



**FRESENIUS  
KIDNEY CARE**

17-034

**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 8, 2017

**RECEIVED**

**AUG 09 2017**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

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

Re: Fresenius Medical Care Naperbrook

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 add six stations to the 18-station Fresenius Medical Care Naperbrook; 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

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 09 2017

## Facility/Project Identification

Facility Name:	Fresenius Medical Care Naperville				
Street Address:	2451 S. Washington Street				
City and Zip Code:	Naperville 60565				
County:	DuPage	Health Service Area:	9	Health Planning Area:	

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

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

Exact Legal Name:	Fresenius Medical Care Naperville, LLC d/b/a Fresenius Medical Care Naperville
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

- ☐ Non-profit Corporation  
☐ For-profit Corporation  
☒ Limited Liability Company  
☐ Other

- ☐ Partnership  
☐ Governmental  
☐ Sole Proprietorship



- 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.

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**

- ☐ Non-profit Corporation  
☒ For-profit Corporation  
☐ Limited Liability Company  
☐ Other

- ☐ Partnership  
☐ Governmental  
☐ Sole Proprietorship



- 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:	Coleen Muldoon
Title:	Regional Vice President
Company Name:	Fresenius Kidney Care
Address:	3500 Lacey Road, Suite 900, Downers Grove, IL 60515
Telephone Number:	630-960-6706
E-mail Address:	coleen.muldoon@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:	Partner
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: Brushy Creek, LLC
Address of Site Owner: 10531 Timberwood Circle, Suite D, Louisville, KY 4023
Street Address or Legal Description of the Site: 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 <u>ATTACHMENT 2</u> , 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 Naperbrook, LLC d/b/a Fresenius Medical Care Naperbrook	
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"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>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.</li><li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>	
APPEND DOCUMENTATION AS <u>ATTACHMENT 3</u> , 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 <u>ATTACHMENT 4</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.
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**Flood Plain Requirements      Not Applicable – Expansion only**

[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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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      Not Applicable – Expansion only**

[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 Naperbrook, LLC proposes to expand its Naperbrook dialysis center, located at 2451 S. Washington Street, Naperville by 6 stations. The facility currently has 18 stations and the result will be a 24-station facility. The facility was operating at 87% with 94 patients as of July 30, 2017.

Fresenius Medical Care Naperbrook is in HSA 9. There is a need for an additional 14 stations in this HSA as of June 30, 2017.

This project is substantive under Planning Board rule 1110.10(c) as it entails the addition of stations totaling more than 10% of the clinic's current station count.

**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.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
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	18,000	N/A	18,000
Contingencies	N/A	N/A	N/A
Architectural/Engineering Fees	N/A	N/A	N/A
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	113,000	N/A	113,000
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	100,275	N/A	100,275
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
<b>TOTAL USES OF FUNDS</b>	<b>\$231,275</b>	<b>N/A</b>	<b>\$231,275</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities	131,000	N/A	131,000
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)	100,275	N/A	100,275
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
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$231,275</b>	<b>N/A</b>	<b>\$231,275</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If yes, provide the dollar amount of all <b>non-capitalized</b> 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 \$ <u>      N/A      </u> .

**Project Status and Completion Schedules**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>
Indicate the stage of the project's architectural drawings:  <div style="display: flex; justify-content: space-between;"><div><input checked="" type="checkbox"/> None or not applicable</div><div><input type="checkbox"/> Preliminary</div></div> <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> Schematics</div><div><input type="checkbox"/> Final Working</div></div>
Anticipated project completion date (refer to Part 1130.140): <u>      December 31, 2018      </u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): <div style="margin-left: 20px;"><input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.</div>
<b>APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**State Agency Submittals [Section 1130.620(c)]**

Are the following submittals up to date as applicable: <div style="margin-left: 20px;"><input type="checkbox"/> Cancer Registry <input type="checkbox"/> APORS <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input checked="" type="checkbox"/> All reports regarding outstanding permits</div> <b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b>
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## 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
<b>REVIEWABLE</b>							
In-center Hemodialysis	\$231,275	8,000			900		
Total Clinical	\$231,275	8,000			900		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	\$231,275	8,000			900		

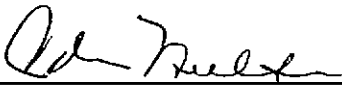
APPEND DOCUMENTATION AS **ATTACHMENT 9**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**CERTIFICATION**

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Fresenius Medical Care Naperville, 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.



SIGNATURE

Coleen Muldoon

PRINTED NAME

Regional Vice President/Manager

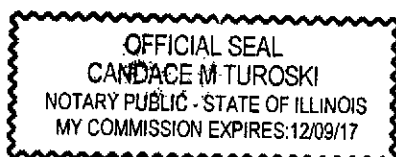
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 24 day of July 2017

Signature of Notary

Seal



\*Insert the EXACT legal name of the applicant

**CERTIFICATION**

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Fresenius Medical Care Holdings, Inc. \*  
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

Thomas Brovillere  
SIGNATURE

PRINTED NAME Thomas Brovillere

PRINTED TITLE Assistant Treasurer

Notarization:

Subscribed and sworn to before me  
this 21<sup>st</sup> day of July 2017

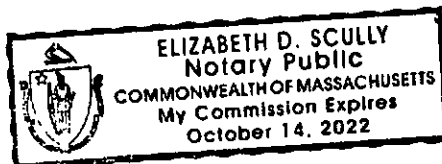
Notarization:

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_

Elizabeth D. Scully  
Signature of Notary

Signature of Notary

Seal



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	MEET 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	18	24

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	
<b>APPEND DOCUMENTATION AS ATTACHMENT 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

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]:

131,000	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	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;
N/A	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.
N/A	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
100,275	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:
	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.;
	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;
	5) For any option to lease, a copy of the option, including all terms and conditions.
<u>N/A</u>	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;
<u>N/A</u>	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
<u>N/A</u>	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<b>\$231,275</b>	<b>TOTAL FUNDS AVAILABLE</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**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
<b>Enter Historical and/or Projected Years:</b>				
Current Ratio				
Net Margin Percentage	<b>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.</b>			
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	20.00	900			900			18,000	18,000
Contingency									
<b>Total Clinical</b>	20.00	900			900			18,000	18,000
Non Clinical									
Contingency									
<b>Total Non</b>									
<b>TOTALS</b>	20.00	900			900			18,000	18,000

\* 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 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
<b>Net Patient Revenue</b>	\$411,981,839	\$438,247,352	\$449,611,441
<b>Amount of Charity Care (charges)</b>	\$5,211,664	\$3,204,986	\$3,269,127
<b>Cost of Charity Care</b>	\$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

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

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	24-25
2	Site Ownership	26
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	27
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	28
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	29
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9	Cost Space Requirements	31
10	Discontinuation	
11	Background of the Applicant	32-37
12	Purpose of the Project	38
13	Alternatives to the Project	39
14	Size of the Project	40
15	Project Service Utilization	41
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
	<b>Service Specific:</b>	
19	Medical Surgical Pediatrics, Obstetrics, ICU	
20	Comprehensive Physical Rehabilitation	
21	Acute Mental Illness	
22	Open Heart Surgery	
23	Cardiac Catheterization	
24	In-Center Hemodialysis	42-57
25	Non-Hospital Based Ambulatory Surgery	
26	Selected Organ Transplantation	
27	Kidney Transplantation	
28	Subacute Care Hospital Model	
29	Community-Based Residential Rehabilitation Center	
30	Long Term Acute Care Hospital	
31	Clinical Service Areas Other than Categories of Service	
32	Freestanding Emergency Center Medical Services	
33	Birth Center	
	<b>Financial and Economic Feasibility:</b>	
34	Availability of Funds	
35	Financial Waiver	58
36	Financial Viability	59
37	Economic Feasibility	60-64
38	Safety Net Impact Statement	65
39	Charity Care Information	66-68
Appendix 1	Physician Referral Letter	69-76

**Applicant Identification****[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: <i>Fresenius Medical Care Naperville, LLC d/b/a Fresenius Medical Care Naperville</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Bill Valle</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>800-662-1237</i>

**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 |
- 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.

**APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.****\*Certificate of Good Standing for Fresenius Medical Care Naperville, LLC on following page.****Co - Applicant Identification****[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: <i>Fresenius Medical Care Holdings, Inc.</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Bill Valle</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>781-669-9000</i>

**APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.****Type of Ownership – Co-Applicant**

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



**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 NAPERBROOK, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON OCTOBER 25, 2010, 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 #: 1720602152 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

### Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Brushy Creek, LLC*

Address of Site Owner: *10531 Timberwood Circle, Suite D, Louisville, KY 40223*

Street Address or Legal Description of Site: *2451 S. Washington Street, Naperville 60565*

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, 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.

## Operating Identity/Licensee

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

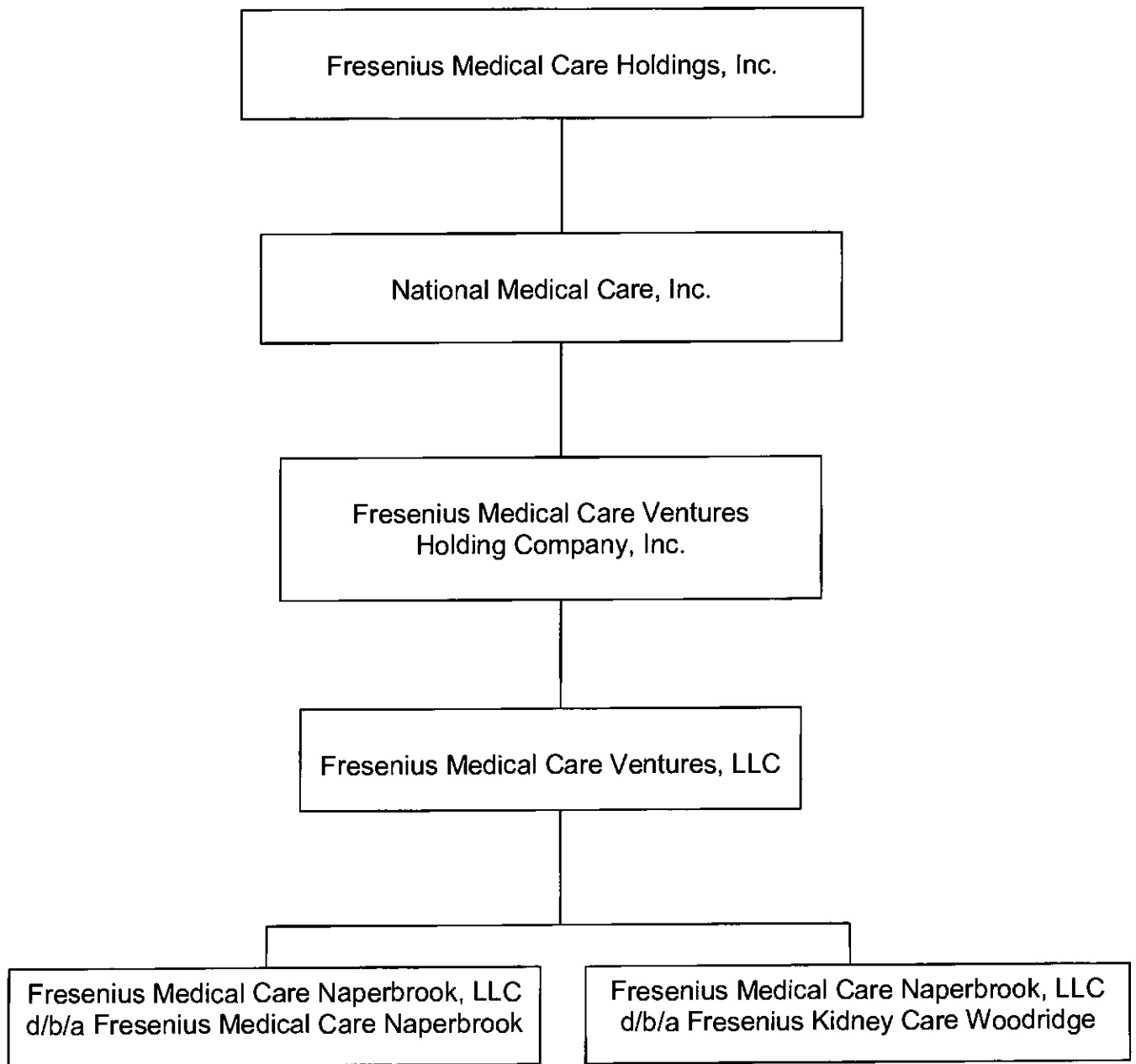
Exact Legal Name: <i>Fresenius Medical Care Naperbrook, LLC d/b/a Fresenius Medical Care Naperbrook*</i>			
Address: <i>920 Winter Street, Waltham, MA 02451</i>			
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input 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"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>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.</li><li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>			

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

### Ownership

Fresenius Medical Care Ventures, LLC has a 51% membership interest in Fresenius Medical Care Naperbrook, LLC.

Cronos Partners, LLC has a 49% membership interest in Fresenius Medical Care Naperbrook, LLC. Its address is 120 W. 22nd Street, Oak Brook, IL 60523.



## SUMMARY OF PROJECT COSTS

<b>Modernization</b>	
Plumbing	18,000
<b>Total</b>	<b>\$18,000</b>
<b>Contingencies</b>	
	\$0
<b>Architecture/Engineering Fees</b>	
	\$0
<b>Moveable or Other Equipment</b>	
Dialysis Chairs	25,000
Clinical Furniture & Equipment	20,000
Office Equipment & Other Furniture	0
Water Treatment	0
TVs & Accessories	60,000
Telephones	0
Generator	0
Facility Automation	0
Other miscellaneous	8,000
	<b>\$113,000</b>
<b>Fair Market Value of Leased Space and Equipment</b>	
FMV Leased Dialysis Machines	100,275
	<b>\$100,275</b>
<b>Grand Total</b>	<b>\$231,275</b>

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
#17-004	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
<b>REVIEWABLE</b>							
In-center Hemodialysis	\$231,275	8,000			900		
Total Clinical	\$231,275	8,000			900		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	<b>\$231,275</b>	<b>8,000</b>			<b>900</b>		

## **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**

<b>Clinic</b>	<b>Provider #</b>	<b>Address</b>	<b>City</b>	<b>Zip</b>
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	Bolingbrook	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	4861 W. 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
Elk Grove	14-2507	901 Biesterfield Road, Ste. 400	Elk 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
Meirose Park	14-2554	1111 Superior St., Ste. 204	Meirose 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 Veteran's 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 Vonis-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 Naperville, 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 Naperville, 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 & 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: Regional Vice President/manager

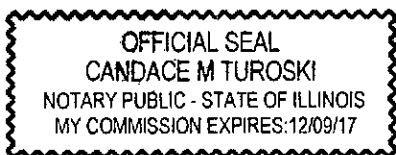
Notarization:

Subscribed and sworn to before me  
this 18th day of July, 2017

Candace M. Turossi

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: ASSP. Treasurer

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

[Signature: Elizabeth D. Scully]  
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**

1. The purpose of this project is to maintain life-sustaining dialysis services the quickest and most cost effective way in Naperville by adding 6 ESRD stations to existing space at the Fresenius Naperbrook facility which is operating at 87% utilization with 94 patients and 18 stations. The addition will raise the total station count at the facility to 24.
2. This facility is located in Naperville in far north Will County in HSA 9. There is a need for 14 additional stations in this HSA as of the June 2017 inventory.
3. The Naperbrook facility has operated above 80% for many years resulting in the addition of 2 stations in January 2017. The facility continues to operate above 80%.
4. Not Applicable
5. Increasing the station count at the Fresenius Naperbrook facility will maintain access to dialysis services in an area of Will County that has historically experienced high utilization rates. The additional stations will also provide patients with a choice of treatment shift times that would better coordinate with their home life, employment and transportation options.
6. The goal of Fresenius Kidney Care is to keep dialysis access available to this patient population. 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. It is expected that this facility would continue to have similar quality outcomes after the addition of stations. The Naperbrook facility has a 5-star rating from CMS and patients have the quality outcomes below:
  - 97% of patients had a URR  $\geq$  65%
  - 97% of patients had a Kt/V  $\geq$  1.2

## Alternatives

### 1) All Alternatives

A-C.

- Doing nothing will not address patient access issues due to the high utilization at the Naperbrook clinic and therefore was not considered. There is no cost to this alternative.
- The physician's supporting this project currently admit to several area facilities in both HSA 9 & 7. The closest facilities, Fresenius Bolingbrook and US Renal Care Bolingbrook are both operating at 87% utilization. There is no cost to referring to other facilities.
- The alternative of adding stations per the 2-year/10% rule was already acted upon. Two new stations began operation in January 2017 with an approximate cost of \$38,000. This had little effect on the high utilization.
- The facility is currently a joint venture.

- D. The best alternative for addressing the patient's need for additional access in northern Will County while maintaining cost containment is to add 6 stations to existing space at the current site. The cost of this project is minimal at \$231,275.

### 2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Do Nothing	Rejected – won't address patient access issues in northern Will County.			
Use other resources	Physicians already admit to various area facilities. The closest facilities are operating at high utilization rates. There is no cost to this alternative.			
Establish a Joint Venture	The facility is already a joint venture.			
Expand Fresenius Naperbrook by 6 stations.	\$213,275	Access to dialysis treatment will be maintained in northern Will County. Patients will have treatment shift options with additional stations.	Fresenius Medical Care Naperbrook's quality is above standards and it is expected to remain so.  With access to treatment patient's transportation problems will decrease and thus missed treatments keeping quality high.	This cost is to Fresenius only.  The patients will benefit by having lower transportation costs.

### 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. Fresenius Naperbrook has a CMS rating of 5 stars and has had above standard quality outcomes as demonstrated below:

- 97% of patients had a URR  $\geq$  65%
- 97% of patients had a Kt/V  $\geq$  1.2

**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	8,000 GSF 24 Stations	10,800 – 15,600 BGSF	Under	Yes

As seen in the chart above, the State Standard for ESRD is between 450 - 650 BGSF per station. The total leased space of 8,000 GSF does not exceed the State Standard thereby meeting the criteria.

**Criterion 1110.234, Project Services Utilization**

UTILIZATION					
	DEPT/SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
	IN-CENTER HEMODIALYSIS 18 Stations	18 Stations/94 Pts 07/30/2017 87%		80%	Yes
YEAR 1	IN-CENTER HEMODIALYSIS 24 Stations	N/A	76%	80%	No
YEAR 1	IN-CENTER HEMODIALYSIS 24 Stations	N/A	85%	80%	Yes

The facility had 94 patients with an 87% utilization rate as of July 30, 2017 with 18 stations.

There are 61 pre-ESRD patients from the zip codes immediately surrounding the Naperbrook facility identified to be referred to the facility in the first two years after the additional 6 stations are operational. Taking into account patient attrition, the facility will surpass the 80% utilization target within 2 years after the new stations are operational.

## **Background of the Applicant**

Information on Applicant Background is found at Attachment 11.

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

- A. The primary purpose of this project is to provide access to in-center hemodialysis services to the residents of far north Will County in Naperville, in HSA 9. 70% of the patients identified to be referred to the Naperville facility reside in HSA 9, and 50% of the current patients reside in HSA 9, thereby meeting this requirement.

HSA	Pre-ESRD Patients Who Will Be Referred to Fresenius Medical Care Naperville	
9	43 Pts.	70%
7	18 Pts.	30%

HSA	Current Patients of Fresenius Medical Care Naperville	
9	47 Pts.	50%
8	7 Pts.	7%
7	39 Pts.	41%
1	1 Pts.	2%

## **Service Demand – Expansion of In-center Hemodialysis Service**

### **A. Historical Service Demand**

- i) The Fresenius Naperbrook dialysis facility has been operating at an average utilization rate of 88% for the past 12 months and 87% for the past two years. As of July 30, 2017 the facility is at 87% utilization with 94 patients.

See attached physician support/referral letter on following page.



**Nephrology Associates**

**Enayat O. Osanloo, M.D.**

**Hsien-Ta Fang, M.D.**

**David J. Schlieben, M.D.**

**Huma Q. Rohail, M.D.**

120 Spalding Drive  
Suite 410  
Naperville, IL 60540  
630.369.0780  
Fax: 630.369.0886

August 4, 2017

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

Dear Ms. Avery:


I am a nephrologist practicing in DuPage and Will Counties with Nephrology Associates of Northern Illinois (NANI). I am the Medical Director of the Fresenius Medical Care Naperbrook dialysis center. I am writing to support the proposed addition of 6 stations to this facility. Over the past 13-plus years that I have been practicing here (formerly as medical director of the Bolingbrook facility), I have seen significant and continual growth of the ESRD population. The Fresenius Naperbrook facility is currently at 87% utilization treating 94 patients. The facility has room for 6 more stations. In order to provide continued access at the Naperbrook facility it makes sense to utilize the existing space to create access for area patients.

NANI nephrologists in this region were treating 272 in-center hemodialysis patients at the end of 2014, 300 at the end of 2015, 401 at the end of 2016, and 426 as of June 2017. In the most recent 12-month period we referred 124 new ESRD patients for dialysis services to Fresenius Bolingbrook, Naperbrook, Naperville North, Lemont, Plainfield, Plainfield North, and U.S. Renal Care Bolingbrook and Oak Brook. We currently are seeing 126 pre-ESRD patients that reside in the zip codes immediately surrounding the Naperbrook facility. Of these I expect approximately 61 to be referred to Fresenius Naperbrook.

I respectfully ask for approval of the 6-station expansion for Fresenius Medical Care Naperbrook to alleviate the ongoing high utilization. Thank you for your consideration.

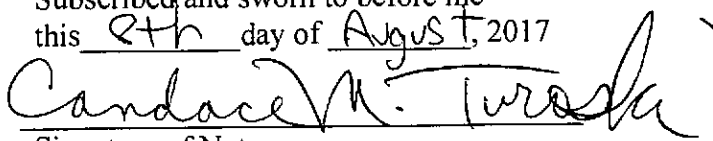
I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other pending or approved CON application.

Sincerely,

  
\_\_\_\_\_, M.D.  
David Schlieben, M.D.

Notarization:

Subscribed and sworn to before me  
this 8th day of August, 2017

  
\_\_\_\_\_  
Signature of Notary

Seal



**CURRENT ESRD PATIENTS AT  
FRESENIUS NAPERBROOK**

Zip Code	Patients
60074	1
60107	1
60108	1
60133	1
60402	1
60440	9
60446	1
60478	1
60490	5
60503	1
60504	4
60505	2
60515	1
60517	7
60520	1
60532	4
60540	7
60544	5
60545	1
60563	2
60564	13
60565	24
60568	1
<b>Total</b>	<b>94</b>

**PRE-ESRD PATIENTS IDENTIFIED  
FOR FRESENIUS NAPERBROOK**

Zip Code	Patients
60440	7
60490	15
60540	18
60564	21
<b>Total</b>	<b>61</b>

**NEW ESRD REFERRALS OF NANI IN THE NAPERBROOK AREA**  
**FOR 7/2016 – 6/2017**

Zip Code	Fresenius Kidney Care						U.S. Renal Care		Total
	Bolingbrook	Lemont	Naperbrook	Naperville North	Plainfield	Plainfield North	Bolingbrook	Oak Brook	
60139				1			1		2
60148								3	3
60153								1	1
60155			1						1
60193				1					1
60403							1		1
60431					1				1
60436							1		1
60439	1						1		2
60440	10						10		20
60441		1							1
60446	8						4		12
60447						1			1
60490	2								2
60503			1	1					2
60504			1	3			2		6
60505				1					1
60506	1								1
60516								2	2
60517	3						2		5
60520			1						1
60521								1	1
60523								1	1
60526								1	1
60527							1	4	5
60532				3					3
60540			2	4	1		1		8
60542			1						1
60544	1		3		1		1		6
60555			1						1
60559								2	2
60561	1	1							2
60563				6			1		7
60564			3						3
60565			6						6
60586					4			1	5
60623	1								1
60628								1	1
60632								1	1
60638					1			1	2
Total	28	2	20	20	8	1	26	19	124

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA  
AS OF DECEMBER 2014**

Zip Code	Fresenius Kidney Care				US RENAL CARE Oak Brook	Total
	Bolingbrook	Naperbrook	Naperville North	Plainfield		
60074		1				1
60126			1			1
60148			1	1		2
60153	1					1
60181	1					1
60189			2			2
60403				1		1
60404		1		1		2
60431				1		1
60432	1					1
60435				2		2
60436		1				1
60439	7					7
60440	44	11	3		1	59
60441	1					1
60446	18	1		1		20
60447			1	1		2
60465	1					1
60490	7	1	2			10
60503		2	2			4
60504		8	7			15
60505		1	1			2
60506			1			1
60513			1			1
60514	1					1
60515		1				1
60516	1					1
60517	10	5	2			17
60521	1					1
60523	1					1
60532		6	8			14
60540	1	2	17			20
60544	6	2		3		11
60545		1				1
60555		1	1			2
60559		1				1
60563		2	12			14
60564		8	2	2		12
60565	1	16	6			23
60585	1			1		2
60586				6		6
60608			1			1
60629	1					1
60636		1				1
60644		1				1
60804				1		1
Total	105	74	71	21	1	272

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA**  
**AS OF DECEMBER 2015**

Zip Code	FRESENIUS KIDNEY CARE				US RENAL CARE	Total
	Bolingbrook	Naperbrook	Plainfield	Naperville North	Bolingbrook	
60074		1				1
60107	1					1
60137				1		1
60148				1		1
60153	1					1
60189				3		3
60402	1					1
60403	1		1			2
60404			1			1
60435			1			1
60436			1			1
60439	6					6
60440	54	9		4	2	69
60441	1					1
60446	18		1		1	20
60447			1			1
60490	9	3		2		14
60503		3		2		5
60504		7	1	6		14
60505		3		1		4
60506				1		1
60513				1		1
60514	1					1
60515		1				1
60516	2					2
60517	11	6		1		18
60521	1					1
60523	1					1
60532		4		6		10
60538				1		1
60540	1	3		18		22
60544	8	2	4			14
60555		1		1		2
60559	1	1				2
60561	1					1
60563				17		17
60564	2	13	1	3		19
60565	2	16		4		22
60585			3			3
60586			8			8
60608				1		1
60629	1					1
60636		1				1
60639	1					1
60644		1				1
Total	125	75	23	74	3	300

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA  
AS OF DECEMBER 2016**

Zip Code	Fresenius Kidney Care						U.S. Renal Care		Total
	Bolingbrook	Lemont	Naperbrook	Plainfield	Plainfield North	Naperville North	Bolingbrook	Oak Brook	
60076							1		1
60104								2	2
60106								1	1
60107			1						1
60108								1	1
60137								4	4
60139						1	1	2	4
60142			1						1
60148						1		6	7
60153	1							1	2
60163								1	1
60181								1	1
60185				1					1
60187								1	1
60189						2			2
60302								1	1
60402								1	1
60403				1			1		2
60404				1					1
60430								1	1
60433							2		2
60435				1					1
60439	2	4						1	7
60440	51		10			4	24		89
60441	2	1					1		4
60446	20			2			4		26
60458							1	3	4
60467	1								1
60490	13		4			1	1		19
60491		1							1
60502						2			2
60503	1					3			4
60504			5	1		5	1		12
60505			2		1	1			4
60506						1			1
60513						1			1
60514	1						1		2
60515			1					3	4
60516		1						4	5
60517	10		10	1		1	2		24
60520			1						1
60521	1							2	3
60523	1								1
60525								3	3
60527							1	2	3
60532	2		3			5			10
60540	1		4			13			18
60544	4		4	6	2		4		20
60545				1					1
60555						1			1
60559			1				2	4	7
60561	1	1					2		4
60563			1			21	1		23
60564	1		14			1	1		17
60565			18			4			22
60585	2		1	1	1		2		7
60586				9					9
60636			1						1
60638								1	1
Total	115	8	82	25	4	68	53	46	401

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA**  
**AS OF JUNE 2017**

Zip Code	Fresenius Kidney Care						U.S. Renal Care		Total
	Bolingbrook	Lemont	Naperbrook	Naperville North	Plainfield	Plainfield North	Bolingbrook	Oak Brook	
60076							1		1
60104								2	2
60106								1	1
60108			1					1	2
60137								3	3
60139				1			1	2	4
60142			1						1
60148								9	9
60153	1							1	2
60160			1						1
60163								1	1
60181								1	1
60187								1	1
60189				2					2
60193				1		1			2
60302								1	1
60402			1					1	2
60403					1		1		2
60430								1	1
60431					1				1
60433							2		2
60435					1				1
60436					1		1		2
60439	3	4					1		8
60440	55		9	4			23		91
60441	2	1					1		4
60446	21				2		5		28
60447						1			1
60450							1		1
60458							1	2	3
60467	1								1
60490	13		5				1		19
60491		1							1
60502				2					2
60503				2					2
60504			6	5	1				12
60505			2	1		1			4
60506				1					1
60513				1			1		2
60514	1						1		2
60515			1					4	5
60516		1						5	6
60517	10		7	1			4		22
60520			1						1
60521								2	2
60523	1								1
60525								2	2
60526								1	1
60527							2	3	5
60532	2		3	6					11
60536					1				1
60540	1		4	16	1		1		23
60542			1						1
60544	4		4		8	2	4		22
60546								1	1
60555				1					1
60559			1				1	4	6
60561	1	1					3		5
60563				21			1		22
60564			13				1		14
60565			21	4					25
60585	2		1		1	1	1		6
60586					10			1	11
60623	1								1
60636			1						1
60638					1			1	2
60804				1					1
Total	119	8	84	70	29	6	59	51	426

Criterion 1110.1430 (f)(1) – Staffing

2) A. Medical Director

Dr. David Schlieban is currently the Medical Director for Fresenius Medical Care Naperbrook and will continue to be the Medical Director. Attached is his curriculum vitae.

B. All Other Personnel

The Naperbrook facility currently employs the following staff:

- Clinic Manager who is a Registered Nurse
- 4 Registered Nurses
- 10 Patient Care Technicians
- Full-time Registered Dietitian
- Full-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Full-time Secretary

Two additional Registered Nurses will be hired for the 6-station expansion.

- 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

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<b>Name</b>	David Schlieben, MD	
<b>Office Address</b>	120 Spalding Drive, Suite 410 Naperville, IL 60540 (630) 369-0780      (630) 369-0780 Fax	
<b>Personal</b>	Birthday:      July 16, 1971 Birthplace:    Oak Lawn, Illinois	
<b>Education/ Medical School</b>	Rush Medical College Medical Degree      9/95-6/99	Chicago, Illinois
<b>Internship</b>	Rush University Medical Center Straight Internship Internal Medicine      7/99-6/00	Chicago, Illinois
<b>Residency</b>	Rush University Medical Center Internal Medicine      7/00-6/02	Chicago, Illinois
<b>Fellowship</b>	Rush University Medical Center Nephrology      7/02-6/04	Chicago, Illinois
<b>Board Certification</b>	American Board of Internal Medicine Internal Medicine      2002  American Board of Internal Medicine Nephrology      2004	
<b>Licensure</b>	Illinois      #036-106355	
<b>Hospital Memberships</b>	Edward Hospital	Naperville, Illinois
	Central DuPage Hospital	Winfield, Illinois
	Adventist Glen Oaks Hospital	Glendale Heights, Illinois

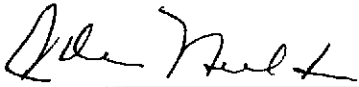
**Professional  
Experience**

Nephrology Associates of Northern Illinois Oak Park, Illinois  
*Physician* 2004  
Mailing Address: 855 Madison Street  
Oak Park, IL 60302

Criterion 1110.1430 (g) – Support Services

I am the Regional Vice at Fresenius Kidney Care who oversees the Fresenius Medical Care Naperville facility. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

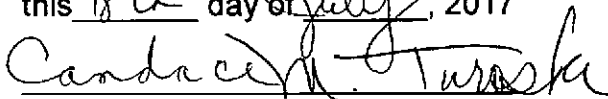
- Fresenius Medical Care utilizes a patient data tracking system in all of its facilities.
- These support services are available at Fresenius Medical Care Naperville during all six shifts:
  - Nutritional Counseling
  - Psychiatric/Social Services
  - Home/self training
  - Clinical Laboratory Services – provided by Spectra Laboratories
- The following services are provided via referral to Edward Hospital, Naperville:
  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services



Signature

Coleen Muldoon/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 18th day of July, 2017



Signature of Notary

Seal



Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President at Fresenius Kidney Care who oversees the Naperbrook facility. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Naperbrook, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Naperbrook in the first two years of operation of the additional 6 stations, the facility is expected to achieve and maintain the utilization standard, specified in 77 Ill. Adm. Code 1100, of 80% and;
2. Fresenius Medical Care Naperbrook hemodialysis patients have achieved adequacy outcomes of:
  - 97% of patients had a URR  $\geq$  65%
  - 97% of patients had a Kt/V  $\geq$  1.2

and same is expected after the expansion.



Signature

Coleen Muldoon/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 18<sup>th</sup> day of July, 2017



Signature of Notary

Seal



**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	20.00	900			900			18,000	18,000
Contingency	-	-			-			-	-
TOTALS	20.00	900			900			18,000	18,000
Include the percentage (%) of space for circulation									

### Criterion 1120.310 (d) – Projected Operating Costs

#### Year 2019

Estimated Personnel Expense:	\$1,774,925
Estimated Medical Supplies:	\$462,220
Estimated Other Supplies (Exc. Dep/Amort):	<u>\$1,959,813</u>
	\$4,196,958
Estimated Annual Treatments:	18,489
Cost Per Treatment:	\$227.00

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

#### Year 2019

Depreciation/Amortization:	\$226,000
Interest	<u>\$0</u>
Capital Costs:	\$226,000
Treatments:	18,489
Capital Cost per Treatment	\$12.22

**Criterion 1120.310(a) Reasonableness of Financing Arrangements**

Fresenius Medical Care Naperville, LLC

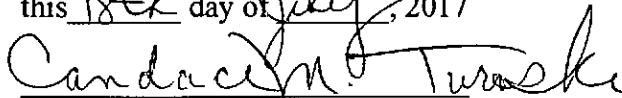
The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing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

Title: Regional Vice President/Manager

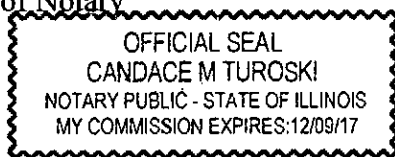
Notarization:

Subscribed and sworn to before me  
this 18th day of July, 2017



Signature of Notary

Seal



**Criterion 1120.310(a) Reasonableness of Financing Arrangements**

Fresenius Medical Care Holdings, Inc.

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: [Signature]  
Title: Bryan Mello  
Assistant Treasurer

By: [Signature]  
Title: 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 of Notary [Signature] Signature of Notary

Seal

Seal



**Criterion 1120.310(b) Conditions of Debt Financing**

Fresenius Medical Care Naperville, 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

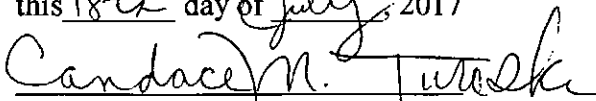
The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: 

ITS: Regional Vice President/Manager

Notarization:

Subscribed and sworn to before me  
this 18th day of July, 2017




Signature of Notary

Seal



## Fresenius Medical Care Holdings, Inc.

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

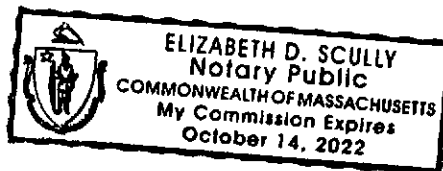
By:   
ITS: Bryan Mello  
Assistant Treasurer

By: Reddy  
ITS: ASIT Treasurer

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

Signature of Notary Elizabeth D. Stelly Signature of Notary

Seal



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

Sally  
Signature of Notary

Seal

## Safety Net Impact Statement

The addition of 6 ESRD stations to the 18-station Fresenius Medical Care Naperville facility will not have any impact on safety net services in Naperville. 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 below 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 (# 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
<b>Net Patient Revenue</b>	\$411,981,839	\$438,247,352	\$449,611,441
<b>Amount of Charity Care (charges)</b>	\$5,211,664	\$3,204,986	\$3,269,127
<b>Cost of Charity Care</b>	\$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 HIP. 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.



**Nephrology Associates**

**Enayat O. Osanloo, M.D.**

**Hsien-Ta Fang, M.D.**

**David J. Schlieben, M.D.**

**Huma Q. Rohail, M.D**

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Naperville, IL 60540  
630.369.0780  
Fax: 630.369.0886

August 4, 2017

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

Dear Ms. Avery:


I am a nephrologist practicing in DuPage and Will Counties with Nephrology Associates of Northern Illinois (NANI). I am the Medical Director of the Fresenius Medical Care Naperbrook dialysis center. I am writing to support the proposed addition of 6 stations to this facility. Over the past 13-plus years that I have been practicing here (formerly as medical director of the Bolingbrook facility), I have seen significant and continual growth of the ESRD population. The Fresenius Naperbrook facility is currently at 87% utilization treating 94 patients. The facility has room for 6 more stations. In order to provide continued access at the Naperbrook facility it makes sense to utilize the existing space to create access for area patients.

NANI nephrologists in this region were treating 272 in-center hemodialysis patients at the end of 2014, 300 at the end of 2015, 401 at the end of 2016, and 426 as of June 2017. In the most recent 12-month period we referred 124 new ESRD patients for dialysis services to Fresenius Bolingbrook, Naperbrook, Naperville North, Lemont, Plainfield, Plainfield North, and U.S. Renal Care Bolingbrook and Oak Brook. We currently are seeing 126 pre-ESRD patients that reside in the zip codes immediately surrounding the Naperbrook facility. Of these I expect approximately 61 to be referred to Fresenius Naperbrook.

I respectfully ask for approval of the 6-station expansion for Fresenius Medical Care Naperbrook to alleviate the ongoing high utilization. Thank you for your consideration.

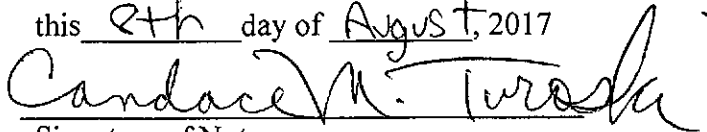
I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other pending or approved CON application.

Sincerely,

  
\_\_\_\_\_, M.D.  
David Schlieben, M.D.

Notarization:

Subscribed and sworn to before me  
this 24th day of August, 2017

  
\_\_\_\_\_  
Signature of Notary

Seal



**CURRENT ESRD PATIENTS AT  
FRESENIUS NAPERBROOK**

Zip Code	Patients
60074	1
60107	1
60108	1
60133	1
60402	1
60440	9
60446	1
60478	1
60490	5
60503	1
60504	4
60505	2
60515	1
60517	7
60520	1
60532	4
60540	7
60544	5
60545	1
60563	2
60564	13
60565	24
60568	1
<b>Total</b>	<b>94</b>

**PRE-ESRD PATIENTS IDENTIFIED  
FOR FRESENIUS NAPERBROOK**

Zip Code	Patients
60440	7
60490	15
60540	18
60564	21
<b>Total</b>	<b>61</b>

**NEW ESRD REFERRALS OF NANI IN THE NAPERBROOK AREA**  
**FOR 7/2016 – 6/2017**

Zip Code	Fresenius Kidney Care						U.S. Renal Care		Total
	Bolingbrook	Lemont	Naperbrook	Naperville North	Plainfield	Plainfield North	Bolingbrook	Oak Brook	
60139				1			1		2
60148								3	3
60153								1	1
60155			1						1
60193				1					1
60403							1		1
60431					1				1
60436							1		1
60439	1						1		2
60440	10						10		20
60441		1							1
60446	8						4		12
60447						1			1
60490	2								2
60503			1	1					2
60504			1	3			2		6
60505				1					1
60506	1								1
60516								2	2
60517	3						2		5
60520			1						1
60521								1	1
60523								1	1
60526								1	1
60527							1	4	5
60532				3					3
60540			2	4	1		1		8
60542			1						1
60544	1		3		1		1		6
60555			1						1
60559								2	2
60561	1	1							2
60563				6			1		7
60564			3						3
60565			6						6
60586					4			1	5
60623	1								1
60628								1	1
60632								1	1
60638					1			1	2
Total	28	2	20	20	8	1	26	19	124

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA**  
**AS OF DECEMBER 2014**

Zip Code	Fresenius Kidney Care				US RENAL CARE Oak Brook	Total
	Bolingbrook	Naperbrook	Naperville North	Plainfield		
60074		1				1
60126			1			1
60148			1	1		2
60153	1					1
60181	1					1
60189			2			2
60403				1		1
60404		1		1		2
60431				1		1
60432	1					1
60435				2		2
60436		1				1
60439	7					7
60440	44	11	3		1	59
60441	1					1
60446	18	1		1		20
60447			1	1		2
60465	1					1
60490	7	1	2			10
60503		2	2			4
60504		8	7			15
60505		1	1			2
60506			1			1
60513			1			1
60514	1					1
60515		1				1
60516	1					1
60517	10	5	2			17
60521	1					1
60523	1					1
60532		6	8			14
60540	1	2	17			20
60544	6	2		3		11
60545		1				1
60555		1	1			2
60559		1				1
60563		2	12			14
60564		8	2	2		12
60565	1	16	6			23
60585	1			1		2
60586				6		6
60608			1			1
60629	1					1
60636		1				1
60644		1				1
60804				1		1
Total	105	74	71	21	1	272

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA**  
**AS OF DECEMBER 2015**

Zip Code	FRESENIUS KIDNEY CARE				US RENAL CARE Bolingbrook	Total
	Bolingbrook	Naperbrook	Plainfield	Naperville North		
60074		1				1
60107	1					1
60137				1		1
60148				1		1
60153	1					1
60189				3		3
60402	1					1
60403	1		1			2
60404			1			1
60435			1			1
60436			1			1
60439	6					6
60440	54	9		4	2	69
60441	1					1
60446	18		1		1	20
60447			1			1
60490	9	3		2		14
60503		3		2		5
60504		7	1	6		14
60505		3		1		4
60506				1		1
60513				1		1
60514	1					1
60515		1				1
60516	2					2
60517	11	6		1		18
60521	1					1
60523	1					1
60532		4		6		10
60538				1		1
60540	1	3		18		22
60544	8	2	4			14
60555		1		1		2
60559	1	1				2
60561	1					1
60563				17		17
60564	2	13	1	3		19
60565	2	16		4		22
60585			3			3
60586			8			8
60608				1		1
60629	1					1
60636		1				1
60639	1					1
60644		1				1
Total	125	75	23	74	3	300

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA  
AS OF DECEMBER 2016**

Zip Code	Fresenius Kidney Care						U.S. Renal Care		Total
	Bolingbrook	Lemont	Naperbrook	Plainfield	Plainfield North	Naperville North	Bollingbrook	Oak Brook	
60076							1		1
60104								2	2
60106								1	1
60107			1						1
60108								1	1
60137								4	4
60139						1	1	2	4
60142			1						1
60148						1		6	7
60153	1							1	2
60163								1	1
60181								1	1
60185				1					1
60187								1	1
60189						2			2
60302								1	1
60402								1	1
60403				1			1		2
60404				1					1
60430								1	1
60433							2		2
60435				1					1
60439	2	4						1	7
60440	51		10			4	24		89
60441	2	1					1		4
60446	20			2			4		26
60458							1	3	4
60467	1								1
60490	13		4			1	1		19
60491		1							1
60502						2			2
60503	1					3			4
60504			5	1		5	1		12
60505			2		1	1			4
60506						1			1
60513						1			1
60514	1						1		2
60515			1					3	4
60516		1						4	5
60517	10		10	1		1	2		24
60520			1						1
60521	1							2	3
60523	1								1
60525								3	3
60527							1	2	3
60532	2		3			5			10
60540	1		4			13			18
60544	4		4	6	2		4		20
60545				1					1
60555						1			1
60559			1				2	4	7
60561	1	1					2		4
60563			1			21	1		23
60564	1		14			1	1		17
60565			18			4			22
60585	2		1	1	1		2		7
60586				9					9
60636			1						1
60638								1	1
Total	115	8	82	25	4	68	53	46	401

**IN-CENTER HEMODIALYSIS PATIENTS IN THE NAPERBROOK AREA  
AS OF JUNE 2017**

Zip Code	Fresenius Kidney Care						U.S. Renal Care		Total
	Bolingbrook	Lemont	Naperbrook	Naperville North	Plainfield	Plainfield North	Bolingbrook	Oak Brook	
60076							1		1
60104								2	2
60106								1	1
60108			1					1	2
60137								3	3
60139				1			1	2	4
60142			1						1
60148								9	9
60153	1							1	2
60160			1						1
60163								1	1
60181								1	1
60187								1	1
60189				2					2
60193				1		1			2
60302								1	1
60402			1					1	2
60403					1		1		2
60430								1	1
60431					1				1
60433							2		2
60435					1				1
60436					1		1		2
60439	3	4					1		8
60440	55		9	4			23		91
60441	2	1					1		4
60446	21				2		5		28
60447						1			1
60450							1		1
60458							1	2	3
60467	1								1
60490	13		5				1		19
60491		1							1
60502				2					2
60503				2					2
60504			6	5	1				12
60505			2	1		1			4
60506				1					1
60513				1			1		2
60514	1						1		2
60515			1					4	5
60516		1						5	6
60517	10		7	1			4		22
60520			1						1
60521								2	2
60523	1								1
60525								2	2
60526								1	1
60527							2	3	5
60532	2		3	6					11
60536					1				1
60540	1		4	16	1		1		23
60542			1						1
60544	4		4		8	2	4		22
60546								1	1
60555				1					1
60559			1				1	4	6
60561	1	1					3		5
60563				21			1		22
60564			13				1		14
60565			21	4					25
60585	2		1		1	1	1		6
60586					10			1	11
60623	1								1
60636			1						1
60638					1			1	2
60804				1					1
Total	119	8	84	70	29	6	59	51	426