

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