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May 25, 2018

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

Re: Comments Responsive to Project #17-060 Fresenius Kidney Care Waukegan Park
State Board Staff Report; Applicants: Fresenius Medical Care Holdings, Inc. and
Fresenius Medicare Care Lake County, LLC.

Dear Ms. Olson and Members of the Board,

I am writing on behalf of Associates in Nephrology (AIN) in response to the State Board Staff Report ("SBSR") and *in support of* project #17-060 Fresenius Kidney Care Waukegan Park. As noted in the SBSR, this project will address severe access issues that hinder quality healthcare for the vulnerable end stage renal disease ("ESRD") patient population and will contribute to the cost savings achieved through the innovative Chicagoland ESRD Seamless Care Organization ("ESCO"). *It is important to note that while there are two proposed projects for this area – this is the only project participating in the Illinois ESCO.* The SBSR does not make mention of this – despite it being a direct contributor to generating cost savings – one of the fundamental tenets of the Board's charge.

The role of the Health Facilities and Service Review Board ("HFSRB") is to manage the orderly and economic development of health care facilities throughout the state, contain costs, and ensure that there is access to quality healthcare in Illinois. This mission fits squarely with recent changes in healthcare reimbursement. This application meets both the spirit of the HFSRB mission but also the letter of the law governing the state's planning process by meeting 19 of the 21 applicable state board standards for this type of project.

The proposed Medical Director for this facility is Dr. Jawad Munir, of Associates in Nephrology ("AIN"). Dr. Munir and AIN are current participants in the only Chicagoland area ESCO. The Center for Medicare and Medicaid Services working with local providers launched one of the most significant innovations in dialysis care cost containment, the single-specialty Accountable Care Organization or ESCO. The ESCO focuses on the special needs of ESRD patients and the unique services and exams that they require. AIN patients receive access to ESCO specific services like diabetic eye exams, diabetic foot checks, increased attention during the transition of care post hospitalization, prescription reconciliations and other ESRD focused quality factors.

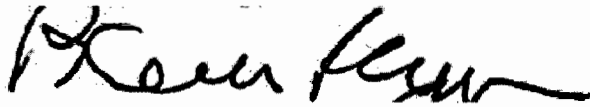
To say that the Chicagoland ESCO has been good for patients would be a dramatic understatement. Since joining the ESCO, we have documented reductions in the number of patients requiring hospitalizations as well as a reduction in the number of high-risk patients who are on advanced care management protocols. ESCO patients in this facility will have access to the Fresenius Care Navigation Unit, which is a team of healthcare professionals dedicated to addressing the overall health and care needs of these patients beyond renal care management. This holistic approach has proven to be effective in improving the quality of life of our patients.

We were interested in this proposed facility because it aims to provide access to a patient population that all of our physicians are committed to serving. The SBSR notes that the proposed facility is in a designated medically underserved area. This designation from the federal government means that the Waukegan Area is designated as having too few primary care providers, high infant mortality, high poverty or a high elderly population. The combination of living in an area with high poverty and a lack of primary care has led to increased incidences of individuals being diagnosed with diabetes, one of the pre-cursor conditions to end stage renal disease. There is a need for dialysis care in the area and we are confident this is the right application to address that need.

As you know dialysis care is largely reimbursed through the federal Medicare program, making the role the HFSRB plays in approving dialysis facilities that much more important. There is only one approved ESCO in the Chicagoland area and we along with several other providers are a part of it. The ESCO model is working in Illinois for patients and the taxpayer. The cost savings alone over the first year of the ESCO's existence is in excess of \$10 million.

The proposed Waukegan Park facility will be a participating facility in the ESCO while there are no other existing or proposed facilities in the area that are a part of the ESCO. We ask the HFSRB to approve this project because it increases access to care, contains costs, and improves patient outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Kevin Flynn", written in a cursive style.

P. Kevin Flynn
Chief Financial Officer
Associates in Nephrology, SC