



FRESENIUS KIDNEY CARE

Fresenius Kidney Care

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Email: lori.wright@fmc-na.com

September 5, 2017

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SEP 06 2017

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Kathryn Olson
Chairwoman
Illinois Health Facilities and Services Review Board
525 W. Jefferson, 2nd Floor
Springfield, IL 62716

Re: Opposition to #17-016, Salt Creek Dialysis, Villa Park
Applicants: DaVita, Inc. and DuPage Medical Group, LTD

Dear Ms. Olson:

I am writing on behalf of Fresenius Kidney Care (FKC) in opposition to project #17-016, Salt Creek Dialysis (a proposed 50/50 Joint Venture between DaVita, Inc. and DuPage Medical Group, LTD) based on lack of Need, Unnecessary Duplication/Maldistribution of Services and Impact on other Providers.

Need

There is currently an excess of 2 stations in HSA 7. The applicants have also submitted 3 additional applications for ESRD facilities in HSA 7 to be heard at the September 26, 2017 Board meeting (#17-013, #17-014, and #17-015). Along with these projects they have submitted a 5th application for an ESRD facility in HSA 7, which is also a partnership with DuPage Medical Group (#17-029), to be heard at the November meeting. These proposed facilities are all within approximately 30-minutes travel time of each other. This amounts to a request for 56 total stations in an area where there is no need per your inventory. Even if there will be a need for stations in HSA 7 after the next need determination, approving 56 stations to come on line at the same time in one HSA, within 30-minutes travel time, will flood the market rather than incrementally adding clinics to adjust to evidenced and projected growth of ESRD.

Unnecessary Duplication/Maldistribution/Impact to Providers

The approval of the Salt Creek facility, along with any of the other 4 mentioned applications, will create unnecessary duplication and maldistribution of services across HSA 7. There are newly established and under-utilized facilities of various providers in close proximity to each project that would be negatively impacted.



**FRESENIUS
KIDNEY CARE**

We respectfully ask the Board to take our comments/concerns into consideration when reviewing the DaVita/DuPage Medical Group Salt Creek proposed project, as well as the negative findings which will most certainly be noted in the State Board Report.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Connor

September 5, 2017

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Chairwoman
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RE: Opposition to #17-013, Geneva Crossing Dialysis, Carol Stream; #17-014, Rutgers Park Dialysis, Woodridge; #17-015, Stone Quarry Dialysis, Hodgkins; #17-016, Salt Creek Dialysis, Villa Park

Applicants: DaVita, Inc and DuPage Medical Group, LTD

Dear Ms. Olson:

I am writing to oppose the recent CON application by DMG and DaVita application #17-013, Geneva Crossing Dialysis, Carol Stream; #17-014, Rutgers Park Dialysis, Woodridge; #17-015, Stone Quarry Dialysis, Hodgkins; #17-016, Salt Creek Dialysis, Villa Park.

I think any reader of these applications will see that there is no evidence of need for these facilities. In their own words in their application, the co-applicants state that there is 30% capacity in existing facilities not including five projects the Board has recently approved.

I also oppose on the expansion of these providers into the ESRD continuum of care. This Board should not overlook the media reports reflecting this group does not prioritize patients ahead of profits. As a former nephrologist with DMG I can attest that the model is based on frequent unnecessary referrals that put stress on the patient and cause the health care system unnecessary expense. Patients that never needed a referral to a Nephrologist were told they needed to see one. This caused sleepless nights and worry in many families in DuPage County. I suspect this behavior might be driven by the enormous debt DMG has to venture capitalists, over \$1.2 billion based on media reports.

DaVita has recently paid the People of the United States more than one billion in fines. The charges mostly related to cheating tax payers by over charging for medicine and inappropriately incenting physicians to support their dialysis units, in effect usurping patient choice. Although DaVita paid the fines they still do not own up to culpability.

Adding these unnecessary units will harm patient care and reward two corporate giants that seem to care little for patient care when compared to profits.

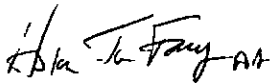
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Page 2

I hope the board will oppose these applications based on insufficient need and no evidence of adding anything novel to the care of ESRD patients in Illinois.

Thank you for considering my opposition.

Sincerely,

A handwritten signature in black ink, appearing to read "Hsien-Ta Fang" with a stylized flourish at the end.

Dr. Hsien-Ta Fang
Nephrologist
Edward Medical Group

September 5, 2017

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Applicants: DaVita, Inc and DuPage Medical Group, LTD

Dear Ms. Olson:

I am writing to oppose the recent CON application #17-013, Geneva Crossing Dialysis, Carol Stream; #17-014, Rutgers Park Dialysis, Woodridge; #17-015, Stone Quarry Dialysis, Hodgkins; #17-016, Salt Creek Dialysis, Villa Park.

End Stage Renal Dialysis is an industry that has been plagued by the impact of David vs. Goliath. DaVita and Fresenius have long fulfilled the Goliath role and the independent practices and practitioners are running out of stones to sling. Despite patient choice being ever more important, more and more communities are facing no meaningful choice in provider and being forced to travel long distances to meet the needs of the provider – rather than prioritizing the needs of the patient. This project proposes to add another Goliath to the marketplace and will result in Goliath winning. The result will be a reduction in access to care, rather than its improvement.

Moreover, this is not the business to invite into this marketplace. This Board should not overlook the media reports reflecting this group does not prioritize patients ahead of profits. DMG is a big medicine group who recently sold 70% of their interests for \$1.4 billion to a venture capital firm to enter the dialysis market together in Illinois and will not increase patient choice but rather limit it. DaVita maintains its profit margins by offering the lowest cost care and DMG's model is based on frequent referrals to specialists. DMG will capture both necessary and unnecessary referrals and put stress on the health care system in northern Illinois. The early referrals that this healthcare scheme requires to satisfy their internal metrics (and investment banker partners) alarms patients and tends to lead to over utilization of the system, further harming patients. One of the considerations is whether the services already exist in the area and if the establishment of the facility will harm existing providers. The answers are Yes and Yes. If you review the catchment area of this project, you will notice it overlaps the three other projects these corporate giants want to develop despite the fact that there is no indication of need. If the board allows these unneeded units to proceed it will dilute the dialysis and technician work force and the quality of dialysis care will decline adversely affecting the care thousands in northern Illinois. Availability of staffing is a fundamental issue to this industry and further challenges cannot be withstood.

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Allowing unneeded units to open will also put additional stress on Nephrologists as they will have to spend more time driving from clinic to unneeded clinic to see the handful of patients that are referred into these unneeded units. The patient corollary is making patients travel unnecessarily to justify the unneeded unit and evidence its utilization and profitability. The bottom line should be patient care – not the bottom line of DMG.

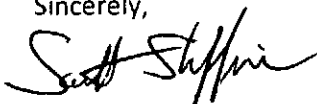
DMG entered dialysis about one year ago, not to develop a novel therapy but rather to increase their corporate coffers. Most of their Nephrologists are fresh out of school and have little experience. DMG must show a return on the \$1.4 Billion invested in them by a venture capital firm. I believe that this pressure on these inexperienced doctors could potentially lead to inappropriate referrals for dialysis of dialysis, again potentially harming care. It is the external influences on the independent decision making of physicians that results in unnecessary care, poor patient outcomes, and undermines quality. DMG Nephrologists on average have less than two years' experience in practice and have do not have robust relationships with transplant centers. It remains to be seen what their commitment to transplantations will be in the future.

DaVita was roundly criticized by pro publica, portions of this rebuke have been read into the record at IHFPB meetings in the past. DaVita is currently under a consent decree from the inspector general of the United States, the people of the united states charged DaVita with manipulating physician groups to open clinics in Colorado as well as throwing away medicine and charging the American tax payers for it. DaVita refused to admit wrong doing but has paid the United States more than 1 billion in fines in recent years. If this besmirched provider can open these unneeded units with an incestuous referral model like DMG, patient choice will be severely limited and they may well be on their way to monopoly of ESRD care in the area, further harming healthcare in northern Illinois.

As a transplanted patient, I believe that allowing the entry of corporate medicine which carries such enormous financial payback burdens will not increase the frequency of referrals for transplant and others will not get the opportunity I was afforded at a better quality of life.

The people of Illinois look to the members of the HFSRB to protect them from the development of unneeded healthcare facilities, especially those put up by expansionist speculators and disreputable companies. We hope and pray that you will reject these projects on the merits as outlined in the Board's regulations and as reflected in the Staff Report regarding this Project.

Sincerely,



Scott Schiffner

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Dear Ms. Olson:

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There is currently an excess of 2 stations in HSA 7. The applicants have also submitted 3 additional applications for ESRD facilities in HSA 7 to be heard at the September 26, 2017 Board meeting (#17-014, #17-015 and #17-016). Along with these projects they have submitted a 5th application for an ESRD facility in HSA 7, which is also a partnership with DuPage Medical Group (#17-029), to be heard at the November meeting. This amounts to a request for 56 total stations in an area where there is no need per your inventory. Even if there will be a need for stations in HSA 7 after the next need determination, approving 56 stations to come on line at the same time in one HSA, within 30-minutes travel time, will flood the market rather than incrementally adding clinics to adjust to evidenced and projected growth of ESRD.

Unnecessary Duplication/Maldistribution/Impact to Providers

The approval of the Geneva Crossing facility, along with any of the other 4 mentioned applications, will create unnecessary duplication maldistribution of services across HSA 7. There are under-utilized facilities of various providers in close proximity to each project that would be negatively impacted.

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We respectfully ask the Board to take our comments/concerns into consideration when reviewing the DaVita/DuPage Medical Group Geneva Crossing proposed project, as well as the negative findings which will most certainly be noted in the State Board Report.

Sincerely,


Dr. Anis Rauf

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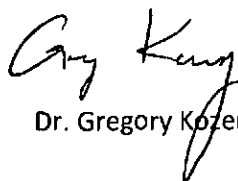
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Sincerely,


Dr. Gregory Kozeny

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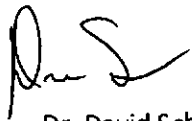
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Dr. David Schlieben