



**FRESENIUS
KIDNEY CARE**

17-031

Fresenius Kidney Care
3500 Lacey Road, Downers Grove, IL 60515
T 630-960-6807 F 630-960-6812
Email: lori.wright@fmc-na.com

August 2, 2017

RECEIVED

AUG 04 2017

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Fresenius Kidney Care Peoria Heights

Dear Ms. Avery,

I am submitting the enclosed application for consideration by the Illinois Health Facilities and Services Review Board. Please find the following:

1. An original and 1 copy of an application for permit to establish Fresenius Kidney Care Peoria Heights; and
2. A filing fee of \$2500.00 payable to the Illinois Department of Public Health.

Upon your staff's initial review of the enclosed application, please notify me of the total fee and the remaining fee due in connection with this application and I will arrange for payment of the remaining balance.

I believe this application conforms with the applicable standards and criteria of Part 1110 and 1120 of the Board's regulations. Please advise me if you require anything further to deem the enclosed application complete.

Sincerely,

Lori Wright
Senior CON Specialist

Enclosures

17-031

Original

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

AUG 04 2017

Facility/Project Identification

Facility Name: Fresenius Kidney Care Peoria Heights	HEALTH FACILITIES &	
Street Address: 6101-6201 N. Sheridan Road	SERVICES REVIEW BOARD	
City and Zip Code: Peoria 61614		
County: Peoria	Health Service Area: 2	Health Planning Area:

Applicant [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Fresenius Medical Care Peoria Heights, LLC d/b/a Fresenius Kidney Care Peoria Heights
Street Address: 920 Winter Street
City and Zip Code: Waltham, MA 02451
Name of Registered Agent: CT Corporation Systems
Registered Agent Street Address: 208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Bill Valle
CEO Street Address: 920 Winter Street
CEO City and Zip Code: Waltham, MA 02451
CEO Telephone Number: 800-662-1237

Type of Ownership of Applicant

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Co-Applicant [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Fresenius Medical Care Holdings, Inc.
Street Address: 920 Winter Street
City and Zip Code: Waltham, MA 02451
Name of Registered Agent: CT Corporation Systems
Registered Agent Street Address: 208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Bill Valle
CEO Street Address: 920 Winter Street
CEO City and Zip Code: Waltham, MA 02451
CEO Telephone Number: 800-662-1237

Type of Ownership of Co-Applicant

- | | | | |
|-------------------------------------|---------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | Non-profit Corporation | <input type="checkbox"/> | Partnership |
| <input checked="" type="checkbox"/> | For-profit Corporation | <input type="checkbox"/> | Governmental |
| <input type="checkbox"/> | Limited Liability Company | <input type="checkbox"/> | Sole Proprietorship |
| <input type="checkbox"/> | Other | | <input type="checkbox"/> |

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Lori Wright
Title:	Senior CON Specialist
Company Name:	Fresenius Kidney Care
Address:	3500 Lacey Road, Suite 900, Downers Grove, IL 60515
Telephone Number:	630-960-6807
E-mail Address:	lori.wright@fmc-na.com
Fax Number:	630-960-6812

Additional Contact [Person who is also authorized to discuss the application for permit]

Name:	Teri Gurchiek
Title:	Vice President of Operations
Company Name:	Fresenius Kidney Care
Address:	3500 Lacey Road, Suite 900
Telephone Number:	630-960-6806
E-mail Address:	teri.gurchiek@fmc-na.com
Fax Number:	630-960-6812

Additional Contact [Person who is also authorized to discuss the application for permit]

Name:	Clare Connor
Title:	Attorney
Company Name:	McDermott, Will & Emory
Address:	444 West Lake Street, Chicago, IL 60606
Telephone Number:	312-984-3365
E-mail Address:	cranalli@mwe.com
Fax Number:	312-984-7500

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name:	Lori Wright
Title:	Senior CON Specialist
Company Name:	Fresenius Kidney Care
Address:	3500 Lacey Road, Suite 900, Downers Grove, IL 60515
Telephone Number:	630-960-6807
E-mail Address:	lori.wright@fmc-na.com
Fax Number:	630-960-6812

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Net3 (Peoria Heights), LLC
Address of Site Owner: 2803 Butterfield Road, Suite 310, Oak Brook, IL 60523
Street Address or Legal Description of the Site: 6101-6201 N. Sheridan Road, Peoria, IL 61614
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Fresenius Medical Care Peoria Heights, LLC d/b/a Fresenius Kidney Care Peoria Heights								
Address: 920 Winter Street, Waltham, MA 02451								
<table> <tr> <td><input type="checkbox"/> Non-profit Corporation</td> <td><input type="checkbox"/> Partnership</td> </tr> <tr> <td><input type="checkbox"/> For-profit Corporation</td> <td><input type="checkbox"/> Governmental</td> </tr> <tr> <td><input checked="" type="checkbox"/> Limited Liability Company</td> <td><input type="checkbox"/> Sole Proprietorship</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table>	<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other	
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<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship							
<input type="checkbox"/> Other								
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 								
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.								

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT 5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT 6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Substantive
 Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Fresenius Medical Care Peoria Heights, LLC proposes to establish a 13-station dialysis facility (1 station will be designated for isolation patients only), Fresenius Kidney Care Peoria Heights, to be located at 6101-6201 N. Sheridan Road, Peoria. The facility will be in leased space in a building to be built by a developer with the interior to be built out by Fresenius.

Peoria Heights is located in HSA 2.

This project is "substantive" under Planning Board rule 1110.40 as it entails the establishment of a health care facility that will provide in-center chronic renal dialysis services.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,165,368	297,183	1,462,551
Contingencies	111,928	28,543	140,471
Architectural/Engineering Fees	125,600	31,400	157,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	297,000	80,000	377,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	3,109,672	751,208	3,860,880
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	\$4,809,568	\$1,188,334	\$5,997,902
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	1,699,896	437,126	2,137,022
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	3,109,672	751,208	3,860,880
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	\$4,809,568	\$1,188,334	\$5,997,902

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project Yes No
 Purchase Price: \$ _____
 Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ 166,076.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2019

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

Purchase orders, leases or contracts pertaining to the project have been executed.
 Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
 Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:

Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
In-center Hemodialysis	\$4,809,568		6,584		6,584		
Total Clinical	\$4,809,568		6,584		6,584		
NON REVIEWABLE							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	\$1,188,334		1,679		1,679		
Total Non-clinical	\$1,188,334		1,679		1,679		
TOTAL	\$5,997,902		8,263		8,263		

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Fresenius Medical Care Peoria Heights, LLC * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Bryan Mello
SIGNATURE

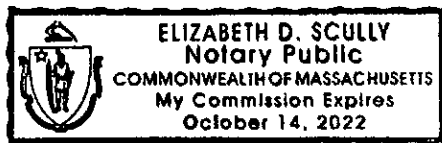
PRINTED NAME Bryan Mello
Assistant Treasurer

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21st day of July 2017

Elizabeth D. Scully
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.230 – Purpose of the Project, and Alternatives

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of 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. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. This must be a narrative and it shall include the basis used for determining the space and the methodology applied.
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
 - c. The project involves the conversion of existing space that results in excess square footage.
 - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. A narrative of the rationale that supports the projections must be provided.

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE: NOT APPLICABLE

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.
3. Evidence that the shell space is being constructed due to:
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data is available, and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES: NOT APPLICABLE

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

F. Criterion 1110.1430 - In-Center Hemodialysis

1. Applicants proposing to establish, expand and/or modernize the In-Center Hemodialysis category of service must submit the following information:
2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	0	13

3. READ the applicable review criteria outlined below and submit the required documentation for the criteria:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(c)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(c)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(c)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(c)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(c)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(d)(1) - Unnecessary Duplication of Services	X		
1110.1430(d)(2) - Maldistribution	X		
1110.1430(d)(3) - Impact of Project on Other Area Providers	X		
1110.1430(e)(1), (2), and (3) - Deteriorated Facilities and Documentation			X
1110.1430(f) - Staffing	X	X	
1110.1430(g) - Support Services	X	X	X
1110.1430(h) - Minimum Number of Stations	X		
1110.1430(i) - Continuity of Care	X		
1110.1430(j) - Relocation (if applicable)	X		
1110.1430(k) - Assurances	X	X	
APPEND DOCUMENTATION AS ATTACHMENT 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

4. **Projects for relocation** of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1130.525 - "Requirements for Exemptions Involving the Discontinuation of a Health Care Facility or Category of Service" and subsection 1110.1430(j) - Relocation of an in-center hemodialysis facility.

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [Indicate the dollar amount to be provided from the following sources]:

<u>2,137,022</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
<u>N/A</u>	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
<u>N/A</u>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>3,860,880</u>	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;

	<p>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;</p> <p>5) For any option to lease, a copy of the option, including all terms and conditions.</p>
<p><u>N/A</u></p>	<p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;</p>
<p><u>N/A</u></p>	<p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p>
<p><u>N/A</u></p>	<p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<p><u>\$5,997,902</u></p>	<p>TOTAL FUNDS AVAILABLE</p>

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage	APPLICANT MEETS THE FINANCIAL VIABILITY WAIVER CRITERIA IN THAT ALL OF THE PROJECTS CAPITAL EXPENDITURES ARE COMPLETELY FUNDED THROUGH INTERNAL SOURCES, THEREFORE NO RATIOS ARE PROVIDED.			
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		177.00			6,584			1,165,368	1,165,368
Contingency		17.00			6,584			111,928	111,928
Total Clinical		\$194.00			6,584			\$1,277,296	\$1,277,296
Non Clinical		177.00			1,679			297,183	297,183
Contingency		17.00			1,679			28,543	28,543
Total Non		\$194.00			1,679			\$325,726	\$325,726
TOTALS		\$194.00			8,263			\$1,603,022	\$1,603,022

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
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.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 38.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2014	2015	2016
Charity (# of patients)	251	195	233
Charity (cost in dollars)	\$5,211,664	\$3,204,986	\$3,269,127
MEDICAID			
	2014	2015	2016
Medicaid (# of patients)	750	396	320
Medicaid (revenue)	\$22,027,882	\$7,310,484	\$4,383,383

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Note:

- 1) Charity (self-pay) and Medicaid patient numbers continue to decrease as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. This provides the patient with insurance coverage not only for dialysis but for other needed healthcare services. Patients who cannot afford the premiums have them paid by the American Kidney Fund.
- 2) Medicaid reported numbers are also impacted by the large number of patients who switched from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2016 of our commercial patients we had 1,230 Medicaid Risk patients with Revenues of \$22,664,352

SECTION XI. CHARITY CARE INFORMATION

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 39.

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	\$411,981,839	\$438,247,352	\$449,611,441
Amount of Charity Care (charges)	\$5,211,664	\$3,204,986	\$3,269,127
Cost of Charity Care	\$5,211,664	\$3,204,986	\$3,269,127

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Note:

- 1) Charity (self-pay) and Medicaid patient numbers continue to decrease as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. This provides the patient with insurance coverage not only for dialysis but for other needed healthcare services. Patients who cannot afford the premiums have them paid by the American Kidney Fund.
- 2) Medicaid reported numbers are also impacted by the large number of patients who switched from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2016 of our commercial patients we had 1,230 Medicaid Risk patients with Revenues of \$22,664,352

After paginating the entire completed application Indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
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Applicant Identification

Facility/Project Identification

Facility Name: Fresenius Kidney Care Peoria Heights			
Street Address: 6101-6201 N. Sheridan Road			
City and Zip Code: Peoria 61614			
County: Peoria	Health Service Area: 2	Health Planning Area:	

Applicant [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Fresenius Medical Care Peoria Heights, LLC d/b/a Fresenius Kidney Care Peoria Heights	
Street Address: 920 Winter Street	
City and Zip Code: Waltham, MA 02451	
Name of Registered Agent:	CT Corporation Systems
Registered Agent Street Address:	208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code:	Chicago, IL 60604
Name of Chief Executive Officer:	Bill Valle
CEO Street Address:	920 Winter Street
CEO City and Zip Code:	Waltham, MA 02451
CEO Telephone Number:	800-662-1237

**Certificate of Good Standing for Fresenius Medical Care Peoria Heights, LLC on following page.*

Co - Applicant Identification

Exact Legal Name: Fresenius Medical Care Holdings, Inc.	
Street Address: 920 Winter Street	
City and Zip Code: Waltham, MA 02451	
Name of Registered Agent:	CT Corporation Systems
Registered Agent Street Address:	208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code:	Chicago, IL 60604
Name of Chief Executive Officer:	Bill Valle
CEO Street Address:	920 Winter Street
CEO City and Zip Code:	Waltham, MA 02451
CEO Telephone Number:	800-662-1237

Type of Ownership – Co-Applicant

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership	
<input checked="" type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

FRESENIUS MEDICAL CARE PEORIA HEIGHTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JULY 18, 2017, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1720602230 verifiable until 07/25/2018
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 25TH day of JULY A.D. 2017 .

Jesse White

SECRETARY OF STATE

Certificate of Good Standing
ATTACHMENT 1

Site Ownership

Exact Legal Name of Site Owner: Net3 (Peoria Heights), LLC
Address of Site Owner: 2803 Butterfield Road, Suite 310, Oak Brook, IL 60523
Street Address or Legal Description of the Site: 6101-6201 N. Sheridan Road, Peoria, IL 61614
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.



July 28, 2017

Fresenius Medical Care
Attn: Mr. Bill Popken
(781) 699-9994
Via email: William.Popken@fmc-na.com

RE: 6101 - 6201 Sheridan Road, Peoria, Illinois 61614
Fresenius Medical Care- Letter of Intent

Dear Bill:

We are pleased to present to you this letter of intent. Net3 (Peoria Heights), LLC ("Landlord") is willing to negotiate a lease for the premises in the referenced location. This letter is not intended to be a binding contract, a lease, or an offer to lease, but is intended only to provide the basis for negotiations of a lease document between Landlord and Fresenius Medical Care Peoria Heights, LLC ("Tenant").

- Premises:** 8,263 SF square foot building located at:
6101 – 6201 Sheridan Road, Peoria, Illinois 61614
Parcel to be subdivided. Current Parcel # for existing parcel:
14-17-281-002
- Landlord:** Net3 (Peoria Heights), LLC
- Tenant:** Fresenius Medical Care Peoria Heights, LLC
- Guarantor:** Fresenius Medical Care Holdings, Inc.
- Lease:** The Lease shall be on Tenant's standard form to be platformed on the Crestwood, IL lease.
- Use:** Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant may operate on the Premises, at Tenant's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.
- Primary Term:** 15 years

Option Term(s): Three (3) Five (5) year options to renew the lease at 1.7% annual increase in base rent.

Base Rent over initial Term: Annual Rent: Starts at \$25.98/sq. ft. and increases by 1.7% in Year 2 of the Primary Term

<u>Years</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
1	\$214,672.74	\$17,889.40
2	\$218,322.18	\$18,193.51
3	\$222,033.65	\$18,502.80
4	\$225,808.23	\$18,817.35
5	\$229,646.97	\$19,137.25
6	\$233,550.96	\$19,462.58
7	\$237,521.33	\$19,793.44
8	\$241,559.19	\$20,129.93
9	\$245,665.70	\$20,472.14
10	\$249,842.02	\$20,820.17
11	\$254,089.33	\$21,174.11
12	\$258,408.85	\$21,534.07
13	\$262,801.80	\$21,900.15
14	\$267,269.43	\$22,272.45
15	\$271,813.01	\$22,651.08

Taxes, Insurance & CAM: Tenant will pay.

Utilities: Tenant will be responsible to pay for all of their own utilities.

Tenant's Share: 100%

Condition of Premises Upon Delivery: Landlord shall, at Landlord's sole cost and expense, deliver the Premises to Tenant in substantial accordance with the Landlord's Work exhibit to be negotiated with the lease. In addition to Landlord's Work, Landlord shall, at Tenant's sole cost and expense, construct the interior work shown and detailed on Tenant's Work Letter attached to the Lease. In addition, Landlord shall be responsible for all civil costs, parking infrastructure and any other development costs.

Rent Commencement Date: Tenant will not pay rent until the date that is the earlier of (a) that day that is ninety (90) days after the Substantial Completion of the Shell Building Work, or (b) the date Tenant commences to treat patients at the Premises.

- Delivery Date:*** The date upon which Landlord's Work is substantially completed which is estimated to be 180 days from the date that Landlord obtains the building permit and all other applicable permits required to achieve substantial completion.
- Construction Drawings For Landlord's Work:*** Landlord will agree upon issuance of the CON to have construction drawings no later than 90 days after CON is awarded and apply for building permits immediately thereafter.
- Tenant's Work:*** Tenant shall install Tenant's trade fixtures, equipment and personal property in order to make the Premises ready for Tenant's initial occupancy and use. All of which shall be purchased and installed by Tenant.
- Security Deposit:*** None, subject to Landlord's review of current Tenant financial statements.
- Landlord Maintenance:*** Landlord shall without expense to Tenant, maintain and make all necessary repairs to the structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, structural retaining walls, gutters, downspouts, flashings and footings.
- Signage:*** Tenant may, at its sole cost and expense, install and maintain signs in and on the Premises to the maximum extent permitted by local law and subject to Tenant obtaining (i) all necessary private party approvals, if any, and governmental approvals, permits and licenses; and (ii) Landlord's prior written approval which will not be unreasonably withheld, and in accordance with Landlord's sign criteria (if applicable).
- Confidentiality:*** Except in connection with the CON, the parties hereto acknowledge the sensitive nature of the terms and conditions of this letter and hereby agree not to disclose the terms and conditions of this letter or the fact of the existence of this letter to any third parties and instead agree to keep said terms and conditions strictly confidential, disclosing them only to their respective agents, lenders, attorneys, accountants and such other directors, officers, employees, affiliates, and representatives who have a reason to receive such information and have been advised of the sensitive nature of this letter and as otherwise required to be disclosed by law.

Zoning and Restrictive Covenants:

Landlord will represent that the current property zoning is acceptable for use as outpatient dialysis facility and there is no other restrictive covenants imposed on the land, owner, and/or municipality.

CON Contingency

Landlord and FMC understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, FMC cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless FMC obtains a Certificate of Need (CON) permit from the Illinois Health Facilities Planning Board (the "Planning Board"). FMC agrees to proceed using its commercially reasonable best efforts to submit an application for a CON permit and to prosecute said application to obtain the CON permit from the Planning Board. Based on the length of the Planning Board review process, FMC does not expect to receive a CON permit prior to January 2018. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to the approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective pending CON approval. Assuming CON permit approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the Planning Board does not award FMC a CON permit to establish a dialysis center on the Premises by January 2018, neither party shall have any further obligation to the other party with regard to the negotiations, lease or Premises contemplated by this Letter of Intent.

Acquisition Contingency:

Tenant acknowledges that Landlord is not the owner of the Land. Accordingly, the parties agree that the lease agreement shall contain a contingency provision which provides that Landlord's obligations under the lease agreement shall be subject to and contingent upon Landlord obtaining fee title to the Land and in the event that Landlord does not acquire fee title to the Land on or before the date which is 100 days after the Lease execution then either Landlord or Tenant may elect to terminate the lease agreement; provided, however, that in



the event Tenant elects to terminate the lease agreement then Landlord shall have thirty (30) days from the date of Tenant's notice of election to terminate to satisfy the contingency at its election in which event Tenant's election to terminate shall be null and void. In the event the lease is terminated under this provision then each of the parties shall be released from its obligations and liability under the lease agreement.

The parties agree that this letter shall not be binding on the parties and does not address all essential terms of the lease agreement contemplated by this letter. Neither party may claim any legal right against the other by reason of any action taken in reliance upon this non-binding letter. A binding agreement shall not exist between the parties unless and until a lease agreement has been executed and delivered by both parties.

If you are in agreement with the foregoing terms, please execute and date this letter in the space provided below and return same to Landlord within five (5) business days from the date above.

Sincerely,

**NET 3 REAL ESTATE, L.L.C.,
As Agent for Purchaser**

David E. Cunningham
Manager

AGREED TO AND ACCEPTED BY:

Fresenius Medical Care Peoria Heights, LLC

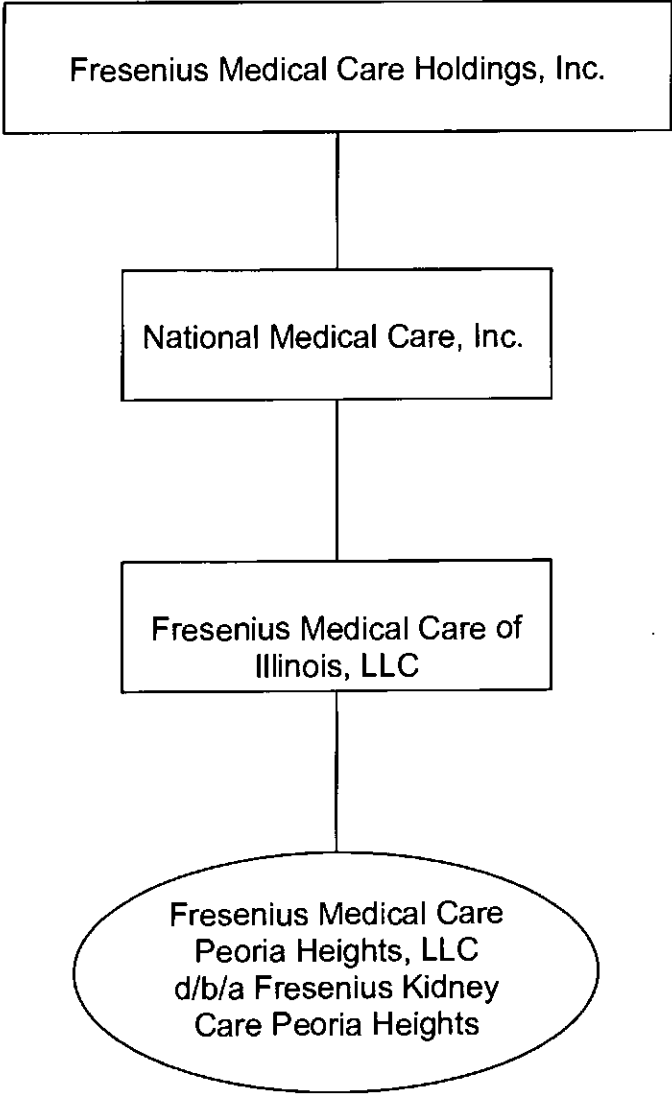
7/31/17

Date

Operating Identity/Licensee

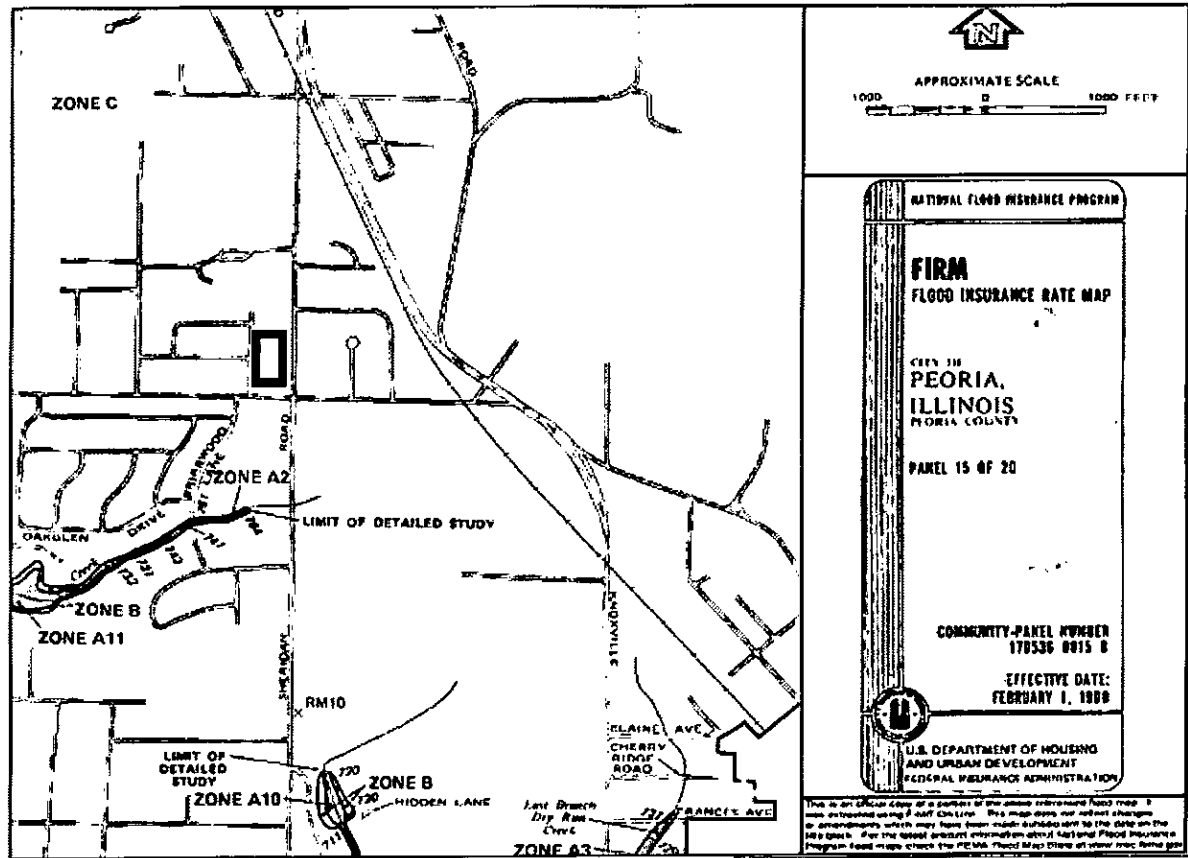
Exact Legal Name: Fresenius Medical Care Peoria Heights, LLC d/b/a Fresenius Kidney Care Peoria Heights	
Address: 920 Winter Street, Waltham, MA 02451	
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none">○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.○ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.○ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

***Certificate of Good Standing at Attachment – 1.**



Flood Plain Requirements

The proposed site for Fresenius Kidney Care Peoria Heights complies with the requirements of Illinois Executive Order #2005-5. The site, 6115 N. Sheridan Road, Peoria is not located in a flood plain.





July 18, 2017

Rachel Leibowitz, Ph.D.
Deputy State Historic Preservation Officer
Preservation Services Division Manager
Illinois Historic Preservation Agency
1 Old State Capitol Plaza
Springfield, Illinois 62701

Dear Ms. Leibowitz:

Fresenius Medical Care Peoria Heights, LLC is seeking a Certificate of Need permit to establish a 13-station dialysis facility at the northwest corner of N. Sheridan Road and W. Northmoor Road (approximately 6115 N. Sheridan Road). Fresenius Kidney Care Peoria Heights will be in leased space in a building to be built by the developer. There is currently a structure on this site that will be torn down.

In accordance with the Illinois Health Facilities Planning Board requirements for the Certificate of Need, I am requesting a letter of determination concerning the applicability of the Historic Preservation Act to this Project.

Attached you will find the following:

- Aerial Map of site
- Street View
- PIN #1417281002

Please let me know as soon as possible if you require any additional information. Thank you for your assistance in this matter.

Sincerely,

Lori Wright
Senior CON Specialist

Phone 630-960-6807

Email lori.wright@fmc-na.com

SUMMARY OF PROJECT COSTS

Modernization	
General Conditions	73,130
Temp Facilities, Controls, Cleaning, Waste Management	3,660
Concrete	18,720
Masonry	22,230
Metal Fabrications	10,969
Carpentry	128,560
Thermal, Moisture & Fire Protection	26,030
Doors, Frames, Hardware, Glass & Glazing	100,185
Walls, Ceilings, Floors, Painting	236,201
Specialities	18,280
Casework, Fl Mats & Window Treatments	8,775
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	468,016
Wiring, Fire Alarm System, Lighting	281,980
Miscellaneous Construction Costs	65,815
Total	1,462,551
Contingencies	
	\$140,471
Architecture/Engineering Fees	
	\$157,000
Moveable or Other Equipment	
Dialysis Chairs	32,000
Clinical Furniture & Equipment	35,000
Office Equipment & Other Furniture	35,000
Water Treatment	180,000
TVs & Accessories	30,000
Telephones	20,000
Generator	10,000
Facility Automation	20,000
Other miscellaneous	15,000
	\$377,000
Fair Market Value of Leased Space and Equipment	
FMV Leased Space (8,263 GSF)	3,633,005
FMV Leased Dialysis Machines	214,875
FMV Leased Office Equipment	13,000
	\$3,860,880
Grand Total	\$5,997,902

Itemized Costs
ATTACHMENT - 7

Current Fresenius CON Permits and Status

Project Number	Project Name	Project Type	Completion Date	Comment
#14-047	Fresenius Kidney Care Humboldt Park	Establishment	12/31/2017	Open 3/29/17, awaiting certification
#15-028	Fresenius Kidney Care Schaumburg	Establishment	02/28/2017	Obligated/ Construction End Date 10/2017
#15-036	Fresenius Kidney Care Zion	Establishment	06/30/2017	Obligated/Construction End Date 1/2018
#15-046	Fresenius Kidney Care Beverly Ridge	Establishment	06/30/2017	Obligated/Construction End Date 10/2017
#15-050	Fresenius Kidney Care Chicago Heights	Establishment	12/31/2017	Construction Complete Opening 9/2017
#15-062	Fresenius Kidney Care Belleville	Establishment	12/31/2017	Obligated/Construction End Date 10/2017
#16-024	Fresenius Kidney Care East Aurora	Establishment	09/30/2018	Obligated/Construction End Date 11/2017
#16-035	Fresenius Kidney Care Evergreen Park	Relocation	12/31/2017	Construction Complete, awaiting certification
#16-029	Fresenius Medical Care Ross Dialysis - Englewood	Relocation/ Expansion	12/31/2018	Permitted January 24, 2017
#16-034	Fresenius Kidney Care Woodridge	Establishment	12/31/2017	Obligated/Construction End Date 2/2018
#16-042	Fresenius Kidney Care Paris Community	Establishment	09/30/2018	Permitted March 14, 2017
#16-049	Fresenius Medical Care Macomb	Relocation/ Expansion	12/31/2018	Obligated/Construction End Date 11/2017
#17-003	Fresenius Kidney Care Gurnee	Expansion	03/31/2018	Complete/Waiting for Certification
#17-004	Fresenius Kidney Care Mount Prospect	Establishment	12/31/2018	Permitted May 2, 2017

Cost Space Requirements

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
In-Center Hemodialysis	\$4,809,568		6,584		6,584		
Total Clinical	\$4,809,568		6,584		6,584		
NON REVIEWABLE							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	\$1,188,334		1,679		1,679		
Total Non-clinical	\$1,188,334		1,679		1,679		
TOTAL	\$5,997,902		8,263		8,263		

Fresenius Kidney Care

Fresenius Kidney Care is the leading provider of dialysis products and services in the world and as such has a long-standing commitment to adhere to high quality standards, to provide compassionate patient centered care, educate patients to become in charge of their health decisions, implement programs to improve clinical outcomes while reducing mortality & hospitalizations and to stay on the cutting edge of technology in development of dialysis related products.

Alongside our core business with dialysis products and the treatment of dialysis patients, Fresenius Kidney Care maintains a network of additional medical services to better address the full spectrum of our patients' health care needs. These include pharmacy services, vascular, cardiovascular and endovascular surgery services, non-dialysis laboratory testing services, physician services, hospitalist and intensivist services, non-dialysis health plan services and urgent care services. We have a singular focus: improving the quality of life of every patient every day.

The size of the company and range of services provides healthcare partners/employees and patients with an expansive range of resources from which to draw experience, knowledge and best practices. It has also allowed it to establish an unrivaled emergency preparedness and disaster relief program that's designed to provide life sustaining dialysis care to dialysis patients whose access to clinics are disrupted in areas of the U.S. that are compromised by disaster (e.g. hurricanes, tornadoes, earthquakes). Through this program we also provide clinics, employees and others with essential supplies such as generators, gasoline and water.

Quality Measures – Fresenius Kidney Care continually tracks five quality measures on all patients. These are:

- eKdrt/V – tells us if the patient is getting an adequate treatment
- Hemoglobin – monitors patients for anemia
- Albumin – monitors the patient's nutrition intake
- Phosphorus – monitors patient's bone health and mineral metabolism
- Catheters – tracks patients access for treatment, the goal is no catheters which leads to better outcomes

The above measures as well as other clinic operations are discussed each month with the Medical Directors, Clinic Managers, Social Workers, Dietitians, Area Managers and referring nephrologists at each clinic's Quality Assessment Performance Improvement (QAI) meeting to ensure the provision of high quality care, patient safety, and regulatory compliance.

INITIATIVES that Fresenius has implemented to bring about better outcomes and increase the patient's quality of life are the TOPS program, Right Start Program and The Catheter Reduction Program.

TOPs Program (Treatment Options) – This is a company-wide program designed to reach the pre-ESRD patient (also known as CKD – Chronic Kidney Disease) to educate them about available treatment options when they enter end stage renal disease. TOPs programs are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, home hemodialysis, peritoneal dialysis and nocturnal dialysis.

Right Start Program – This is an intensive 90-day intervention program for the new dialysis patient centering on education, anemia management, adequate dialysis dose, nutrition, reduction of catheter use, review of medications and logistical and psychosocial support. The Right Start Program results in improved morbidity and mortality in the long term but also notably in the first 90 days of the start of dialysis.

Catheter Reduction Program – This is a key strategic clinical initiative to support nephrologists and clinical staff with increasing the number of patients dialyzed with a permanent access, preferably a venous fistula (AVF) versus a central venous catheter (CVC) venous fistula). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates. Overall adequacy of dialysis treatment also increases with the use of the AVF.

Diabetes Care Partnership - Fresenius Kidney Care and Joslin Diabetes Center, the world's preeminent diabetes research, clinical care and education organization, announced an agreement to jointly develop renal care programs in select Joslin Affiliated Centers for patients with diabetic kidney disease (DKD). Fresenius and Joslin will jointly develop clinical guidelines and effective care delivery systems to manage high blood pressure, glucose, and nutrition in patients with DKD. In addition, the organizations will help educate patients as they prepare for the possibility of end stage renal disease (ESRD) and the necessity for dialysis or kidney transplantation. Fresenius Medical Care and Joslin's multidisciplinary and coordinated approach to chronic disease management will seek to improve patient outcomes while reducing unnecessary or lengthy hospitalizations, drug interactions and overall morbidity and mortality associated with uncoordinated care.

Locally, in Illinois, Fresenius Kidney Care is a predominant supporter of the National Kidney Foundation of Illinois (NKFI), Kidney Walk in downtown Chicago. Fresenius Kidney Care employees in Chicago alone raised \$22,000 for the foundation. The NKFI is an affiliate of the National Kidney Foundation, which funds medical research improving lives of those with kidney disease, prevention screenings and is a leading educator on kidney disease. Fresenius Kidney Care also donates another \$25,000 annually to the NKFI and another \$5,000 in downstate Illinois.

Fresenius Kidney Care In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip
Aledo	14-2658	409 NW 9th Avenue	Aledo	61231
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002
Aurora	14-2515	455 Mercy Lane	Aurora	60506
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651
Belleville	-	6525 W. Main Street	Belleville	62223
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406
Bolingbrook	14-2605	329 Remington	Boilingbrook	60440
Breese	14-2637	160 N. Main Street	Breese	62230
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609
Burbank	14-2641	4811 W. 77th Street	Burbank	60459
Carbondale	14-2514	1425 Main Street	Carbondale	62901
Centre West Springfield	14-2546	1112 Centre West Drive	Springfield	62704
Champaign	14-2588	1405 W. Park Street	Champaign	61801
Chatham	14-2744	333 W. 87th Street	Chicago	60620
Chicago Dialysis	14-2506	1806 W. Hubbard Street	Chicago	60622
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608
Cicero	14-2754	3000 S. Cicero	Chicago	60804
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445
Decatur East	14-2603	1830 S. 44th St.	Decatur	62521
Deerfield	14-2710	405 Lake Cook Road	Deerfield	60015
Des Plaines	14-2774	1625 Oakton Place	Des Plaines	60018
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185
DuQuoin	14-2595	825 Sunset Avenue	DuQuoin	62832
East Aurora	-	840 N. Farnsworth Avenue	Aurora	60505
East Peoria	14-2562	3300 North Main Street	East Peoria	61611
Elgin	14-2726	2130 Point Boulevard	Elgin	60123
Eik Grove	14-2507	901 Biesterfield Road, Ste. 400	Eik Grove	60007
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805
Galesburg	14-8628	765 N Kellogg St, Ste 101	Galesburg	61401
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609
Geneseo	14-2592	600 North College Ave, Suite 150	Geneseo	61254
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139
Glenview	14-2551	4248 Commercial Way	Glenview	60025
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619
Gurnee	14-2549	101 Greenleaf	Gurnee	60031
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429
Highland Park	14-2782	1657 Old Skokie Road	Highland Park	60035
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195
Humboldt Park	-	3500 W. Grand Avenue	Chicago	60651
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649
Joliet	14-2739	721 E. Jackson Street	Joliet	60432
Kewanee	14-2578	230 W. South Street	Kewanee	61443
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613
Lemont	14-2798	16177 W. 127th Street	Lemont	60439
Logan Square	14-2766	2721 N. Spalding	Chicago	60647
Lombard	14-2722	1940 Springer Drive	Lombard	60148
Macomb	14-2591	523 E. Grant Street	Macomb	61455
Maple City	14-2790	1225 N. Main Street	Monmouth	61462
Marquette Park	14-2566	6515 S. Western	Chicago	60636
McHenry	14-2672	4312 W. Elm St.	McHenry	60050
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960
Midway	14-2713	6201 W. 63rd Street	Chicago	60638
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448
Moline	14-2526	400 John Deere Road	Moline	61265
Mount Prospect		1710-1790 W. Golf Road	Mount Prospect	60056
Mundelein	14-2731	1400 Townline Road	Mundelein	60060
Naperbrook	14-2765	2451 S Washington	Naperville	60565


Clinic	Provider #	Address	City	Zip
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563
New City	14-2815	4622 S. Bishop Street	Chicago	60609
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714
Normal	14-2778	1531 E. College Avenue	Normal	61761
Norridge	14-2521	4701 N. Cumberland	Norridge	60656
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630
Northcenter	14-2531	2620 W. Addison	Chicago	60618
Northfield	14-2771	480 Central Avenue	Northfield	60093
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611
Oak Forest	14-2764	5340A West 159th Street	Oak Forest	60452
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462
Oswego	14-2677	1051 Station Drive	Oswego	60543
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350
Palatine	14-2723	691 E. Dundee Road	Palatine	60074
Pekin	14-2571	3521 Veterans Drive	Pekin	61554
Peoria Downtown	14-2574	410 W. Romeo B. Garrett Ave.	Peoria	61605
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544
Plainfield North	14-2596	24024 W. Riverwalk Court	Plainfield	60544
Polk	14-2502	557 W. Polk St.	Chicago	60607
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764
Prairie	14-2569	1717 S. Wabash	Chicago	60616
Randolph County	14-2589	102 Memorial Drive	Chester	62233
Regency Park	14-2558	124 Regency Park Dr., Suite 1	O'Fallon	62269
River Forest	14-2735	103 Forest Avenue	River Forest	60305
Rock Island	14-2703	2623 17th Street	Rock Island	61201
Rock River - Dixon	14-2645	101 W. Second Street	Dixon	61021
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008
Roseland	14-2690	135 W. 111th Street	Chicago	60628
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621
Round Lake	14-2616	401 Nippersink	Round Lake	60073
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946
Sandwich	14-2700	1310 Main Street	Sandwich	60548
Schaumburg	14-2802	815 Wise Road	Schaumburg	60193
Silvis	14-2658	880 Crosstown Avenue	Silvis	61282
Skokie	14-2618	9801 Wood Dr.	Skokie	60077
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617
South Deering	14-2756	10559 S. Torrence Ave.	Chicago	60617
South Holland	14-2542	17225 S. Paxton	South Holland	60473
South Shore	14-2572	2420 E. 79th Street	Chicago	60649
Southside	14-2508	3134 W. 76th St.	Chicago	60652
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461
Southwestern Illinois	14-2535	7 Professional Drive	Alton	62002
Spoon River	14-2565	340 S. Avenue B	Canton	61520
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362
Steger	14-2725	219 E. 34th Street	Steger	60475
Streator	14-2695	2356 N. Bloomington Street	Streator	61364
Summit	14-2802	7319-7322 Archer Avenue	Summit	60501
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640
Waterloo	14-2789	624 Voris-Jost Drive	Waterloo	62298
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510
West Belmont	14-2523	4943 W. Belmont	Chicago	60641
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185
West Metro	14-2536	1044 North Mozart Street	Chicago	60622
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302
West Willow	14-2730	1444 W. Willow	Chicago	60620
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527
Zion	-	1920-1920 N. Sheridan Road	Zion	60099

Certification & Authorization

Fresenius Medical Care Peoria Heights, LLC

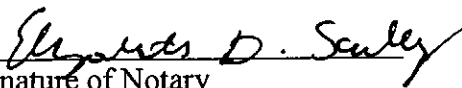
In accordance with Section III, A (2) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Peoria Heights, LLC by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

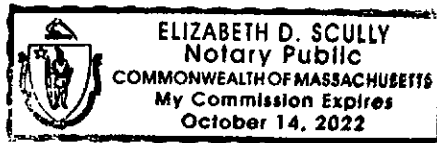
By: 
ITS: Bryan Mello
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this 21st day of July, 2017


Signature of Notary

Seal



Certification & Authorization

Fresenius Medical Care Holdings, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Holdings, Inc. 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 & Services Review Board; and

In regards to section III, A (3) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: [Signature]
ITS: Bryan Mello
Assistant Treasurer

By: [Signature]
ITS: Asst. Treasurer

Notarization:
Subscribed and sworn to before me
this 20th day of July, 2017

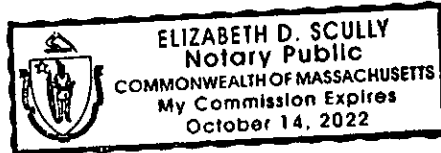
[Signature]
Signature of Notary

Seal

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2017

Signature of Notary

Seal



Criterion 1110.230 – Purpose of Project

The purpose of this project is to maintain optimal access to dialysis services in Peoria, in southeastern Peoria County, in HSA 2. The proposed Fresenius Kidney Care (FKC) Peoria Heights facility will offer Peoria area patients ongoing access to dialysis services as the area ESRD population continues to grow here. It will also open up access to preferred daytime treatment shifts, which currently have a waiting list of evening treatment shift patients desiring to be moved up to the daytime shifts.

The Peoria metro market area lies on the Illinois River dividing Peoria and Tazewell Counties. The facility will primarily serve the city of Peoria and neighboring rural areas in Peoria County. Due to its location it will also be able to serve East Peoria and Tazewell County if necessary. Currently, there are two dialysis clinics operating in Peoria (FKC Peoria and Peoria Downtown) and three within the 30-minute travel area that includes FKC East Peoria in Tazewell County. Peoria, while not medically underserved, has a significant number of residents who are unemployed and living below the poverty level.

The two FKC facilities in Peoria have a combined utilization rate of 68%. However, the Peoria Downtown facility operates two isolation stations that can only be used for patients requiring isolation services. There are currently only two isolation patients. Removing these two stations and two patients from the utilization calculation (they cannot be used for the general population of ESRD patients), the combined rate is 70%. With a historic ESRD growth rate of 7% annually over the past five years in Peoria according to Renal Network zip code data, the two Peoria clinics are expected to reach 80%, further limiting access, by the time the proposed Peoria Heights facility is expected to be in operation two years from now.

The Peoria Heights facility will maintain access to dialysis services for the growing ESRD population in the metropolitan market and nearby rural areas, as well as open up daytime treatment shift access for patients who desire or need to be on a daytime shift. Fresenius Kidney Care treats all patients regardless of ability to pay and assists all patients in securing some type of insurance coverage that not only covers their dialysis treatment but other healthcare services as well.

The goal of Fresenius Kidney Care is to establish dialysis services that continue to provide access while meeting the unique needs of ESRD patients while maintaining daytime shift availability.

(Demographic data contained in the application was taken from <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>. Clinic utilization from HFSRB and ESRD zip code census was received from The Renal Network.)

Alternatives

1) All Alternatives

A. Proposing a project of greater or lesser scope and cost.

There is no project of a lesser scope that would address the lack of access to preferred treatment times or that would provide continued access to dialysis services as facilities within 30-minutes have been operating around 70% utilization and are expected to fill up in the next two years. The three FKC clinics in this market are not expandable and doing nothing will not guarantee access.

B. Pursuing a joint venture or similar arrangement

The ownership of this facility is structured so that at a later date if there was the desire to form a joint venture a partner would be able to invest in the facility. Fresenius Kidney Care, however, always maintains control of its facilities.

C. Utilizing other health care resources

RCA physicians currently refer/treat patients at all three facilities in the Peoria area. There are no other resources. Daytime shifts are full resulting in new patients beginning dialysis on the late afternoon/nighttime shift, which creates a hardship with transportation services that do not operate after 4:00 p.m. and difficulty driving rural roads in the dark. As clinics are expected to fill up over the next two years access will be cut off in Peoria.

- The only alternative that will provide access to preferred treatment shift times and provide continued access to dialysis services for Peoria is to establish the FKC Peoria Heights dialysis clinic. The cost of this project is \$5,997,902.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Do Nothing	\$0	This alternative would not address the lack of access to preferable treatment shift times or create access to ongoing dialysis services as clinics reach 80%.	Patient's quality of life declines as it become more difficult to access services. Skipped treatments due to inaccessible services would decrease patient's overall quality values.	Doing nothing and allowing access to decline causes patient complications with missed treatments, increased hospitalization rates and higher healthcare costs.
Joint Venture	\$5,997,902	The facility will have the same access whether a JV or wholly owned	The facility will have the same quality whether a JV or wholly owned.	Cost of a JV is no different although costs would be shared between members.
Utilize Area Providers	\$0	The physicians currently admit to the three clinics in the Peoria market.	Quality at the FKC clinics is above standards.	No financial cost to patients unless they have to travel out of the area for treatment. Transportation costs would increase.

Establish Fresenius Kidney Care Peoria Heights	\$5,997,902	Access to dialysis services will be maintained in the Peoria Metro area as well as for area rural residents. Dr. Pflederer's patients will be given access to preferable treatment times that fit their needs.	Patient clinic quality will be above standards similar to other Fresenius Illinois clinics. Patient satisfaction and quality of life would improve with access to dialysis near their homes and access to treatment times that fit their needs.	The cost is only to Fresenius Kidney Care who is able to meet all of its obligations and is willing to invest in this market.
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3. Empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications.

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD 450-650 BGSF Per Station	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	6,584 (13 Stations)	5,850 – 8,450 BGSF	None	Yes
Non-clinical	1,679	N/A	N/A	N/A

The State Standard for ESRD is between 450 - 650 BGSF per station or 5,850 – 8,450 BGSF. The proposed 6,584 BGSF for the in-center hemodialysis space meets the State standard.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	IN-CENTER HEMODIALYSIS	N/A New Facility	45%	80%	No
YEAR 2	IN-CENTER HEMODIALYSIS		83%	80%	Yes

Dr. Pflederer, the referring physician, and his practice have 89 pre-ESRD patients who reside in Metro Peoria and nearby rural zip codes that are expected to be referred to the Peoria Heights facility in the first two years of its operation. The facility is expected to reach the State utilization target of 80%. Calculation includes taking into account yearly patient attrition.

Note: The Peoria Heights facility will have 13 total stations; 12 stations for the general population of ESRD patients and 1 station dedicated solely to those patients requiring isolation services. This is a CMS requirement unless a waiver is granted. This station, at times, may not be treating any patients however cannot be used by non-isolation patients.

Background of the Applicant

Information on Applicant Background is found at Attachment 11.

Planning Area Need – Formula Need Calculation:

The site for the proposed Fresenius Kidney Care Peoria Heights dialysis facility is located in Peoria County in HSA 2. HSA 2 is comprised of Bureau, Fulton, Henderson, Knox, LaSalle, Marshall, McDonough, Peoria, Putnam, Stark, Tazewell, Warren, and Woodford. According to the May 2017 inventory there is an excess of 20 stations in HSA 2, however the HSA is rural in nature and most rural facilities do not operate all 6 weekly treatment shifts that the Board uses for inventory calculations. This makes the "need" appear less than if it was calculated on the number of treatment shifts the rural clinics actually operate.

2. Planning Area Need – Service To Planning Area Residents:

- A. The primary purpose of this project is to provide optimal access to in-center hemodialysis services to the residents of Peoria County, specifically the Peoria Metro area, which is in HSA 2. 100% of the patients identified to be referred to the Peoria Heights facility reside in HSA 2, thereby meeting this requirement.

County	HSA	# Pre-ESRD Patients Who Will Be Referred to Fresenius Kidney Care Peoria Heights
Peoria	2	89 Pts. 100%

**NEW HEMODIALYSIS REFERRALS OF RENAL CARE
ASSOCIATES FOR THE PEORIA AREA FOR 07/01/2016 – 06/30/2017**

Zip Code	Fresenius Medical Care			Total
	East Peoria	Peoria Downtown	Peoria North	
61523			3	3
61530	1			1
61531			1	1
61536			1	1
61545	1			1
61548	3			3
61550	2			2
61559			1	1
61571	3			3
61602		1		1
61603	1	4		5
61604	2	10	4	16
61605	1	13	2	16
61606		1		1
61607		1	2	3
61610	1			1
61611	6			6
61614	2		5	7
61615		1	5	6
61616		1		1
Total	23	32	24	79

**PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO THE
PEORIA HEIGHTS FACILITY IN THE 1ST TWO YEARS OF
OPERATION**

Zip Code	Patients
61517	1
61523	5
61525	3
61528	1
61529	1
61536	2
61565	2
61602	1
61603	9
61604	19
61605	12
61606	2
61607	6
61614	13
61615	9
61616	3
Total	89

55

RCA PEORIA IN-CENTER HEMODIALYSIS PATIENTS

Zip Code	2014				2015				2016				6/30/2017			
	Fresenius Kidney Care				Fresenius Kidney Care				Fresenius Kidney Care				Fresenius Kidney Care			
	East Peoria	Peoria Downtown	Peoria North	2014 Total	East Peoria	Peoria Downtown	Peoria North	2015 Total	East Peoria	Peoria Downtown	Peoria North	Total	East Peoria	Peoria Downtown	Peoria North	Total
61612					1			1								
60506										1		1				
61201					1		1	2								
61350	5			5												
61375							2	2							1	1
61401	1			1					1				1			
61462			1	1												
61477		1		1												
61517			3	3			2	2			1	1			1	1
61520	1			1												
61523			2	2			3	3			7	7			8	8
61525			2	2			3	3			1	1			1	1
61528		1		1		1	1	2		1	1	2		1	1	2
61530					4			4	4			4	5			5
61533			1	1												
61534	1			1												
61536	1		1	2	2			2	1		1	2	1		1	2
61537			1	1					1		2	3				
61540	1		3	4		1	2	3		1	2	3		1	2	3
61545	1			1	2			2	3			3	2			2
61547				1				1								
61548	5			5	6			6	7			7	6			6
61550	5			5	6	1		7	7	2		9	5	2		7
61554	3	1		4	3	2	1	6	1	1	2	4	3	1		4
61559			2	2			1	1			3	3			4	4
61560			1	1			1	1								
61561	1			1												
61568													1			1
61570						1		1		1		1		1		1
61571	18			18	17			17	16		1	17	20		1	21
61572							1	1			1	1			1	1
61602	1	1	1	3	1	1	1	3	1	2	1	4	1	2		3
61603	9	22	2	33	9	21		30	11	20	5	36	11	21	6	38
61604	4	28	12	44	4	31	14	49	7	29	14	50	7	28	11	46
61605	4	48	5	57	6	51	8	65	5	54	7	66	4	53	6	63
61606		3		3		4		4		2	1	3		3	1	4
61607	3	4		7	4	4	1	9	3	3	3	9	4	3	2	9
61610	4	2		6	3	1		4	2	1		3	3	1		4
61611	14	1	1	16	14		2	16	15	1	1	17	17	2	1	20
61612			1	1			2	2	1		1	2	1		2	3
61614	3	3	14	20	2	4	10	16	6	4	10	20	3	6	10	19
61615	1	6	9	16	2	4	12	18	2	4	14	20	2	3	13	18
61616	2	4		6	1	4		5	1	2		3	1	3		4
61617											1	1				
61732		1		1		1		1								
61742	1			1					1			1	1			1
61755													1			1
61760						1	1				1	1			1	1
61777			1	1												
62326											1	1			1	1
Total	89	126	63	278	89	132	69	290	96	129	82	307	99	131	75	305

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Service Accessibility – Service Restrictions

The proposed Fresenius Kidney Care Peoria Heights dialysis facility will be located in the City of Peoria, Peoria County in HSA 2. HSA 2 is comprised of Bureau, Fulton, Henderson, Knox, LaSalle, Marshall, McDonough, Peoria, Putnam, Stark, Tazewell, Warren, and Woodford Counties. This facility will not only maintain access to dialysis services as Peoria clinics are expected to be at 80% or higher utilization, based on historic growth, by the time this facility is in operation two years from now, but will also make available preferred daytime shift choices for those patients who desire or need to dialyze in the daytime. These shifts are currently full requiring a patient waiting to move to a earlier shift to be put on a wait list.

Access restrictions that currently exist relate to patient shift choice as all the daytime treatment shift times at the three Peoria Metro Area clinics are at capacity. New patients have to dialyze on the third daily shift which begins late afternoon and ends late in the evening. At this time of day there is no access to transportation services and patients must rely on family members/friends to get to and from treatment. For those who are able to drive themselves, it is in their best interest to travel during daylight hours. This is especially true of the elderly who make up the majority of the ESRD population.

Peoria has experienced an average 7% growth of ESRD over the past five years and Dr. Pflederer has stated that his practice has 88 Stage 5 patients in Peoria (Peoria County) and another 45 in the East Peoria/Pekin (Tazewell County) area who will require dialysis services in the upcoming year. As these clinics fill up before the Peoria Heights facility is open, access to dialysis will be further diminished in Peoria.

Historic Peoria ESRD Growth

Peoria (Peoria County) Zip Codes					
December 31st ESRD Population					
Zip Code	2012	2013	2014	2015	2016
61603	36	39	42	37	42
61604	49	53	47	45	58
61605	54	59	61	60	76
61607	11	11	11	14	17
61614	22	22	30	23	31
61615	17	12	14	16	22
Total	189	196	205	195	246

Area Population Demographics

While Peoria is not a Medically Underserved Area, a significant number of its residents experience limitations due to social and economic status. As of 2015, the Peoria City population was 26% African American. African Americans are three times or more as likely as the Caucasian population to suffer from high blood pressure and diabetes leading to kidney failure. The population in Peoria also experiences high poverty levels and lack of health care coverage.

City	Public Health Insurance	No Health Insurance	Income Below Poverty
Peoria	40%	9%	22%

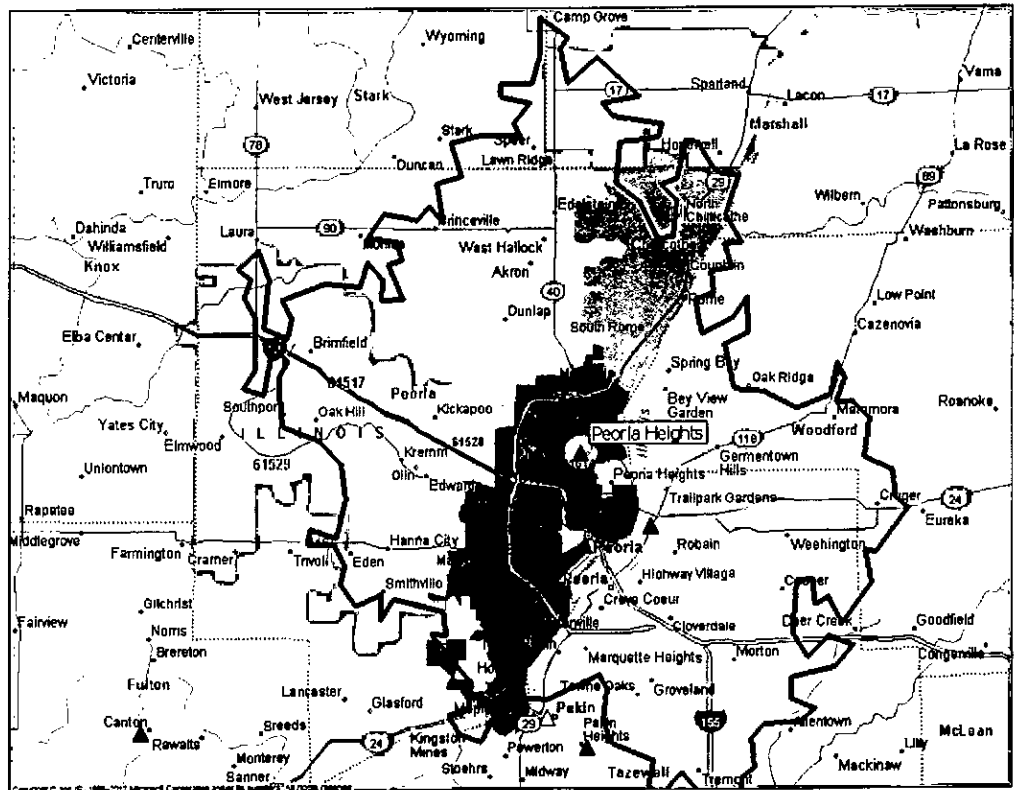
Clinics within 30 Minutes of FKC Peoria Heights

Name	Address	City	ZIP Code	MapQuest		MapQuest Adj x 1.15	Jul-17 Stations	Jun-17 Pts	Jun-17 Utl
				Miles	Time				
FKC Peoria North	10405 N. Juliet Court	Peoria	61615	4	7	8.05	21	83	65.87%
FKC Peoria Downtown	410 W Romeo B Garrett Ave	Peoria	61605	5.5	12	13.8	32	132	68.75%
FKC East Peoria	3300 N Main St	East Peoria	61611	8.2	14	16.1	24	101	70.14%

The 133 Stage 5 chronic kidney disease patients that Dr. Pflederer's practice expect to refer in the next year will bring the three Metro area facilities above 80% utilization before the Peoria Heights clinic will be operational. Additional access will be needed to maintain dialysis services as well as to allow patients a choice of treatment shift times that provide ample transportation options.

Patients Identified for Fresenius Kidney Care Peoria Heights

Zip Code	Patients
61517	1
61523	5
61525	3
61528	1
61529	1
61536	2
61565	2
61602	1
61603	9
61604	19
61605	12
61606	2
61607	6
61614	13
61615	9
61616	3
Total	89



Taking into account Dr. Pflederer's pre-ESRD patient population, historic ESRD growth, lack of access to daytime treatment shift choices and area demographics, (racially, economically and geographically) additional access is needed. It is responsible health care planning to begin the process to establish this facility now rather than waiting until all facilities are full and thereby putting patient access further at risk while we wait two more years for the new facility to begin operations.



National Kidney Foundation®

AFRICAN AMERICANS AND KIDNEY DISEASE

Due to high rates of diabetes, high blood pressure and heart disease, Blacks and African Americans have an increased risk of developing kidney failure. Blacks and African Americans need to be aware of these risk factors and visit their doctor or clinic regularly to check their blood sugar, blood pressure, urine protein and kidney function.

- Blacks and African Americans suffer from kidney failure at a significantly higher rate than Caucasians - more than 3 times higher.
- African Americans constitute more than 35% of all patients in the U.S. receiving dialysis for kidney failure, but only represent 13.2% of the overall U.S. population.
- Diabetes is the leading cause of kidney failure in African Americans. African Americans are twice as likely to be diagnosed with diabetes as Caucasians. Approximately 4.9 million African Americans over 20 years of age are living with either diagnosed or undiagnosed diabetes.
- The most common type of diabetes in African Americans is type 2 diabetes. The risk factors for this type of diabetes include: family history, impaired glucose tolerance, diabetes during pregnancy, hyperinsulinemia and insulin resistance, obesity and physical inactivity. African Americans with diabetes are more likely to develop complications of diabetes and to have greater disability from these complications than Caucasians. African Americans are also more likely to develop serious complications such as heart disease and strokes.
- High blood pressure is the second leading cause of kidney failure among African Americans, and remains the leading cause of death due to its link with heart attacks and strokes.

Updated January 2016

Sources of Facts and Statistics:

United States Renal Data System (<http://www.usrds.org>), **Centers for Disease Control and Prevention** (<http://www.cdc.gov>), **National Diabetes Education Program** (<http://ndep.nih.gov/>), **National Institute of Diabetes and Digestive and Kidney Diseases** (<http://www2.niddk.nih.gov>), **National Institutes of Health** (<http://diabetes.niddk.nih.gov>), **United States Census Bureau** (<http://www.census.gov>), **The U.S. Department of Health and Human Services Department of Minority Health** (<http://www.minorityhealth.hhs.gov>)



DP05

ACS DEMOGRAPHIC AND HOUSING ESTIMATES

2011-2015 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

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Subject	Peoria city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	115,847	+/-190	115,847	(X)
Male	55,067	+/-463	47.5%	+/-0.4
Female	60,780	+/-457	52.5%	+/-0.4
Under 5 years	8,588	+/-355	7.4%	+/-0.3
5 to 9 years	8,408	+/-517	7.3%	+/-0.4
10 to 14 years	7,767	+/-533	6.7%	+/-0.5
15 to 19 years	8,006	+/-412	6.9%	+/-0.4
20 to 24 years	9,802	+/-340	8.5%	+/-0.3
25 to 34 years	17,248	+/-509	14.9%	+/-0.4
35 to 44 years	13,573	+/-394	11.7%	+/-0.3
45 to 54 years	13,412	+/-480	11.6%	+/-0.4
55 to 59 years	7,242	+/-422	6.3%	+/-0.4
60 to 64 years	6,150	+/-452	5.3%	+/-0.4
65 to 74 years	8,319	+/-313	7.2%	+/-0.3
75 to 84 years	4,606	+/-321	4.0%	+/-0.3
85 years and over	2,726	+/-280	2.4%	+/-0.2
Median age (years)	33.8	+/-0.5	(X)	(X)
18 years and over	86,674	+/-536	74.8%	+/-0.4
21 years and over	80,949	+/-688	69.9%	+/-0.6
62 years and over	18,975	+/-538	16.4%	+/-0.5
65 years and over	15,651	+/-372	13.5%	+/-0.3
18 years and over	86,674	+/-536	86.674	(X)
Male	40,604	+/-491	46.8%	+/-0.4
Female	46,070	+/-447	53.2%	+/-0.4
65 years and over	15,651	+/-372	15,651	(X)
Male	6,402	+/-236	40.9%	+/-1.0

Subject	Peoria city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
Female	9,249	+/-246	59.1%	+/-1.0
RACE				
Total population	115,847	+/-190	115,847	(X)
One race	111,247	+/-774	96.0%	+/-0.6
Two or more races	4,600	+/-731	4.0%	+/-0.6
One race	111,247	+/-774	96.0%	+/-0.6
White	71,525	+/-774	61.7%	+/-0.7
Black or African American	30,613	+/-812	26.4%	+/-0.7
American Indian and Alaska Native	447	+/-121	0.4%	+/-0.1
Cherokee tribal grouping	79	+/-58	0.1%	+/-0.1
Chippewa tribal grouping	21	+/-28	0.0%	+/-0.1
Navajo tribal grouping	0	+/-26	0.0%	+/-0.1
Sioux tribal grouping	43	+/-36	0.0%	+/-0.1
Asian	6,330	+/-288	5.5%	+/-0.2
Asian Indian	3,028	+/-426	2.6%	+/-0.4
Chinese	605	+/-253	0.5%	+/-0.2
Filipino	439	+/-202	0.4%	+/-0.2
Japanese	126	+/-116	0.1%	+/-0.1
Korean	286	+/-160	0.2%	+/-0.1
Vietnamese	566	+/-436	0.5%	+/-0.4
Other Asian	1,280	+/-547	1.1%	+/-0.5
Native Hawaiian and Other Pacific Islander	15	+/-20	0.0%	+/-0.1
Native Hawaiian	5	+/-8	0.0%	+/-0.1
Guamanian or Chamorro	10	+/-17	0.0%	+/-0.1
Samoan	0	+/-26	0.0%	+/-0.1
Other Pacific Islander	0	+/-26	0.0%	+/-0.1
Some other race	2,317	+/-550	2.0%	+/-0.5
Two or more races	4,600	+/-731	4.0%	+/-0.6
White and Black or African American	2,775	+/-619	2.4%	+/-0.5
White and American Indian and Alaska Native	204	+/-83	0.2%	+/-0.1
White and Asian	343	+/-141	0.3%	+/-0.1
Black or African American and American Indian and Alaska Native	261	+/-140	0.2%	+/-0.1
Race alone or in combination with one or more other races				
Total population	115,847	+/-190	115,847	(X)
White	75,569	+/-968	65.2%	+/-0.8
Black or African American	34,172	+/-533	29.5%	+/-0.5
American Indian and Alaska Native	1,261	+/-274	1.1%	+/-0.2
Asian	6,991	+/-272	6.0%	+/-0.2
Native Hawaiian and Other Pacific Islander	233	+/-128	0.2%	+/-0.1
Some other race	2,751	+/-580	2.4%	+/-0.5
HISPANIC OR LATINO AND RACE				
Total population	115,847	+/-190	115,847	(X)
Hispanic or Latino (of any race)	6,516	+/-330	5.6%	+/-0.3
Mexican	5,119	+/-507	4.4%	+/-0.4
Puerto Rican	269	+/-134	0.2%	+/-0.1
Cuban	94	+/-75	0.1%	+/-0.1
Other Hispanic or Latino	1,034	+/-266	0.9%	+/-0.2
Not Hispanic or Latino	109,331	+/-344	94.4%	+/-0.3
White alone	67,673	+/-597	58.4%	+/-0.5
Black or African American alone	30,306	+/-790	26.2%	+/-0.7
American Indian and Alaska Native alone	429	+/-113	0.4%	+/-0.1
Asian alone	6,302	+/-281	5.4%	+/-0.2
Native Hawaiian and Other Pacific Islander alone	10	+/-17	0.0%	+/-0.1

Subject	Peoria city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
Some other race alone	310	+/-230	0.3%	+/-0.2
Two or more races	4,301	+/-742	3.7%	+/-0.6
Two races including Some other race	225	+/-179	0.2%	+/-0.2
Two races excluding Some other race, and Three or more races	4,076	+/-734	3.5%	+/-0.6
Total housing units	52,515	+/-475	(X)	(X)
CITIZEN, VOTING AGE POPULATION				
Citizen, 18 and over population	82,042	+/-767	82,042	(X)
Male	37,995	+/-578	46.3%	+/-0.5
Female	44,047	+/-536	53.7%	+/-0.5

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, Overview of Race and Hispanic Origin: 2010, issued March 2011. (pdf format)

While the 2011-2015 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '!' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An 'L' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An 'U' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '****' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.



DP03

SELECTED ECONOMIC CHARACTERISTICS

2011-2015 American Community Survey 5-Year Estimates

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Subject	Peoria city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
EMPLOYMENT STATUS				
Population 16 years and over	89,554	+/-600	89,554	(X)
In labor force	56,535	+/-1,017	63.1%	+/-1.1
Civilian labor force	56,415	+/-997	63.0%	+/-1.0
Employed	50,746	+/-1,033	56.7%	+/-1.1
Unemployed	5,669	+/-525	6.3%	+/-0.6
Armed Forces	120	+/-108	0.1%	+/-0.1
Not in labor force	33,019	+/-967	36.9%	+/-1.1
Civilian labor force	56,415	+/-997	56,415	(X)
Unemployment Rate	(X)	(X)	10.0%	+/-0.9
Females 16 years and over				
In labor force	27,827	+/-704	58.5%	+/-1.4
Civilian labor force	27,827	+/-704	58.5%	+/-1.4
Employed	25,647	+/-694	53.9%	+/-1.3
Own children of the householder under 6 years	9,520	+/-433	9,520	(X)
All parents in family in labor force	6,079	+/-481	63.9%	+/-4.0
Own children of the householder 6 to 17 years	17,647	+/-626	17,647	(X)
All parents in family in labor force	12,753	+/-690	72.3%	+/-3.2
COMMUTING TO WORK				
Workers 16 years and over	49,840	+/-1,062	49,840	(X)
Car, truck, or van – drove alone	40,039	+/-1,142	80.3%	+/-1.5
Car, truck, or van – carpooled	4,465	+/-517	9.0%	+/-1.0
Public transportation (excluding taxicab)	1,953	+/-351	3.9%	+/-0.7
Walked	1,437	+/-270	2.9%	+/-0.5
Other means	731	+/-230	1.5%	+/-0.5
Worked at home	1,215	+/-180	2.4%	+/-0.4

Subject	Peoria city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
Mean travel time to work (minutes)	17.5	+/-0.5	(X)	(X)
OCCUPATION				
Civilian employed population 16 years and over	50,746	+/-1,033	50,746	(X)
Management, business, science, and arts occupations	20,822	+/-849	41.0%	+/-1.4
Service occupations	10,346	+/-693	20.4%	+/-1.3
Sales and office occupations	11,866	+/-679	23.4%	+/-1.2
Natural resources, construction, and maintenance occupations	2,294	+/-379	4.5%	+/-0.7
Production, transportation, and material moving occupations	5,418	+/-462	10.7%	+/-0.9
INDUSTRY				
Civilian employed population 16 years and over	50,746	+/-1,033	50,746	(X)
Agriculture, forestry, fishing and hunting, and mining	179	+/-103	0.4%	+/-0.2
Construction	1,649	+/-290	3.2%	+/-0.6
Manufacturing	8,154	+/-616	16.1%	+/-1.2
Wholesale trade	795	+/-181	1.6%	+/-0.4
Retail trade	5,384	+/-482	10.6%	+/-0.9
Transportation and warehousing, and utilities	1,945	+/-293	3.8%	+/-0.6
Information	613	+/-144	1.2%	+/-0.3
Finance and insurance, and real estate and rental and leasing	2,412	+/-346	4.8%	+/-0.7
Professional, scientific, and management, and administrative and waste management services	5,448	+/-492	10.7%	+/-1.0
Educational services, and health care and social assistance	15,253	+/-805	30.1%	+/-1.4
Arts, entertainment, and recreation, and accommodation and food services	5,060	+/-490	10.0%	+/-0.9
Other services, except public administration	2,230	+/-304	4.4%	+/-0.6
Public administration	1,624	+/-302	3.2%	+/-0.6
CLASS OF WORKER				
Civilian employed population 16 years and over	50,746	+/-1,033	50,746	(X)
Private wage and salary workers	44,027	+/-1,025	86.8%	+/-1.1
Government workers	5,215	+/-501	10.3%	+/-1.0
Self-employed in own not incorporated business workers	1,453	+/-237	2.9%	+/-0.5
Unpaid family workers	51	+/-46	0.1%	+/-0.1
INCOME AND BENEFITS (IN 2015 INFLATION-ADJUSTED DOLLARS)				
Total households	47,239	+/-642	47,239	(X)
Less than \$10,000	5,102	+/-438	10.8%	+/-0.9
\$10,000 to \$14,999	2,775	+/-321	5.9%	+/-0.7
\$15,000 to \$24,999	5,850	+/-435	12.4%	+/-0.9
\$25,000 to \$34,999	5,378	+/-470	11.4%	+/-1.0
\$35,000 to \$49,999	6,260	+/-505	13.3%	+/-1.1
\$50,000 to \$74,999	7,515	+/-505	15.9%	+/-1.0
\$75,000 to \$99,999	5,570	+/-497	11.8%	+/-1.0
\$100,000 to \$149,999	5,263	+/-442	11.1%	+/-0.9
\$150,000 to \$199,999	1,668	+/-244	3.5%	+/-0.5
\$200,000 or more	1,858	+/-273	3.9%	+/-0.6
Median household income (dollars)	45,552	+/-1,486	(X)	(X)
Mean household income (dollars)	66,183	+/-2,001	(X)	(X)
With earnings	35,913	+/-660	76.0%	+/-0.9
Mean earnings (dollars)	67,556	+/-2,228	(X)	(X)
With Social Security	13,313	+/-474	28.2%	+/-1.0
Mean Social Security income (dollars)	16,993	+/-526	(X)	(X)
With retirement income	8,331	+/-433	17.6%	+/-0.9
Mean retirement income (dollars)	27,115	+/-2,594	(X)	(X)

Subject	Peoria city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
With Supplemental Security Income	2,844	+/-330	6.0%	+/-0.7
Mean Supplemental Security Income (dollars)	8,838	+/-569	(X)	(X)
With cash public assistance income	1,879	+/-330	4.0%	+/-0.7
Mean cash public assistance income (dollars)	2,303	+/-459	(X)	(X)
With Food Stamp/SNAP benefits in the past 12 months	8,279	+/-526	17.5%	+/-1.1
Families	27,008	+/-636	27,008	(X)
Less than \$10,000	2,213	+/-303	8.2%	+/-1.1
\$10,000 to \$14,999	1,172	+/-255	4.3%	+/-0.9
\$15,000 to \$24,999	2,480	+/-330	9.2%	+/-1.2
\$25,000 to \$34,999	2,539	+/-313	9.4%	+/-1.1
\$35,000 to \$49,999	3,167	+/-381	11.7%	+/-1.3
\$50,000 to \$74,999	4,490	+/-336	16.6%	+/-1.3
\$75,000 to \$99,999	3,769	+/-387	14.0%	+/-1.4
\$100,000 to \$149,999	4,172	+/-387	15.4%	+/-1.4
\$150,000 to \$199,999	1,527	+/-237	5.7%	+/-0.9
\$200,000 or more	1,479	+/-194	5.5%	+/-0.7
Median family income (dollars)	60,524	+/-3,033	(X)	(X)
Mean family income (dollars)	80,778	+/-2,851	(X)	(X)
Per capita income (dollars)	27,666	+/-841	(X)	(X)
Nonfamily households	20,231	+/-784	20,231	(X)
Median nonfamily income (dollars)	30,474	+/-1,602	(X)	(X)
Mean nonfamily income (dollars)	44,214	+/-2,797	(X)	(X)
Median earnings for workers (dollars)	27,982	+/-1,227	(X)	(X)
Median earnings for male full-time, year-round workers (dollars)	53,954	+/-3,464	(X)	(X)
Median earnings for female full-time, year-round workers (dollars)	34,824	+/-1,901	(X)	(X)
HEALTH INSURANCE COVERAGE				
Civilian noninstitutionalized population	114,591	+/-298	114,591	(X)
With health insurance coverage	103,852	+/-753	90.6%	+/-0.6
With private health insurance	71,074	+/-1,679	62.0%	+/-1.4
With public coverage	46,058	+/-1,518	40.2%	+/-1.3
No health insurance coverage	10,739	+/-665	9.4%	+/-0.6
Civilian noninstitutionalized population under 18 years	29,168	+/-516	29,168	(X)
No health insurance coverage	475	+/-140	1.6%	+/-0.5
Civilian noninstitutionalized population 18 to 64 years	70,446	+/-465	70,446	(X)
In labor force:	53,128	+/-960	53,128	(X)
Employed:	47,849	+/-1,019	47,849	(X)
With health insurance coverage	42,037	+/-981	87.9%	+/-1.1
With private health insurance	37,350	+/-1,019	78.1%	+/-1.3
With public coverage	6,126	+/-524	12.8%	+/-1.1
No health insurance coverage	5,812	+/-540	12.1%	+/-1.1
Unemployed:	5,279	+/-494	5,279	(X)
With health insurance coverage	3,107	+/-420	58.9%	+/-6.1
With private health insurance	1,341	+/-278	25.4%	+/-4.7
With public coverage	1,857	+/-314	35.2%	+/-5.2
No health insurance coverage	2,172	+/-393	41.1%	+/-6.1
Not in labor force:	17,318	+/-875	17,318	(X)
With health insurance coverage	15,074	+/-818	87.0%	+/-1.6
With private health insurance	9,016	+/-637	52.1%	+/-2.6

Subject	Peoria city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
With public coverage	7,094	+/-578	41.0%	+/-2.6
No health insurance coverage	2,244	+/-302	13.0%	+/-1.6
PERCENTAGE OF FAMILIES AND PEOPLE WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW THE POVERTY LEVEL				
All families	(X)	(X)	17.0%	+/-1.3
With related children of the householder under 18 years	(X)	(X)	27.0%	+/-2.3
With related children of the householder under 5 years only	(X)	(X)	31.4%	+/-6.7
Married couple families	(X)	(X)	5.3%	+/-1.1
With related children of the householder under 18 years	(X)	(X)	7.7%	+/-2.4
With related children of the householder under 5 years only	(X)	(X)	2.8%	+/-2.3
Families with female householder, no husband present	(X)	(X)	42.5%	+/-3.6
With related children of the householder under 18 years	(X)	(X)	51.5%	+/-4.3
With related children of the householder under 5 years only	(X)	(X)	71.2%	+/-13.5
All people	(X)	(X)	22.4%	+/-1.2
Under 18 years	(X)	(X)	32.1%	+/-2.6
Related children of the householder under 18 years	(X)	(X)	31.8%	+/-2.6
Related children of the householder under 5 years	(X)	(X)	40.5%	+/-3.9
Related children of the householder 5 to 17 years	(X)	(X)	28.1%	+/-3.4
18 years and over	(X)	(X)	19.1%	+/-1.1
18 to 64 years	(X)	(X)	21.0%	+/-1.3
65 years and over	(X)	(X)	10.5%	+/-1.5
People in families	(X)	(X)	19.8%	+/-1.6
Unrelated individuals 15 years and over	(X)	(X)	30.2%	+/-2.3

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Employment and unemployment estimates may vary from the official labor force data released by the Bureau of Labor Statistics because of differences in survey design and data collection. For guidance on differences in employment and unemployment estimates from different sources go to Labor Force Guidance.

Workers include members of the Armed Forces and civilians who were at work last week.

Occupation codes are 4-digit codes and are based on Standard Occupational Classification 2010.

Industry codes are 4-digit codes and are based on the North American Industry Classification System (NAICS). The Census industry codes for 2013 and later years are based on the 2012 revision of the NAICS. To allow for the creation of 2011-2015 tables, industry data in the multiyear files (2011-2015) were recoded to 2013 Census industry codes. We recommend using caution when comparing data coded using 2013 Census industry codes with data coded using Census industry codes prior to 2013. For more information on the Census industry code changes, please visit our website at <https://www.census.gov/people/io/methodology/>.

Logical coverage edits applying a rules-based assignment of Medicaid, Medicare and military health coverage were added as of 2009 -- please see https://www.census.gov/library/working-papers/2010/demo/coverage_edits_final.html for more details. The 2008 data table in American FactFinder does not incorporate these edits. Therefore, the estimates that appear in these tables are not comparable to the estimates in the 2009 and later tables. Select geographies of 2008 data comparable to the 2009 and later tables are available at <https://www.census.gov/data/tables/time-series/acs/1-year-re-run-health-insurance.html>. The health insurance coverage category names were modified in 2010. See https://www.census.gov/topics/health/health-insurance/about/glossary.html#par_textimage_18 for a list of the insurance type definitions.

While the 2011-2015 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

Unnecessary Duplication/Maldistribution

**Population Within
30-Minutes Travel Time**

ZIP Code	Population
61479	165
61517	3,259
61523	11,204
61525	9,021
61526	1,088
61528	2,668
61530	6,713
61535	1,629
61536	2,919
61547	3,779
61548	12,085
61550	17,721
61552	239
61554	43,810
61559	3,332
61565	1,504
61568	4,459
61571	23,744
61602	1,055
61603	17,600
61604	31,647
61605	16,303
61606	8,051
61607	10,941
61610	5,476
61611	25,268
61614	27,628
61615	22,432
61616	6,116
61625	385
Total	322,241

1. (A-B-C) The ratio of ESRD stations to population in the zip codes within a 30-minute radius of Fresenius Kidney Care Peoria Heights is 1 station per 4,185 residents, according to the 2010 census, **demonstrating a need for additional stations**. The State ratio is 1 station per 2,831 residents (based on 2015 census projections and the May 2017 Board station inventory).

Facilities within 30-minutes travel time are operating at 68% utilization. (FKC Peoria Downtown operates two isolation stations that cannot be used by the general population of patients and therefore rarely operate at utilization standards.) Removing these stations from the calculation brings the average utilization to 70%. With the 133 pre-ESRD patients RCA expects to refer in the upcoming year and the 7% historic ESRD growth in Peoria the three facilities are expected to be full before the Peoria Heights facility is operating. There will not be unnecessary duplication of services when the Peoria Heights facility opens but it will maintain access to dialysis in Peoria.

Facilities within 30-Minutes of FKC Peoria Heights

Name	Address	City	ZIP Code	MapQuest		MapQuest Adj x 1.15	Jul-17			Jun-17		
				Miles	Time		Stations	Pts	Utl	Stations	Pts	Utl
FKC Peoria North	10405 N. Juliet Court	Peoria	61615	4	7	8.05	21	83	65.87%			
FKC Peoria Downtown	410 W Romeo B Garrett Ave	Peoria	61605	5.5	12	13.8	32	132	68.75%			
FKC East Peoria	3300 N Main St	East Peoria	61611	8.2	14	16.1	24	101	70.14%			

2. There is not an absence of services in the area, however there is an absence of access to daytime treatment shifts in Peoria as they are all full and new patients desiring to be moved up to a daytime shift must be put on a wait list. The third, late afternoon to late evening shift, does not end until 8 or 9 p.m. requiring patients to travel in the dark. This is problematic because many of the Peoria ESRD patients come in from neighboring rural areas and it is unsafe for them to travel at night. Also, there is limited daytime medical transportation for all Peoria area patients and no options other than family or friends for the nighttime patients return home. This places a hardship not only on the patient, but those close to them as well.

Dr. Pfloderer of Renal Care Associates (RCA) has identified a total of 133 patients with chronic kidney disease he expects to refer to the three Peoria area clinics in the upcoming year. These facilities are expected to surpass 80% utilization long before the Peoria Heights facility is operating requiring additional access for the 89 pre-ESRD patients identified for the Peoria Heights facility. There are simply no other options for Peoria area patients.

Maintaining access to dialysis and to treatment shift options in Peoria will not create a maldistribution of services or unnecessary duplication of services because the three area clinics are expected to be full with expected patient referrals and due to the historic ESRD growth rate of 7% in Peoria. The identified patients are those of RCA who would otherwise be referred to the current three facilities, which will not be able to accommodate them. Additional access is needed to serve these patients.

- 3 A. Fresenius Kidney Care Peoria Heights will not have an adverse effect on any other area ESRD provider in that the new patients identified for this facility are pre-ESRD patients of RCA who would otherwise be referred to one of the 3 existing FKC Peoria area facilities that are expected to surpass 80% before the facility opens. When this occurs the impact will be a positive one for area facilities but most importantly area patients will maintain access and be provided with treatment shift choices.

B. Not applicable – the applicant is not a hospital; however the utilization will not be lowered at any other ESRD facility due to the establishment of the Peoria Heights facility except the potential of some transfer patients from the FKC area facilities that are expected to surpass 80% by the time the Peoria Heights facility is operating. This would be a positive impact.

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Timothy Pflederer is currently the Medical Director for Fresenius Medical Care Peoria Downtown and will also be the Medical Director for the proposed Fresenius Kidney Care Peoria Heights facility. Attached is his curriculum vitae.

B. All Other Personnel

Upon opening the facility will hire a Clinic Manager who is a Registered Nurse (RN) from within the company and will hire one Patient Care Technician (PCT). After we have more than one patient, we will hire another RN and another 2 additional PCTs.

Upon opening we will also employ:

- Part-time Registered Dietitian
- Part-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Part-time Secretary

These positions will go to full time as the clinic census increases. As well, the patient care staff will increase to the following:

- One Clinic Manager – Registered Nurse
- Four Registered Nurses
- Ten Patient Care Technicians

- 3) All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing a 9 week orientation training program through the Fresenius Medical Care staff education department.

Annually all clinical staff must complete OSHA training, Compliance training, CPR Certification, Skills Competency, CVC Competency, Water Quality training and pass the Competency Exam.

- 4) The above staffing model is required to maintain a 4 to 1 patient-staff ratio at all times on the treatment floor. A RN will be on duty at all times when the facility is in operation.

CURRICULUM VITAE

Timothy A. Pflederer, M.D.

PERSONAL INFORMATION

Date of Birth: March 13, 1962
Place of Birth: Chicago, Illinois

Work Address: **RenalCare Associates, S.C.**
200 E. Pennsylvania, Suite 212
Peoria, IL 61603
(309)-676-8123 phone
(309)-676-8455 fax
--OR--
Renal Intervention Center
430 Maxine Drive
Morton, IL 61550
(309)-266-7600 phone
(309)-495-266-7680 fax

E-Mail: tap@renalcareassoc.com
Medical license: Illinois

Family Interests: Married (Georgia K. Wiegand), 5 children
Horsemanship, motorcycle touring, reading, outdoor activities,

UNDERGRADUATE EDUCATION

1980-1984 B.S., Agriculture, University of Illinois at Urbana/Champaign
• Awards: Gamma Sigma Delta Honor Society, Alpha Lambda Delta Honor Society

MEDICAL SCHOOL EDUCATION

1984-1988 M.D. (with honors), University of Illinois College of Medicine at Peoria
• Awards: Alpha Omega Alpha Honor Society, Tom C. Reeves Award for Excellence in Internal Medicine
• Activities: President, Student Council, Teaching Assistant for undergraduate anatomy, Peer tutor for M2 Curriculum

POST-GRADUATE EDUCATION

1988-1991 Internal Medicine Residency, University of Iowa Hospitals & Clinics, Iowa City
• Awards: Resident of the Year, 1991
1991-1993 Nephrology Fellowship, University of Iowa Hospitals & Clinics, Iowa City

CERTIFICATION AND LICENSURE

1992-present Illinois Medical License

1991-2001	American Board of Internal Medicine, Internal medicine
1994-present	American Board of Internal Medicine, Nephrology
2004-present	Interventional dialysis access procedure certification, American Society of Diagnostic and Interventional Nephrology
2004-expired	Peritoneal dialysis catheter insertion certification, American Society of Diagnostic and Interventional Nephrology

HOSPITAL STAFF APPOINTMENTS

1993-present	OSF Saint Francis Medical Center, Peoria, Illinois, active staff
1993-present	Methodist Medical Center, Peoria, Illinois, courtesy staff
1993-present	Proctor Hospital, Peoria, Illinois, active staff
1993-present	Advocate BroMenn Medical Center, Normal, Illinois, consulting staff
1993-present	OSF Saint Joseph's Medical Center, Bloomington, Illinois, consulting staff
1993-present	Graham Hospital, Canton, Illinois, courtesy staff
1993-present	Saint Margaret's Hospital, Spring Valley, Illinois, consulting staff
1995-present	Pekin Hospital, Pekin, Illinois, consulting staff
1997-present	OSF Saint Elizabeth Hospital, Ottawa, Illinois, consulting staff
1997-present	Kewanee Hospital, Kewanee, Illinois, consulting staff
2003-present	Renal Intervention Center, Morton, Illinois, active staff

PROFESSIONAL AFFILIATIONS (including offices held)

1994-2009	American Society of Transplant (AST)
2003-2012	The Renal Network, Inc. (NW 4,9,10) <ul style="list-style-type: none"> • Member, Medical Review Board • Chair, Vascular Access Advisory Panel subcommittee (2006-present) • Member, Chronic Kidney Disease Coalition subcommittee (2006-2008)
2012-present	Network Strategies and Innovations, Inc <ul style="list-style-type: none"> • Chair, Network 10 MRB • Member, Network Board of Directors
2000-present	American Society of Diagnostic and Interventional Nephrology (ASDIN) <ul style="list-style-type: none"> • Committees served: Public policy (Chair), Membership, Finance, Bylaws, Peritoneal dialysis catheters, Quality Outcomes (Chair) • Councilor (Board member) 2004-2006 • Secretary-treasurer 2006-2008 • President-elect 2008-2010 • President 2010-2012 • Past President 2012-2014
1992-present	Renal Physicians Association (RPA) <ul style="list-style-type: none"> • Member, Quality, safety and accountability committee 2010-present • Alternate RPA representative, AMA CPT committee • Member, Nephrology coverage advocacy program (NCAP) 2011-present • Member, Board of Directors (2013-present)
1991-present	American Society of Nephrology (ASN) <ul style="list-style-type: none"> • Member, Interventional nephrology advisory group (INAG) 2009-2015
1992-present	National Kidney Foundation (NKF)
1993-present	International Society of Nephrology (ISN)
2014-present	Forum of ESRD Networks <ul style="list-style-type: none"> • Member, Board of directors

APPOINTMENTS/POSITIONS HELD

1996-present	Clinical Assistant Professor, University of Illinois College of Medicine at Peoria
1995-2011	Medical Director of Kidney-Pancreas Transplant Services, OSF Saint Francis Medical Center
1997-2008	Medical Director, Innovative Vascular Access Database (InnoVAD)
2003-present	Medical Director, Renal Intervention Center
2004-2005	Medical Director, Vascular Access Partners
2004-present	Director, Renal Intervention Center Fellowship in Interventional Nephrology
2010-present	Medical Director, FMC Peoria Downtown dialysis unit
2012-present	Medical Director, FMC Pekin dialysis unit
2013-present	Member, FMC North Division Medical Advisory Board
2014-present	Member, FMC Corporate Medical Advisory Board
2007-2009	Secretary Treasurer, Medical staff, Proctor Hospital, Peoria, IL
2009-2011	President Elect Medical Staff, Proctor Hospital, Peoria, IL
2011-2012	President Medical Staff, Proctor Hospital, Peoria, IL
2010-present	Chair, Quality Leadership Council, Proctor Hospital, Peoria, IL
2009-2013	Member, Board of Trustees, Proctor Hospital, Peoria, IL

PUBLICATIONS

- Flanigan MJ, Lim VS, **Pflederer TA**. Tidal Peritoneal Dialysis: Kinetics and Protein Balance. American Journal of Kidney Diseases. Nov; 22(5):700-7; 1993.
- Flanigan MJ, **Pflederer TA**, Lim VS. Is Eight Hours of Nightly Peritoneal Dialysis Enough? American Society of Artificial Internal Organs Journal. Jan-Mar; 40(1):24-6; 1994
- Ladenheim, E, Pflederer, BR, Sparrow, RT, and **Pflederer, TA**. Management of Nonfunctional Peritoneal Dialysis Catheters by Therapeutic Laparoscopy. Peritoneal Dialysis International. 1996; Vol. 16, Supplement, 2, s53. (Abstract).
- Darras FS, Mastrangelo, M, **Pflederer, TA**. Optimal Use in Cadaver Renal Transplantation of Kidneys from Less than Optimal Donors. Journal of Urology (Suppl.) 432, 1997.
- Welch, KA, Hocking K, **Pflederer, TA**. Establishing the Vascular Access Coordinator: Breaking Ground for Better Outcomes. Nephrology News and Issues. 12(11):43-46, November 1998.
- Pflederer, TA**, Darras, FS, Welch, KW, Knudsen, J. How to Organize Hemodialysis Vascular Access Quality Assurance Efforts Into a Cohesive Whole for Better Patient Outcomes. Contemporary Dialysis & Nephrology. 21(6):18-21; June 15, 2000.
- S Misra, R Bonan, **T Pflederer**, P Roy-Chaudhry. Bravo I: A pilot study of vascular brachytherapy in polytetrafluoroethylene dialysis access grafts. Kidney International. 70 (11): 2006-2013. December 2006.
- Pflederer, TA**. Use of Mechanical Thrombectomy for Dec clotting Hemodialysis Grafts. J Invas Cardiol. 2004; 16 (suppl): 23s-26s.
- Asif A, **Pflederer T**, et al. Does catheter insertion by nephrologists improve peritoneal dialysis utilization ? A multicenter analysis. Seminars in Dialysis. 2005; 18(2):157-160.
- Pflederer T**, et al. A comparison of transposed brachiobasilic fistulae with nontransposed fistulae and grafts in the fistula first era. Seminars in Dialysis. 2008; 21(4):357-363.
- Dember LM, et al. Effect of clopidogrel on early failure of arteriovenous fistulas for hemodialysis: a randomized controlled trial. Journal of the American Medical Association. 2008; 299(18):2164-2171.

Dixon BS, et al. Effect of dipyridamole plus aspirin on hemodialysis graft patency. *New England Journal of Medicine*. 2009; 360(21):2191-2201.

Chan M, **Pfiederer T**, Steele D, Lilly M, Ikizler A, Maddux F, Hakim R, Access Survival amongst Hemodialysis Patients Referred for Preventive Angiography and Percutaneous Transluminal Angioplasty. *Clinical Journal of the American Society of Nephrology*. November 2011 6(11): 2669-2680.

Prabir Roy-Chaudhury, Alexander Yevzlin, Joseph V. Bonventre, Anil Agarwal, Ammar Almeahmi, Anatole Besarab, Amy Dwyer, Dirk Hentschel, Michael Kraus, Ivan Maya, **Timothy Pfiederer**, Donald Schon, Steven Wu, Jack Work. Academic Interventional Nephrology: A Model for Training, Research, and Patient Care. *Clinical Journal of the American Society of Nephrology*. March 2012 7(3):521-524.

Haskal Z, Saad T, Hoggard J, Lipkowitz G, Gerges A, Ross J, **Pfiederer T**, Mietling S. Prospective, Randomized, Concurrently-Controlled Study of a Stent Graft vs. Balloon Angioplasty for Treatment of Arteriovenous Access Graft Stenosis: Two-Year Results of the RENOVA Study. *Journal of Vascular and Interventional Radiology*. Accepted for publication 2016

BOOKS AUTHORED

Interventional Nephrology. The McGraw-Hill Companies, Inc. 2012. Chapter 61: Quality assurance and outcomes monitoring

FUNDED RESEARCH ACTIVITY

Beta Radiation for Treatment of Arterial – Venous Graft Outflow (BRAVO), Sponsor, Novoste Corporation, 2002-2003

CUTTING Balloon – HEModialysis Access ManaGEment Trial (Cutting EDGE), Sponsor, Boston Scientific Scimed, Inc., 2002-2003

Clopidogrel Prevention of Early AV Fistula Thrombosis, Sponsor NIH/NIDDK, 2002-2008.

Aggrenox Prevention of Access Stenosis, Sponsor, NIH/NIDDK, 2002-2008.

Phase 1 Trial with Plasmin to evaluate safety and dosing for Phase 2 in patients with hemodialysis graft occlusion. Sponsor, Bayer. 2004

Paclitaxel graft wrap for prevention of neointimal hyperplasia, Sponsor Angiotech, 2007-2009.

Intravenous paclitaxel for preventing neointimal hyperplasia after graft angioplasty, Phase 1. Sponsor Abraxis, 2007.

RENOVA Flair stent graft trial, Sponsor Bard Peripheral Vascular, 2009-present.

SUMMARY OF CURRENT CLINICAL AND LEADERSHIP ACTIVITIES

I serve as President of my practice (RenalCare Associates, SC) in Peoria, IL. Our practice has 14 nephrologists and 2 transplant surgeons. I practice general and interventional nephrology. As such, I am Medical Director of a limited focus, Medicare certified dialysis access ambulatory surgery center for our practice caring for patients in a wide geographical region of central Illinois. I am Medical Director of a

Fresenius Medical Care dialysis unit serving approximately 120 patients in the Peoria area. I serve on the West division and Corporate Medical Advisory Boards for Fresenius Medical Care NA.

I have been a part of The Renal Network, Inc. (NW 9,10) Medical Review Board for several years, working to improve the quality of dialysis patient care in the 6 states served. In that role, I have chaired the Vascular Access Advisory Panel subcommittee of the MRB and have been active throughout our Network guiding quality improvement activities directed at dialysis vascular access – especially towards reaching CMS goals for prevalent fistula and catheter rates. I now serve as MRB chair of Network 10. I have been on the board of directors of the Forum of ESRD Networks from June 2014 to June 2016.

I have been very active in the American Society of Diagnostic and Interventional Nephrology (ASDIN) serving as President from February 2010 to February 2012. I have been active on several society committees, but my primary role has been with the Public Policy Committee. In my role as chair of that committee, I have been closely involved in developing coding guidelines and advocating for reimbursement and other public policy issues affecting Interventional Nephrology.

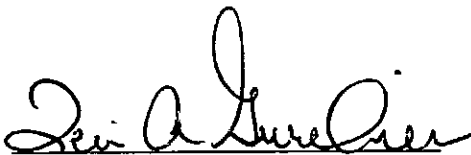
I have been active in the Renal Physicians Association (RPA) since starting practice in 1993 and am currently on its Board of Directors. I serve on the Healthcare Payment Committee, Quality, Safety and Accountability Committee and am a part of the Nephrology Coverage Advisory Committee (NCAP). I am the alternate representative to the AMA CPT committee for RPA.

I am an active member of the American Society of Nephrology and served on the Interventional Nephrology Advisory Group for this society until 2015. I have represented the ASN in advocacy efforts with CMS related to dialysis access procedures.

Criterion 1110.1430 (e)(5) Medical Staff

I am the Vice President of Operations of the Midwest Group of the West Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Kidney Care Peoria Heights, I certify the following:

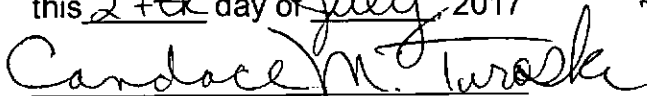
Fresenius Kidney Care Peoria Heights will be an "open" unit with regards to medical staff. Any Board Licensed nephrologist may apply for privileges at the Peoria Heights facility, just as they currently are able to at all Fresenius Kidney Care facilities.


Signature

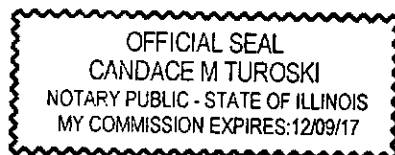
Teri Gurchiek
Printed Name

Vice President of Operations
Title

Subscribed and sworn to before me
this 27th day of July, 2017


Signature of Notary

Seal



Criterion 1110.1430 (f) – Support Services

I am the Vice President of Operations of the Midwest Group of the West Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Kidney Care Peoria Heights, I certify the following:

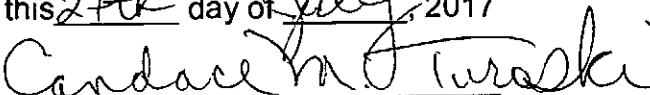
- Fresenius Medical Care utilizes a patient data tracking system in all of its facilities.
- These support services will be available at Fresenius Kidney Care Peoria Heights during all six shifts:
 - Nutritional Counseling
 - Psychiatric/Social Services
 - Home/self training
 - Clinical Laboratory Services – provided by Spectra Laboratories
- The following services will be provided via referral to OSF Saint Francis Medical Center, Peoria:
 - Blood Bank Services
 - Rehabilitation Services
 - Psychiatric Services



Signature

Teri Gurchied/Vice President of Operations
Name/Title

Subscribed and sworn to before me
this 27th day of July, 2017



Signature of Notary

Seal



Criterion 1110.1430 (g) – Minimum Number of Stations

Fresenius Kidney Care Peoria Heights will be located in the Peoria Metropolitan Statistical Area (MSA). A minimum of eight dialysis stations is required to establish an in-center hemodialysis center in an MSA. Fresenius Kidney Care Peoria Heights will have 13 dialysis stations thereby meeting this requirement.

TRANSFER AGREEMENT
between
FRESENIUS MEDICAL CARE PEORIA HEIGHTS, LLC D/B/A FRESENIUS KIDNEY
CARE PEORIA HEIGHTS
and
OSF HEALTHCARE SYSTEM,
OSF SAINT FRANCIS MEDICAL CENTER
and CHILDREN'S HOSPITAL OF ILLINOIS

THIS TRANSFER AGREEMENT (“**Agreement**”) is effective as of as of the later part of January, 2018 or the date on which the Illinois Health Facilities Planning Board grants the Certificate of Need application for the Facility Location and such location becomes operational “**Effective Date**”), by and between Fresenius Medical Care Peoria Heights, LLC d/b/a Fresenius Kidney Care Peoria Heights, located and doing business at in Peoria, Illinois (hereinafter referred to as “**Transferring Facility**”) and OSF HEALTHCARE SYSTEM, an Illinois not-for-profit corporation, having its Corporate Office in Peoria, Illinois, owner and operator of OSF Saint Francis Medical Center and Children’s Hospital of Illinois, located and doing business in Peoria, Illinois (“**Receiving Facility**”).

R E C I T A L S:

A. The Transferring Facility and the Receiving Facility desire to assure continuity of care and treatment appropriate to the needs of the patients to be transferred hereunder, including but not limited to the needs of pediatric patients.

B. The parties hereto specifically wish to facilitate: (a) the timely transfer of patients and the medical records and other information necessary or useful for the care and treatment of patients transferred; (b) the determination as to whether such patients can be adequately cared for other than by either of the parties hereto; (c) the continuity of care and treatment appropriate to the needs of the transferred patient; and (d) the utilization of knowledge and other resources of both healthcare entities in a coordinated and cooperative manner to improve the professional healthcare of patients.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in reliance upon the recitals set forth above and incorporated by reference herein, the parties hereto agree as follows:

I PATIENT TRANSFER DUTIES AND RESPONSIBILITIES.

1.1 Receiving Facility Responsibilities.

- a. In accordance with the policies and procedures of the Transferring Facility and upon the recommendation of the patient's attending physician that such a transfer is medically appropriate, such patient shall be transferred from the Transferring Facility to the Receiving Facility as long as the Receiving Facility has bed availability, staff availability, and is able to provide the services requested by the Transferring Facility, and pursuant to any other necessary criteria established by the Receiving Facility. Receiving Facility shall designate a person to coordinate with Transferring Facility in order to establish acceptable and efficient transfer guidelines. If Receiving Facility is unable to accept a referred patient because of bed unavailability or for any other reason, Receiving Facility will take reasonable steps to assist Transferring Facility in arranging for admission of the patient to another facility capable of providing the appropriate level of care.

1.2 Transferring Facility Responsibilities. Transferring Facility shall request transfers of patients to Receiving Facility pursuant to the criteria set forth in Section 1.1. Further, Transferring Facility shall:

- a. Be responsible for obtaining any consent(s) required by law for the transfer of patient from Transferring Facility to Receiving Facility, and provide a copy of any such consent to Receiving Facility.
- b. Provide Receiving Facility's contact information to the guardian of the patient.
- c. Notify Receiving Facility as far in advance as possible of the impending transfer.
- d. In the event a patient has personal effects with him or her at the time of transfer, provide a list to Receiving Facility with appropriate documentation of such personal effects.
- e. Affect the transfer to Receiving Facility through qualified personnel and appropriate transfer equipment and transportation (in accordance with patient acuity level), including the use of necessary and medically appropriate life support measures. Receiving Facility's responsibility for the patient's care shall begin when the patient arrives at the Receiving Facility. Notwithstanding anything to the contrary set forth above, in the event the patient is transferred by Receiving Facility's Air Ambulance program, Receiving Facility's responsibility shall begin when the patient leaves Transferring Facility's Emergency Department.

- f Transfer, and supplement as necessary, all relevant medical records, or in the case of an emergency, as promptly as possible, transfer an abstract of the pertinent medical and other records necessary in order to continue the patient's treatment without interruption and to provide identifying and other information, including contact information for referring physician, name of physician(s) at Receiving Facility contacted with regard to the patient (and to whom the patient is to be transferred), medical, social, nursing and other care plans. Such information shall also include, without limitation and if available, current medical and lab findings, history of the illness or injury, diagnoses, advanced medical directives, rehabilitation potential, brief summary of the course of treatment at the Transferring Facility, medications administered, known allergies, nursing, dietary information, ambulation status and pertinent administrative, third party billing and social information.

1.3 Joint Responsibilities.

- a Receiving Facility and Transferring Facility agree to exercise best efforts to provide for prompt admission of the patient, subject to the transfer criteria set forth in Section 1.1.
- b Receiving Facility and Transferring Facility shall comply with all EMTALA requirements with respect to all transfers, if applicable.

1.4 Non Discrimination. The parties hereto acknowledge that nothing in this Agreement shall be construed to permit discrimination by either party in the transfer process set forth herein based on race, color, national origin, handicap, religion, age, sex or any other characteristic protected by Illinois state laws, Title VI of the Civil Rights Act of 1964, as amended or any other applicable state or federal laws. Further, Section 504 of the Rehabilitation Act of 1973 and the American Disabilities Act require that no otherwise qualified individual with a handicap shall, solely by reason of the handicap, be excluded from participation in, or denied the benefits of, or be subjected to discrimination in a facility certified under the Medicare or Medicaid programs.

1.5 Name Use. Neither party shall use the name of the other party in any promotional or advertising material unless the other party has reviewed and approved in writing in advance such promotional or advertising material.

1.6 Standards. The parties shall provide care to patients in a manner that will ensure that all duties are performed and services provided in accordance with any standard, ruling or regulation of The Joint Commission, the Department of Health and Human Services or any other federal, state or local government agency, corporate entity or

individual exercising authority with respect to or affecting Receiving Facility or Transferring Facility. The parties shall perform their duties under this Agreement in conformance with all requirements of the federal and state constitutions and all applicable federal and state statutes and regulations.

- 1.7 Exclusion/Debarment. By entering into this Agreement, the parties hereby certify that they have not been debarred, suspended, or excluded from participation in any state or federal healthcare program, including, but not limited to, Medicaid, Medicare and Tricare. In addition, each party agrees that it will notify the other party immediately in writing if it subsequently becomes debarred, suspended or excluded or proposed for debarment, suspension or exclusion from participation in any state or federal healthcare program.
- 1.8 Confidentiality. Receiving Facility and Transferring Facility specifically acknowledge that certain material, which will come into the parties' possession or knowledge in connection with this Agreement, may include confidential information, disclosure of which to third parties may be damaging to the other party. Each party agrees to hold all such material concerning the other party in confidence, to use it only in connection with performance under this Agreement and to release it only to those persons requiring access thereto for such performance or as may otherwise be required by law and to comply with the Health Insurance Portability and Accountability Act.
- 1.9 Access to Books and Records. Both parties will maintain records relating to their responsibilities under this Agreement for a period of one (1) year from the date of services. During normal working hours and upon prior written and reasonable notice, each party will allow the other party reasonable access to such records for audit purposes and also the right to make photocopies of such records (at requesting party's expense), subject to all applicable state and federal laws and regulations governing the confidentiality of such records.
- 1.10 Non-Exclusivity. This Agreement does not establish an exclusive arrangement between the parties, and both the Transferring Facility and the Receiving Facility are permitted to enter into similar agreements with other entities. In addition, Transferring Facility's patients shall not be restricted in any way in their choice of emergency care providers.
- 1.11 Referrals. The parties specifically acknowledge and agree that the performance by the parties of their obligations hereunder in no way obligates and is in no way contingent upon, the admission, recommendation, referral, or any other form of arrangement between the parties for utilization by patients or others of any item or service offered by either party or any other entities with which the parties might be affiliated.

II. FINANCIAL ARRANGEMENTS.

- 21 Billing and Collection. The patient is primarily responsible for payment for care provided by Transferring Facility or Receiving Facility. Each party shall bill and collect for services rendered by each party pursuant to all state and federal guidelines and those set by third party payors. Neither the Transferring Facility nor the Receiving Facility shall have any liability to the other for billing, collection or other financial matters relating to the transfer or transferred patient. Since this Agreement is not intended to induce referrals, there shall be no compensation or anything of value, directly or indirectly, paid between the parties.
- 22 Insurance. Each party shall, at its expense, maintain through insurance policies, self-insurance or any combination thereof, such policies of comprehensive general liability and professional liability insurance with coverage limits of at least One Million Dollars (\$1,000,000.00) per occurrence and Three Million Dollars (\$3,000,000.00) annual aggregate to insure each party and its respective Board, officers, employees and agents acting within the scope of their duties and employment against any claim for damages arising by reason of injuries to property or personal injuries or death occasioned directly or indirectly in connection with services provided by such party and activities performed by such party in connection with this Agreement. Either party shall notify the other party thirty (30) days prior to the termination or modification of such policies.

III. TERM AND TERMINATION.

- 3.1 Term. The promises and obligations contained herein shall commence as of the later part of January, 2018 or the date on which the Illinois Health Facilities Planning Board grants the Certificate of Need application for the Facility Location and such location becomes operational, for a term of one (1) year therefrom, and thereafter shall automatically renew for successive periods of one (1) year, subject, however, to termination under Section 3.2 herein.
- 3.2 Termination. This Agreement may be sooner terminated on the first to occur of the following:
- a. Written agreement by both parties to terminate this Agreement.
 - b. In the event of breach of any of the terms or conditions of this Agreement by either party and the failure of the breaching party to correct such breach within ten (10) business days after written notice of such breach by the non-breaching party, the non-breaching party may terminate this Agreement immediately upon written notice.

- c. In the event either party to this Agreement shall, with or without cause, at any time give to the other at least thirty (30) days advanced written notice, this Agreement shall terminate on the future date specified in such notice.
 - d. Debarment, suspension or exclusion of either party, as set forth in Section 1.7.
- 33 Effects of Termination. Upon termination of this Agreement, as hereinabove provided, no party shall have any further obligations hereunder, except for obligations accruing prior to the date of termination.

IV. MISCELLANEOUS.

- 41 Entire Agreement. This Agreement constitutes the entire agreement between the parties and contains all of the terms and conditions between the parties with respect to the subject matter hereunder. Receiving Facility and Transferring Facility shall be entitled to no benefits or services other than those specified herein. This Agreement supersedes any and all other agreements, either written or oral, between the parties with respect to the subject matter hereof.
- 42 Changes or Modifications. No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by Receiving Facility and Transferring Facility. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or party against whom charged.
- 43 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of Illinois. It may only be amended, modified or terminated by an instrument signed by the parties. This Agreement shall inure to the benefit of and be binding upon the parties, their successors, legal representatives and assigns, and neither this Agreement nor any right or interest of Receiving Facility or Transferring Facility arising herein shall be voluntarily or involuntarily sold, transferred or assigned without written consent of the other party, and any attempt at assignment is void.
- 44 Relationship of the Parties. The parties are independent contractors under this Agreement. Nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship or a joint venture relationship between the parties, or to allow any party to exercise control or direction over the manner or method by which any of the parties perform services herein. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provisions hereof. Notices required herein shall be considered effective when

Transfer Agreement
Fresenius Medical Care Peoria Heights, LLC
d/b/a Fresenius Kidney Care Peoria Heights
OSF Healthcare System,
OSF Saint Francis Medical Center
Page 7

sent by United States certified mail, postage prepaid, return receipt requested, or by nationally recognized overnight courier and addressed to:

Transferring Facility:

Vice President of Operations
Fresenius Medical Care – Midwest
Group
3500 Lacey Road, Suite 900
Downers Grove, IL 60515

Receiving Facility:

President
OSF Saint Francis Medical Center
530 N.E. Glen Oak Avenue
Peoria, IL 61637

With a copy to:

Fresenius Medical Care
Peoria Heights, LLC
c/o Fresenius Medical Care
North America
920 Winter St.
Waltham, MA 02451
Attn: Law Department

or to other such address, and to the attention of such other person(s) or officer(s) as a party may designate by written notice.

- 45 Limitation of Liability; Rights of Third Parties. It is understood and agreed that neither party to this Agreement shall be legally liable for any negligent or wrongful act, either by commission or omission, chargeable to the other, unless such liability is imposed by law. This Agreement shall not be construed as seeking to either enlarge or diminish any obligations or duty owed by one party against the other or against a third party.
- 46 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.
- 47 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.
- 48 Interpretation. This Agreement is a result of negotiations between the parties, none of whom have acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the parties hereby waive the application of any rule of law that otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of the same. Unless the context of this Agreement otherwise clearly

Transfer Agreement
Fresenius Medical Care Peoria Heights, LLC
d/b/a Fresenius Kidney Care Peoria Heights
OSF Healthcare System,
OSF Saint Francis Medical Center
Page 8

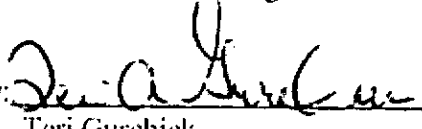
requires, references to the plural include the singular and the singular, the plural. The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The section titles and other headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Transfer Agreement
Fresenius Medical Care Peoria Heights, LLC
d/b/a Fresenius Kidney Care Peoria Heights
OSF Healthcare System.
OSF Saint Francis Medical Center
Page 9

IN WITNESS WHEREOF, the parties have hereto executed this Agreement in multiple originals as of the last date written below.

TRANSFERRING FACILITY:

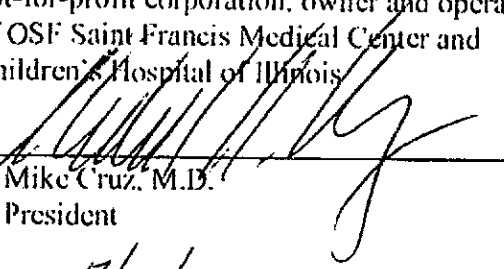
Fresenius Medical Care Peoria Heights, LLC d/b/a Fresenius Kidney Care Peoria Heights

By: 
Teri Gurchick
Vice President of Operations

Dated: 7/26/2017

RECEIVING FACILITY:

OSF HEALTHCARE SYSTEM, an Illinois not-for-profit corporation, owner and operator of OSF Saint Francis Medical Center and Children's Hospital of Illinois

By: 
Mike Cruz, M.D.
President

Dated: 7/31/17

Criterion 1110.1430 (j) – Assurances

I am the Vice President of Operations of the Midwest Group of the West Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Kidney Care Peoria Heights, I certify the following:

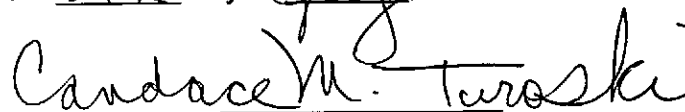
1. As supported in this application through expected referrals to Fresenius Kidney Care Peoria Heights in the first two years of operation, the facility is expected to achieve and maintain the utilization standard, specified in 77 Ill. Adm. Code 1100, of 80% and;
2. Fresenius Kidney Care hemodialysis patients at the Peoria area facilities have achieved adequacy outcomes of:
 - o 93% of patients had a URR \geq 65%
 - o 97% of patients had a Kt/V \geq 1.2

and same is expected for Fresenius Kidney Care Peoria Heights.


Signature

Teri Gurchiek/Vice President of Operations
Name/Title

Subscribed and sworn to before me
this 27th day of July, 2017


Signature of Notary

Seal





July 28, 2017

Fresenius Medical Care

Attn: Mr. Bill Popken

(781) 699-9994

Via email: William.Popken@fmc-na.com

**RE: 6101 - 6201 Sheridan Road, Peoria, Illinois 61614
Fresenius Medical Care- Letter of Intent**

Dear Bill:

We are pleased to present to you this letter of intent. Net3 (Peoria Heights), LLC ("Landlord") is willing to negotiate a lease for the premises in the referenced location. This letter is not intended to be a binding contract, a lease, or an offer to lease, but is intended only to provide the basis for negotiations of a lease document between Landlord and Fresenius Medical Care Peoria Heights, LLC ("Tenant").

Premises: 8,263 SF square foot building located at:
6101 - 6201 Sheridan Road, Peoria, Illinois 61614
Parcel to be subdivided. Current Parcel # for existing parcel:
14-17-281-002

Landlord: Net3 (Peoria Heights), LLC

Tenant: Fresenius Medical Care Peoria Heights, LLC

Guarantor: Fresenius Medical Care Holdings, Inc.

Lease: The Lease shall be on Tenant's standard form to be platformed on the Crestwood, IL lease.

Use: Tenant shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant may operate on the Premises, at Tenant's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.

Primary Term: 15 years

Option Term(s): Three (3) Five (5) year options to renew the lease at 1.7% annual increase in base rent.

Base Rent over initial Term: Annual Rent: Starts at \$25.98/sq. ft. and increases by 1.7% in Year 2 of the Primary Term

<u>Years</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
1	\$214,672.74	\$17,889.40
2	\$218,322.18	\$18,193.51
3	\$222,033.65	\$18,502.80
4	\$225,808.23	\$18,817.35
5	\$229,646.97	\$19,137.25
6	\$233,550.96	\$19,462.58
7	\$237,521.33	\$19,793.44
8	\$241,559.19	\$20,129.93
9	\$245,665.70	\$20,472.14
10	\$249,842.02	\$20,820.17
11	\$254,089.33	\$21,174.11
12	\$258,408.85	\$21,534.07
13	\$262,801.80	\$21,900.15
14	\$267,269.43	\$22,272.45
15	\$271,813.01	\$22,651.08

Taxes, Insurance & CAM: Tenant will pay.

Utilities: Tenant will be responsible to pay for all of their own utilities.

Tenant's Share: 100%

Condition of Premises Upon Delivery: Landlord shall, at Landlord's sole cost and expense, deliver the Premises to Tenant in substantial accordance with the Landlord's Work exhibit to be negotiated with the lease. In addition to Landlord's Work, Landlord shall, at Tenant's sole cost and expense, construct the interior work shown and detailed on Tenant's Work Letter attached to the Lease. In addition, Landlord shall be responsible for all civil costs, parking infrastructure and any other development costs.

Rent Commencement Date: Tenant will not pay rent until the date that is the earlier of (a) that day that is ninety (90) days after the Substantial Completion of the Shell Building Work, or (b) the date Tenant commences to treat patients at the Premises.

Delivery Date:

The date upon which Landlord's Work is substantially completed which is estimated to be 180 days from the date that Landlord obtains the building permit and all other applicable permits required to achieve substantial completion.

Construction Drawings For Landlord's Work:

Landlord will agree upon issuance of the CON to have construction drawings no later than 90 days after CON is awarded and apply for building permits immediately thereafter.

Tenant's Work:

Tenant shall install Tenant's trade fixtures, equipment and personal property in order to make the Premises ready for Tenant's initial occupancy and use. All of which shall be purchased and installed by Tenant.

Security Deposit:

None, subject to Landlord's review of current Tenant financial statements.

Landlord Maintenance:

Landlord shall without expense to Tenant, maintain and make all necessary repairs to the structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, the roof and roof supports, columns, structural retaining walls, gutters, downspouts, flashings and footings.

Signage:

Tenant may, at its sole cost and expense, install and maintain signs in and on the Premises to the maximum extent permitted by local law and subject to Tenant obtaining (i) all necessary private party approvals, if any, and governmental approvals, permits and licenses; and (ii) Landlord's prior written approval which will not be unreasonably withheld, and in accordance with Landlord's sign criteria (if applicable).

Confidentiality:

Except in connection with the CON, the parties hereto acknowledge the sensitive nature of the terms and conditions of this letter and hereby agree not to disclose the terms and conditions of this letter or the fact of the existence of this letter to any third parties and instead agree to keep said terms and conditions strictly confidential, disclosing them only to their respective agents, lenders, attorneys, accountants and such other directors, officers, employees, affiliates, and representatives who have a reason to receive such information and have been advised of the sensitive nature of this letter and as otherwise required to be disclosed by law.

Zoning and Restrictive Covenants:

Landlord will represent that the current property zoning is acceptable for use as outpatient dialysis facility and there is no other restrictive covenants imposed on the land, owner, and/or municipality.

CON Contingency

Landlord and FMC understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, FMC cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless FMC obtains a Certificate of Need (CON) permit from the Illinois Health Facilities Planning Board (the "Planning Board"). FMC agrees to proceed using its commercially reasonable best efforts to submit an application for a CON permit and to prosecute said application to obtain the CON permit from the Planning Board. Based on the length of the Planning Board review process, FMC does not expect to receive a CON permit prior to January 2018. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to the approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective pending CON approval. Assuming CON permit approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the Planning Board does not award FMC a CON permit to establish a dialysis center on the Premises by January 2018, neither party shall have any further obligation to the other party with regard to the negotiations, lease or Premises contemplated by this Letter of Intent.

Acquisition Contingency:

Tenant acknowledges that Landlord is not the owner of the Land. Accordingly, the parties agree that the lease agreement shall contain a contingency provision which provides that Landlord's obligations under the lease agreement shall be subject to and contingent upon Landlord obtaining fee title to the Land and in the event that Landlord does not acquire fee title to the Land on or before the date which is 100 days after the Lease execution then either Landlord or Tenant may elect to terminate the lease agreement; provided, however, that in



the event Tenant elects to terminate the lease agreement then Landlord shall have thirty (30) days from the date of Tenant's notice of election to terminate to satisfy the contingency at its election in which event Tenant's election to terminate shall be null and void. In the event the lease is terminated under this provision then each of the parties shall be released from its obligations and liability under the lease agreement.

The parties agree that this letter shall not be binding on the parties and does not address all essential terms of the lease agreement contemplated by this letter. Neither party may claim any legal right against the other by reason of any action taken in reliance upon this non-binding letter. A binding agreement shall not exist between the parties unless and until a lease agreement has been executed and delivered by both parties.

If you are in agreement with the foregoing terms, please execute and date this letter in the space provided below and return same to Landlord within five (5) business days from the date above.

Sincerely,

**NET 3 REAL ESTATE, L.L.C.,
As Agent for Purchaser**

David E. Cunningham
Manager

AGREED TO AND ACCEPTED BY:

Fresenius Medical Care Peoria Heights, LLC

7/31/17

Date

Criterion 1120.310 Financial Viability

Financial Viability Waiver

This project is being funded entirely through cash and securities thereby meeting the criteria for the financial waiver.

2015 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #16-023, Fresenius Kidney Care East Aurora. 2016 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted to the Board with #17-027, Fresenius Medical Care Sandwich. These are the same financials that pertain to this application. In order to reduce bulk these financials can be referred to if necessary.

Criterion 1120.310 (c) Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		177.00			6,584			1,165,368	1,165,368
Contingency		17.00			6,584			111,928	111,928
Total Clinical		\$194.00			6,584			\$1,277,296	\$1,277,296
Non Clinical		177.00			1,679			297,183	297,183
Contingency		17.00			1,679			28,543	28,543
Total Non		\$194.00			1,679			\$325,726	\$325,726
TOTALS		\$194.00			8,263			\$1,603,022	\$1,603,022

* Include the percentage (%) of space for circulation

Criterion 1120.310 (d) – Projected Operating Costs

Year 2019

Estimated Personnel Expense:	\$837,734
Estimated Medical Supplies:	\$162,653
Estimated Other Supplies (Exc. Dep/Amort):	\$953,856
	<u>\$1,954,244</u>
 Estimated Annual Treatments:	 8,294
Cost Per Treatment:	\$235.61

Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs

Year 2019

Depreciation/Amortization:	\$185,000
Interest	<u>\$0</u>
Capital Costs:	\$185,000
 Treatments:	 8,294
Capital Cost per Treatment	\$22.30

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Peoria Heights, LLC

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of 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.

By: *Bryan Mello*
ITS: *Bryan Mello*
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this 21st day of July, 2017

Elizabeth D. Schley
Signature of Notary

Seal


Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Peoria Heights, LLC

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

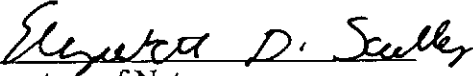
There is no debt financing. The project will be funded with cash and leasing arrangements; and

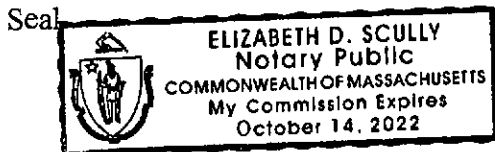
The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: 
ITS: Bryan Mello
Assistant Treasurer

Notarization:

Subscribed and sworn to before me
this 21st day of July, 2017


Signature of Notary



Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Holdings, Inc.

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

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.

By: *[Signature]*
ITS: Bryan Mello
Assistant Treasurer

By: *[Signature]*
ITS: Asst. Treasurer

Notarization:
Subscribed and sworn to before me
this 21st day of July, 2017

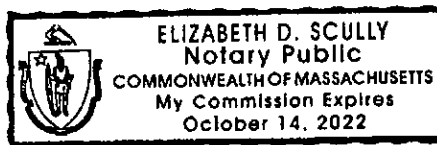
Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2017

[Signature]
Signature of Notary

Signature of Notary

Seal

Seal



Safety Net Impact Statement

The proposed Fresenius Kidney Care Peoria Heights dialysis facility will not have any impact on safety net services in the Peoria area of Peoria 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 for ESRD or insurance on the Healthcare Marketplace. 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, National Kidney Foundation and American Kidney Fund.

The table on the following page shows the amount of "self-pay" care and Medicaid services provided for the 3 fiscal years prior to submission of the application for all Fresenius Kidney Care facilities in Illinois.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2014	2015	2016
Charity/self-pay (# of patients)	251	195	233
Charity (cost in dollars)	\$5,211,664	\$3,204,986	\$3,269,127
MEDICAID			
	2014	2015	2016
Medicaid (# of patients)	750	396	320
Medicaid (revenue)	\$22,027,882	\$7,310,484	\$4,383,383

Note:

- 1) Charity (self-pay) and Medicaid patient numbers continue to decrease as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. This provides the patient with insurance coverage not only for dialysis but for other needed healthcare services. Patients who cannot afford the premiums have them paid by the American Kidney Fund.
- 2) Medicaid reported numbers are also impacted by the large number of patients who switched from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2016 of our commercial patients we had 1,230 Medicaid Risk patients with Revenues of \$22,664,352

Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition of charity care because self-pay patients are billed and their accounts are written off as bad debt. Fresenius takes Medicaid patients without limitations or exception. The applicant(s) are for profit corporations and do not receive the benefits of not for profit entities, such as sales tax and/or real estate exemptions, or charitable donations. The applicants are not required, by any State or Federal law, including the Illinois Healthcare Facilities Planning Act, to provide charity care. The applicant(s) are prohibited by Federal law from advising patients that they will not be invoiced for care, as this type of representation could be an inducement for patients to seek care prior to qualifying for Medicaid, Medicare or other available benefits. Self-pay patients are invoiced and then the accounts written off as bad debt.

Uncompensated care occurs when a patient is not eligible for any type of insurance coverage (whether private or governmental) and receives treatment at our facilities. It is rare in Illinois for patients to have no coverage as patients who are not Medicare eligible are Medicaid eligible or are able to purchase insurance on the Healthcare Marketplace with premiums paid for by The American Kidney Fund. This represents a small number of patients, as Medicare covers all dialysis services as long as an individual is entitled to receive Medicare benefits (i.e. has worked and paid into the social security system as a result) regardless of age. In addition, in Illinois Medicaid covers patients who are undocumented for ESRD only. Also, the American Kidney Fund funds health insurance premiums for patients who meet the AKF's financial parameters and who suffer from end stage renal disease (see uncompensated care attachment). The applicants work with patients to procure coverage for them as possible whether it be Medicaid, Medicare and/or coverage on the Healthcare Marketplace funded by AKF. The applicants donate to the AKF to support its initiatives as do most dialysis providers.

If a patient has no available insurance coverage, 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

Nearly all dialysis patients in Illinois will qualify for some type of coverage and Fresenius works aggressively with the patient to obtain insurance coverage for each patient.

Uncompensated Care For All Fresenius Facilities in Illinois

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	\$411,981,839	\$438,247,352	\$449,611,441
Amount of Charity Care (charges)	\$5,211,664	\$3,204,986	\$3,269,127
Cost of Charity Care	\$5,211,664	\$3,204,986	\$3,269,127

Note:

- 1) Charity (self-pay) and Medicaid patient numbers continue to decrease as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. This provides the patient with insurance coverage not only for dialysis but for other needed healthcare services. Patients who cannot afford the premiums have them paid by the American Kidney Fund.
- 2) Medicaid reported numbers are also impacted by the large number of patients who switched from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2016 of our commercial patients we had 1,230 Medicaid Risk patients with Revenues of \$22,664,352

Fresenius Medical Care North America - Community Care

Fresenius Medical Care North America (FMCNA) assists all of our patients in securing and maintaining insurance coverage when possible.

American Kidney Fund

FMCNA works with the American Kidney Fund (AKF) to help patients with insurance premiums at no cost to the patient.

Applicants must be dialyzed in the US or its territories and referred to AKF by a renal professional and/or nephrologist. The Health Insurance Premium Program is a "last resort" program. It is restricted to patients who have no means of paying health insurance premiums and who would forego coverage without the benefit of HIPP. Alternative programs that pay for primary or secondary health coverage, and for which the patient is eligible, such as Medicaid, state renal programs, etc. must be utilized. Applicants must demonstrate to the AKF that they cannot afford health coverage and related expenses (deductible etc.).

Our team of Financial Coordinators and Social Workers assist patients in purchasing insurance on the Healthcare Marketplace and then connects patients who cannot afford to pay their insurance premiums, with AKF, which provides financial assistance to the patients for this purpose. The benefit of working with the AKF is that the insurance coverage which AKF facilitates applies to all of the patient's insurance needs, not just coverage for dialysis services.

Indigent Waiver Program

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services.

In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

Annual Income: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have an annual income in excess of two (2) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (2) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the Office of Business Practices and Corporate Compliance.

Net Worth: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth in excess of \$75,000 (or such other amount as may be established by the Office of Business Practices and Corporate Compliance based on changes in the Consumer Price Index

The Company recognizes the financial burdens associated with ESRD and wishes to ensure that patients are not denied access to medically necessary care for financial reasons. At the same time, the Company also recognizes the limitations imposed by federal law on offering "free" or "discounted" medical items or services to Medicare and other government supported patients for the purpose of inducing such patients to receive ESRD-related items and services from FMCNA. An indigent waiver excuses a patient's obligation to pay for items and services furnished by FMCNA. Patients may have dual coverage of AKF assistance and an Indigent Waiver if their financial status qualifies them for both programs.

IL Medicaid and Undocumented patients

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical emergency.

The Regional Insurance Coordinator will petition Medicaid if patients are denied and assist undocumented patients through the application process to get them Illinois Medicaid coverage. This role is actively involved with the Medicaid offices and attends appeals to help patients secure and maintain their Medicaid coverage for all of their healthcare needs, including transportation to their appointments.

FMCNA Collection policy

FMCNA's collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services.

FMCNA does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to FMCNA.

Medicare and Medicaid Eligibility

Medicare: Patients are eligible for Medicare when they meet the following criteria: age 65 or older, under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

There are three insurance programs offered by Medicare, Part A for hospital coverage, Part B for medical coverage and Part D for pharmacy coverage. Most people don't have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary doesn't get premium-free Part A, they may be able to buy it if they (or their spouse) aren't entitled to Social Security, because they didn't work or didn't pay enough Medicare taxes while working, are age 65 or older, or are disabled but no longer get free Part A because they returned to work. Part B and Part D both have monthly premiums. Patients must have Part B coverage for dialysis services.

Medicare does allow members to enroll in Health Plans for supplemental coverage. Supplemental coverage (secondary) is any policy that pays balances after the primary pays reducing any out of pocket expenses incurred by the member.

Medicare will pay 80% of what is allowed by a set fee schedule. The patient would be responsible for the remaining 20% not paid by Medicare. The supplemental (secondary) policy covers the cost of co-pays, deductibles and the remaining 20% of charges.

Medicaid: Low-income Illinois residents who can't afford health insurance may be eligible for Medicaid. In addition to meeting federal guidelines, individuals must also meet the state criteria to qualify for Medicaid coverage in Illinois.

Self-Pay

A self-pay patient would not have any type of insurance coverage (un-insured). They may be un-insured because they do not meet the eligibility requirements for Medicare or Medicaid and can not afford a commercial insurance policy.

In addition, a patient balance becomes self-pay after their primary insurance pays, but the patient does not have a supplemental insurance policy to cover the remaining balance. The AKF assistance referenced earlier may or may not be available to these patients, dependent on whether or not they meet AKF eligibility requirements.

YOUR TRIP TO:




10415 N Juliet Ct, Peoria, IL, 61615-1199


7 MIN | 4.0 MI


Est. fuel cost: \$0.35

Trip time based on traffic conditions as of 1:25 PM on July 19, 2017. Current Traffic: Light

TO FKC PEORIA NORTH


- 

1. Start out going **north** on N Sheridan Rd toward W Kellar Pkwy.
Then 0.43 miles 0.43 total miles
- 

2. Turn **right** onto W Giles Ln.
Then 0.04 miles 0.47 total miles
- 


3. Take the 2nd **left** onto N Knoxville Ave/IL-40.
N Knoxville Ave is just past Rock Island Trl.

If you reach N Patton Ln you've gone a little too far.

Then 3.20 miles 3.67 total miles
- 


4. Turn **left** onto W Alta Rd.
W Alta Rd is 0.2 miles past W Richmar Rd.

If you reach N Eveningside Dr you've gone a little too far.

Then 0.26 miles 3.94 total miles
- 

5. Take the 2nd **right** onto N Juliet Ct.
N Juliet Ct is 0.1 miles past N Eva Ln.

If you reach N Mulberry Ln you've gone a little too far.

Then 0.05 miles 3.99 total miles
- 

6. 10415 N Juliet Ct, Peoria, IL 61615-1199, 10415 N JULIET CT is on the **left**.
If you reach the end of N Juliet Ct you've gone a little too far.

Use of directions and maps is subject to our [Terms of Use](#). We don't guarantee accuracy, route conditions or usability. You assume all risk of use.

YOUR TRIP TO:

410 W Romeo B Garrett Ave



12 MIN | 5.5 MI

Est. fuel cost: \$0.48

Trip time based on traffic conditions as of 1:27 PM on July 19, 2017. Current Traffic: Moderate

TO FKC PEORIA DOWNTOWN



1. Start out going **south** on N Sheridan Rd toward W Northmoor Rd.

Then 0.06 miles 0.06 total miles



2. Take the 1st **left** onto W Northmoor Rd.

If you reach W Fairmont Dr you've gone about 0.2 miles too far.

Then 0.32 miles 0.38 total miles



3. Turn **right** onto N Knoxville Ave/IL-40. Continue to follow IL-40.

IL-40 is just past Rock Island Trl.

Then 4.46 miles 4.84 total miles



4. Turn **slight right** onto IL-40/NE Glendale Ave. Continue to follow IL-40.

IL-40 is 0.1 miles past NE Glen Oak Ave.

Then 0.45 miles 5.28 total miles



5. Turn **right** onto W Romeo B Garrett Ave.

W Romeo B Garrett Ave is just past W Sam J Stone Ave.

If you reach W 4th St you've gone a little too far.

Then 0.18 miles 5.46 total miles



6. 410 W Romeo B Garrett Ave, Peoria, IL 61605-2401, 410 W ROMEO B GARRETT AVE is on the **left**.

If you reach N Hightower St you've gone a little too far.

Use of directions and maps is subject to our [Terms of Use](#). We don't guarantee accuracy, route conditions or usability. You assume all risk of use.

106

YOUR TRIP TO:



3300 N Main St, East Peoria, IL, 61611-1562

14 MIN | 8.2 MI

Est. fuel cost: \$0.73

Trip time based on traffic conditions as of 1:28 PM on July 19, 2017. Current Traffic: Moderate

TO FKC EAST PEORIA



1. Start out going **south** on N Sheridan Rd toward W Northmoor Rd.

Then 0.06 miles 0.06 total miles



2. Take the 1st **left** onto W Northmoor Rd.

If you reach W Fairmont Dr you've gone about 0.2 miles too far.

Then 0.32 miles 0.38 total miles



3. Turn **right** onto N Knoxville Ave/IL-40.

N Knoxville Ave is just past Rock Island Trl.

Then 2.12 miles 2.50 total miles



4. Turn **left** onto War Memorial Dr/US-150 E.

War Memorial Dr is just past E War Memorial Dr.

If you reach W Edgevale Ct you've gone a little too far.

Then 3.44 miles 5.94 total miles



5. Merge onto N Main St/US-24 W/US-150 E/IL-116 W toward **East Peoria**.

Then 1.67 miles 7.60 total miles



6. Make a **U-turn** at Mariners Way onto N Main St/US-24 E/US-150 W/IL-116.

If you reach Access Road 5 you've gone about 0.4 miles too far.

Then 0.63 miles 8.23 total miles



7. 3300 N Main St, East Peoria, IL 61611-1562, 3300 N MAIN ST is on the **right**.

Your destination is 0.6 miles past N Main St.

If you reach Centennial Dr you've gone about 0.2 miles too far.

Use of directions and maps is subject to our [Terms of Use](#). We don't guarantee accuracy, route conditions or usability. You assume all risk of use.

107

YOUR TRIP TO:




1021 Court St, Pekin, IL, 61554-4971


27 MIN | 19.9 MI


Est. fuel cost: \$1.76


Trip time based on traffic conditions as of 1:23 PM on July 19, 2017. Current Traffic: Moderate


TO DAVITA TAZEWELL COUNTY


- 


1. Start out going **south** on N Sheridan Rd toward W Northmoor Rd.
Then 1.06 miles 1.06 total miles
- 


2. Turn **right** onto W Glen Ave.
If you reach W Joan Ct you've gone about 0.1 miles too far.
Then 1.45 miles 2.51 total miles
- 


3. W Glen Ave becomes N Sterling Ave.
Then 0.63 miles 3.14 total miles
- 

4. Merge onto I-74 W toward **Galesburg**.
Then 1.90 miles 5.04 total miles
- 

5. Merge onto I-474 E via EXIT 87A toward **Indianapolis**.
Then 9.42 miles 14.45 total miles
- 

6. Take the **IL-29/US-24 E** exit, EXIT 9, toward **Pekin/East Peoria**.
Then 0.27 miles 14.72 total miles
- 

7. Merge onto IL-29 toward **Pekin**.
Then 4.59 miles 19.31 total miles
- 

8. Turn **left** onto Margaret St/IL-9. Continue to follow IL-9.
IL-9 is just past Ann Eliza St.
If you are on N 5th St and reach Court St you've gone a little too far.
Then 0.54 miles 19.85 total miles
- 

9. 1021 Court St, Pekin, IL 61554-4971, 1021 COURT ST is on the **left**.
Your destination is just past S 10th St.
If you reach Kenmore Ct you've gone a little too far.

OVER THIRTY MINUTES TRAVEL TIME

Use of directions and maps is subject to our [Terms of Use](#). We don't guarantee accuracy, route conditions or usability. You assume all risk of use.

MapQuest Travel Times
APPENDIX - 1

108

YOUR TRIP TO:



3521 Court St, Pekin, IL, 61554-6210

37 MIN | 20.2 MI

Est. fuel cost: \$1.28

Trip time based on traffic conditions as of 1:26 PM on July 19, 2017. Current Traffic: Moderate

TO FKC PEKIN



1. Start out going **south** on N Sheridan Rd toward W Northmoor Rd.

Then 0.06 miles 0.06 total miles



2. Take the 1st **left** onto W Northmoor Rd.

If you reach W Fairmont Dr you've gone about 0.2 miles too far.

Then 0.32 miles 0.38 total miles



3. Turn **right** onto N Knoxville Ave/IL-40.

N Knoxville Ave is just past Rock Island Trl.

Then 4.10 miles 4.48 total miles



4. Merge onto I-74 E via the ramp on the **left** toward **Bloomington**.

Then 4.95 miles 9.42 total miles



5. Take the **Pinecrest Drive** exit, EXIT 98.

Then 0.31 miles 9.73 total miles



6. Keep **right** to take the **Pinecrest Dr** ramp.

Then 0.04 miles 9.77 total miles



7. Merge onto Fahey Hollow Rd.

Then 0.04 miles 9.81 total miles



8. Fahey Hollow Rd becomes Pinecrest Dr.

Then 0.98 miles 10.79 total miles



9. Turn **right** onto E Muller Rd.

Then 0.40 miles 11.19 total miles



10. Take the 1st **left** onto Springfield Rd.

If you are on W Muller Rd and reach Ritchie St you've gone a little too far.

Then 4.28 miles 15.47 total miles

OVER THIRTY MINUTES TRAVEL TIME

109

MapQuest Travel Times
APPENDIX - 1



**Illinois
Kidney Disease &
Hypertension Center**



RenalCare
Associates, S.C.

Nephrology Associates

Alexander J. Alonso, M.D.
Robert Bruha, M.D.
Sudha Cherukuri, M.D.
Anthony R. Horinek, M.D.
David E. Houser, M.D.
Syed F. Imam, M.D.
Raji Jacob, M.D.
Gordon W. James, M.D.
Amit B. Janrnadas, M.D.
Usman Khan, M.D.
Muhammad Khattak, M.D.
Dinesh K. Kannabhiran, M.D.
Timothy A. Pflederer, M.D.
David C. Rosborough, M.D.
Samer B. Sader, M.D.
Kuntarpal C. Shrishrimal, M.D.
Robert T. Sparrow, M.D., FASH
Parthasarathy Srinivasan, M.D.

July 31, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Surgery Associates

Manish Gupta, M.D.
Timothy P. O'Connor, M.D., F.A.C.S.

Physician Assistants

Holly R. Walker, P.A.-C.

Nurse Practitioners

Sarah Adams, APN
Judith A. Dansizen, A.P.R.N.-B.C.
Karen A. Helfers, F.N.P.
Tonya K. McDougall, F.N.P.
Amanda Matthews, APN
Tonya Moore, APN
DaNae Nelson, APN
Jill C. Peterson, A.N.P.

Executive Director

Beth A. Shaw, MBA

Director of Operations

Annette Wounded-Arrow, MSN, RN, CEN, CNE

Main Offices

Peoria
420 N.E. Glen Oak Avenue, Suite 401
(309) 676-8123

Bloomington

1404 Eastland Drive, Suite 103
(309) 663-4766

Galesburg

765 N. Kellogg, Suite 203
(309) 343-4114

Ottawa

1050 E. Norris Dr., Suite 2C
(815) 431-0785

My name is Timothy Pflederer, M.D. and I am a practicing in central Illinois with Renal Care Associates (RCA), a group of 17 nephrologists. I am the Medical Director of the Fresenius Peoria Downtown dialysis center and have served in several capacities within ESRD Network 10. I currently chair Network 10 Board of Directors. My practice provides dialysis care to patients throughout central Illinois and I am active in Medical staff of our hospital systems in Peoria – OSF St. Francis and Unity Point Peoria. I am writing to support the proposed Fresenius Kidney Care Peoria Heights dialysis clinic. The two facilities serving the Peoria area west of the Illinois River in Peoria County are full on the two daytime patient treatment shifts. Most new patients to dialysis must begin treatment on a nighttime shift, which is difficult. This is especially true for my patients who come into Peoria from surrounding rural areas. Given historic referrals and the number of patients in my care who are going to require dialysis in the upcoming year, I expect both facilities to be full requiring additional access for my current Stage 3 & 4 patients.

I, along with my partners at Renal Care Associates, have referred 79 new patients for in-center hemodialysis services over the past twelve months to Fresenius Peoria Downtown, Peoria North and East Peoria. In the Peoria market, we were treating 278 in-center hemodialysis patients at the end of 2014, 290 at the end of 2015, 307 at the end of 2016 and as of June 30, 2017 we were treating 305. We have a total of 495 patients in our practice in stage 4 & 5 of kidney failure who live in the Peoria market of Peoria County. Of these, 88 Stage 5 patients are expected to begin dialysis within the next year at either Fresenius Peoria North or Downtown filling up these facilities. Of the remaining 407 patients, there are 89 that I expect to require dialysis services in the first two years after the Peoria Heights facility opens. We also have another 45 Stage 5 patients we expect to refer to the nearby East Peoria and Pekin facilities in the next twelve months.

110

Service Demand – Physician Referral Letter



**Illinois
Kidney Disease &
Hypertension Center**



**RenalCare
Associates, S.C.**

Nephrology Associates

Alexander J. Alonso, M.D.
Robert Bruha, M.D.
Sudha Cherukuri, M.D.
Anthony R. Horinek, M.D.
David E. Houser, M.D.
Syed F. Inam, M.D.
Raji Jacob, M.D.
Gordon W. James, M.D.
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Dinesh K. Kannabhiran, M.D.
Timothy A. Pflederer, M.D.
David C. Rosborough, M.D.
Samer B. Sader, M.D.
Kumarpai C. Shrishrimal, M.D.
Robert T. Sparrow, M.D., FASH
Parthasarathy Srinivasan, M.D.

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Amanda Matthews, APN
Tonya Moore, APN
DalNae Nelson, APN
Jill C. Peterson, A.N.P.

Executive Director

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Director of Operations

Annette Wounded-Arrow, MSN, RN, CEN, CNE

Main Offices

Peoria
420 N.E. Glen Oak Avenue, Suite 401
(309) 676-8123

Bloomington
1404 Eastland Drive, Suite 103
(309) 663-4766

Galesburg
765 N. Kellogg, Suite 203
(309) 343-4114

Ottawa
1050 E. Norris Dr., Suite 2C
(815) 431-0785

RCA also strongly encourages patients to explore other treatment choices such as transplantation and home dialysis. We currently have 59 patients dialyzing at home in the Peoria area (approximately 16% of our ESRD patients).

Renal Care Associates respectfully ask the Board to approve the 13-station Peoria Heights facility to provide continued dialysis access and treatment shift choice to the metropolitan Peoria patients as well as rural patients of the Peoria area. Thank you for your consideration.

Sincerely,

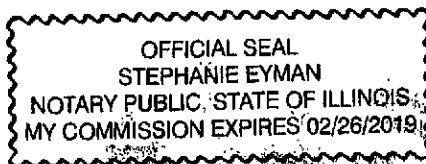
Timothy Pflederer, M.D.

Notarization:

Subscribed and sworn to before me
this 31ST day of July, 2017

Signature of Notary

(seal)



111

**NEW HEMODIALYSIS REFERRALS OF RENAL CARE
ASSOCIATES FOR THE PEORIA AREA FOR 07/01/2016 – 06/30/2017**

Zip Code	Fresenius Medical Care			Total
	East Peoria	Peoria Downtown	Peoria North	
61523			3	3
61530	1			1
61531			1	1
61536			1	1
61545	1			1
61548	3			3
61550	2			2
61559			1	1
61571	3			3
61602		1		1
61603	1	4		5
61604	2	10	4	16
61605	1	13	2	16
61606		1		1
61607		1	2	3
61610	1			1
61611	6			6
61614	2		5	7
61615		1	5	6
61616		1		1
Total	23	32	24	79

**PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO THE
PEORIA HEIGHTS FACILITY IN THE 1ST TWO YEARS OF
OPERATION**

Zip Code	Patients
61517	1
61523	5
61525	3
61528	1
61529	1
61536	2
61565	2
61602	1
61603	9
61604	19
61605	12
61606	2
61607	6
61614	13
61615	9
61616	3
Total	89

112

RCA PEORIA IN-CENTER HEMODIALYSIS PATIENTS

Zip Code	2014				2015				2016				6/30/2017			
	Fresenius Kidney Care				Fresenius Kidney Care				Fresenius Kidney Care				Fresenius Kidney Care			
	East Peoria	Peoria Downtown	Peoria North	2014 Total	East Peoria	Peoria Downtown	Peoria North	2015 Total	East Peoria	Peoria Downtown	Peoria North	Total	East Peoria	Peoria Downtown	Peoria North	Total
61612					1			1								
60506										1		1				
61201					1		1	2								
61350	5			5												
61375							2	2							1	1
61401	1			1					1			1				
61462			1	1												
61477		1		1												
61517			3	3			2	2			1	1			1	1
61520	1			1												
61523			2	2			3	3			7	7			8	8
61525			2	2			3	3			1	1			1	1
61528		1		1		1	1	2		1	1	2		1	1	2
61530					4			4	4			4	5			5
61533			1	1												
61534	1			1												
61536	1		1	2	2			2	1		1	2	1		1	2
61537			1	1					1		2	3				
61540	1		3	4		1	2	3		1	2	3		1	2	3
61545	1			1	2			2	3			3	2			2
61547					1			1								
61548	5			5	6			6	7			7	6			6
61550	5			5	6	1		7	7	2		9	5	2		7
61554	3	1		4	3	2	1	6	1	1	2	4	3	1		4
61559			2	2			1	1			3	3			4	4
61560			1	1			1	1								
61561	1			1												
61568													1			1
61570						1		1		1		1		1		1
61571	18			18	17			17	16		1	17	20		1	21
61572							1	1			1	1			1	1
61602	1	1	1	3	1	1	1	3	1	2	1	4	1	2		3
61603	9	22	2	33	9	21		30	11	20	5	36	11	21	6	38
61604	4	28	12	44	4	31	14	49	7	29	14	50	7	28	11	46
61605	4	48	5	57	6	51	8	65	5	54	7	66	4	53	6	63
61606		3		3		4		4		2	1	3		3	1	4
61607	3	4		7	4	4	1	9	3	3	3	9	4	3	2	9
61610	4	2		6	3	1		4	2	1		3	3	1		4
61611	14	1	1	16	14		2	16	15	1	1	17	17	2	1	20
61612			1	1			2	2	1		1	2	1		2	3
61614	3	3	14	20	2	4	10	16	6	4	10	20	3	6	10	19
61615	1	6	9	16	2	4	12	18	2	4	14	20	2	3	13	18
61616	2	4		6	1	4		5	1	2		3	1	3		4
61617											1	1				
61732		1		1		1		1								
61742	1			1					1			1	1			1
61755													1			1
61760							1	1			1	1			1	1
61777			1	1												
62326											1	1			1	1
Total	89	126	63	278	89	132	69	290	96	129	82	307	99	131	75	305