



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: H-01	BOARD MEETING: March 14, 2017	PROJECT NO: 16-034	PROJECT COST: Original: \$3,650,114
FACILITY NAME: Fresenius Kidney Care Woodridge		CITY: Woodridge	Modification: \$5,676,179
TYPE OF PROJECT: Substantive			HSA: VII

PROJECT DESCRIPTION: The applicants (Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Naperville, LLC d/b/a Fresenius Kidney Care Woodridge) are proposing the establishment of a twelve (12) station ESRD facility in 8,000 GSF of leased space in Woodridge, Illinois. The cost of the project is \$5,676,179 and the scheduled completion date is March 31, 2019.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants (Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Naperbrook, LLC d/b/a Fresenius Kidney Care Woodridge) are proposing the establishment of a twelve (12) station ESRD facility in 7,267 GSF of leased space in Woodridge, Illinois. The cost of the project is \$5,676,179, and the completion date given by the applicant is March 31, 2019.
- **State Board Staff notes that on December 14, 2016, the project was approved for a Type A Modification.** This modification resulted in the relocation of the proposed location for the 12-station ESRD facility from 7155 Janes Avenue, Woodridge, to 7550 Janes Avenue, Woodridge. The proposed relocation has resulted in a reduction in the project size, from 8,000 GSF, to 7,267 GSF (reduction of 733 GSF), and a cost increase, from \$3,650,114, to \$5,676,179, (increase of \$2,026,065).

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project proposes to establish a health care facility as defined at 20 ILCS 3960/3

PURPOSE OF THE PROJECT:

- The applicants identified three (3) purposes to justify the establishment of a 12-station ESRD facility in Woodridge. First, is to address the overutilization at existing facilities in the Woodridge/Bolingbrook area. Second, to address the need for twenty-three (23) additional ESRD stations in HSA-07. Third, to ensure access in the future for patients in the service area. ESRD facilities in the Bolingbrook/Woodridge areas have experienced historically high utilization over the last ten years. As the population continues to age/grow, the applicants want to ensure sufficient Dialysis services will be available.

PUBLIC HEARING/COMMENT:

- No public hearing was requested. No opposition letters were received. No support letters were received.

SUMMARY:

- The State Board is projecting a need for twenty-three (23) ESRD stations in the HSA VII ESRD Planning Area by CY 2018 and nineteen (19) ESRD stations in the HSA IX ESRD Planning Area.
- There appears to be sufficient demand for the twelve (12) stations as the applicants have identified one hundred thirty eight (138) pre-ESRD patients that will need dialysis within twenty-four (24) months after project completion.
- The applicants' note that the proposed facility will serve patients from two (2) different HSA's, and attest that 56% of the identified pre-ESRD patients live within HSA IX, and 44% of the pre-ESRD patients reside in HSA VII ESRD planning area.
- There are twenty-five (25) facilities within thirty (30) minutes of the proposed facility. Of these twenty-five (25) facilities, twenty (20) facilities are operational and the remaining five (5) facilities are not operational or in the ramp-up stage. The twenty (20)

facilities are currently operating at an average utilization of seventy-six percent (76%). Seven (7) of the twenty (20) facilities within the thirty (30) minute service area are at target occupancy.

- State Board Staff notes that over the past five (5) years [2012-2016] the number of ESRD patients in the HSA VII ESRD Planning Area have increased approximately 3% compounded annually. Growth in the number of ESRD patients in the HSA IX ESRD Planning Area has grown at approximately 6% compounded annually over this same period.

CONCLUSIONS:

- **The applicants addressed twenty one (21) criteria and have not met the following:**

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1110.1430(c)(1), (2), (3) and (5) - Planning Area Need – Service to Area Residents	The State Board is estimating a need for twenty-three (23) ESRD stations in the HSA VII ESRD Planning Area. However the criterion requires that fifty percent (50%) or more of the patients will come from within the HSA VII ESRD Planning Area. Per the applicants approximately forty-four percent (44%) of the pre-ESRD patients reside within the HSA VII ESRD Planning Area.

STATE BOARD STAFF REPORT
Fresenius Kidney Care Woodridge
PROJECT #16-034

APPLICATION SUMMARY/CHRONOLOGY	
Applicants	Fresenius Medical Care Holdings, Inc Fresenius Medical Care Naperbrook, LLC d/b/a Fresenius Kidney Care Woodridge
Facility Name	Fresenius Kidney Care Woodridge
Location	7550 Janes Avenue, Woodridge, Illinois
Application Received	August 22, 2016
Application Deemed Complete	August 25, 2016
Review Period Ends	December 23, 2016
Permit Holder	Fresenius Medical Care Naperbrook, LLC d/b/a Fresenius Kidney Care Woodridge
Operating Entity	Fresenius Medical Care Naperbrook, LLC d/b/a Fresenius Kidney Care Woodridge
Owner of the Site	Net 3 (Woodridge), LLC
Project Financial Commitment Date	March 14, 2019
Gross Square Footage	7,267 GSF
Project Completion Date	March 31, 2019
Expedited Review	Yes
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

I. The Proposed Project

The applicants (Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Naperbrook, LLC d/b/a Fresenius Kidney Care Woodridge) are proposing the establishment of a twelve (12) station ESRD facility in 7,267 GSF of leased space in Woodridge, Illinois. The cost of the project is \$5,676,179, and the completion date is March 31, 2019.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is **not** in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project is in conformance with the provisions of Part 1120.

III. General Information

The applicants are Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Naperbrook, LLC d/b/a Fresenius Kidney Care Woodridge. Fresenius Medical Care Holdings, operating as Fresenius Medical Care North America or FMCNA, operates a network of some 2,100 dialysis clinics located throughout the continent. One of the largest providers of kidney dialysis services, FMCNA offers outpatient and in-home hemodialysis treatments for chronic kidney disease. The company's operating units also market and sell dialysis machines and related equipment and provide renal research,

laboratory, and patient support services. FMCNA oversees the North American operations of Fresenius Medical Care AG & Co. Fresenius Medical Care Naperbrook, LLC is a wholly owned subsidiary of Fresenius Medical Care Holdings, Inc.

Fresenius Kidney Care Woodridge will be located at 7155 Janes Avenue, Woodridge, Illinois in the HSA VII ESRD planning area. HSA VII includes suburban Cook and DuPage counties. This is a substantive project subject to an 1110 and 1120 review. Financial commitment will occur after permit issuance. Table One outlines the current Fresenius projects approved by the State Board and their completion date.

TABLE ONE			
Current Fresenius Projects and Status			
Project Number	Name	Project Type	Completion Date
#14-012	FMC Gurnee	Relocation/Expansion Establishment	4/30/2017
#14-026	FMC New City	Establishment	6/30/2016
#14-047	FMC Humboldt Park	Establishment	12/31/2016
#14-065	FMC Plainfield North	Relocation	12/31/2016
#15-028	FMC Schaumburg	Establishment	02/28/2017
#15-036	FMC Zion	Establishment	06/30/2017
#15-046	FMC Beverly Ridge	Establishment	06/30/2017
#15-050	FMC Chicago Heights	Establishment	12/31/2017
#15-062	FMC Belleville	Establishment	12/31/2017
#16-024	FMC Kidney Care East Aurora	Establishment	9/30/2018
#16-029	FMC Ross Dialysis – Englewood	Relocation/Expansion Establishment	12/31/2018
#16-035	FMC Evergreen Park	Relocation/Establishment	12/31/2017

IV. ESRD Health Service Area VII and ESRD Health Service Area IX

For planning purposes, for ESRD services the State Board uses Health Service Areas as the planning area. These areas provide a geographic frame of reference which allows the State Board to make an estimate of capacity. There are eleven (11) Health Service Areas in the State of Illinois (See Table Eight at end of this report). The HSA VII ESRD planning area encompasses DuPage and Suburban Cook County. There are seventy-four (74) ESRD facilities in this HSA VII ESRD Planning Area. (See Table Nine at the end of this report). The State Board has estimated **a need for twenty-three (23) stations** in this ESRD Planning Area by CY 2018.

Health Service Area IX ESRD Planning Area encompasses Grundy, Kankakee, Kendall, and Will counties. There are sixteen (16) facilities in the HSA IX ESRD Planning Area. (See Table Ten at the end of this report) The State Board estimated **a need for nineteen (19) stations** in the HSA IX ESRD Planning Area by CY 2018. See Need Methodologies in Table Two below.

TABLE TWO

Need Methodology HSA VII ESRD Planning Area		Need Methodology HSA IX ESRD Planning Area	
Planning Area Population – 2013	3,466,100	Planning Area Population – 2013	962,700
In Station ESRD patients -2013	4,906	In Station ESRD patients -2013	252
Area Use Rate 2013 ⁽¹⁾	1.415	Area Use Rate 2013 ⁽¹⁾	.949
Planning Area Population – 2018 (Est.)	3,500,400	Planning Area Population – 2018 (Est.)	1,080,300
Projected Patients – 2018 ⁽²⁾	4,954.5	Projected Patients – 2018 ⁽²⁾	1,025.7
Adjustment	1.33x	Adjustment	1.33
Patients Adjusted	6,590	Patients Adjusted	1,364
Projected Treatments – 2018 ⁽³⁾	1,027,970	Projected Treatments – 2018 ⁽³⁾	212,802
Existing Stations	1,349	Existing Stations	265
Stations Needed-2018	1,372	Stations Needed-2018	284
Number of Stations Needed	23	Number of Stations Needed	19
1. Usage rate determined by dividing the number of in-station ESRD patients in the planning area by the 2013 – planning area population per thousand. 2. Projected patients calculated by taking the 2018 projected population per thousand x the area use rate. Projected patients are increased by 1.33 for the total projected patients. 3. Projected treatments are the number of patients adjusted x 156 treatments per year per patient			

V. Project Costs

The applicants are funding this project with cash and securities in the amount of \$1,883,063 and the fair market value of leased space and equipment of \$3,793,116. The estimated start-up costs and the operating deficit are projected to be \$146,458.

TABLE THREE
Project Costs and Sources of Funds

USE OF FUNDS	Reviewable	Non Reviewable	Total
Modernization Contracts	\$988,484	\$261,440	\$1,249,924
Contingencies	\$97,699	\$25,480	\$123,539
Architectural/Engineering Fees	\$106,334	\$28,266	\$134,600
Movable or Other Equipment (not in construction contracts)	\$305,000	\$70,000	\$375,000
Fair Market Value of Leased Space & Equipment	\$3,028,407	\$764,709	\$3,793,116
TOTAL USES OF FUNDS	\$4,525,924	\$1,150,255	\$5,676,179
SOURCE OF FUNDS	Reviewable	Non Reviewable	Total
Cash and Securities	\$1,497,517	\$385,546	\$1,883,063
Leases (fair market value) ⁽¹⁾	\$3,028,407	\$764,709	\$3,793,116
TOTAL SOURCES	\$4,525,924	\$1,150,255	\$5,676,179
1. Fresenius is leasing space in a building that is being constructed by the Landlord. Fresenius is not expending any capital for the construction of the building. Source: Page 6 of the Application for Permit.			

VI. Purpose of Project, Safety Net Impact Statement and Alternatives

Reviewer Note: These three (3) criteria are informational only and no determination is made by the State Board Staff on whether the criteria have been met.

A) Criterion 1110.230 (a) - Purpose of the Project

To demonstrate compliance with this criterion the applicants must provide documentation that

1. Documents that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Defines the planning area or market area, or other, per the applicant's definition.
3. Identifies the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Details how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
5. Provides goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The applicants note the project will serve three purposes: 1) The project will help to minimize the overutilization of existing facilities in the Woodridge/Bolingbrook area, 2) Address the need for twenty-three (23) additional ESRD stations in HSA-VII, and 3) Will proactively ensure continued access to much needed dialysis services in the service area. The applicants note the neighboring Fresenius Bolingbrook facility has provided operational data that shows the facility has operated between 80% and 98% for the last ten years, despite having added 7 ESRD stations (17 to 24 stations), to this facility on two separate occasions. The applicants also note that 1 out of 513 residents of the Bolingbrook area have End Stage Renal Disease, which exceeds the State ratio (1 out of 696 residents). These data suggest a projected need for stations that is best addressed through the proposed project. Lastly, it is the goal of the applicants to keep dialysis services accessible to the growing ESRD population in this region, and the applicants feel an additional facility in the service best serves this need.

B) Criterion 1110.230(b) - Safety Net Impact Statement

To demonstrate compliance with this criterion the applicants must document

1. The project's material impact, if any, on essential safety net services in the community, and
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.

The applicants stated the following:

"The establishment of Fresenius Kidney Care Woodridge dialysis facility will not have any impact on safety net services in the Woodridge area of DuPage 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 Kidney 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 Kidney 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., and American Kidney Fund.”(See Application for Permit Page 76)

TABLE FOUR ⁽¹⁾ SAFETY NET INFORMATION Fresenius Medical Care Facilities in Illinois			
	2013	2014	2015
Net Revenue	\$398,570,288	\$411,981,839	\$438,247,352
CHARITY			
Charity (# of self-pay patients)	499	251	195
Charity (self-pay) Cost	\$5,346,976	\$5,211,664	\$2,983,427
% of Charity Care to Net Rev.	1.34%	1.27%	0.68%
MEDICAID			
Medicaid (Patients)	1,660	750	396
Medicaid (Revenue)	\$31,373,534	\$22,027,882	\$7,310,484
% of Medicaid to Net Revenue	7.87%	5.35%	1.67%
1. Source: Page 234 of the Application for Permit.			

Information provided by the applicants regarding Table Four above.

- 1)** Charity (self-pay) patient numbers decreased in 2014; however treatments were higher per patient resulting in similar costs as 2013 but those patients had more treatments (stayed uninsured longer) than those in 2013 resulting in similar charity costs.
- 2)** Charity (self-pay) patient numbers continue to decrease as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. Patients who cannot afford the premiums have them paid by the American Kidney Fund.
- 3)** Medicaid number of patients is decreasing as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. Patients who cannot afford the premiums have them paid by the American Kidney Fund. (Application for Permit page 234)

C) Criterion 1110.230(c) - Alternatives to the Project
To demonstrate compliance with this criterion the applicants must

1. Identify all alternatives;
2. Provide 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;
3. For every alternative considered the total project costs and the reason for the rejection must be provided; and,
4. For the selected alternative the reasons for the selection must be provided

The applicants considered the following three (3) alternatives to the proposed project.

1. Proposing a project of greater or lesser scope and cost.
2. Pursuing a joint venture or similar arrangement
3. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project.

1. Project of Greater or Lesser Scope

The applicants report having added stations (3 in 2008, 4 in 2010), to the neighboring Fresenius Bolingbrook facility, and seven (7) more stations to the neighboring Fresenius Naperville North facility, to address the high utilization. To address a rising patient population, the establishment of another facility in the Woodridge/Bolingbrook area is necessary to ensure continued access to the high patient population in this specific area.

2. Pursue a Joint Venture or Similar Arrangement

The applicants note the facility will be a joint ownership venture between Fresenius and physicians at Nephrology Associates of Northern Illinois (NANI). The applicants and NANI have partnered on many Chicago-area facilities, in an effort to bring quality care to its dialysis patients. The applicants identified a cost similar to the cost of the chosen alternative.

3. Utilize Other Health Care Resources Available to Serve All or a Portion of the Population

The applicants note NANI physicians currently serve as medical directors at a majority of the ESRD facilities within a 30-minute radius, and have admitted patients to these facilities in the past. While there is some access to services within this radius, the applicants maintain that the utilization at the Bolingbrook/Naperbrook facilities remain high, and offer no alternative as “another resource.” The applicants concluded that any utilization of outside health care resources would require excessive travel, resulting in access issues for its patient base.

After considering each of the three above-mentioned alternatives, the applicants determined the option of establishing a 12-station ESRD facility on Janes Avenue in

Woodridge, as the most feasible and cost-effective alternative. Cost of the chosen alternative: \$5,676,179. (Application for Permit p. 25-27)

VII. Project Scope and Size, Utilization and Unfinished/Shell Space

A) Criterion 1110.234(a) - Size of Project

To demonstrate compliance with this criterion the applicants must document that the proposed gross square footage does not exceed the State Board Standards in Part 1110.Appendix B.

The applicants are proposing the construction of 5,747 GSF of clinical space for twelve stations or 479 GSF per station. The State Board standard is 450-650 BGSF per station. (See Application for Permit page 28)

B) Criterion 1110.234(b) – Projected Utilization

To demonstrate compliance with this criterion the applicants must document that by the second year after project completion the applicants will be at the target occupancy of eighty percent (80%).

The referring physician (Dr. David Schlieben) has identified 481 pre-ESRD patients who live in the area of Woodridge, Bolingbrook, and South Naperville who could ultimately require dialysis services. Of these pre-ESRD patients, he has identified 138 that he expects would require dialysis treatment in the first two years that the new Woodridge facility is in operation, resulting in utilization surpassing the 80th percentile. (See Application for Permit page 32)

138 patients x 156 treatment per year = 21,528 treatments
12 stations x 936 treatments per stations per year = 11,232 treatments
21,528 treatments/11,232 treatments = 191% utilization

C) Criterion 1110.234(e) – Assurances

To demonstrate compliance with this criterion the applicants must attest that the proposed project by the end of the second year of operation after the project completion, the applicant will meet or exceed the utilization standards specified in Part 1110.Appendix B.

The applicants provided the necessary assurance that they will be at target occupancy within two years after project completion. (See Application for Permit page 62)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF PROJECT, PROJECTED UTILIZATION, ASSURANCES (77 IAC 1110.234 (a), (b) and (e))

VIII. In-Center Hemodialysis Projects

A) Criterion 1110.1430(b)(1) to (3) - Background of Applicant

To address this criterion the applicants must provide a list of all facilities currently owned in the State of Illinois and an attestation documenting that

no adverse actions have been taken against the applicants 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 and Services Review Board; and authorization to the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of the application for permit.

The applicants provided sufficient background information, to include a list of facilities and the necessary attestations as required by the State Board at *pages 18-23 of the application for permit*. The State Board Staff concludes the applicants have met this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANT (77 IAC 1110.1430 (b)(1) to (3))

B) Criterion 1110.1430(c) - Planning Area Need

To demonstrate compliance with this criterion the applicant must document the following:

1) 77 Ill. Adm. Code 1100 (Formula Calculation)

To demonstrate compliance with this sub-criterion the applicants must demonstrate there is a calculated need in the ESRD planning area HSA VII.

The proposed facility will be located in the HSA VII ESRD Planning Area. There is a calculated need for twenty-three (23) ESRD stations in this planning area by CY 2018, per the December 2016 ESRD Inventory Update. The applicants note the facility is located proximal to neighboring HSA-IX, where a need exists for nineteen (19) additional ESRD stations.

2) Service to Planning Area Residents

To demonstrate compliance with this sub-criterion the applicants must document that fifty percent (50%) or more of the expected referrals will come from the HSA VII ESRD Planning Area.

The applicants note the service area for the proposed facility encompasses two (2) separate Health Service Areas (HSAs), and the proposed ESRD facility is expected to serve residents of both HSA-VII and HSA-IX. The applicants supplied data projecting to serve 212 patients (44%) from DuPage County (HSA-VII), and 269 patients (56%) from Will County (HSA-IX). See application, pg. 31. The applicants also note there are currently twenty-eight (28) Woodridge residents (HSA-VII), who could be referred to the proposed Woodridge facility, or other facilities in DuPage County.

3) Service Demand – Establishment of In-Center Hemodialysis Service

To demonstrate compliance with this sub-criterion the applicants must document that there is sufficient demand for the proposed service by providing historical and projected referrals.

Dr. David Schlieben, the referring physician, has identified and reports having treated approximately 532 patients by June 2016 in various stages of chronic kidney disease in the Woodridge/Bolingbrook/South Naperville area. Of these 532 patients, there are approximately one hundred thirty-eight (138) patients expected to begin dialysis at the Woodridge facility in the first two (2) years of operation.

The applicants stated:

“NANI [Nephrology Associates of Northern Illinois] nephrologists in this region were treating 371 in-center hemodialysis patients at the end of 2013, 374 patients at the end of 2014, 412 patients at the end of 2015, and 532 patients at the end of June 2016 as reported to The Renal Network. In the most recent 12-month period[,] we referred 236 new ESRD patients for dialysis services to Fresenius Bolingbrook, Naperville, Naperville North, Downers Grove, Lombard, Plainfield, Willowbrook and US Renal Care Bolingbrook and Oak Brook. We currently are seeing over 900 pre-ESRD patients that reside in the zip codes surrounding the proposed Woodridge facility. Of these I expect approximately 138 could be referred to the new facility.” (Application, p. 119)

Pre-ESRD Patients of Nephrology Associates that will likely be Referred To the Proposed Facility				
City	Zip Code	Stage 3	Stage 4	Total
Bolingbrook	60440	204	65	269
Woodridge	60517	83	25	108
Naperville	60565	80	24	104
Total		367	114	481

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5) Service Accessibility/Service Restrictions

To demonstrate compliance with this sub-criterion the applicants must document one of the following:

1. There is an absence of the proposed service within the HSA VII ESRD planning area;
2. There is access limitations due to payor status of patients, including, but not limited to, individuals with health care coverage through Medicare, Medicaid, managed care or charity care;
3. There is restrictive admission policies of existing providers;
4. The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, high infant mortality, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population;
5. For purposes of this subsection (c)(5) only, all services within the 30-minute normal travel time meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100.

There is no absence of dialysis service in the planning area, access limitations due to payor status, or restrictive admission policies at existing providers. Additionally it does not appear the area population and existing care system exhibit indicators of medical problems. Finally, there are existing facilities in the thirty (30) minute service area that are not at target occupancy.

The applicants argue that the proposed Woodridge facility will alleviate above average utilization at the Naperbrook (90.63%) and Bolingbrook (85.42%) facilities. The applicants also note that 1 in 513 residents in the thirty (30) minute service area are experiencing some form of ESRD. The State of Illinois ratio is 1 in 696. The population of the Bolingbrook area is comprised of twenty-four percent (24%) African American and twenty-seven percent (27%) Hispanic residents; two (2) populations that report having high prevalence of hypertension and diabetes, two (2) precursors to ESRD.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 IAC 1110.1430(c), (1), (2), (3) and (5))

C) Criterion 1110.1430(d)(1), (2) and (3) - Unnecessary Duplication/Mal-distribution/ Impact on Other Facilities

To demonstrate compliance with this criterion the applicants must document the following:

- 1) The applicant shall document that the project will not result in an unnecessary duplication within the thirty (30) minute service area.
 - 2) The applicant shall document that the project will not result in maldistribution of services in the thirty minute service area.
 - 3) The applicant shall document that, within 24 months after project completion, the proposed project will not lower the utilization of other area providers within the thirty (30) minute service area below the occupancy standards specified in 77 Ill. Adm. Code 1100 and will not lower, to a further extent, the utilization of other area providers within the thirty minute service area that are currently (during the latest 12-month period) operating below the occupancy standards.
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1. There are twenty-five (25) facilities within the thirty (30) minute service area. Of these twenty-five (25) facilities twenty (20) are operational. The remaining five (5) facilities have not been completed or are in ramp-up stage. Of the twenty (20) facilities, seven (7) are at target occupancy with an average utilization for the twenty (20) facilities of approximately seventy-six percent (76%). [See Table Five]
 2. The ratio of ESRD stations to population in the zip codes within a 30-minute radius of Fresenius Kidney Care Woodridge is 1 station per 4,258 residents according to the 2010 census. The State ratio is 1 station per 2,917 residents (based on US Census projections for 2015 and the June 2016 Board Station Inventory). Based upon this comparison there is no surplus of stations in this service area.

3. The applicants argue that the proposed facility will have no impact on other facilities in the area because the three (3) clinics [FMC Bolingbrook (85.42%), USRC Bolingbrook (80.77%) and FMC Naperville (90.63%)] that mainly serve the Bolingbrook/Woodridge/South Naperville area are operating at a combined utilization rate of 86%. (See Application for Permit Pages 50-52)

4. Summary

There is a calculated need for twenty-three (23) stations in the HSA VII ESRD planning area. There is no surplus of stations in the thirty-minute service area when compared to the ratio of stations to the population in the State of Illinois. There has been a compounded annual growth in the number of ESRD patients in the HSA VII ESRD planning area of 3% over the past five (5) years. Additionally, the proposed location is adjacent to the HSA IX ESRD Planning Area which has shown a compounded annual growth in the number ESRD patients of 6% over these same five (5) years. If this growth continues, the existing operating facilities will be at seventy-nine percent (79%) occupancy within one (1) year. Based upon the above, it does not appear there will be an unnecessary duplication of service with the establishment of this facility. Finally, it does not appear that the proposed facility will impact other area providers as the expected patients for this facility are unique to this facility. No patients are being transferred from other facilities.

TABLE FIVE ESRD Facilities within thirty (30) minutes of the proposed facility							
Facility	City	HSA	Time (1)	Stations	Medicare Star Rating	Utilization (2)	Met Standard?
FMC Bolingbrook	Bolingbrook	9	13	24	4	85.42%	Yes
USRC Bolingbrook	Bolingbrook	9	14	24	2	80.77%	Yes
USRC Oak Brook	Downers Grove	7	14	13	2	70.51%	No
FMC Downers Grove	Downers Grove	7	14	16	3	73.96%	No
FMC Willowbrook	Willowbrook	7	15	20	3	62.50%	No
FMC Lombard	Lombard	7	15	12	4	76.69%	No
FMC Naperville	Naperville	9	16	16	5	90.63%	Yes
FMC Naperville North	Naperville	7	21	21	3	56.35%	No
FMC Elmhurst	Elmhurst	7	21	28	5	66.67%	No
FMC Westchester	Westchester	7	22	22	4	65.00%	No
DaVita New Lenox	New Lenox	9	22	19	3	84.21%	Yes
FMC DuPage West	West Chicago	7	25	16	5	69.79%	No
FMC Glendale Heights	Glendale Heights	7	25	29	5	77.59%	No
Loyola Dialysis	Maywood	7	25	30	3	78.59%	No
FMC Elk Grove Village	Elk Grove Village	7	26	28	4	81.50%	Yes
Fox Valley Dialysis	Aurora	8	29	29	4	75.29%	No
USRC Villa Park	Villa Park	7	29	13	4	85.90%	Yes
DaVita Stony Creek	Oak Lawn	7	29	12	3	90.48%	Yes
FMC Joliet	Joliet	9	30	16	3	77.08%	No
Maple Ave. Kidney Ctr.	Oak Park	7	30	18	3	64.81%	No
Total Stations/Average Utilization				406	4	75.69%	

TABLE FIVE (continued)							
Facilities within thirty (30) minutes of the proposed facility and utilization							
Facility	City	HSA	Time (1)	Stations	Medicare Star Rating	Utilization (2)	Met Standard?
FMC Lemont ⁽⁴⁾	Lemont	7	12	12	N/A	15.28%	No
Nocturnal Dialysis Spa ⁽⁵⁾	Villa Park	7	20	12	N/A	4.17%	No
FMC Summit ⁽⁶⁾	Summit	7	25	12	N/A	2.78%	No
FMC Plainfield North ⁽⁷⁾	Plainfield	9	23	10	N/A	15%	No
DaVita Chicago Ridge ⁽⁸⁾	Worth	7	29	16	N/A	37.50%	No
Total Stations/Average Utilization				468		63.37%	
1. Time determined by MapQuest per 77 IAC 1100.510 (d) 2. Utilization 4 th Quarter 2016 ESRD data – self reported 3. Star Rating taken from Medicare ESRD Compare website 4. FMC Lemont approved as Permit #13-040 for twelve (12) stations required completion date March 2017. 5. Nocturnal Dialysis approved as Permit #13-049 for twelve (12) stations in ramp up stage completed March 2016 6. FMC Summit approved at Permit #14-019 for twelve (12) stations completed November 2016 in ramp up stage. 7. FMC Plainfield North approved as Permit # 14-065 for ten (10) stations will not be complete until August 2017. 8. DaVita Chicago Ridge approved as Permit #14-020 for sixteen (16) stations completed March 2016 in ramp up.							

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE/MADISTRIBUTION/IMPACT ON OTHER FACILITIES (77 IAC 1110.1430(d)(1), (2) and (3))

- E) Criterion 1110.1430(f) - Staffing**
- F) Criterion 1110.1430(g) - Support Services**
- G) Criterion 1110.1430(h) - Minimum Number of Stations**
- H) Criterion 1110.1430(i) - Continuity of Care**
- I) Criterion 1110.1430(k) – Assurances**

The proposed facility will be certified by Medicare if approved. Therefore, appropriate staffing is required for certification. Support services including nutritional counseling, psychiatric/social services, home/self training, and clinical laboratory services - provided by Spectra Laboratories will be provided at the proposed facility. The following services will be provided via referral to Edward Hospital, Naperville: blood bank services, rehabilitation services and psychiatric services. The applicants are proposing twelve (12) stations and the minimum number of stations in an MSA is eight (8) stations. Continuity of care will be provided at Edward Hospital, Naperville as stipulated in the agreement provided in the application for permit. Additionally, the appropriate assurances have been provided by the applicants asserting the proposed facility will be at the target occupancy of eighty percent (80%) two years after project completion and that the proposed facility will meet the adequacy outcomes stipulated by the State Board. (See Application for Permit Pages 53-62)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING, SUPPORT SERVICES, MINIMUM NUMBER OF STATIONS, CONTINUITY OF CARE, ASSURANCES (77 IAC 1110.1430(f), (g), (h), (i) and (k))

IX. FINANCIAL VIABILITY

A) Criterion 1120.120 – Availability of Funds

B) Criterion 1120.130 – Financial Viability

The applicants are funding this project with cash and securities in the amount of \$1,883,063 and the fair market value of leased space and equipment of \$3,793,116. A review of the 2014/2015 audited financial statements indicates there is sufficient cash to fund the project. Because the project will be funded with cash, no viability ratios need to be provided. Table Six below outlines Fresenius Medical Care Credit Rating.¹

TABLE SIX Fresenius Credit Rating			
	Standard & Poor's	Moody's	Fitch
Corporate credit rating	BBB-	Ba1	BB+
Outlook	stable	stable	stable
Secured debt	BBB-	Baa3	BBB-
Unsecured debt	BB+	Ba2	BB+
Source: Information provided by the Applicants			

1 An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories

Ba Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

TABLE SEVEN FMC Holdings Inc. Audited Financial Statements (Dollars in Thousands)		
	2014	2015
Cash & Investments	\$195,280	\$249,300
Current Assets	\$4,027,091	\$4,823,714
Total Assets	\$18,489,619	\$19,332,539
Current Liabilities	\$2,058,123	\$2,586,607
Long Term Debt	\$2,669,500	\$2,170,018
Total Liabilities	\$9,029,351	\$9,188,251
Total Revenues	\$10,373,232	\$11,691,408
Expenses	\$9,186,489	\$10,419,012
Income Before Tax	\$1,186,743	\$1,272,396
Income Tax	\$399,108	\$389,050
<i>Net Income</i>	\$787,635	\$883,346
Source: 2014/2015 Audited Financial Statements		

X. ECONOMIC FEASIBILITY

- A) Criterion 1120.140(a) – Reasonableness of Financing Arrangements**
B) Criterion 1120.140(b) – Terms of Debt Financing

The applicants provided a copy of a lease of 7,267 rentable contiguous square feet with an initial lease term of fifteen (15) years with three (3) five (5) year renewal options with a 1.7% increase in base rent. The lease rate per gross square foot is \$29.50. The applicants attested that entering into a lease (borrowing) is less costly than liquidating 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. 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. (See Application for Permit pages 63-68)

- C) Criterion 1120.140(c) – Reasonableness of Project Costs**

Only Clinical Costs are reviewed in this criterion.

Modernization and Contingencies Costs are \$1,086,183 or \$189 per GSF for 5,747 GSF. This appears reasonable when compared to the State Board Standard of \$189.19 per GSF.

Contingencies – These costs total \$97,699, and are 8.9% of the modernization costs identified for this project. This is in compliance with the State standard of 10-15%.

Architectural Fees are \$106,334 and are 9.7% of modernization and contingencies. This appears reasonable when compared to the State Board Standard of 7.08% to 10.62%.

Movable or Other Equipment – These costs are \$305,000 or \$25,416 per station (12 stations). This appears reasonable when compared to the State Board Standard of \$52,119 per station.

Fair Market Value of Leased Space and Equipment – These costs are \$3,028,407. The State Board does not have a standard for these costs.

D) Criterion 1120.140(d) - Direct Operating Costs

The applicants are estimating \$193.31 per treatment in direct operating costs. This appears reasonable when compared to previously approved projects of this type.

Estimated Personnel Expense:	\$835,698
Estimated Medical Supplies:	\$173,520
Estimated Other Supplies (Exc. Dep/Amort):	\$727,866
Total	\$1,737,084
Estimated Annual Treatments:	8,986
Cost Per Treatment:	\$193.31

E) Criterion 1120.140(e) - Total Effect of the Project on Capital Costs

The applicants are estimating \$16.69 in capital costs. This appears reasonable when compared to previously approved projects of this type.

Depreciation/Amortization:	\$150,000
Interest	\$0
Capital Costs:	\$150,000
Treatments:	8,986
Capital Cost per Treatment	\$16.69

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS, FINANCIAL VIABILITY, REASONABLENESS OF FINANCING ARRANGEMENTS TERMS OF DEBT FINANCING, REASONABLENESS OF PROJECT COSTS, DIRECT OPERATING COSTS, TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.120, 130, 140(a), (b), (c), (d) and (e))

TABLE EIGHT ESRD Planning Areas	
HSA I	Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, and Winnebago
HSA II	Bureau, Fulton, Henderson, Knox, LaSalle, Marshall, McDonough, Peoria, Putnam, Stark, Tazewell, Warren, and Woodford
HSA III	Adams, Brown, Calhoun, Cass, Christian, Greene, Hancock, Jersey, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, and Scott
HSA IV	Champaign, Clark, Coles, Cumberland, DeWitt, Douglas, Edgar, Ford, Iroquois, Livingston, Macon, McLean, Moultrie, Piatt, Shelby, and Vermilion
HSA V	Alexander, Bond, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Wabash, Washington, Wayne, White, and Williamson
HSA VI	City of Chicago
HSA VII	DuPage County and Suburban Cook County
HSA VIII	Kane, Lake, and McHenry
HSA IX	Grundy, Kankakee, Kendall, and Will
HSA X	Henry, Mercer, and Rock Island
HSA XI	Clinton, Madison, Monroe, and St. Clair

TABLE NINE
ESRD Facilities in the HSA VII ESRD Planning Area

Facility	Ownership	City	HSA	Stations	Occ. %	Star Rating
Alsip Dialysis Center	Fresenius	Alsip	7	20	70.83%	3.00
RCG - Arlington Heights Northwest Kidney Ctr.	Davita	Arlington Heights	7	18	62.04%	5.00
FMC Berwyn	Fresenius	Berwyn	7	28	89.29%	3.00
Blue Island Dialysis Ctr	Fresenius	Blue Island	7	28	70.83%	3.00
RCG-Buffalo Grove	Davita	Buffalo Grove	7	16	56.25%	5.00
FMC Dialysis Services - Burbank	Fresenius	Burbank	7	26	84.62%	3.00
Calumet City Dialysis	Davita	Calumet City	7	16	0.00%	NA
Chicago Heights Renal Care	Davita	Chicago Heights	7	16	97.92%	4.00
Fresenius Medical Care Chicago Heights	Fresenius	Chicago Heights	7	12	0.00%	NA
Fresenius Medical Care Cicero	Fresenius	Cicero	7	16	63.54%	5.00
Country Hills Diaylsis	Davita	Country Club Hills	7	24	71.53%	3.00
Dialysis Center of America - Crestwood	Fresenius	Crestwood	7	24	72.92%	3.00
Concerto Dialysis		Crestwood	7	9	0.00%	1.00
Fresenius Medical Care of Deerfield	Fresenius	Deerfield	7	12	31.94%	4.00
Fresenius Medical Care Des Plaines	Fresenius	Des Plaines	7	12	56.94%	3.00
Downers Grove Dialysis Center	Fresenius	Downers Grove	7	16	73.96%	3.00
Elk Grove Dialysis Center	Fresenius	Elk Grove Village	7	28	81.55%	4.00
Fresenius Medical Care Elmhurst	Fresenius	Elmhurst	7	28	66.67%	5.00
Neomedica Dialysis Ctrs - Evanston	Davita	Evanston	7	18	77.78%	3.00
RCG - Mid America Evanston	Fresenius	Evanston	7	14	75.00%	4.00
Fresenius Medical Care Evergreen Park	Fresenius	Evergreen Park	7	30	0.00%	NA
Fresenius Medical Care Glendale Heights	Fresenius	Glendale Heights	7	29	77.59%	5.00
Glenview Dialysis Center	Fresenius	Glenview	7	20	60.00%	5.00
Satelite Dialysis of Glenview	Satelite	Glenview	7	16	56.25%	2.00
Davita - Harvey Dialysis	Davita	Harvey	7	18	62.96%	2.00
RCG Hazel Crest	Davita	Hazel Crest	7	19	87.72%	3.00
Fresenius Medical Care Hazel Crest	Fresenius	Hazel Crest	7	16	91.67%	3.00
US Renal Care Hickory Hills	USRC	Hickory Hills	7	13	0.00%	NA
Fresenius Medical Care Hoffman Estates	Fresenius	Hoffman Estates	7	20	91.67%	4.00
Fresenius Medical Care Lemont	Fresenius	Lemont	7	12	15.28%	NA
Center for Renal Replacement		Lincolnwood	7	16	67.71%	5.00
Fresenius Medical Care -Lombard	Fresenius	Lombard	7	12	76.39%	4.00
Olympia Fields Dialysis Center	Davita	Matteson	7	24	68.75%	4.00
Loyola Dialysis Center	Loyola	Maywood	7	30	78.89%	3.00
Fresenius Medical Care Melrose Park	Fresenius	Melrose Park	7	18	67.59%	3.00

TABLE NINE
ESRD Facilities in the HSA VII ESRD Planning Area

Facility	Ownership	City	HSA	Stations	Occ. %	Star Rating
North Avenue Dialysis Center	Fresenius	Melrose Park	7	24	81.25%	5.00
Fresenius Medical Care Merrionette Park	Fresenius	Merrionette Park	7	24	95.14%	3.00
Fresenius Medical Care of Naperville North	Fresenius	Naperville	7	21	56.35%	3.00
Big Oaks Dialysis	Davita	Niles	7	12	48.61%	3.00
Lutheran General - Neomedica	Fresenius	Niles	7	32	56.25%	4.00
Fresenius Medical Care Northwest	Fresenius	Norridge	7	16	81.25%	5.00
Fresenius Medical Care Northfield	Fresenius	Northfield	7	12	2.78%	NA
USRC Oak Brook	USRC	Oak Brook	7	13	70.51%	2.00
NxStage Oak Brook		Oak Brook	7	8	29.17%	3.00
Fresenius Medical Care Oak Forest	Fresenius	Oak Forest	7	12	68.06%	3.00
Stony Creek Dialysis	Davita	Oak Lawn	7	14	90.48%	3.00
Dialysis Care Center of Oak Lawn		Oak Lawn	7	11	0.00%	NA
Oak Park Dialysis Center	Fresenius	Oak Park	7	12	98.61%	3.00
West Suburban Hosp. Dialysis Unit	Fresenius	Oak Park	7	46	88.41%	3.00
Maple Avenue Kidney Center		Oak Park	7	18	64.81%	3.00
Fresenius Medical Care South Suburban	Fresenius	Olympia Fields	7	27	81.48%	2.00
Dialysis Care Center of Olympia Fields		Olympia Fields	7	11	0.00%	NA
Palos Park Dialysis	Davita	Orland Park	7	12	63.89%	2.00
Fresenius Medical Care Orland Park	Fresenius	Orland Park	7	18	66.67%	4.00
Fresenius Medical Care Palatine	Fresenius	Palatine	7	14	92.86%	4.00
Fresenius Medical Care River Forest	Fresenius	River Forest	7	22	63.64%	3.00
Neomedica Dialysis Ctrs - Rolling Meadows	Fresenius	Rolling Meadows	7	24	61.81%	4.00
ARA-South Barrington Dialysis	ARA	S. Barrington	7	14	61.90%	3.00
RCG - Schaumburg	Davita	Schaumburg	7	20	70.00%	5.00
Fresenius Medical Care Schaumburg	Fresenius	Schaumburg	7	12	0.00%	NA
RCG Skokie	Fresenius	Skokie	7	14	76.19%	3.00
RCG-South Holland	Davita	South Holland	7	24	79.17%	4.00
Fresenius Medical Care South Holland	Fresenius	South Holland	7	24	72.22%	3.00
Fresenius Medical Care Steger	Fresenius	Steger	7	18	64.81%	3.00
USRC Streamwood Dialysis	USRC	Streamwood	7	13	47.44%	3.00
Fresenius Medical Care Summit	Fresenius	Summitt	7	12	16.67%	NA
Davita Tinley Park	Davita	Tinley Park	7	12	1.39%	NA
US Renal Care Villa Park	USRC	Villa Park	7	13	85.90%	4.00
Nocturnal Dialysis Spa		Villa Park	7	12	4.17%	NA
Central Dupage Dialysis Center	Fresenius	West Chicago	7	16	69.79%	4.00

TABLE NINE
ESRD Facilities in the HSA VII ESRD Planning Area

Facility	Ownership	City	HSA	Stations	Occ. %	Star Rating
Fresenius Medical Care of West Chicago	Fresenius	West Chicago	7	12	76.39%	5.00
LaGrange Dialysis Center	Fresenius	Westchester	7	20	65.00%	4.00
FMC Dialysis Services of Willowbrook	Fresenius	Willowbrook	7	20	62.50%	3.00
DaVita Chicago Ridge Dialysis	Davita	Worth	7	16	37.50%	NA

NA – Information not available.

Sorted by City

Star Rating taken from Medicare Compare Website <https://www.medicare.gov/dialysisfacilitycompare/>

Occupancy as of 4th Quarter 2016

TABLE TEN
Facilities in the HSA IX ESRD Planning Area

Facility	Ownership	City	Stations	Utilization	Star Rating
Bolingbrook Dialysis Center	Fresenius	Bolingbrook	24	85.42%	4
USRC Bolingbrook	USRC	Bolingbrook	13	80.77%	2
Kankakee County Dialysis	Davita	Boubonnais	12	86.11%	4
Renal Center West Joliet	Davita	Joliet	29	72.99%	4
Fresenius Medical Care Joliet	Fresenius	Joliet	16	77.08%	3
Sun Health	Sun Health	Joliet	17	52.94%	5
Provena St. Mary's Hospital	Provena	Kankakee	25	56.00%	3
Manteno Dialysis Center	Provena	Manteno	15	0.00%	NA
Fresenius Medical Care of Mokena	Fresenius	Mokena	12	80.56%	3
Morris Dialysis	Davita	Morris	12	62.50%	3
Morris Community Dialysis		Morris	10	0.00%	NA
Fresenius Medical Care Naperbrook	Fresenius	Naperville	16	90.63%	5
Renal Center New Lenox	Davita	New Lenox	19	84.21%	3
Fresenius Medical Care of Oswego	Fresenius	Oswego	11	96.97%	4
Fresenius Medical Care of Plainfield	Fresenius	Plainfield	16	81.25%	5
Fresenius Medical Care Plainfield North	Fresenius	Plainfield	10	21.67%	NA
Yorkville Dialysis Center	Renaissance	Yorkville	8	29.17%	4

NA – Information not available.

Sorted by City

Star Rating taken from Medicare Compare Website <https://www.medicare.gov/dialysisfacilitycompare/>

Utilization as of 4th Quarter 2016 – self reported

State Board Staff Notes: For Tables Five, Nine and Ten the Board Staff reviewed information on the Center for Medicare & Medicaid Services (CMS) website related to dialysis facilities star ratings for facilities within thirty (30) minutes of the proposed facility and HSA VII and HSA IX. CMS assigns a one (1) to five (5) star rating in two separate categories: best treatment practices, hospitalizations and deaths. The more stars, the better the rating.

Below is a summary of the data within the two categories.

- **Best Treatment Practices**

This is a measure of the facility's treatment practices in the areas of anemia management; dialysis adequacy, vascular access, and mineral & bone disorder. This category reviews both adult and child dialysis patients.

- Hospitalization and Deaths

This measure takes a facility's expected total number of hospital admissions and compares it to the actual total number of hospital admissions among its Medicare dialysis patients. It also takes a facility's expected patient death ratio and compares it to the actual patient death ratio taking into consideration the patient's age, race, sex, diabetes, years on dialysis, and any co morbidity.

Based on the star rating in each of the two categories, CMS then compiles an overall rating for the facility. The more stars, the better the rating. The data is as of June 2016.

16-034 Fresenius Kidney Care Woodridge - Woodridge



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