



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

May 3, 2019

Via Federal Express
Via Email

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Direct Fax
acooper@polsinelli.com

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

RECEIVED

MAY 6 2019

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report – Salt Creek Dialysis (Proj. No 17-016)

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 Avertrail Dialysis, LLC (collectively, the “Permit Holders”) to submit the annual progress report for Salt Creek Dialysis (Project No. 17-016). As you are aware, on June 5, 2018, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Salt Creek Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #17-016.

1. Status of the Project

Construction is complete. The clinic received its certificate of occupancy on December 21, 2018, and it treated its first patient on April 1, 2019. The clinic is awaiting Medicare certification. Based upon recent experience, DaVita anticipates it may take up to six months for Medicare certification.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$3,431,746 in project costs.



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PROJECT COSTS	Approved	Expended
New Construction Contracts	\$1,378,785	\$1,187,049
Contingencies	\$110,000	
A & E Fees	\$108,125	\$62,179
Consulting & Other Fees	\$82,896	\$14,808
Moveable Equipment	\$541,095	\$554,295
Fair Market Value of Leased Space & Equipment	\$1,613,415	\$1,613,415
Estimated Total Project Cost	\$3,834,316	\$3,431,746

3. Sources of Funds

The project will be financed through \$2,220,901 in cash and cash equivalents and a \$1,613,415 lease.

4. Anticipated Completion Date

The anticipated completion date for the Project is December 31, 2019. As noted above, construction is complete, and the facility is awaiting Medicare certification, which may take up to 6 months. 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 December 31, 2019.

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