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Via Hand Delivery

May 4, 2018

Ms. Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**Re: DaVita Oak Meadows Dialysis (Proj. No. 17-068)
Additional Information**

Dear Ms. Olson:

Polsinelli represents DaVita Inc. and Motte Dialysis, LLC. (collectively, the “Applicants”). In this capacity, we are submitting additional information regarding the Applicants’ proposal to establish a 12-station dialysis clinic in Oak Lawn, Illinois (the “Proposed Clinic”). As described more fully below, upon further review of the application for permit, we identified zip codes and their corresponding populations that were excluded from the population calculation in the application for permit and are providing updated information regarding the population within the 30 minute geographic service area (“GSA”) of the Proposed Clinic. Additionally, we are providing demographic information on the community to be served by the Proposed Clinic. As this letter will not result in any modification listed in Section 1130.650(a) of the Illinois Health Facilities and Services Review Board (“State Board”) rules, it constitutes a Type B modification to the pending CON application for DaVita Oak Meadows Dialysis.

1. Maldistribution of Services

As we prepared to bring the application for the Proposed Clinic forward, we reviewed the ratio of stations to population of the GSA contained on pages 89-91 of the application for permit. In reviewing that data, we identified 46 zip codes and their associated populations had been excluded from the population calculation resulting in an error in the overall ratio of stations to population. This ratio is relevant for the determination of the Proposed Clinic’s compliance with Section 1110.230(c)(2)(A) of the State Board rules. The population of the relevant geographic service area is nearly two and half times higher than originally identified. We apologize for the data collection issue in the previously submitted information.

Enclosed please find the listing of zip codes that are within the adjusted 30-minute travel time market contour as identified by Microsoft’s MapPoint software. Please note that the drive time in Oak Lawn is modified pursuant to the State Board rules to account for typical traffic

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Atlanta Boston Chicago Dallas Denver Houston Kansas City Los Angeles Nashville New York Phoenix
St. Louis San Francisco Silicon Valley Washington, D.C. Wilmington

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Polsinelli PC, Polsinelli LLP in California

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congestion in the area and is 30 minutes/1.15 or 26 minutes. To properly calculate the zip code areas within the geographic service area, we pulled the 2010 US Census data and that information is also included herein. What this data shows is that there are 82 zip code areas within the travel time contour. Those 82 zip code areas have 2,468,874 residents within their boundaries. With the State Board's identified 659 dialysis stations, there is a ratio of 1 dialysis station to every 3,746 persons. This calculation shows that there are 73 percent fewer stations per capita in the Proposed Clinic's GSA than the State. See Table 1110.230(c)(2)(A). Additionally, it demonstrates that hemodialysis services in the Proposed Clinic's GSA are less accessible to the population to be served.

Table 1110.230(c)(2)(A) Ratio of Stations to Population				
	Population	Dialysis Stations	Stations to Population	Standard Met?
Geographic Service Area	2,468,874	659	1: 3,746	Yes
State	12,978,800	4,745	1: 2,735	

2. Proposed Clinic's Demographic Data

The presence of health disparities is well established in the United States. Research continues to identify disparities experienced by racial, ethnic minority, low-income, and other vulnerable communities.¹ They "are rooted in the social, economic and environmental context in which people live."² In fact, "the importance of the relationship between neighborhoods and health continues to be recognized, with zip code understood to be a stronger predictor of a person's health than their genetic code."³

a. Poverty

Poverty is a key driver of health status. The higher the income level, the greater the resources available to support health and well-being, and the more likely an individual will be able to timely access a physician. The inability to obtain health insurance is a primary barrier to health care access, including regular primary care, specialty care, and other health services.

¹ Henry J. Heiman & Samantha Artiga, Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity, The Kaiser Commission on Medicaid and the Uninsured Issue Brief, Nov. 2015 at 3 *available at* <http://files.kff.org/attachment/issue-brief-beyond-health-care> (last visited Mar. 1, 2018).

² Id.

³ Id.

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Importantly, 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 a result, many low-income patients who lack health insurance do not have access to nephrologist care until they are diagnosed and in the later stages of chronic kidney disease (“CKD”) when kidney failure is imminent.

The federal poverty limit (“FPL”) for Illinois in 2018 is defined as \$12,140 for an individual, \$16,460 for a family of two, \$20,780 for a family of three and \$25,100 for a family of four.⁴ According to the 2016 U.S. Census data on poverty status, 13.6% percent of residents living in Proposed Clinic’s patient service area (“PSA”) live at or below the FPL. Given the high percentage of individuals in poverty in the Proposed Clinic’s PSA, there is a greater need for dialysis stations in this community.

Poverty Rate						
	PSA	%	Cook County	%	Illinois	%
FPL	16,226	13.6%	856,682	16.7%	1,753,731	14.0%
125% FPL	20,668	17.3%	1,107,729	21.5%	2,283,321	18.2%
150% FPL	27,746	23.2%	1,356,990	26.4%	2,827,366	22.5%
Total	119,580	100.0%	5,141,824	100.0%	12,548,538	100.0%

United States Census Bureau, American Fact Finder, Poverty Status in the Past 12 Months: 2012 – 2016 American Community Survey 5-Year Estimate *available at* <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited May 4, 2018).

b. Insurance

Health insurance is integral for individuals to access appropriate and adequate health care services. As shown in the table below, the Proposed Clinic’s PSA has a higher percentage of uninsured individual than the State. Importantly, uninsured or underinsured individuals are less likely to have access to health care resources due to an inability to pay for such services. As a result, these individuals are less likely to be diagnosed during the early stages of CKD when interventions can delay or prevent adverse outcomes of CKD.

Insurance Status						
	PSA	%	Cook County	%	Illinois	%
Private	78,785	59.3%	3,239,929	63.0%	8,713,740	62.1%
Public	41,270	31.1%	1,727,644	33.6%	4,075,730	29.1%
Uninsured	12,752	9.6%	652,108	12.7%	1,233,486	8.8%
Total	132,807	100.0%	5,141,824	100.0%	14,022,956	100.0%

⁴ Illinois Legal Aid Online, U.S. Federal Poverty Levels *available at* <https://www.illinoislegalaid.org/get-zipcode?destination=node/50366> (last visited Mar. 1, 2018).

c. Education Attainment

Education attainment is a relevant socioeconomic indicator of a health disparity as it has been linked to positive health outcomes. Lower education levels are directly linked to lower income, which limits resources that can support health and well-being. As noted in a recent study, education attainment affects an individual's ability to navigate the complex U.S. health care system, understand diagnoses, and communicate with his or her physician.

Achieving positive health outcomes in today's health care environment requires a variety of factors to come together that may be affected by educational attainment and a combination of soft and hard skills. Patients benefit from the ability to understand their health needs, follow or read instructions, advocate for themselves and their families, and communicate effectively with health providers. A systematic review of health literacy and health outcomes found that individuals with lower health literacy had poorer health-related knowledge and comprehension, ability to demonstrate taking medications properly, and ability to interpret medication labels and health messages. They also had increased hospitalizations and emergency care, decreased preventive care, and, among the elderly, poorer overall health status and higher mortality.⁵

As shown the table below, the percentage of residents in the Proposed Clinic's PSA with a bachelor's degree is 75% lower than Cook County and 50% of the Statewide level. As noted above, low education attainment may impact an individual's ability to understand his or her health care needs and receive timely access to health care to stop or slow CKD progression.

Education Attainment						
	PSA	%	Cook County	%	State	%
No High School Diploma	10,063	12.2%	503,252	13.8%	1,008,608	11.7%
High School Graduate (includes equivalency)	28,401	34.4%	839,916	23.0%	2,287,126	26.5%
Some College, no degree	18,941	23.0%	679,437	18.6%	1,815,860	21.1%
Associate's Degree	7,140	8.7%	230,565	6.3%	671,821	7.8%
Bachelor's Degree	12,192	14.8%	775,888	21.3%	1,744,260	20.2%
Graduate or Professional Degree	5,747	7.0%	617,630	16.9%	1,090,609	12.7%
Population 25 Years and Older	82,484	100.0%	3,646,688	100.0%	8,618,284	100.0%

⁵ Understanding the Relationship Between Education and Health: A Review of the Evidence and an Examination of Community Perspectives. Content last reviewed September 2015. Agency for Healthcare Research and Quality, Rockville, MD. <http://www.ahrq.gov/professionals/education/curriculum-tools/population-health/zimmerman.Html> (last visited Mar. 2, 2018).

United States Census Bureau, American Fact Finder, Educational Attainment: 2012 – 2016 American Community Survey 5-Year Estimate available at <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited May 4, 2018).

d. Race and Ethnicity

The incidence and prevalence rates for CKD and end stage renal disease (“ESRD”) are higher within certain population groups, which are present in the Proposed Clinic’s PSA. The ESRD incidence rate among the Hispanic population is 1.5 times greater than the non-Hispanic population, and ESRD incidence rate among African-Americans is 3.7 times greater than Caucasians.⁶ Likely contributing factors to this burden of disease include diabetes and metabolic syndrome, both are common among Hispanic and African-American populations. Other factors for these groups that contribute to a higher disease burden are family history, impaired glucose tolerance, diabetes during pregnancy, hyperinsulinemia and insulin resistance, obesity and physical inactivity. Access to health care, the quality of care received, and barriers due to language and health literacy also play a role in the higher incidence rates.⁷

According to the U.S. Census Bureau 2016 population projections, 18.4% of residents are Hispanic, which is higher than the State percentage.

Race/Ethnicity						
	PSA	%	Cook County	%	State	%
White	84,523	69.6%	2,241,001	42.9%	7,996,856	62.2%
African American	10,078	8.3%	1,232,816	23.6%	1,810,559	14.1%
Hispanic	22,297	18.4%	1,300,843	24.9%	2,136,474	16.6%
Native American	76	0.1%	5,250	0.1%	14,378	0.1%
Asian	2,931	2.4%	355,071	6.8%	650,929	5.1%
Native Hawaiian	-	0.0%	1,167	0.0%	2,994	0.0%
Other	1,488	1.2%	91,427	1.7%	239,494	1.9%
Total	121,393	100.0%	5,227,575	100.0%	12,851,684	100.0%

United States Census Bureau, American Fact Finder, ACS Demographic and Housing Estimates: 2012 – 2016 American Community Survey 5-Year Estimate available at <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited May 1, 2018).

The large Hispanic population in this community is a significant factor. According to data from the Centers for Disease Control and Prevention, Hispanic persons are more likely to be

⁶ US Renal Data System, USRDS 2017 Annual Data Report: Epidemiology of Kidney Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 247 (201).

⁷ Claudia M. Lora, M.D. et al, *Chronic Kidney Disease in United States Hispanics: A Growing Public Health Problem*, *Ethnicity Dis.* 19(4), 466-72 (2009).

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uninsured compared to Caucasians and African-Americans.⁸ As previously discussed, lack of health insurance is a significant barrier to health care services and timely access to nephrology care. Further, Hispanic persons are more likely not to obtain needed medical care due to cost than Caucasians.⁹ As a result, the CKD/ESRD incidence rate among this population is likely higher than the non-Hispanic population. Accordingly, the Proposed Clinic will address a growing need for dialysis services in this community.

e. Aging Population

Advancing age is associated with increasing prevalence of CKD. This is also true for ESRD. Thus, the dialysis patient population tends to be a senior population. While the growth in the incidence and prevalence of ESRD in other populations has remained stable for years, increases in new ESRD cases is present in the 65+ age cohort, which could reflect the emergence of the post-World War II baby boomers into the retirement age. The Proposed Clinic's PSA is an aging community. The adjusted 30-minute zip code data shows that the Proposed Clinic's PSA population over 65 is growing by 13.2%. With an aging population, it is imperative stations are available to serve the current and future need for dialysis service.

Thank you for your consideration of the additional information regarding the Oak Meadows Dialysis project. If you have any questions or need any additional information, please feel free to contact me.

Sincerely,



Anne M. Cooper

Attachments

Cc: Gaurav Bhattacharyya

⁸ Tainya C. Clarke et al., Early Release of Selected Estimates Based on Data From the 2016 National Health Interview Survey 10 (2017) *available at* <https://www.cdc.gov/nchs/data/nhis/earlyrelease/earlyrelease201705.pdf> (last visited May 4, 2018).

⁹ *Id.* at 20.

Exhibit 1

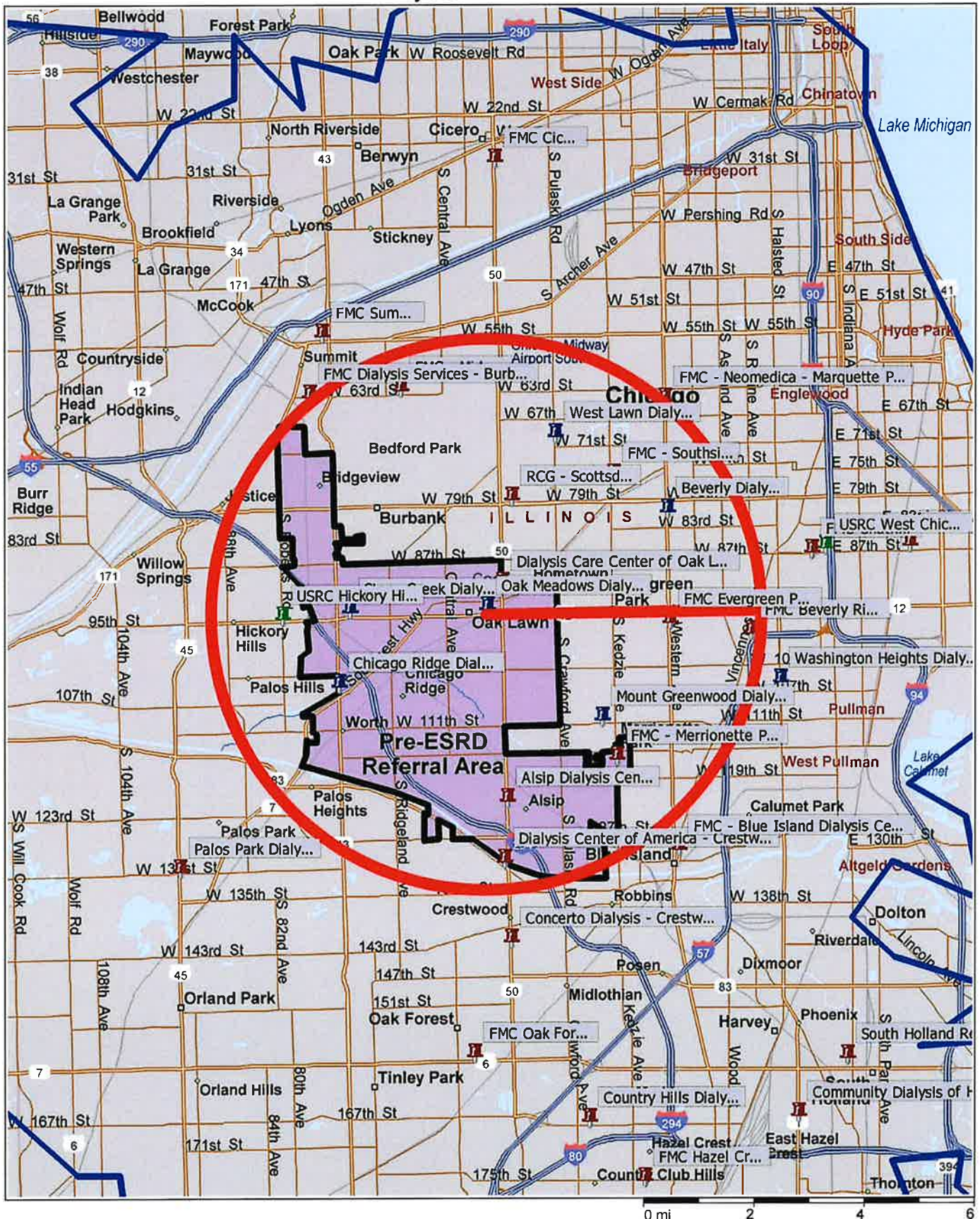
Population by Zip Code Oak Meadows Dialysis 30 Minute GSA		
Zip Code	City	Population
60141	Hines	224
60162	Hillside	8,111
60402	Berwyn	63,448
60406	Blue Island	25,460
60415	Chicago Ridge	14,139
60419	Dolton	22,788
60422	Flossmoor	9,403
60425	Glenwood	9,117
60426	Harvey	29,594
60428	Markham	12,203
60429	Hazel Crest	15,630
60430	Homewood	20,094
60438	Lansing	28,884
60439	Lemont	22,919
60443	Matteson	21,145
60445	Midlothian	26,057
60452	Oak Forest	27,969
60453	Oak Lawn	56,855
60455	Bridgeview	16,446
60456	Hometown	4,349
60457	Hickory Hills	14,049
60458	Justice	14,428
60459	Burbank	28,929
60462	Orland Park	38,723
60463	Palos Heights	14,671
60464	Palos Park	9,620
60465	Palos Hills	17,495
60467	Orland Park	26,046
60469	Posen	5,930
60472	Robbins	5,390
60473	South Holland	22,439
60476	Thornton	2,391
60477	Tinley Park	38,161
60478	Country Club Hills	16,833
60480	Willow Springs	5,246
60482	Worth	11,063
60487	Tinley Park	26,928
60501	Summit Argo	11,626

Population by Zip Code Oak Meadows Dialysis 30 Minute GSA		
Zip Code	City	Population
60513	Brookfield	19,047
60514	Clarendon Hills	9,708
60516	Downers Grove	29,084
60521	Hinsdale	17,597
60523	Oak Brook	9,890
60525	LaGrange	31,168
60526	LaGrange Park	13,576
60527	Willowbrook	27,486
60534	Lyons	10,649
60546	Riverside	15,668
60558	Western Springs	12,960
60559	Westmont	24,852
60561	Darien	23,115
60604	Chicago	570
60605	Chicago	24,668
60606	Chicago	2,308
60607	Chicago	23,897
60608	Chicago	82,739
60609	Chicago	64,906
60615	Chicago	40,603
60616	Chicago	48,433
60617	Chicago	84,155
60619	Chicago	63,825
60620	Chicago	72,216
60621	Chicago	35,912
60623	Chicago	92,108
60628	Chicago	72,202
60629	Chicago	113,916
60632	Chicago	91,326
60633	Chicago	12,927
60636	Chicago	40,916
60637	Chicago	49,503
60638	Chicago	55,026
60643	Chicago	49,952
60644	Chicago	48,648
60649	Chicago	46,650
60652	Chicago	40,959
60653	Chicago	29,908
60655	Chicago	28,550
60661	Chicago	7,792

Population by Zip Code Oak Meadows Dialysis 30 Minute GSA		
Zip Code	City	Population
60803	Alsip	22,285
60804	Cicero	84,573
60805	Evergreen Park	19,852
60827	Riverdale	27,946
Total		2,468,874

Source: U.S. Census Bureau, Census 2010, American Factfinder *available at* <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited May 3, 2018).

Oak Meadows Dialysis 17-068 5 mile radius 30-min



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