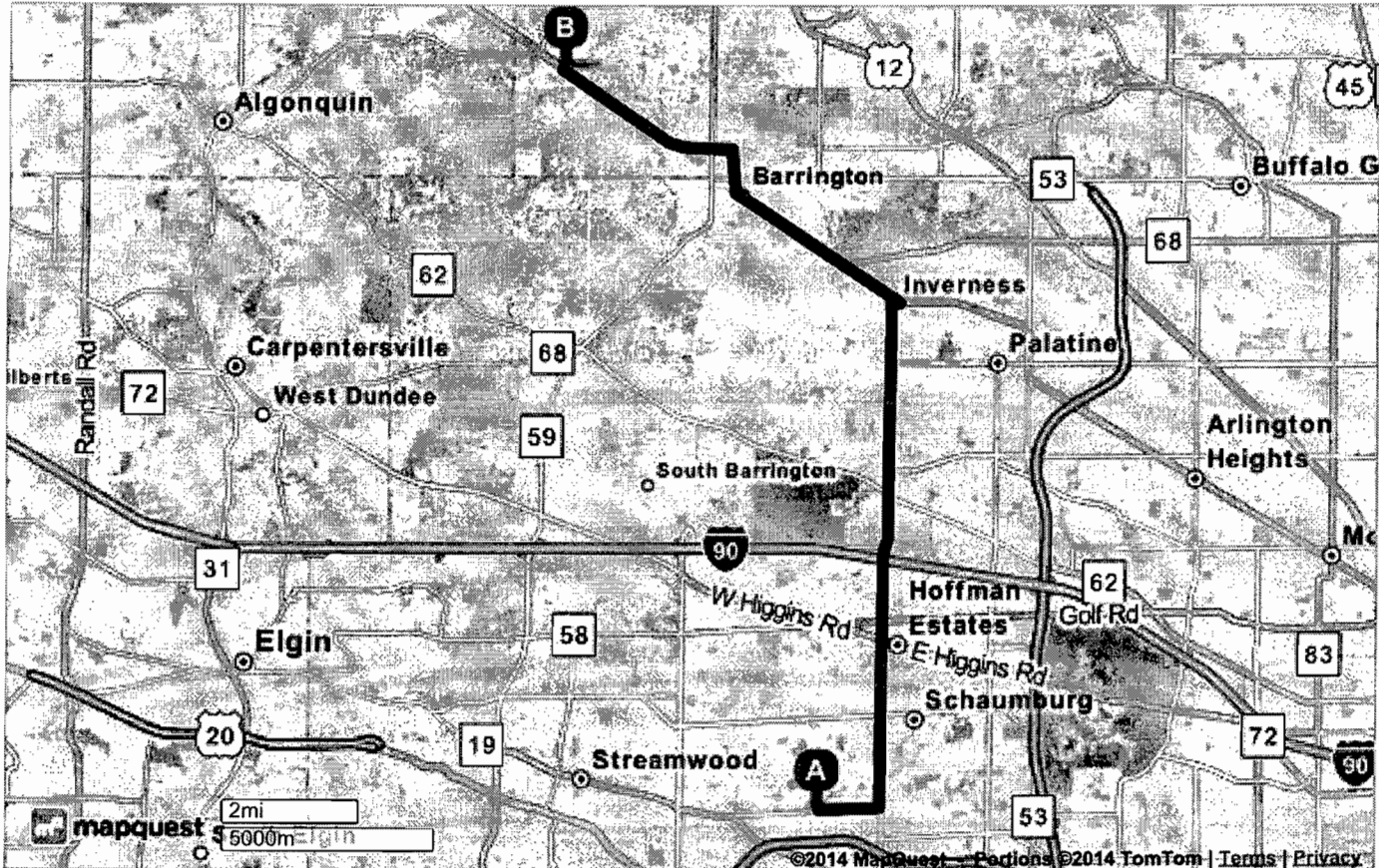
(847) 381-1531

16.62 miles / 27 minutes

Notes

TO DAVITA BARRINGTON CREEK

Over 30 min



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Trip to:

450 E Roosevelt Rd

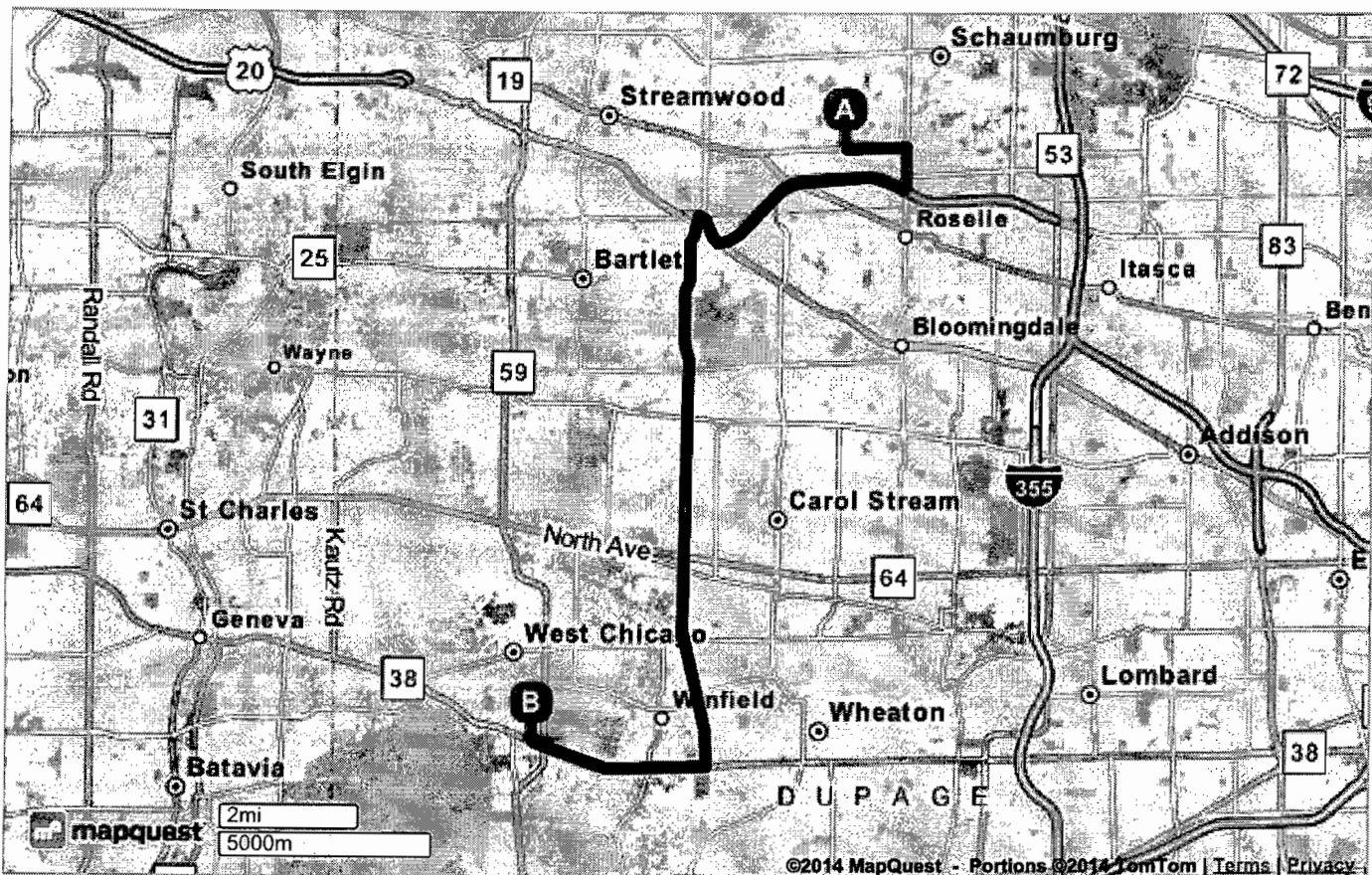
West Chicago, IL 60185-3905

17.97 miles / 27 minutes

Notes

TO FRESNIUS MEDICAL CARE DUPAGE
WEST

Over 30 min



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Trip to:

2203 Randall Rd

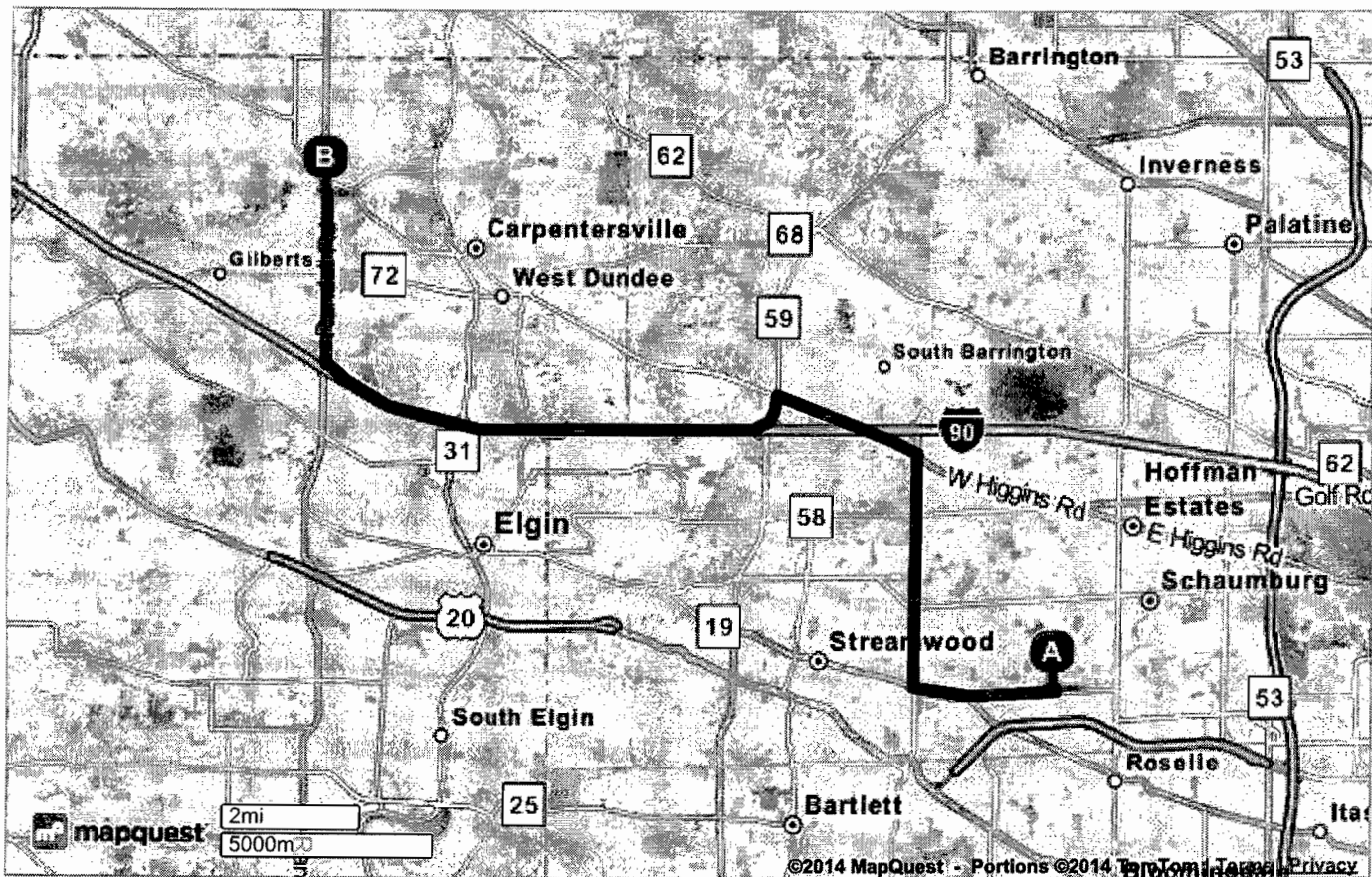
Carpentersville, IL 60110-3345

19.59 miles / 28 minutes

Notes

TO DAVITA CARPENTERSVILLE

OVER 30 MIN



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June 19, 2015

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

Dear Ms. Avery:

I am a nephrologist practicing with Nephrology Associates of Northern Illinois (NANI) which is located in Hoffman Estates in the greater Schaumburg area. In the past six years the number of patients we care for in our practice and who will eventually reach end stage renal disease has grown by over 25%. I have worked primarily with Fresenius Medical Care clinics in the Schaumburg area, although I also see patients at DaVita and US Renal clinics. I have found Fresenius Medical Care standards to be exceptional, their methodologies soundly based, and I am excited about the opportunity to partner with them by serving the patients as Medical Director of the proposed Schaumburg clinic.

At this time Fresenius does not have a clinic in Schaumburg. It does have clinics in the general area, but none to directly serve the patients identified for the proposed Fresenius Schaumburg clinic. Although the DaVita Schaumburg clinic has some capacity, I prefer to admit my patients to a Fresenius clinic offering my patients a choice. Schaumburg is densely populated and currently has no access to a Fresenius clinic.

The Schaumburg area Fresenius clinics that my practice partners admit the majority of their patients to are experiencing high utilization rates making it difficult to find availability for treatment schedule times that best suit the patient's needs. These clinics include Fresenius Hoffman Estates and Elk Grove.

The hospitals in the immediate Schaumburg area (Alexian Brothers and St. Alexius) frequently are looking to discharge patients to a clinic, and have difficulty finding a treatment time slot because the nearby clinics are full. These hospitals would not, as an example, discharge a patient to a clinic in Des Plaines, West Chicago or Lombard, even though it may be within 30 minutes of the proposed Fresenius Schaumburg clinic. When hospitals cannot find a discharging patient an appropriate placement in a dialysis clinic, it delays the patient discharge and increases health care costs. Additional dialysis stations in the Schaumburg market would not only allow for patient and physician choice of

providers, but would address these access issues. In addition when a cardiac patient is experiencing fluid overload they require an additional treatment at one of our area Fresenius clinics, aside from their weekly scheduled three. These patients cannot simply go to any clinic. They need to go where they are currently receiving dialysis.

With these clinics well over 80% utilization, it difficult to get them scheduled on an urgent basis for a fourth treatment. An additional facility would also alleviate overutilization at Fresenius Hoffman Estates and Elk Grove, by offering additional access in a Fresenius clinic to residents of Schaumburg. Currently I have approximately 19 patients who reside in Schaumburg that might be interested in transferring from these clinics. Their choice is to go to a Fresenius clinic, which is why they now travel outside their market for care as opposed to going to the DaVita clinic in Schaumburg.

My partners (Dr. Ray, Dr. Rahman, Dr. Lee, Dr. Pillsbury) and I were treating 230 hemodialysis patients at the end of 2012, 237 at the end of 2013 and 263 patients at the end of 2014, as reported to The Renal Network. As of the most recent quarter, we were treating 266 hemodialysis patients. Over the past twelve months we have referred 77 patients for hemodialysis services to Fresenius Elgin, Elk Grove, Glendale Heights, Hoffman Estates, Palatine and Rolling Meadows, DaVita Schaumburg and US Renal Care Streamwood. We currently have 173 pre-ESRD patients that live in the Schaumburg area that could be served at the Fresenius Schaumburg facility in the first two years of its operation. Due to patient attrition it is expected that approximately 74 of these patients will still require dialysis services at the Schaumburg facility by the time it is operating.

I urge you to allow my patients and I to have the opportunity to go to a Fresenius clinic in Schaumburg. If we do not have that choice it will not mean other area clinics will be used instead. Rather the existing Fresenius clinics in the area will simply get more and more patients, making them difficult to access from a scheduling point and possibly requiring a 4th shift. Thank you for your consideration and I respectfully ask you to approve Fresenius Medical Care Schaumburg.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other permitted or pending CON application.

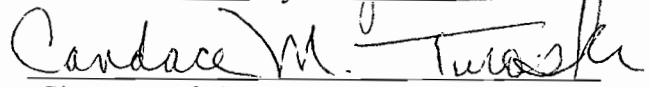
Sincerely,


Grady M. Wick, M.D.

Notarization:
Subscribed and sworn to before me

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this 19th day of June, 2015

Signature of Notary

Seal



Physician Referral Letter
APPENDIX 2

**PRE-ESRD PATIENTS NANI EXPECTS TO REFER TO FRESenius MEDICAL
CARE SCHAUMBURG IN THE 1ST 2 YEARS OF OPERATION**

City	Zip Code	Pre- ESRD
Elk Grove	60007	40
Streamwood	60107	15
Bloomington	60108	15
Hanover Park	60133	16
Itasca	60143	9
Medinah	60157	1
Hoffman Estates	60169	16
Roselle	60172	11
Schaumburg	60173	2
Schaumburg	60193	33
Schaumburg	60194	14
Schaumburg	60195	1
Total		173

ADMISSIONS OF NANI FOR THE PAST TWELVE MONTHS

Zip Code	Fresenius Medical Care						DaVita Schaumburg	US Renal Streamwood	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows			
60004		1							1
60007		7							7
60018	1	1							2
60045		1							1
60046	1								1
60056		1							1
60074					1				1
60101		3							3
60103	1			2				1	4
60106		4							4
60107				1			2	4	7
60108		1	3						4
60110	1								1
60118	2								2
60120				1					1
60124	1								1
60133		1	1						2
60136	1								1
60139			2						2
60143		1							1
60157		1							1
60169		2		8			1		11
60172		2							2
60173		1				1			2
60176							1		1
60191		1							1
60192	1								1
60193		1					6		7
60194				1					1
60195							1		1
60544		1							1
60640	1								1
Total	10	30	6	13	1	1	11	5	77

PATIENTS OF NANI FOR 12/31/2012
FOR THE NORTHWEST SUBURBS

Zip Code	Fresenius Medical Care							DaVita		ARA	US Renal	Total
	Palatine	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Rolling Meadows	West Chicago	Monteclare	Schaumburg	Barrington	Streamwood	
60004						1						1
60005			3									3
60007			30						1			31
60008			1									1
60009			1									1
60010			1		3							4
60016			2		1							3
60018			7			1						8
60056			4									4
60067			1			1						2
60068			1									1
60090	1											1
60101			2	2								4
60103			2		2							4
60107		1	2		9				1	2	4	19
60108			7	1	1				2			11
60110		2			4							6
60118										1		1
60120		3			1				1			5
60124									2			2
60133			5		7				2			14
60137				1								1
60139			3									3
60140					1							1
60142		1										1
60143			9				1					10
60148				1								1
60156		1										1
60157			2									2
60164					1							1
60169			3		7				1			11
60172			7		1				3			11
60173			1									1
60178		1										1
60185			2	1								3
60188		1										1
60191			6									6
60192					1							1
60193			12		2				13			27
60194			2		6				5			13
60195			1						1			2
60406		1										1
60440			1									1
60634								1				1
60656			1									1
61554		1										1
62960									1			1
Total	1	12	119	6	47	3	1	1	33	3	4	230

PATIENTS OF NANI FOR 12/31/2013
FOR THE NORTHWEST SUBURBS

Zip Code	Fresenius Medical Care						DaVita	USRC	ARA	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows	Schaumburg	Streamwood	Barrington	
60004		1				1				2
60005		3								3
60007		35								35
60008		1								1
60009		1								1
60010	1			1	1					3
60016		3		1						4
60017				1						1
60018		7				1				8
60047					1					1
60056		3				1				4
60067		1				1	1			3
60068		1								1
60074		1			2					3
60090					1					1
60101		3								3
60103		3		2						5
60106	1	1								2
60107		3		6			1	5	1	16
60108		3	2	1			2			8
60110	2			2						4
60120	1			2			1			4
60123	2			2						4
60124	1						1			2
60126		1								1
60133		4		8			3			15
60137			1							1
60139		2	1							3
60140	1									1
60142	1									1
60143		9		1						10
60156	1									1
60157		1								1
60169		6		8			3			17
60172		7		1			2			10
60173		1		1	1					3
60185		1								1
60188		1								1
60191		5								5
60192				3						3
60193		8					12			20
60194		3		6			4			13
60195		1		1			1			3
60517		1								1
60561						1				1
60609		1								1
60619		1								1
60626		1								1
60707		1								1
61554	1									1
62960							1			1
Total	12	125	4	47	6	5	32	5	1	237

PATIENTS OF NANI FOR 12/31/2014
FOR THE NORTHWEST SUBURBS

Zip Code	Fresenius Medical Care							DaVita	US Renal	ARA	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows	West Chicago	Schaumburg	Streamwood	Barrington	
60005		3									3
60007		33						1			34
60008		1				1					2
60009		1									1
60010	1			2	1						4
60016		1		2							3
60018	1	8				1					10
60056		2				1					3
60067		1				1					2
60068		1									1
60074					2						2
60089					1						1
60090					1						1
60101		5	1								6
60103				2			1	1	3		7
60106	1	4									5
60107		3		6				3	7	2	21
60108		5	2	1							8
60110	3			2							5
60118	1										1
60120	1			2				1			4
60123	5			1							6
60124	1							1			2
60133	1	4		7				4	1		17
60136	2										2
60139		2	2								4
60140	1										1
60142	2										2
60143		10		1							11
60148			1								1
60156	2										2
60157		2									2
60169		8		11				3			22
60172	1	6		1				2			10
60173		1			1						2
60176								1			1
60185		1									1
60188		1									1
60191		4									4
60192	1			3							4
60193		8		1				14		1	24
60194		2		8				2			12
60195								2			2
60561						1					1
60609		1									1
60626		1									1
60628	1										1
60707		1									1
62960								1			1
Total	25	120	6	50	6	5	1	36	11	3	263

PATIENTS OF NANI FOR 03/31/2015
FOR THE NORTHWEST SUBURBS

Zip Code	Fresenius Medical Care							DaVita	US Renal	ARA	Total
	Elgin	Elk Grove	Glendale Heights	Hoffman Estates	Palatine	Rolling Meadows	West Chicago	Schaumburg	Streamwood	Barrington	
60004		1									1
60005		2									2
60007		31						2			33
60008		1				1					2
60009		1									1
60010				2	1						3
60016				2							2
60018		7				1					8
60056		3				1					4
60067		1				1					2
60068		1									1
60074					2						2
60089					1						1
60090					1						1
60101		7	1								8
60103		1		1			1		4		7
60106	1	4									5
60107		3		6				2	9	1	21
60108		4	4	1					1		10
60110	3			2							5
60118	2										2
60120	1			3				1			5
60123	5			1							6
60124	1							1			2
60133	1	4	1	7				3	1		17
60136	2										2
60139		2	3								5
60140	1										1
60142	2										2
60143		8		1							9
60148			1								1
60156	1										1
60169		7		15				3			25
60172	1	6		1				2			10
60173		1			1	1					3
60176								1			1
60185		1									1
60188		1									1
60191		4									4
60192	1			3							4
60193		8		1				14		1	24
60194		2		8				3			13
60195								2			2
60561						1					1
60609		1									1
60626		1									1
60628	1										1
60707		1									1
62960								1			1
Total	23	114	10	54	6	6	1	35	15	2	266