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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

April 6, 2017

FEDERAL EXPRESS

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

Re: Relinquishment of CON Permit – Morris Dialysis (Proj. No. 15-032)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board ("HFSRB") rules, I am writing on behalf of DaVita Inc. and Total Renal Care Inc. (the "Permit Holders") to notify the HFSRB of the Permit Holders' decision to relinquish the CON permit for Morris Dialysis (Project No. 15-032). The Project was obligated on September 15, 2015, through the execution of a lease for the building that will house the ESRD facility. Shell construction has yet to begin. In light of the approval of the 10-station Morris Community Dialysis (Proj. No. 15-042) on November 18, 2015, the Permit Holders have ultimately decided to relinquish the approved CON permit for the Project. Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the relinquishment of the CON Permit for Morris Dialysis.

1. Description of the Project and Related Costs

The CON permit provided for the discontinuation of DaVita's 9-station ESRD facility located at 180 East Waverly Street, Morris, Illinois and the establishment of a 12-station ESRD facility to be located at 180 East Waverly Street, Morris, Illinois. The cost of the project was \$2,633,643.

2. Reason for the Abandonment

By way of background, on March 10, 2015, the HFSRB approved Fresenius Medical Care's ("FMC") application to discontinue its 10-station ESRD facility located at 1401 Lakewood Drive, Morris, Illinois and establish a 10-station ESRD facility to be located at 24020-24030 Riverwalk Court, Plainfield, Illinois (Project No. 14-065). The basis for discontinuing the FMC Morris facility was due in part to the lack of need for two in-center ESRD facilities in Morris. FMC Morris expected those patients who did not transfer to its new Plainfield facility to transfer to FMC Ottawa, FMC Plainfield, or DaVita's Morris Dialysis facility. With the impending discontinuation of the FMC Morris facility and the increased utilization at its Morris ESRD facility, DaVita filed an application with the HFSRB to relocate and expand its Morris ESRD

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facility to ensure sufficient capacity to meet the growing need for dialysis in the Morris community.

Subsequent to the approval of the DaVita Morris Dialysis CON permit, Affiliated Dialysis of Joliet submitted an application for a 10-station ESRD facility in Morris known as Morris Community Dialysis (Project No. 15-042). On November 18, 2015, the HFSRB approved the CON permit for Morris Community Dialysis. With the approval of a second ESRD facility in Morris, the Permit Holders recognized there was no longer a need to relocate and expand its Morris ESRD facility.

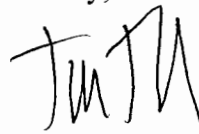
3. How Will Need be Met in Absence of the Project

As noted above, part of the rationale for the relocation and expansion of Morris Dialysis was to ensure sufficient capacity existed in the community to accommodate the patients anticipated to be displaced from the FMC Morris discontinuation. With the approval of Morris Community Dialysis, the Permit Holders anticipate former FMC Morris patients will elect to transfer to Morris Community Dialysis. Accordingly, the need for an expanded Morris Dialysis is no longer warranted.

We believe this request is in compliance with the HFSRB's standards and request the Chair approve the relinquishment of Project Permit No. 15-032 as a desk review.

If you have any questions or need any additional information on the relinquishment of the Morris Dialysis permit, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim T', with a stylized flourish at the end.

Timothy V. Tincknell

cc: Gaurav Bhattacharyya, DaVita Inc.
Kelly Ladd, DaVita Inc.