

Nephrology Associates of Northern Illinois, LTD

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

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Opposition to #17-03, Geneva Dialysis, #17-014 Rutgers Park Dialysis, #17-15 Stone Quarry, #17-06 Salt Creek Dialysis, #17-029 Melrose Village Dialysis, 17-043 DaVita Romeoville Dialysis; Applicants: DaVita, Inc. and DuPage Medical Group, LTD

Dear Ms. Olson and Members of the Board,

Never in this history of the planning board have so many unnecessary dialysis stations been approved for a single operator in a defined geographic at one time.

At the January Board meeting the Board will consider two applications by the applicants for the first time, and will consider four other applications which already received an Intent to Deny. However, all of the applications have three things in common: (1) the lack of referral letters to justify the patient population for the facilities; (2) overlapping service areas; and (3) emphasis on market share instead of patient care.

It is inexplicable that the applicants would provide no new information to the Board regarding projects: #17-014 Rutgers Park Dialysis, #17-15 Stone Quarry, #17-06 Salt Creek Dialysis. There are still substantial deficiencies that remain as evidenced by this letter and the staff report released for the November Board meeting and that justified the intent-to-deny that the applications received. Further, applications for project #17-029 Melrose Village Dialysis, and 17-043 DaVita Romeoville Dialysis have identical deficiencies and introduce even more new problems that Board members cannot overlook. As simply as can be put – approving these projects would adversely alter the healthcare delivery system in this HSA in a way that is entirely inconsistent with the HFSRB at its rules.

In an effort to help Board members visualize the issue with the applicant's proposal for 72 stations, we have created a map (Attachment A) which plots out each of the proposed facilities and creates a circle around a 10-mile service area per the Board's rule (77 Ill. Admin. 1110.1430.) This picture certainly is worth 1000 words. You can clearly see how each of the proposed facility service areas completely overlap with one another. There is only one way an applicant could explain this sort of unnecessary duplication of services. An applicant would have to be able to identify patients to fill these stations. But the applicants cannot do that and have refused to comply with the Board's rules.

The applicant's referral letter included in these applications and referenced in the SBSR by the applicant's own admission **do not** meet HFSRB standards and serve as an indictment of the applicant's disregard for the HFSRB planning process. The HFSRB has in its possession six copies of the exact same letter (with the date changed on each), that word for word regurgitates the same flawed understanding the HFSRB planning process. It would alter longstanding practice to require referrals sufficient to justify a project – and even more so the express prohibition of utilizing the same patients to justify multiple projects. It is not clear how these "referrals" were accepted by Board staff – but they certainly should not be accepted by this Board.

There have been instances in the past when the HFSRB has approved applications for new dialysis facilities with negative findings in an application. In many of those instances the applicant provided context for why they received a negative finding. After several public commenters noted this important issue for the Board at the September Meeting, the applicants responded to the elephant in the room but in the process only obfuscated the truth. The applicant's only explanation was that they expected to fill the facilities with "DMG patients and they are not patients of other providers at this time." With this one statement the applicants managed to not only admit their inability to identify patients for these facilities but they also neglected to mention that some of the "DMG patients" are already seen by other area nephrologists, and those same patients receive dialysis treatments at facilities with excess capacity.

The applicant's "innovative" approach for these stations is to plant a flag and siphon patients from existing providers. If you approve it, we will build it, and they will come is not innovative and certainly is not responsible health planning. This will undoubtedly put great strain on other area providers who currently have excess capacity in HSA 7, and undermine the cost savings achieved through the area's End Stage Renal Disease (ESRD) Seamless Care Organization (ESCO). This planning process is designed to protect against the very ill-conceived market saturation that the applicants propose. A more practicable approach would be for the applicants to withdraw their applications and assess where there is a true need in the HSA and then submit only necessary applications to this Board.

For these reasons, we pray the HFSRB continue to deny these applications and allow for more organized development of ESRD services within these communities.

Nephrology Associates of Northern Illinois

A handwritten signature in cursive script, appearing to read "Bill Brenner", with a long horizontal flourish extending to the right.

