



Timothy V Tincknell, FACHE
(312) 243-9286 x230
timothy.tincknell@davita.com

1600 W 13th St, Ste 3
Chicago, IL 60608
Fax: (866) 586-3214
www.davita.com

September 21, 2016

FEDERAL EXPRESS

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

RECEIVED

SEP 23 2016

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report – Montgomery County Dialysis (Proj. No. 15-035)

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 submit the annual progress report for Montgomery County Dialysis (Project No. 15-035). As you are aware, on August 25, 2015, HFSRB approved the Permit Holders' certificate of need application for the establishment of Montgomery County Dialysis (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-035.

1. Status of the Project

The Project was obligated on January 27, 2016 through the execution of the construction contract for the dialysis facility. Construction began February 10, 2016 and is complete. The Certificate of Occupancy was received on May 17, 2016. The facility treated its first patient on September 9, 2016 and is waiting for its Medicare certification survey. Based on recent experience, the Permit Holders anticipate it may take four to six months for the initial Medicare certification survey and subsequent receipt of Medicare enrollment documentation.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$2,348,675 in project costs.

PROJECT COSTS	Approved	Expended
Modernization Contracts	\$865,800	\$957,070
Contingencies	\$86,500	\$86,500
A & E Fees	\$82,000	\$47,774
Consulting & Other Fees	\$80,000	\$6,553
Moveable Equipment	\$417,047	\$429,929
Fair Market Value of Leased Space & Equipment	\$820,850	\$820,850
Other Costs to be Capitalized	NA	NA
Net Book Value of Existing Equipment		
Estimated Total Project Cost	\$2,352,197	\$2,348,676

3. **Sources of Funds**

The project will be funded with \$2,352,197 in cash and cash equivalents.

4. **Anticipated Completion Date**

The anticipated completion date for the Project is April 30, 2017.

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

Sincerely,



Timothy V. Tincknell

cc: Mary J. Anderson, DaVita Inc.