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May 3, 2019

Via Federal Express
Via Email

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

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MAY 6 2019

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Annual Progress Report – Rutgers Park Dialysis (Proj. No 17-014)

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., DuPage Medical Group, Ltd. and Perryton Dialysis, LLC (collectively, the “Permit Holders”) to submit the annual progress report for Rutgers Park Dialysis (Project No. 17-014). As you are aware, on June 5, 2018, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Rutgers Park Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #17-014.

1. Status of the Project

The project was obligated through the execution of the lease for the facility effective June 5, 2018. The landlord is currently working on site issues and anticipates construction will commence in the late second quarter or early third quarter of 2019. First treatment is anticipated for the first quarter of 2020. Based on recent experience, the Permit Holders anticipate it may take an additional six months after first treatment for Medicare certification.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$1,918,368 in project costs.



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PROJECT COSTS	Approved	Expended
New Construction Contracts	\$1,405,039	
Contingencies	\$110,000	
A & E Fees	\$108,867	\$50,193
Consulting & Other Fees	\$70,902	\$2,902
Moveable Equipment	\$532,295	
Fair Market Value of Leased Space & Equipment	\$1,865,273	\$1,865,273
Estimated Total Project Cost	\$4,092,376	\$1,918,368

3. Sources of Funds

The project will be financed through \$2,227,103 in cash and cash equivalents and a \$1,865,273 lease.

4. Anticipated Completion Date

The anticipated completion date for the Project is September 30, 2020. As noted above, the Project has been obligated and construction is anticipated to commence in late second quarter or early third quarter of 2019 with first treatment occurring in the first quarter of 2020. In order to ensure sufficient time for Medicare certification, the Permit Holders will file a permit renewal request to extend the project completion date to September 30, 2020.

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

Sincerely,

A handwritten signature in blue ink that reads 'Anne M. Cooper'.

Anne M. Cooper

cc: Gaurav Bhattacharyya, DaVita
James Burke, DaVita