



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-06	BOARD MEETING: April 17, 2018	PROJECT NO: 17-063	PROJECT COST:
FACILITY NAME: Hickory Creek Dialysis		CITY: Joliet	Original: \$ 4,035,260
TYPE OF PROJECT: Substantive			HSA: IX

PROJECT DESCRIPTION: The Applicants (DaVita Inc. and Joliet Dialysis, LLC) propose to establish 12-station ESRD facility in 7,000 GSF of leased space located at 214 Collins Street, Joliet, Illinois. The cost of the project is \$4,035,260 and the completion date is November 30, 2019.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (DaVita Inc. and Joliet Dialysis, LLC) propose to establish 12-station ESRD facility in 7,000 GSF of leased space located at 214 Collins Street, Joliet Illinois. The cost of the project is \$4,035,260 and the completion date is November 30, 2019.
- There are two additional projects in this HSA IX Planning Area that are on the April 17, 2018 State Board Meeting Agenda.
 - Project #17-043 – DaVita Romeoville Dialysis to establish a 12-station ESRD facility in Romeoville, Illinois.
 - Project #17-065 – FKC New Lenox to establish a 12-station ESRD facility in New Lenox, Illinois.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Applicants are proposing to establish a health care facility as defined by the Illinois Health Facilities Planning Act. (20 ILCS 3960/3)
- One of the objectives of the Health Facilities Planning Act is *“to assess the financial burden to patients caused by unnecessary health care construction and modification. Evidence-based assessments, projections and decisions will be applied regarding **capacity, quality, value and equity** in the delivery of health care services in Illinois. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process.”* [20 ILCS 3960/2]

PURPOSE OF PROJECT

- *The purpose of the project is to improve access to life sustaining dialysis services to the residents of Joliet, Illinois and the surrounding area. There are 9 dialysis facilities within 30 minutes of the proposed Hickory Creek Dialysis center (the "Hickory Creek GSA"). Excluding recently opened dialysis facilities which were developed to serve distinct groups of patients and have yet to operate for 2 years, average utilization of area dialysis facilities is 75.2%, or just below the State Board's utilization standard of 80%. Furthermore, patient census among the existing facilities within the Hickory Creek Dialysis GSA has increased 5.33% since March 31, 2015.*

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but none was requested. No letters of support or opposition were received pertaining to this project.

SUMMARY:

- The State Board has estimated **a calculated need for 17 ESRD stations in the HSA IX ESRD Planning Area** by 2020. Based upon the two referral letters provided by the Applicants there appears to be sufficient demand for the proposed 12 station facility and it appears the proposed facility will serve the residents of the HSA IX ESRD Planning Area. The facility will be located in an identified Health Professional Shortage Area.
- There are nine facilities within 30 minutes of the proposed facility with an average utilization of approximately 63%. Two of the nine facilities are in ramp-up and are not yet fully operational. The remaining seven facilities are currently operating at 73%. The State Board is estimating a growth of 2.89% compounded annually in the population in this ESRD Planning Area from 2015 to 2020 and an increase in the number of dialysis patients of 6.6% compounded annually for the same period.
- While there are existing facilities within 30 minutes of the proposed facilities not operating at target occupancy, given the historical growth in the number of dialysis patients in this planning of 5.75% for the period 2013 thru 2017 it does not appear that the proposed facility will result in the unnecessary duplication of service, result in a surplus of stations or impact other facilities in this 30-minute service area.

- The Applicants addressed 21 criteria and have successfully addressed them all.

STATE BOARD STAFF REPORT
Project #17-063
Hickory Creek Dialysis

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants(s)	DaVita Inc. and Joliet Dialysis, LLC
Facility Name	Hickory Creek Dialysis
Location	214 Collins Street, Joliet, Illinois
Permit Holder	DaVita Inc. and Joliet Dialysis, LLC
Operating Entity	Joliet Dialysis, LLC
Owner of Site	National Shopping Plaza
Description	Establish a 12 station ESRD Facility
Total GSF	7,000 GSF
Application Received	November 6, 2017
Application Deemed Complete	November 6, 2017
Review Period Ends	March 6, 2018
Financial Commitment Date	November 30, 2019
Project Completion Date	November 30, 2019
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes
Expedited Review?	No

I. Project Description

The Applicants (DaVita Inc. and Joliet Dialysis, LLC) propose to establish 12-station ESRD facility in 7,000 GSF of leased space located at 214 Collins Street, Joliet Illinois. The cost of the project is \$4,035,260 and the completion date is November 30, 2019.

II. Summary of Findings

- A. State Board Staff finds the proposed project appears to be in conformance with the provisions of 77 ILAC 1110 (Part 1110).
- B. State Board Staff finds the proposed project appears to be in conformance with the provisions of 77 ILAC 1120 (Part 1120).

III. General Information

The Applicants are DaVita Inc. and Joliet Dialysis, LLC. DaVita, Inc. is a Fortune 500 company established in Delaware, and is the parent company of Total Renal Care, Inc. Total Renal Care, Inc. is incorporated in California and licensed in Illinois and is a leading provider of kidney care, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. DaVita serves patients with low incomes, racial and ethnic minorities, women, handicapped persons, elderly, and other underserved persons in its facilities in the State of Illinois.

Joliet Dialysis, LLC is owned 51% by Total Renal Care, Inc., 34% DuPage Medical Center and 15% by Sun Ventures, LLC.

Financial commitment will occur after permit issuance. This project is a substantive project subject to a Part 1110 and 1120 review.

Substantive Projects are projects that are defined in the Act and classified as substantive. *Substantive projects shall include no more than the following:*

Projects to construct a new or replacement facility located on a new site; or a replacement facility located on the same site as the original facility and the costs of the replacement facility exceed the capital expenditure minimum.

Projects proposing a new service or a discontinuation of a service; shall be reviewed by the Board within 60 days.

Projects proposing a change in the bed capacity of a health care facility by an increase in the total number of beds or by a redistribution of beds among various categories of service or by a relocation of beds from one facility to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board in the Inventory, whichever is less, over a 2-year period. [20 ILCS 3960/12]

Table One below outlines the current DaVita projects approved by the State Board and not yet completed.

TABLE ONE			
Current DaVita Projects			
Project Number	Name	Project Type	Completion Date
15-025	South Holland Dialysis	Discontinuation/Establishment	10/31/2018
15-054	Washington Heights Dialysis	Establishment	3/31/2018
16-015	Forest City Dialysis	Establishment	6/30/2018
16-023	Irving Park Dialysis	Establishment	8/31/2018
16-033	Brighton Park Dialysis	Establishment	10/31/2018
16-037	Fox Point Dialysis	Establishment	7/31/2018
16-040	Jerseyville Dialysis	Establishment	7/31/2018
16-041	Taylorville Dialysis	Expansion	7/31/2018
16-051	Whiteside Dialysis	Relocation	3/31/2018
17-032	Illini Renal	Relocation/Expansion	05/31/2019
17-040	Edgemont Dialysis	Establishment	05/31/2019
17-053	Ford City Dialysis	Establishment	08/31/2019

IV. Project Uses and Sources of Funds

The Applicants are funding the project with cash in the amount of \$2,212,038 and the FMV of leased space of \$1,823,222. The operating deficit and start-up costs are \$2,405,411.

TABLE TWO Project Uses and Sources of Funds			
USE OF FUNDS	Reviewable	Total	% of Total
New Construction Contracts	\$1,354,367	\$1,354,367	33.56%
Contingencies	\$100,000	\$100,000	2.48%
Architectural/Engineering Fees	\$130,500	\$130,500	3.23%
Consulting and Other Fees	\$78,500	\$78,500	1.95%
Movable or Other Equipment (not in construction	\$548,671	\$548,671	13.60%
Fair Market Value of Leased Space or Equipment	\$1,823,222	\$1,823,222	45.18%
TOTAL USES OF FUNDS	\$4,035,260	\$4,035,260	100.00%
SOURCE OF FUNDS	Reviewable	Total	% of Total
Cash and Securities	\$2,212,038	\$2,212,038	54.82%
Leases (fair market value)	\$1,823,222	\$1,823,222	45.18%
TOTAL SOURCES OF FUNDS	\$4,035,260	\$4,035,260	100.00%

V. Health Service Area

The proposed facility will be located in Health Service Area IX ESRD Planning Area. Health Service Area IX is comprised of the Illinois counties of Grundy, Kankakee, Kendall, and Will. As of February 2018 there is a calculated **need for 17 ESRD stations** in this planning area. The State Board is estimating a growth of 2.89% compounded annually in the population in this ESRD Planning Area from 2015 to 2020 and an increase in the number of dialysis patients of 6.6% compounded annually for the same period.¹ The State Board reported an increase in the number ESRD patients for the period 2013² thru 2017 of 5.75% compounded annually.

¹ Source: 2017 Inventory of Health Care Facilities and Services Need Determinations Other Health Services page A-19.

² Source: 2015 Inventory of Health Care Facilities and Services Need Determination Other Health Services page A-19 and Quarterly Dialysis Report.

TABLE THREE	
Need Methodology HSA IX ESRD Planning Area	
Planning Area Population – 2015 (Est)	970,600
In Station ESRD patients -2015	1,086
Area Use Rate 2015 ⁽¹⁾	.977
Planning Area Population – 2020 (Est.)	1,111,300
Projected Patients – 2020 ⁽²⁾	1,086
Adjustment	1.33
Patients Adjusted	1,444
Projected Treatments – 2020 ⁽³⁾	225,323
Existing Stations	284
Stations Needed-2018	301
Number of Stations Needed	17

V. Background of the Applicants

A) Criterion 1110.1430(b)(1)&(3) – Background of the Applicants

An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background and character to adequately provide a proper standard of health care service for the community. To demonstrate compliance with this criterion the Applicants must provide

- A) A listing of all health care facilities currently owned and/or operated by the applicant in Illinois or elsewhere, including licensing, certification and accreditation identification numbers, as applicable;
- B) A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility;
- C) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH 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 the authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.
- D) An attestation that the Applicants have has been no *adverse action*³ taken against the any facility owned or operated by applicants.

1. The Applicants have attested that there has been no adverse action taken against any of the facilities owned or operated by DaVita, Inc. and Joliet Dialysis, LLC during the three (3) years prior to filing the application. [Application for Permit pages 65-66]
2. The Applicants have authorized the Illinois Health Services Review Board and the Illinois Department of Public Health to have access to any documents necessary to verify information submitted in connections the applicants' certificate of need to establish a twelve-station ESRD facility. The authorization includes, but is not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. [Application for Permit pages 65-66]

³ "Adverse action is defined as a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations." (77 ILAC 1130.140)

3. The site is owned by National Shopping Plazas, Inc., and evidence of this can be found at pages 31-37 of the application for permit in the Letter of Intent to lease the property at 214 Collins Avenue, Joliet, Illinois.
4. The Applicants provided evidence that they were in compliance with Executive Order #2006-05 that requires *all State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order. State Agencies engaged in planning programs or programs for the promotion of development shall inform participants in their programs of the existence and location of Special Flood Hazard Areas and of any State or local floodplain requirements in effect in such areas. Such State Agencies shall ensure that proposed development within Special Flood Hazard Areas would meet the requirements of this Order.*
5. The proposed location of the ESRD facility is in compliance with the Illinois State Agency Historic Resources Preservation Act which requires *all State Agencies in consultation with the Director of Historic Preservation, institute procedures to ensure that State projects consider the preservation and enhancement of both State owned and non-State owned historic resources* (20 ILCS 3420/1).

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANTS (77 ILAC 1110.1430(b)(1)&(3))

VI. Purpose of the Project, Safety Net Impact, Alternatives

The three criteria below are for informational purposes only and the State Board Staff does not make a determination on the adequacy of the information submitted.

A) Criterion 1110.230 – Purpose of the Project

To demonstrate compliance with this criterion the Applicants must document that the project will provide health services that improve the health care or well-being of the market area population to be served. The applicant shall define the planning area or market area, or other, per the applicant's definition.

According to the applicants:

The purpose of the project is to improve access to life sustaining dialysis services to the residents of Joliet, Illinois and the surrounding area. There are 9 dialysis facilities within 30 minutes of the proposed Hickory Creek Dialysis center (the "Hickory Creek GSA"). Excluding recently opened dialysis facilities which were developed to serve distinct groups of patients and have yet to operate for 2 years, average utilization of area dialysis facilities is 75.2%, or just below the State Board's utilization standard of 80%. Furthermore, patient census among the existing facilities within the Hickory Creek Dialysis GSA has increased 5.33% since March 31, 2015. [See Application for Permit page 67-69]

B) Criterion 1110.230(b) - Safety Impact Statement

To demonstrate compliance with this criterion the Applicants must document the safety net impact if any of the proposed project. Safety net services are the services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. [20 ILCS 3960/5.4]

The Applicants provided a Safety Impact Statement and that is attached at the end of this report. Please note the charity care provided by the Applicants does not meet the statutory definition of charity care. *"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 3920/3]

C) Criterion 1110.230(c) – Alternatives to the Proposed Project

To demonstrate compliance with this criterion the Applicants must document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.

1. Reducing the Scope and Size of the Current Project

The Applicants rejected an 8-station ESRD facility because of the number of pre-ESRD patients identified by the Applicants. The State Board’s requirement that an ESRD facility located within a Metropolitan Statistical Area must have 8-stations. The Applicants believe the number of pre-ESRD patients identified will result in an 8-station facility being quickly at target occupancy and will need additional stations to accommodate the expected workload.

2. Pursue a Joint Venture for the Establishment of a New Facility

DaVita Inc., DuPage Medical Group, Ltd., and Sun Ventures, LLC have entered into a joint venture agreement to combine resources and areas of expertise in order to offer the highest level of patient care. Given the historic growth of ESRD patients and the current utilization levels of area clinics, it is expected that area clinics will exceed the 80% utilization mark over the next few years. The Hickory Creek Dialysis facility is necessary to address this growth and allow existing facilities to operate at an optimum capacity. Further, DaVita is seeking to collaborate with DMG on the proposed facility in order to increase access to care for individuals with ESRD patients and address identified issues with care coordination and physician communication in the treatment of patients with kidney disease. The cost of this alternative is **\$4,035,260.**

3. Utilize Existing Facilities

The Applicants rejected this alternative because there are 9 dialysis facilities within the Hickory Creek GSA. Two of the facilities are in ramp-up and are not yet fully operational. Average utilization of the 7 facilities is approximately 73%. *Patient census among the existing facilities within the Hickory Creek GSA has increased 5.33% since March 31, 2015. This growth is anticipated to continue to increase for the foreseeable future due to the demographics of the community and U.S. Centers for Disease Control and Prevention estimates that 15% of American adults suffer from CKD.⁴ Unfortunately, kidney disease is often undetectable by the patient until the late stages when it is often too late to stop or slow the disease progression. As more working families obtain health insurance through the Affordable Care Act and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care, more individuals in high risk groups now have better access to primary care and kidney screening. As a result of these health care reform initiatives, DaVita anticipates continued increases in newly diagnosed cases of CKD in the years ahead. However, once*

⁴ By definition, CKD is kidney damage for 3 months or longer, regardless of the cause of kidney damage. CKD typically evolves over a long period of time and patients may not have symptoms until significant, possibly irreversible, damage has been done. Complications can develop from kidneys that do not function properly, such as high blood pressure, anemia, and weak bones. When chronic kidney disease progresses, it may lead to kidney failure, which requires artificial means to perform kidney functions (dialysis) or a kidney transplant to maintain life. [Source: www.cms.gov]

diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough dialysis stations are available to treat this new influx of ESRD patients who will require dialysis in the next two years. Beata Kisiel, M.D. with Sun Health Inc. is currently treating 66 late stage CKD patients (Stage 4 and 5 CKD), who reside within 30 minutes of the proposed Hickory Creek Dialysis. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Kisiel anticipates that at least 41 of these 66 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. DuPage Medical Group will also add 36 late stage CKD patients (Stage 4 and 5 CKD) in support of the application. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), it is anticipated that at least 23 of these 36 additional patients will initiate in-center hemodialysis within 12 to 24 months following project completion. Thus, a total of 64 patients (41 from Sun Health Inc. and 23 from DMG) will be expected to initiate in-center hemodialysis within 12 to 24 months following project completion. Based upon historical utilization trends, the existing facilities will not have sufficient capacity to accommodate Dr. Kisiel's and DuPage Medical Group's combined projected ESRD patients. According to March 2017 Renal Network data, 962 ESRD patients live within 30 minutes of the proposed facility. As noted above, additional stations either recently came online or are projected to come online in the next year; however, these stations are dedicated to different patient bases, and the facilities anticipate achieving 80% utilization within two years of project completion. These existing facilities will not have sufficient capacity to accommodate Dr. Kisiel's and DuPage Medical Group's combined projected ESRD patients. As a result, DaVita rejected this option. [Application for Permit pages 70-72]

VII. Size of the Project, Projected Utilization, and Assurances

A) Criterion 1110.234(a) –Size of the Project

To demonstrate compliance with this criterion the Applicants must document that the size of the project is in conformance with State Board Standards published in Part 1110 Appendix B.

The Applicants are proposing a 12-station ESRD facility in 7,000 GSF of clinical space or 583 GSF per station. This is within the State Board Standard of 650 GSF per station or a total of 7,800 GSF. The Applicants have successfully addressed this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 ILAC 1110.234(a))

B) Criterion 1110.234(b) – Projected Utilization

To demonstrate compliance with this criterion the Applicants must document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Part 1110 Appendix B. The number of years projected shall not exceed the number of historical years documented.

The Applicants are projecting 64 patients by the second year after project completion.

$$\begin{aligned} 64 \text{ patients} \times 156 \text{ treatments per year} &= 9,984 \text{ treatments} \\ 12 \text{ stations} \times 936 \text{ treatments available} &= 11,232 \text{ treatments} \\ 9,984 \text{ treatments}/11,232 \text{ treatments} &= 89\% \end{aligned}$$

Based upon the two referral letters there appears to be a sufficient number of patients to justify the proposed 12-station facility at the State Board's target occupancy of 80%.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC 1110.234(b))

C) Criterion 1110.234(e) - Assurances

To demonstrate compliance with this criterion the Applicants submit a signed and dated statement attesting to the applicant's understanding that, by the end of the second year of operation after the project completion, the applicant will meet or exceed the utilization standards specified in Appendix B.

The Applicants provided the necessary assurance at page 118-119 of the Application for Permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.234(e))

VIII. In-Center Hemodialysis Projects

A) Criterion 1110.1430 (c) - Planning Area Need

To demonstrate compliance with this criterion the Applicants must document that the number of stations to be established or added is necessary to serve the planning area's population.

1) 77 Ill. Adm. Code 1100 (Formula Calculation)

To demonstrate compliance with this sub-criterion the Applicants must document that the number of stations to be established is in conformance with the projected station need.

There is a calculated need for 17 ESRD stations in the HSA IX ESRD Planning Area by 2020 per the February 2018 Revised Station Need Determinations.

2) Service to Planning Area Residents

To demonstrate compliance with this sub-criterion the Applicants must document that the primary purpose is to serve the residents of the planning area.

As evidenced in the two physician referral letters a combined total of 102 late stage pre-ESRD patients reside within 30 minutes of the proposed facility (66 of the patients are from Sun Health Inc. and 36 are from DMG.) Due to patient attrition 64 patients will come from the zip codes identified below and will utilize the proposed facility within two years after project completion. It would appear that the proposed facility will provide dialysis services to the residents of the planning area.

TABLE FOUR				
Zip Codes of Pre-ESRD Patients				
Zip Code	City	County	Health Service Area	Pre ESRD Patients
60432	Joliet	Will	IX	2
60433	Joliet	Will	IX	6
60441	Lockport	Will	IX	4
60435	Joliet	Will	IX	18
60451	New Lenox	Will	IX	3
60403	Crest Hill	Will	IX	10
60491	Homer Glen	Will	IX	3
60436	Joliet	Will	IX	6
60442	Manhattan	Will	IX	3
60446	Romeoville	Will	IX	2
60448	Mokena	Will	IX	7
60467	Orland Park	Cook	VII	4
60487	Tinley Park	Cook	VII	3
60404	Shorewood	Will	IX	6
60431	Joliet	Will	IX	11
60423	Frankfort	Will	IX	6
60586	Plainfield	Will	IX	6
60447	Minooka	Grundy	IX	2
Total				102

3) Service Demand – Establishment of In-Center Hemodialysis Service

To demonstrate compliance with this sub-criterion the Applicants must document that there is sufficient demand to justify the twelve stations being proposed.

Based upon the two referral letters provided by the Applicants it appears that that there will be sufficient demand to justify the number of stations proposed by this Application for Permit.

5) Service Accessibility

To demonstrated compliance with this sub-criterion the Applicants must document that the number of stations being established or added for the subject category of service is necessary to improve access for planning area residents. The applicant must document one of the following:

- i) The absence of the proposed service within the planning area;
 - ii) Access limitations due to payor status of patients, including, but not limited to, individuals with health care coverage through Medicare, Medicaid, managed care or charity care;
 - iii) Restrictive admission policies of existing providers;
 - iv) The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, high infant mortality, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population;
 - iv) For purposes of this subsection (c)(5) only, all services within the 30-minute normal travel time meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100.
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- 1. There is no absence of dialysis service in the HSA IX ESRD Planning Area.
 - 2. There is no access limitations due to payor status of patients.
 - 3. There has been no evidence of restrictive admission policies of existing providers.
 - 4. The proposed facility will be located in a Health Professional Shortage Area.⁵
 - 5. There are nine facilities within thirty (30) minutes with an average utilization of approximately 66%. Two of the nine facilities are in ramp up and are not fully operational. The remaining seven facilities are operating at approximately 73%. [See Table Six]

Summary

The State Board has estimated a calculated need for 17 ESRD stations in this ESRD planning area by 2020. The proposed facility will serve the residents of the ESRD Planning Area and based upon the two referral letters there appears to be sufficient demand to justify the proposed 12-station facility. It also appears that the proposed facility will be located in a Health Professional Shortage Area. Based upon the information submitted by the Applicants it appears that the Applicants have met the requirements of this criterion.

⁵ Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary care, dental or mental health providers and may be geographic (a county or service area), population (e.g. low income or Medicaid eligible) or facilities (e.g. federally qualified health center). Medically Underserved Areas/Populations are designated by HRSA as having too few primary care providers, high infant mortality, high poverty, or a high elderly population. Source: Health Resources and Services Administration

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN
CONFORMANCE WITH CRITERION PLANNING AREA NEED (77
ILAC 1110.1430(c) (1), (2), (3) and (5)**

**TABLE FIVE
Facilities within 30 minutes of the Proposed Facility**

Facility	Ownership	City	HSA	Drive Time ⁽¹⁾	Stations	Patients	Utilization ⁽²⁾	Star Rating ⁽³⁾	Met Standards
Fresenius Medical Care Joliet	Fresenius	Joliet	9	2.3	18	72	66.67%	3	No
Sun Health	DaVita	Joliet	9	13.8	17	61	59.80%	5	No
Renal Center New Lenox	DaVita	New Lenox	9	14.95	19	107	93.86%	3	Yes
Renal Center West Joliet	DaVita	Joliet	9	19.55	29	130	74.71%	4	No
Fresenius Medical Care of Mokena	Fresenius	Mokena	9	25.3	14	55	65.48%	3	No
Fresenius Medical Care of Plainfield	Fresenius	Plainfield	9	26.45	16	80	83.33%	5	Yes
Dialysis Center of America - Orland Park	Fresenius	Orland Park	7	27.6	18	65	60.19%	4	No
Total Stations, Patients, Average Utilization					131	570	72.01%		
DaVita Tinley Park•	DaVita	Tinley Park	7	28.75	12	19	26.39%	NA	
Fresenius Medical Care Lemont	Fresenius	Lemont	7	25.3	12	25	34.72%	NA	
Total Stations, Patients, Average Utilization					155	614	62.79%		
<ol style="list-style-type: none"> 1. Drive Time determined by MapQuest and adjuster per 1.15 per 77 ILAC 1100.510 (d). 2. Stations Patients and Utilization as of December 31, 2017. 3. Star Rating taken from Medicare ESRD Compare Website. See End of the this report for the Description of the Star Rating 									

B) Criterion 1110.1430 (d) - Unnecessary Duplication/Mal-distribution

To demonstrate compliance with this criterion the Applicants must document that the proposed project will not result in

- 1. An unnecessary duplication of service**
- 2. A mal-distribution of service**
- 3. An impact on other area providers**

1. To determine if there is an unnecessary duplication of service the State Board identifies all facilities within thirty (30) minutes and ascertains if there is existing capacity to accommodate the demand identified in the application for permit. As documented above there are nine facilities within 30 minutes with an average utilization of approximately 63%. Two of the facilities are in ramp-up and are not fully operational. The remaining seven facilities are averaging approximately 73% as of December 31, 2017.
2. To determine a mal-distribution (i.e. surplus) of stations in the thirty (30) minute service area, the State Board compares the ratio of the number of stations per population in the thirty (30) minute service area to the ratio of the number of

stations in the State of Illinois to the population in the State of Illinois. To determine a surplus of stations the number of stations per resident in the thirty (30) minute service area must be 1.5 times the number of stations per resident in the State of Illinois.

	Population	Stations	Ratio
30 Minute Service Area	690,949	155	1 Station per every 4,458 residents
State of Illinois (2015 est.)	12,978,800	4,704	1 Station per every 2,760 residents

The population in the thirty (30) minute service area is 690,949 residents (Application, p. 82). There are 155 stations in the (30) minute service area. The ratio of stations to population is one (1) station per every 4,458 residents. The number of stations in the State of Illinois is 4,704 stations (*as of February 2018*). The 2015 estimated population in the State of Illinois is 12,978,800 residents (*Illinois Department of Public Health Office of Health Informatics Illinois Center for Health Statistics -2014 Edition*). The ratio of stations to population in the State of Illinois is one (1) station per every 2,760 residents. To have a surplus of stations in this thirty (30) minute service area the number of stations per population would need to be one (1) station per every 1,840 residents. Based upon this methodology there is not a surplus of stations in this service area.

3. The Applicants stated the following regarding the impact on other facilities.
“The proposed dialysis facility will not have an adverse impact on existing facilities in the Hickory Creek GSA. Excluding recently opened dialysis facilities which were developed to serve distinct groups of patients and have yet to operate for 2 years, average utilization of area dialysis facilities, as of March 31, 2017 is 75.2%, or just below the State Board's utilization standard of 80%. Furthermore, patient census among the existing facilities within the Hickory Creek GSA has increased 5.33% since March 31, 2015. This growth is anticipated to continue to increase for the foreseeable future due to the demographics of the community and U.S. Centers for Disease Control and Prevention estimates that 15% of American adults suffer from CKD. Unfortunately, kidney disease is often undetectable by the patient until the late stages when it is often too late to stop or slow the disease progression.”

Summary

There are nine facilities within 30 minutes of the proposed facility with an average utilization of approximately 63%. Two of the nine facilities are in ramp-up and are not yet fully operational. The remaining seven facilities are currently operating at 73%. While there are existing facilities within 30 minutes of the proposed facilities not operating at target occupancy, given the historical growth in the number of dialysis patients in this planning area of 5.75% for the period 2013 thru 2017 it does not appear that the proposed facility will result in the unnecessary duplication of service, result in a surplus of stations or impact other facilities in this 30 minute service area.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF

SERVICE, MALDISTRIBUTION OF SERVICE IMPACT ON OTHER FACILITIES (77 ILAC 1110.1430(d)(1), (2) and (3))

C) Criterion 1110.1430(f) - Staffing

To demonstrate compliance with this criterion the Applicants must document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and Joint Commission staffing requirements can be met.

The proposed facility will be staffed in accordance with all State and Medicare staffing requirements. The Medical Director will be Beata Kisiel, M.D. A copy of Beata Kisiel, M.D. curriculum vitae has been provided as required. Initial staffing for the proposed facility will be as follows:

- Administrator (1.02 FTE)
- Registered Nurse (4.24 FTE)
- Patient Care Technician (3.98 FTE)
- Biomedical Technician (0.29 FTE)
- Social Worker (licensed MSW) (0.54 FTE)
- Registered Dietitian (0.55 FTE)
- Administrative Assistant (0.79 FTE)

As patient volume increases, nursing and patient care technician staffing will increase accordingly to maintain a ratio of at least one direct patient care provider for every 4 ESRD patients. At least one registered nurse will be on duty while the facility is in operation. All staff will be training under the direction of the proposed facility's Governing Body, utilizing DaVita's comprehensive training program. DaVita's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in depth theory on the structure and function of the kidneys; including, homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis; components of hemodialysis system; water treatment; dialyzer reprocessing; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. A summary of the training program has been provided. Hickory Creek Dialysis will maintain an open medical staff.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING (77 ILAC 1110.1430(f))

D) Criterion 1110.1430(g) - Support Services

To demonstrate compliance with this criterion the Applicants must submit a certification from an authorized representative that attests to each of the following:

- 1) Participation in a dialysis data system;
- 2) Availability of support services consisting of clinical laboratory service, blood bank, nutrition, rehabilitation, psychiatric and social services; and
- 3) Provision of training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training provided at the proposed facility, or the existence of a signed, written agreement for provision of these services with another facility.

The Applicants have provided the necessary attestation as required at pages 104-105 of the application for permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SUPPORT SERVICES (77 ILAC 1110.1430(g))

E) Criterion 1110.1430(h) - Minimum Number of Stations

To demonstrate compliance with this criterion the Applicants must document that the minimum number of in-center hemodialysis stations for an End Stage Renal Disease (ESRD) facility is:

- 1) Four dialysis stations for facilities outside an MSA;
- 2) Eight dialysis stations for a facility within an MSA.

The proposed 12-station facility will be located in the Chicago-Naperville-Arlington Heights metropolitan statistical area ("MSA"). The Applicants have met the requirements of this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION MINIMUM NUMBER OF STATIONS (77 ILAC 1110.1430(h))

F) Criterion 1110.1430(i) - Continuity of Care

To demonstrate compliance with this criterion the Applicants must document that a signed, written transfer agreement or arrangement is in effect for the provision of inpatient care and other hospital services. Documentation shall consist of copies of all such agreements.

The Applicants have provided the necessary signed affiliation agreement with Silver Cross Hospital and Medical Center as required at pages 106-112 of the application for permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION CONTINUITY OF CARE (77 ILAC 1110.1430(i))

G) Criterion 1110.1430(k) - Assurances

To demonstrate compliance with this criterion the representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that:

- 1) By the second year of operation after the project completion, the applicant will achieve and maintain the utilization standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal; and
- 2) An applicant proposing to expand or relocate in-center hemodialysis stations will achieve and maintain compliance with the following adequacy of hemodialysis outcome measures for the latest 12-month period for which data are available:
≥ 85% of hemodialysis patient population achieves urea reduction ratio (URR) ≥ 65%
and ≥ 85% of hemodialysis patient population achieves Kt/V Daugirdas II 1.2.

The necessary attestation has been provided at page 118-119 of the application for permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.1430(k))

IX. Financial Viability

This Act shall establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and financial resources to adequately provide a proper service for the community; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs. (20 ILCS 3960)

A) **Criterion 1120.120 – Availability of Funds**

To demonstrate compliance with this criterion the Applicants must document that the resources are available to fund the project.

The Applicants are funding this project with cash in the amount of \$2,212,038 and a lease with a FMV of \$1,823,222⁶. The lease is an operating lease. A summary of the financial statements of the Applicants is provided below. The Applicants have sufficient cash to fund this project.

TABLE SIX		
DaVita Inc.		
Audited Financial Statements		
December 31st		
(in thousands)		
	2017	2016
Cash	\$508,234	\$674,776
Current Assets	\$8,744,358	\$3,994,748
Total Assets	\$18,948,193	\$18,755,776
Current Liabilities	\$3,041,177	\$2,710,964
LTD	\$9,158,018	\$8,944,676
Patient Service Revenue	\$9,608,272	\$9,269,052
Total Net Revenues	\$10,876,634	\$10,707,467
Total Operating Expenses	\$9,063,879	\$8,677,757
Operating Income	\$1,812,755	\$2,029,710
Net Income	\$830,555	\$1,033,082

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 ILAC 1120.120)

⁶ Operating lease is a contract wherein the owner, called the Lessor, permits the user, called the Lessee, to use of an asset for a particular period which is shorter than the economic life of the asset without any transfer of ownership rights. The Lessor gives the right to the Lessee in return for regular payments for an agreed period of time.

B) Criterion 1120.130 - Financial Viability

To demonstrate compliance with this criterion the Applicants must document that they have a Bond Rating of “A” or better, they meet the State Board’s financial ratio standards for the past three (3) fiscal years or the project will be funded from internal resources.

The Applicants are funding this project with cash in the amount of \$2,212,038 and a lease with a FMV of \$1,823,222. The Applicants have qualified for the financial waiver.⁷

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 ILAC 1120.130)

X. Economic Feasibility

A) Criterion 1120.140(a) – Reasonableness of Financing Arrangements

B) Criterion 1120.140(b) – Terms of Debt Financing

To demonstrate compliance with these criteria the Applicants must document that leasing of the space is reasonable. The State Board considers the leasing of space as debt financing.

The Applicants are funding this project with cash in the amount of \$2,212,038 and a lease with a FMV of \$1,823,222. The lease is for 15 years at a base rent of \$28.25 per GSF for the first five (5) years, \$31.08 per GSF for the years 6 -10 and \$34.18 per GSF for years 11-15. It appears the lease is reasonable when compared to previously approved projects.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 ILAC 1120.140(a) & (b))

C) Criterion 1120.140 (c) – Reasonableness of Project Costs

To demonstrate compliance with this criterion the Applicants must document that the project costs are reasonable by the meeting the State Board Standards in Part 1120 Appendix A.

As shown in the table below the Applicants have met all of the State Board Standards published in Part 1120, Appendix A. The Applicants are proposing to establish a 12 station ESRD facility in 7,000 GSF of space.

⁷ Financial Viability Waiver: The applicant is NOT required to submit financial viability ratios if:

1. all project capital expenditures, including capital expended through a lease, are completely funded through internal resources (cash, securities or received pledges); or HFSRB NOTE: Documentation of internal resources availability shall be available as of the date the application is deemed complete.
2. the applicant's current debt financing or projected debt financing is insured or anticipated to be insured by Municipal Bond Insurance Association Inc. (MBIA) or its equivalent; or HFSRB NOTE: MBIA Inc is a holding company whose subsidiaries provide financial guarantee insurance for municipal bonds and structured financial projects. MBIA coverage is used to promote credit enhancement as MBIA would pay the debt (both principal and interest) in case of the bond issuer's default.
3. the applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor (insurance company, bank or investing firm) guaranteeing project completion within the approved financial and project criteria.

**TABLE SEVEN
Reasonableness of Project Costs**

	Project Costs		State Standard		Difference	
	Project Costs	Cost per GSF or Station	State Standard Total	State Standard Per GSF or Station	Project Costs- State Standard	Met Standard
New Construction Contracts and Contingencies ⁽¹⁾	\$1,454,367	\$208 per GSF	\$2,005,640	\$286.28	-\$551,273	Yes
Contingencies ⁽²⁾	\$100,000	7.38%	\$135,436	10.00%	-\$35,436	Yes
Architectural/Engineering Fees ⁽³⁾	\$130,500	8.97%	\$163,616	11.25%	-\$33,116	Yes
Movable or Other Equipment (not in construction contract) ⁽⁴⁾	\$548,671	\$45,723 Per Station	\$53,683 Per Station	\$644,196	-\$95,525	Yes
Consulting and Other Fees	\$78,500					
Fair Market Value of Leased Space or Equipment	\$1,823,222		No Standard			

1. State Standard for New Construction and Contingency is \$254.58 (2015) inflated by 3% to the midpoint of construction.
2. Contingency for new construction is 10% for construction based upon the architectural contract documents in the schematic drawing status.
3. Architectural and Engineering Fees are a percentage of new construction and contingency as published by State of Illinois Capital Development Board.
4. Movable or Other Equipment is \$39,945 per station (2008) and inflated by 3% to the midpoint of construction.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 ILAC 1120.140(c))

For the two criteria below the State Board does not have standards and the Applicants have successfully addressed the criteria if the requested information is provided.

D) Criterion 1120.140(d) – Projected Operating Costs

To demonstrate compliance with this criterion the Applicants must document that the projected direct annual operating costs for the first full fiscal year at target utilization but no more than two years following project completion. Direct costs mean the fully allocated costs of salaries, benefits and supplies for the service.

The Applicants are projecting \$240.93 operating expense per treatment. [See Application for Permit page 134]

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED OPERATING COSTS (77 ILAC 1120.140(d))

E) Criterion 1120.140(e) – Total Effect of the Project on Capital Costs

To demonstrate compliance with this criterion the Applicants must provide the total projected annual capital costs for the first full fiscal year at target utilization but no more than two years following project completion. Capital costs are defined as depreciation, amortization and interest expense.

The Applicants are projecting capital costs of \$19.50 per treatment. [See Application for Permit page 135]

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN
CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON
CAPITAL COSTS (77 ILAC 1120.140(e))**

Star Rating System

Centers for Medicare & Medicaid Services (CMS) Star Ratings

“The star ratings are part of Medicare's efforts to make data on dialysis centers easier to understand and use. The star ratings show whether your dialysis center provides quality dialysis care - that is, care known to get the best results for most dialysis patients. The rating ranges from 1 to 5 stars. A facility with a 5-star rating has quality of care that is considered 'much above average' compared to other dialysis facilities. A 1- or 2- star rating does not mean that you will receive poor care from a facility. It only indicates that measured outcomes were below average compared to those for other facilities. Star ratings on Dialysis Facility Compare are updated annually to align with the annual updates of the standardized measures.”

CMS assigns a one to five ‘star rating’ in two separate categories: best treatment practices and hospitalizations and deaths. The more stars, the better the rating. Below is a summary of the data within the two categories.

➤ Best Treatment Practices

This is a measure of the facility’s treatment practices in the areas of anemia management; dialysis adequacy, vascular access, and mineral & bone disorder. This category reviews both adult and child dialysis patients.

➤ Hospitalization and Deaths

This measure takes a facility's expected total number of hospital admissions and compares it to the actual total number of hospital admissions among its Medicare dialysis patients. It also takes a facility's expected patient death ratio and compares it to the actual patient death ratio taking into consideration the patient’s age, race, sex, diabetes, years on dialysis, and any co-morbidities.

The Dialysis Facility Compare website currently reports on 9 measures of quality of care for facilities. These measures are used to develop the star rating. Based on the star rating in each of the two categories, CMS then compiles an ‘overall rating’ for the facility. As with the separate categories: the more stars, the better the rating.

Section XI, Safety Net Impact Statement

1. This criterion is required for all substantive and discontinuation projects. DaVita Inc. and its affiliates are safety net providers of dialysis services to residents of the State of Illinois. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and Kidney Smarting patients, and community outreach. A copy of DaVita's 2016 Community Care report, which details DaVita's commitment to quality, patient centric focus and community outreach, was included as part of our Illini Renal Dialysis CON application (Proj. No. 17-032). As referenced in the report, DaVita led the industry in quality, with twice as many Four- and Five-Star centers than other major dialysis providers. DaVita also led the industry in Medicare's Quality Incentive Program, ranking No. 1 in three out of four clinical measures and receiving the fewest penalties. DaVita has taken on many initiatives to improve the lives of patients suffering from CKD and ESRD. These programs include Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Furthermore, DaVita is an industry leader in the rate of fistula use and has the lowest day-90 catheter rates among large dialysis providers. During 2000 - 2014, DaVita improved its fistula adoption rate by 103 percent. Its commitment to improving clinical outcomes directly translated into 7% reduction in hospitalizations among DaVita patients.

DaVita accepts and dialyzes patients with renal failure needing a regular course of hemodialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, disability or ability to pay. Because of the life sustaining nature of dialysis, federal government guidelines define renal failure as a condition that qualifies an individual for Medicare benefits eligibility regardless of their age and subject to having met certain minimum eligibility requirements including having earned the necessary number of work credits. Indigent ESRD patients who are not eligible for Medicare and who are not covered by commercial insurance are eligible for Medicaid benefits. If there are gaps in coverage under these programs during coordination of benefits periods or prior to having qualified for program benefits, grants are available to these patients from both the American Kidney Foundation and the National Kidney Foundation. If none of these reimbursement mechanisms are available for a period of dialysis, financially needy patients may qualify for assistance from DaVita in the form of free care.

Furthermore, DaVita is the only provider within the state of Illinois who currently accepts IlliniCare, IlliniCare Health is a managed care organization (MCO) contracted with the state of Illinois to provide health services for Medicaid recipients under the integrated care program and family Health Plan. IlliniCare Health was also selected by the Department of Healthcare and Family Services as one of the remaining managed care organizations to participate in the Medicare-Medicaid Alignment Initiative (MMAI) within the greater Chicagoland area. As IlliniCare's only dialysis provider it is imperative that this patient group be afforded convenient high quality care.

2. The proposed Hickory Creek Dialysis will not impact the ability of other health care providers or health care systems to cross-subsidize safety net services. The utilization of existing dialysis facilities within the Hickory Creek GSA that have been operational for at least 2 years, as of March 31, 2017 is 75.2%. Further, patient census among the existing facilities within the Hickory Creek GSA has increased 5.33% since March 31, 2015. This growth is anticipated to continue to increase for the foreseeable future due to the demographics of the community and U.S. Centers for Disease Control and Prevention estimates that 15% of American adults suffer from CKD. Accordingly, the proposed dialysis facility will not impact other general health care providers' ability to cross-subsidize safety net services.
3. Further, Beata Kisiel, M.D. with Sun Health Inc. is currently treating 66 late stage CKD patients (Stage 4 and 5 CKD), who reside within 30 minutes of the proposed Hickory Creek Dialysis. See Appendix - 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Kisiel anticipates that at least 41 of these 66 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. DuPage Medical Group will also add 36 late stage CKD patients (Stage 4 and 5 CKD) in support of the application. See Appendix - 1.

Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), it is anticipated that at least 23 of these 36 additional patients will initiate in-center hemodialysis within 12 to 24 months following project completion. Thus, a total of 64 patients (41 from Sun Health Inc. and 23 from DMG) will be expected to initiate in-center hemodialysis within 12 to 24 months following project completion. Accordingly, the proposed dialysis facility will not impact other general health care providers' ability to cross-subsidize safety net services.

The proposed project is for the establishment of Hickory Creek Dialysis. As such, this criterion is not applicable.

A table showing the charity care and Medicaid care provided by the Applicants for the most recent three calendar years is provided below.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2014	2015	2016
Charity (# of patients)	146	109	110
Charity (cost in dollars)	\$2,477,363	\$2,791,566	\$2,400,299
MEDICAID			
	2014	2015	2016
Medicaid (# of patients)	708	422	297
Medicaid (revenue)	\$8,603,971	\$7,381,390	\$4,692,716

Section XII, Charity Care Information

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by the Applicants.

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	\$266,319,949	\$311,351,089	\$353,228,322
Amount of Charity Care (charges)	\$2,477,363	\$2,791,566	\$2,400,299
Cost of Charity Care	\$2,477,363	\$2,791,566	\$2,400,299

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