

18-004

Original

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION JAN 18 2018

This Section must be completed for all projects.

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name:	Fresenius Medical Care Elgin		
Street Address:	2130 Point Boulevard, Suite 800		
City and Zip Code:	Elgin 60123		
County:	Kane	Health Service Area:	8
		Health Planning Area:	

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

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

<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 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**

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

- 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



**Flood Plain Requirements Not Applicable – Plumbing 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 –Plumbing 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:	
<input checked="" type="checkbox"/>	Substantive
<input type="checkbox"/>	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 Elgin, LLC proposes to expand its Elgin dialysis center utilizing existing leased space, located at 2130 Point Blvd., by 5 stations. The facility currently has 20 stations and the result will be a 25-station facility. The facility was operating at 97% with 116 patients as of December 2017 and has initiated a 4<sup>th</sup> daily treatment shift, that does not end until midnight to accommodate additional patients.

Fresenius Medical Care Elgin is in HSA 8.

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.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
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	15,000	N/A	15,000
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)	95,000	N/A	95,000
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	85,950	N/A	85,950
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>\$195,950</b>	<b>N/A</b>	<b>\$195,950</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	110,000	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)	85,950	N/A	85,950
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>\$195,950</b>	<b>N/A</b>	<b>\$195,950</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  Yes  No  
 Purchase Price: \$ \_\_\_\_\_  
 Fair Market Value: \$ \_\_\_\_\_

The project involves the establishment of a new facility or a new category of service  
 Yes  No

If yes, provide the dollar amount of all **non-capitalized** 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 \$  N/A

**Project Status and Completion Schedules**

**For facilities in which prior permits have been issued please provide the permit numbers.**

Indicate the stage of the project's architectural drawings:

None or not applicable  Preliminary  
 Schematics  Final Working

Anticipated project completion date (refer to Part 1130.140):  December 31, 2018

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

Purchase orders, leases or contracts pertaining to the project have been executed.  
 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  
 Financial Commitment will occur after permit issuance.

**APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

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

Are the following submittals up to date as applicable:

Cancer Registry  
 APORS  
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted  
 All reports regarding outstanding permits

**Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**

### 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	\$195,950	10,900			750		
Total Clinical	\$195,950	10,900			750		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	<b>\$195,950</b>	<b>10,900</b>			<b>750</b>		

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:

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

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

*Grant Asay*  
SIGNATURE

Grant Asay  
PRINTED NAME

General Manager/manager  
PRINTED TITLE

*Coleen Muldoon*  
SIGNATURE

Coleen Muldoon  
PRINTED NAME

Regional Vice President/manager  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 8<sup>th</sup> day of January, 2018

Notarization:  
Subscribed and sworn to before me  
this 8<sup>th</sup> day of January, 2018

*Candace M. Turoski*  
Signature of Notary



*Candace M. Turoski*  
Signature of Notary



\*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:

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

[Signature]  
SIGNATURE

[Signature]  
SIGNATURE

Bryan Mello  
PRINTED NAME ~~Assistant Treasurer~~

Thomas D. Brouillard, Jr.  
PRINTED NAME Assistant Treasurer

PRINTED TITLE

PRINTED TITLE

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

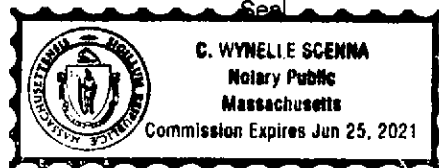
Notarization:  
Subscribed and sworn to before me  
this 16 day of Jan 2018

[Signature]  
Signature of Notary

[Signature]  
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	MET 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	20	25

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]:

<u>110,000</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol>
<u>N/A</u>	<p>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.</p>
<u>N/A</u>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>85,950</u>	<p>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:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options,</li> </ol>



<p><u>N/A</u></p> <p><u>N/A</u></p> <p><u>N/A</u></p>	<p>any capital improvements to the property and provision of capital equipment;</p> <p>5) For any option to lease, a copy of the option, including all terms and conditions.</p> <p>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;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<p><b>\$195,950</b></p>	<p><b>TOTAL FUNDS AVAILABLE</b></p>
<p><b>APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>	

**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	750			750			15,000	15,000
Contingency									
<b>Total Clinical</b>	20.00	750			750			15,000	15,000
Non Clinical									
Contingency									
<b>Total Non</b>									
<b>TOTALS</b>	20.00	750			750			15,000	15,000

\* 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.**

<b>Safety Net Information per PA 96-0031</b>			
<b>CHARITY CARE* (Self-Pay)</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Charity (# of patients)</b>	251	195	233
<b>Charity (cost in dollars)</b>	\$5,211,664	\$3,204,986	\$3,269,127
<b>MEDICAID</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Medicaid (# of patients)</b>	750	396	320
<b>Medicaid (revenue)</b>	\$22,027,882	\$7,310,484	\$4,383,383

\*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay

**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.**

<b>CHARITY CARE* (Self-Pay)</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Net Patient Revenue</b>	\$411,981,839	\$438,247,352	\$449,611,441
<b>Amount of Charity Care (self-pay charges)</b>	\$5,211,664	\$3,204,986	\$3,269,127
<b>Cost of Charity Care (self-pay)</b>	\$5,211,664	\$3,204,986	\$3,269,127

\*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay

**APPEND DOCUMENTATION AS ATTACHMENT 39, 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

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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
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	32-39
12	Purpose of the Project	40
13	Alternatives to the Project	41-42
14	Size of the Project	43
15	Project Service Utilization	44
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	45-59
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	60
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37	Economic Feasibility	62-65
38	Safety Net Impact Statement	66
39	Charity Care Information	67-69
Appendix 1	Physician Referral Letter	70-75

**Applicant Identification**

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

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

**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 type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- 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.

*\*Certificate of Good Standing for Fresenius Medical Care Elgin, LLC on following page.*

**Co - Applicant Identification**

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

Exact Legal Name:	Fresenius Medical Care Holdings, Inc.
Address:	920 Winter Street, Waltham, MA 02451
Name of Registered Agent:	CT Systems
Name of Chief Executive Officer:	Bill Valle
CEO Address:	920 Winter Street, Waltham, MA 02541
Telephone Number:	781-669-9000

**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

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- 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.





**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*

FRESENTIUS MEDICAL CARE ELGIN, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON NOVEMBER 12, 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.

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 17TH day of AUGUST A.D. 2017 .***



Authentication #: 1722901866 verifiable until 08/17/2018  
Authenticate at: <http://www.cyberdriveillinois.com>

*Jesse White*

SECRETARY OF STATE

## Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	RP 2 Limited Partnership
Address of Site Owner:	2175 Point Blvd., Suite 125, Elgin, IL 60123
Street Address or Legal Description of Site:	2130 Point Blvd., Suite 800, Elgin, IL 60123
<b>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.</b>	

## Operating Identity/Licensee

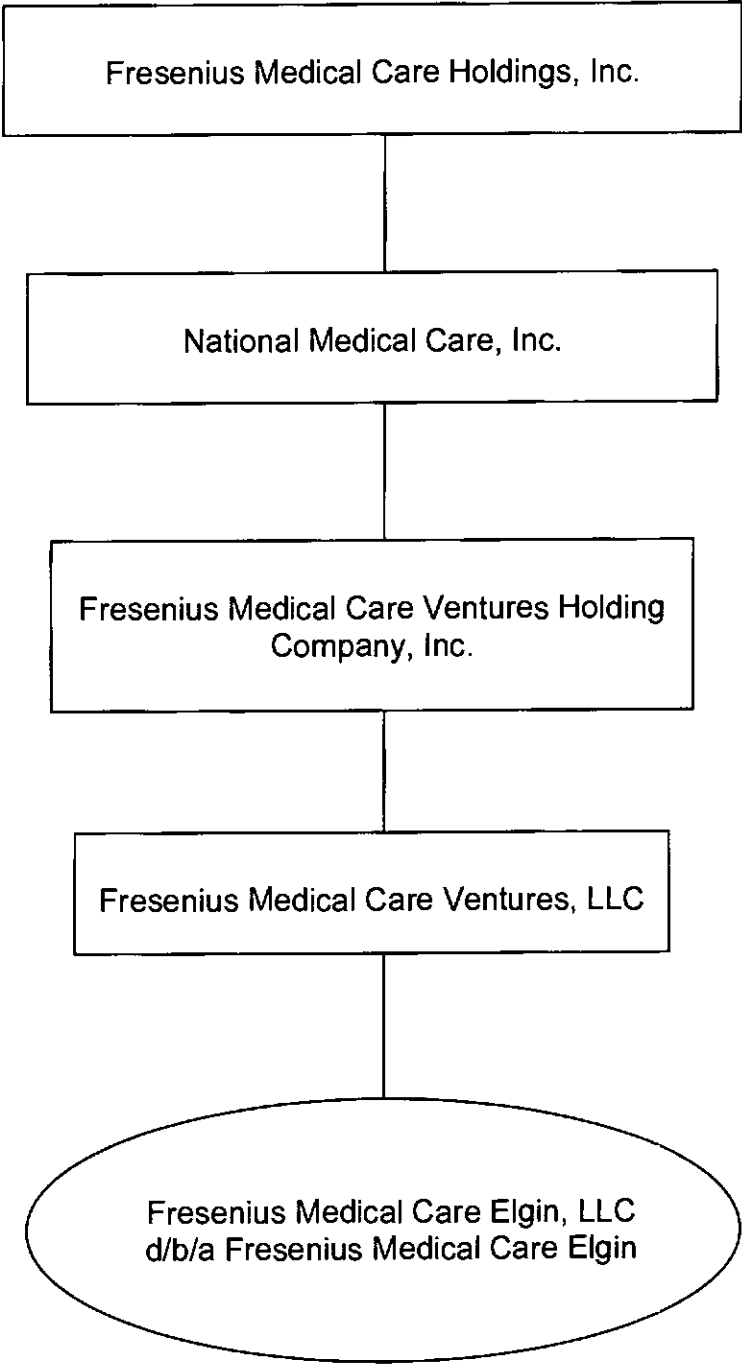
Exact Legal Name: Fresenius Medical Care Elgin, LLC d/b/a Fresenius Medical Care Elgin			
Address: 920 Winter Street, Waltham, MA 02451			
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<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>			

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

### Ownership

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

Neptune Group III, LLC has a 49% membership interest in Fresenius Medical Care Elgin, LLC. Its address is 120 W. 22<sup>nd</sup> Street, Oak Brook, IL 60523.



**SUMMARY OF PROJECT COSTS**

<b>Modernization</b>	
Plumbing	15,000
<b>Total</b>	<b>\$15,000</b>
<b>Contingencies</b>	
	<b>\$0</b>
<b>Architecture/Engineering Fees</b>	
	<b>\$0</b>
<b>Moveable or Other Equipment</b>	
Dialysis Chairs	21,000
Clinical Furniture & Equipment	17,000
Office Equipment & Other Furniture	0
Water Treatment	0
TVs & Accessories	50,000
Telephones	0
Generator	0
Facility Automation	0
Other miscellaneous	7,000
	<b>\$95,000</b>
<b>Fair Market Value of Leased Space and Equipment</b>	
FMV Leased Dialysis Machines	85,950
	<b>\$85,950</b>
<b>Grand Total</b>	<b>\$195,950</b>

Itemized Costs  
ATTACHMENT - 7

### Current Fresenius CON Permits and Status

Project Number	Project Name	Project Type	Completion Date	Comment
#15-028	Fresenius Kidney Care Schaumburg	Establishment	05/31/2018	Construction complete, opening February 2018
#15-036	Fresenius Kidney Care Zion	Establishment	12/31/2018	Obligated/Construction End Date 3/2018
#15-046	Fresenius Kidney Care Beverly Ridge	Establishment	10/31/2018	Open waiting for certification
#15-050	Fresenius Kidney Care Chicago Heights	Establishment	09/30/2018	Open waiting for certification
#15-062	Fresenius Kidney Care Belleville	Establishment	12/31/2018	Construction Complete, Opening February 2018
#16-024	Fresenius Kidney Care East Aurora	Establishment	09/30/2018	Construction complete, opening February 2018
#16-029	Fresenius Medical Care Ross Dialysis - Englewood	Relocation/Expansion	09/30/2018	Obligated
#16-034	Fresenius Kidney Care Woodridge	Establishment	03/31/2019	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	Construction complete, will relocate late January 2018
#17-004	Fresenius Kidney Care Mount Prospect	Establishment	12/31/2018	Obligated, modernization begun
#17-033	Fresenius Kidney Care Palatine	Expansion	12/31/2018	Station installed, waiting for certification
#17-023	Fresenius Medical Care Oswego	Expansion	12/31/2018	Stations installed, waiting for certification
#17-025	Fresenius Kidney Care Crestwood	Relocation	09/30/2019	Obligated/Shell Construction
#17-027	Fresenius Medical Care Sandwich	Expansion	12/31/2018	Station installed, waiting for certification
#17-0347	Fresenius Medical Care Naperbrook	Expansion	12/31/2018	Stations installed, waiting for certification
#17-038	Fresenius Kidney Care South Elgin	Establishment	12/31/2019	Permitted November 14, 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	\$195,950	10,900			750		
<b>Total Clinical</b>	<b>\$195,950</b>	<b>10,900</b>			<b>750</b>		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
<b>Total Non-clinical</b>							
<b>TOTAL</b>	<b>\$195,950</b>	<b>10,900</b>			<b>750</b>		
APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							



## FRESENIUS KIDNEY CARE

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Fresenius Kidney Care, a division of Fresenius Medical Care North America (FMCNA), provides dialysis treatment and services to nearly 200,000 people with kidney disease at more than 2,200 facilities nationwide. Fresenius Kidney Care patients have access to FMCNA's integrated network of kidney care services ranging from cardiology and vascular care to pharmacy and lab services as well as urgent care centers and the country's largest practice of hospitalist and post-acute providers. The scope and sophistication of this vertically integrated network provides us with seamless oversight of our patients' entire care continuum.



As a leader in renal care technology, innovation and clinical research, FMCNA's more than 67,000 employees are dedicated to the mission of delivering superior care that improves the quality of life for people with kidney disease. Fresenius Kidney Care supports people by helping to address both the physical and emotional aspects of kidney disease through personalized care, education and lifestyle support services so they can lead meaningful and fulfilling lives.

### ***Bringing our Mission to Life***

At Fresenius Kidney Care, we understand that helping people with end stage renal disease (ESRD) live fuller, more active and vibrant lives is about much more than providing them with the best dialysis care. It's about caring for the whole person. That's why we use our vast resources to care for their emotional, medical, dietary, financial and well-being needs.

We also provide educational support for people with chronic kidney disease (CKD), including routine classes for people with later stage CKD. Our robust education programs are designed to improve patient outcomes and improve the quality of life for every patient.

- ***KidneyCare:365***. A company-wide program designed to educate pre-ESRD patients about available treatment options when they enter end stage renal disease. These classes are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, at-home hemodialysis, peritoneal dialysis and nocturnal dialysis.





## FRESENIUS KIDNEY CARE

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- ***Navigating Dialysis Program.*** A patient educational program focusing on days 1-90 in the patient journey. During the first three months, in-center patients are introduced to the core topics essential to starting dialysis, beginning with the new Starter Kit and supported by several touchpoints delivered by members of the care team.
- ***Catheter Reduction Program.*** 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). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates.

### ***Value Based Care Model***

Health care is moving toward a value-based system focused on caring for the whole patient, improving efficiencies and reducing costs. FMCNA, operating under the name Fresenius Seamless Care, is making an investment in End Stage Renal Disease Seamless Care (ESCO) in a very disciplined and



thoughtful way because the company believes value-based care is fundamentally important. ESCOs reflect a partnership between nephrologists and dialysis providers that offers highly coordinated, patient-centered care to assigned Medicare beneficiaries with ESRD. By monitoring and managing the total care of the ESRD patient, the ESCO aims to avoid inappropriate hospitalizations and help patients move from high-risk to lower-risk on the health care continuum.

The cornerstone of the ESCO program for FMCNA is its Care Navigation Unit (CNU), a team of specially trained nurses and care technicians who provide 24/7 patient support and care management services. By focusing on both the physical and emotional needs of each patient, the Care Navigation Unit can anticipate issues before they arise and help patients respond more quickly when they happen. The CNU has proven that through rigorous patient monitoring and appropriate intervention, they can significantly improve patient health outcomes, reducing hospital admissions by up to 20 percent and readmissions by up to 27 percent in ESRD populations.



This investment demonstrates the value FMCNA places on collaboration with CMS, policymakers and physicians for the benefit of its patients. It also shows the importance we place on patients taking an active role in their own care.

At FMCNA, we strive to be the partner of choice by leading the way with collaborative, entrepreneurial new models of value-based care that take full responsibility for the patients we serve while reducing costs and improving outcomes. This approach allows us to coordinate health care services at pivotal care points for hundreds of thousands of chronically ill people and enhance the lives of those trusted to our care.

## Overview of Services



### ***Treatment Settings and Options***

- In-center hemodialysis
- At-home hemodialysis
- At-home peritoneal dialysis



### ***Patient Support Services***

- Nutritional counseling
- Social work services
- Home training program
- Clinical care
- Patient travel services
- Patient education classes
- Urgent care (acute)



### ***Counseling and Guidance for Non-Dialysis Options***

- Kidney transplant
- Supportive care without dialysis

## Our Local Commitment

Fresenius Kidney Care is a predominant supporter of the National Kidney Foundation of Illinois (NKFI). 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. Our Fresenius Kidney Care employees in Chicago alone raised \$22,000 for the NKFI Kidney Walk in downtown Chicago. In addition to the local fundraising efforts, each year, Fresenius Kidney Care donates \$25,000 to the NKFI and another \$5,000 in downstate Illinois.

Comparison of CMS-5-Star Data as obtained from:

<https://www.medicare.gov/dialysisfacilitycompare/>

Illinois - 2015 Five-Star Data

Data represented includes ALL facilities owned by each provider, including acquisitions, as listed on the CMS website.

Both chains had 45% of Illinois clinics earn 4 or 5 stars.

	Fresenius	Davita
1 star	4, 3%	1, 1%
2 star	18, 15%	7, 8%
3 star	45, 37%	38, 45%
4 star	34, 28%	22, 26%
5 star	21, 17%	16, 19%

**Fresenius Kidney Care In-center Clinics in Illinois**

Clinic	Provider #	Address	City	Zip
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 Biesterfeld 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	14-2821	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
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose 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 Voris-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. Neilnor	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 Elgin, LLC

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Elgin, 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 Planning Board; and

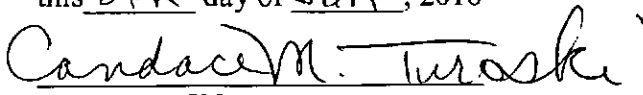
In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By:   
Coleen Muldoon

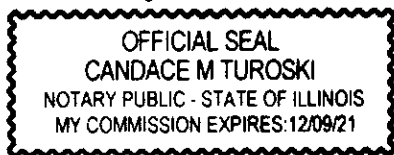
ITS: Regional Vice President/Manager

Notarization:

Subscribed and sworn to before me  
this 8th day of Jan, 2018

  
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: *Bryan Mello*  
ITS: Bryan Mello  
Assistant Treasurer

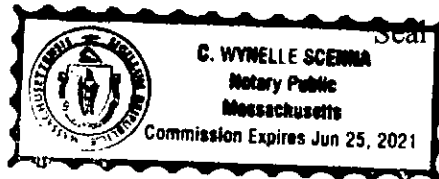
By: *Thomas D. Brouillard, Jr.*  
ITS: Thomas D. Brouillard, Jr.  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this 16 day of Jan, 2018

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Signature of Notary *C Wynelle Scenna* Signature of Notary

Seal



## Criterion 1110.230 – Purpose of Project

1. The purpose of this project is to maintain life-sustaining dialysis services in Elgin during the approximate two years it will take for the Fresenius South Elgin facility to become fully operational (certified) by adding 5 stations in existing space at the FKC Elgin clinic operating at 97% utilization with 116 patients. The result will be a 25-station ESRD facility.
2. The Fresenius Elgin facility is in Elgin in Kane County which is part of HSA 8. The zip codes that the city of Elgin encompasses also lie in Cook and DuPage Counties in HSA 7 where there is a need for an additional 51 ESRD stations as of November 2017. The City of Elgin overlaps both HSA 7 and 8.
3. The Elgin facility began operations as a 12-station ESRD facility in August 2011. Within 2 years the facility had surpassed 80% utilization and 2 more stations were added in late 2013. In August 2016, six more stations were added and as of December 2017 the facility is at 97% utilization. Only 4 more patients will place the facility at capacity. The facility has initiated a fourth shift that runs in the evening until midnight to accommodate the growth of ESRD in Elgin. This is not an optimal time for patients to receive treatment. The 5 additional stations are planned to eliminate the need for this shift. The other facility located in Elgin, DaVita Cobblestone is also operating above the 80% Board target utilization at 96% as of December 2017.
4. Not Applicable
5. Increasing the station count at the Fresenius Elgin facility will maintain access to dialysis services for Dr. Ray's patients in Elgin and avoid utilizing a 4<sup>th</sup> patient shift while the recently permitted South Elgin facility is being constructed. There is currently only access for an additional 4 patients at the Elgin facility and no access to treatment shift choices. The additional stations will also enable patients residing in Elgin to remain in Elgin for treatment instead of travelling out of the area to seek treatment which would result in a loss of continuity of care and overwhelming transportation problems.
6. The goal of Fresenius Medical 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 station addition. The FKC Elgin facility is a 4-star CMS rated facility and currently the Elgin patients have the quality values below:
  - 95% of patients had a URR  $\geq$  65%
  - 99% of patients had a Kt/V  $\geq$  1.2



## Alternatives

### 1) All Alternatives

A-C. Several alternatives to this project have already been considered and acted upon. These are listed below.

- This facility became a joint venture between Fresenius Medical Care and the physicians supporting this facility in 2012.
- In late 2013 two additional stations were added to this facility after it passed the 80% utilization target within 2 years after beginning operations. Total cost was approximately \$8,000.
- In 2016 an additional 6 stations became operational at the facility per #14-014 at a cost of \$1,295,882. These stations are now full.
- #17-038, Fresenius Kidney Care South Elgin 12-station ESRD facility was approved at the November 14, 2017 Board meeting. This facility will alleviate high area utilization but is not expected to be fully operational (certified) until late 2019. There are 109 pre-ESRD patients identified to be referred to this facility in the first two years of operation. The patients identified for the Elgin expansion are separate patients.
- Dr. Ray (Fresenius Elgin Medical Director) and his partners currently admit patients to DaVita Cobblestone and other area facilities per patient's choice or place of residence. The patients identified for this expansion all reside in Elgin. There has been no cost associated with this.

D. The only alternative that the applicant has not yet pursued is outlined in this application. Utilizing the expansion space in the current site to prevent use of a 4<sup>th</sup> shift of patients that dialyze until midnight is the most effective way to provide immediate access while the South Elgin facility is undergoing construction. This will create uninterrupted access for Dr. Ray's Elgin patients and at the same time, meet Board criterion. The cost of this project is \$195,950.

**2) Comparison of Alternatives**

	<b>Total Cost</b>	<b>Patient Access</b>	<b>Quality</b>	<b>Financial</b>
Establish a Joint Venture with physicians.	ALTERNATIVE ALREADY ACTED UPON.			
Addition of 2 stations.	ALTERNATIVE ALREADY ACTED UPON.			
Addition of 6 stations.	ALTERNATIVE ALREADY ACTED UPON.			
Admit patients to other area facilities.	ALTERNATIVE ALREADY ACTED UPON.			
Approval of Additional Elgin Facility with 12 stations	Alternative already acted upon. Facility will not be fully operational (certified) until late 2019.			
Add 5 stations in existing space at a nominal cost to Fresenius Elgin	\$195,950	Will create access at existing facility to avoid utilization of a 4 <sup>th</sup> patient shift while the South Elgin facility is under construction and awaiting certification.	Fresenius Medical Care Elgin is a CMS 4-star rated facility and exceeds all Board quality standards.	The cost of this project is minimal but will save patients additional transportation costs if they must go out of area to find access.

**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 Elgin is a 4-star CMS rated facility and has had above standard quality outcomes as demonstrated below.

- o 95% of patients had a URR  $\geq$  65%
- o 99% of patients had a Kt/V  $\geq$  1.2

**Criterion 1110.234, Size of Project**

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD 450-650 BGSF Per Station</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD IN-CENTER HEMODIALYSIS	10,900 GSF 25 Stations	11,250 – 16,250 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 10,900 GSF does not exceed the State Standard thereby meeting the criteria.

**Criterion 1110.234, Project Services Utilization**

<b>UTILIZATION</b>					
	<b>DEPT/SERVICE</b>	<b>HISTORICAL UTILIZATION</b>	<b>PROJECTED UTILIZATION</b>	<b>STATE STANDARD</b>	<b>MET STANDARD?</b>
	IN-CENTER HEMODIALYSIS 20 Stations	20 Stations/116 Pts 12/31/2017 97%		80%	Yes
<b>YEAR 1</b>	IN-CENTER HEMODIALYSIS 25 Stations	N/A	85%	80%	No
<b>YEAR 1</b>	IN-CENTER HEMODIALYSIS 25 Stations	N/A	83%	80%	Yes

The facility had 116 patients dialyzing in 20 stations with a 97% utilization rate as of December 31, 2017.

There are 33 pre-ESRD patients from the Elgin identified to be referred to the Elgin facility in the upcoming 18 months. The facility will be at 85% utilization upon initiating operations of the five additional stations surpassing target utilization.

## **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 Elgin which overlaps HSA 8 & HSA 7. The Fresenius Elgin facility is in HSA 8. 70% of the patients identified to be referred to the Elgin facility reside in HSA 8, and 93% of the current patients reside in HSA 8, thereby meeting this requirement.

<b>HSA</b>	<b>Pre-ESRD Patients Who Will Be Referred to Fresenius Medical Care Elgin</b>	
8	23 Pts.	70%
7	10 Pts.	30%

<b>HSA</b>	<b>Current Patients of Fresenius Medical Care Elgin</b>	
8	93 Pts.	80%
7	21 Pts.	18%
6	1 Pt.	1%
1	1 Pt.	1%

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

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

- i) The Fresenius Elgin dialysis facility has been operating at an average utilization rate of 91% for the past 12 months and 89% for the past two years (additional 6 stations became certified in August 2016). As of December 2017 the facility is at 97% utilization with 116 patients. Four more patients will put the facility at capacity and a 4<sup>th</sup> patient shift is being initiated to meet demand.

See attached physician support/referral letter on following page.

LISA L. PILLSBURY, M.D. • MOHAMED A. RAHMAN, M.D., F.A.C.P. • RAJU B. RAY, M.D. • RICHARD K. LEE, M.D.

GRADY M. WICK, M.D. • NAHID ALAVI, M.D. • KHURRAM SALEEM, M.D.

ANNE C. ALLEN, PA-C • RENNE SPACAPAN, DNP, APN

January 11, 2018

Nephrology and Hypertension

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Nephrology Associates of Northern Illinois

901 Biesterfield Road, Suite 310 • Elk Grove Village, Illinois • Telephone (847) 952-9332 • Fax (847)952-9338

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:

My name is Raju Ray, M.D. and I am the Medical Director of the Fresenius Medical Care Elgin dialysis facility and am in practice with Nephrology Associates of Northern Illinois (NANI). The Elgin facility is 97% utilized with 116 ESRD patients. 4 more patients will put the clinic at capacity. The clinic has started operating a 4<sup>th</sup> treatment shift at night to keep access available here in Elgin, however this is not an optimal treatment time for our patients, their families or for staffing.

The purpose of this letter is to express my support for the Fresenius proposal to expand the Elgin 20-station facility (at 97%) by 5 more stations. These 5 stations can be available in a matter of 2-3 months and will provide the most immediate solution to maintain access here in Elgin.

In this far west/northwest suburban region, my partners and I at NANI have referred 118 new patients for hemodialysis services over the past twelve months. We were treating 201 hemodialysis patients at the end of 2015, 276 at the end of 2016, and 347 at the end of 2017. Due to the growth we have seen in our practice in recent years, attributable to the growing Hispanic and elderly population in both Kane and McHenry Counties, and the addition of new physicians to the practice, it is expected that our number of ESRD patients will continue to increase. We have approximately 130 Pre-ESRD patients living in the two Elgin zip codes and I expect that 33 of them would begin dialysis in the upcoming 12-18 months. This does not account for the many patients who are diagnosed with end stage renal disease in the emergency room that have not been followed by a nephrologist for their kidney disease. There is no longer access to dialysis in the city of Elgin for my patients who live here.

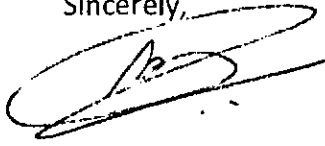
To keep dialysis access available to this growing ESRD population, I ask the Board to please vote in favor of the Fresenius Medical Care Elgin expansion. Thank you for your consideration.

Physician Referral Letter  
ATTACHMENT 24C - 4



I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

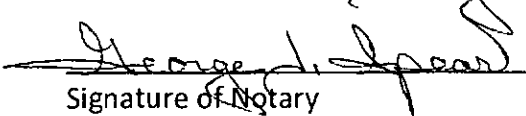
Sincerely,



Raju Ray, M.D.

Notarization:

Subscribed and sworn to before me  
this 15 day of January 2018



Signature of Notary  
(Seal)



**PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO  
FRESENIUS ELGIN IN THE NEXT 12-18 MONTHS FROM ELGIN ZIP CODES**

Patients of NANI identified below from Elgin Zip Codes will begin dialysis treatment within 18 months			
Pre-ESRD Beginning Dialysis in Next 12 Months at Fresenius Elgin		Pre-ESRD Beginning Dialysis 12-18 Months at Fresenius Elgin	
Zip Code	Patients	Zip Code	Patients
60120	6	60120	4
60123	17	60123	6
<b>Total</b>	<b>23</b>	<b>Total</b>	<b>10</b>

**NEW REFERRALS OF NANI FOR 2017**

Zip Code	Fresenius Kidney Care			ARA	DaVita Dialysis							Total
	Elgin	Hoffman Estates	McHenry	Barrington	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Marengo	Sycamore	Timber Creek	
60013					1							1
60014	1					2		2				5
60020			1									1
60033									1			1
60042					1							1
60050			5		1			1				7
60051			2		1							3
60067					1							1
60071			1									1
60081			1									1
60084					1							1
60097			2									2
60098			1					3	1			5
60102	1				1	3						5
60103							1					1
60110			1			5	1					7
60113											1	1
60115										1	1	2
60118						2	1					3
60120	3			1		2	8					14
60123	10					3	11					24
60124						1						1
60133		1										1
60135									1	2		3
60140	1								3			4
60142						5		1	1			7
60152									3			3
60156						2						2
60178										4		4
60192		1										1
60622							1					1
60623	1								1			2
61071									1			1
61103							1					1
<b>Total</b>	<b>17</b>	<b>2</b>	<b>14</b>	<b>1</b>	<b>7</b>	<b>25</b>	<b>24</b>	<b>7</b>	<b>12</b>	<b>7</b>	<b>2</b>	<b>118</b>

**PATIENTS OF NANI AS OF DECEMBER 31, 2015**

Zip Code	Fresenius Kidney Care			American Renal Associates				DaVita Dialysis							Total
	Elgin	Round Lake	McHenry	McHenry	Barrington	Crystal Lake	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Lake Villa	Marengo	Sycamore	Timber Creek	
60010							7								7
60012										5					5
60013							2			2					4
60014						2				17					19
60020											1				1
60033			1									5			6
60034			1												1
60047			1				2								3
60050			13	3						2					18
60051			5												5
60072			1												1
60073		1													1
60081			1												1
60084							2								2
60085			1												1
60097			2												2
60098			5	1								1			16
60102							2	3		3					8
60107					1										2
60110	1					1		6	3						12
60112													1		1
60115													4	10	14
60118								1	1						2
60120	2								12						14
60123	3							1	9	2					17
60124								1							1
60133									1						1
60135													1		1
60140															1
60142	3							3				1			8
60146								1							1
60152												4			4
60156						1				4					6
60177					1				2						3
60178													6		6
60193									1						1
60195							1								1
60550														1	1
60556													1		1
60632									1						1
61068													1		1
<b>Total</b>	<b>9</b>	<b>1</b>	<b>31</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>16</b>	<b>16</b>	<b>30</b>	<b>45</b>	<b>1</b>	<b>11</b>	<b>14</b>	<b>11</b>	<b>201</b>

**PATIENTS OF NANI AS OF DECEMBER 31, 2016**

Zip Code	Fresenius Kidney Care		American Renal Associates				DaVita Dialysis						Total
	Elgin	McHenry	McHenry	Barrington	Crystal Lake	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Marengo	Sycamore	Timber Creek	
60010						5							5
60012						1			3				4
60013						2	1		3				6
60014					2	1			13				16
60020		1											1
60033		1								4			5
60034		1											1
60042		2											2
60047		1		1		2							4
60050		10	3						1				14
60051		6	1										7
60071		1											1
60072		1											1
60081		1											1
60084		1											1
60090								1					1
60097		1											1
60098		6	1						7	1			15
60102							7		5				12
60103							1						1
60107								1					1
60110	4			1	1		18	7					31
60112											2		2
60115											5	9	14
60118	1						2	1					4
60120	5			2			2	18					27
60123	11						8	14					33
60124	1						2						3
60135										1	2		3
60136							3						3
60140	1						2			1	1		5
60141								1					1
60142	2						13	1	1	1			18
60145											2		2
60152										2			2
60156		2					1		2				5
60177	2			1			3	3					9
60178											7		7
60193								1					1
60440							1						1
60550												1	1
60556											1		1
60632								1					1
61008										1			1
61068											1		1
Total	27	35	5	5	3	11	64	49	35	11	21	10	276

**PATIENTS OF NANI AS OF DECEMBER 31, 2017**

Zip Code	Fresenius Kidney Care		ARA			DaVita Dialysis							Total
	Elgin	McHenry	McHenry	Barrington	Crystal Lake	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Marengo	Sycamore	Timber Creek	
60010						4							4
60012									3				3
60013						1	1						2
60014	1	1		1	1		1		11				16
60033		1								9			10
60034		1								1			2
60042		1											1
60047		1		1		1							3
60050		13	2						3				18
60051		7											7
60067						1							1
60071		1											1
60081		2											2
60084		1											1
60090	1							1					2
60097		3											3
60098		6	1		1				9	1			18
60102	1						7		4				12
60103							1						1
60110	3	1		1	1		22	12					40
60112											3		3
60115											5	6	11
60118	2						2	1					5
60120	11			1			3	27					42
60123	24						7	24					55
60124	3						3						6
60126								1					1
60135							1				4		5
60136							3						3
60140	2						3			1	2		8
60141								1					1
60142	2						13	1	2	2			20
60145											2		2
60152										7			7
60156							3		1				4
60177	2			1			3	3					9
60178											8		8
60193										1			1
60550												1	1
60556											1		1
60623										1			1
60632								1					1
60644								1					1
61008										1			1
61068											1		1
61071										1			1
61103								1					1
<b>Total</b>	<b>52</b>	<b>39</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>7</b>	<b>73</b>	<b>74</b>	<b>33</b>	<b>25</b>	<b>26</b>	<b>7</b>	<b>347</b>

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Raju Ray, M.D. is currently the Medical Director for Fresenius Medical Care Elgin and will continue to be the Medical Director. Attached is his curriculum vitae.

B. All Other Personnel

The Elgin facility currently employs the following staff:

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

After the expansion the facility will hire an additional Registered Nurse and 2.5 Patient Care Technicians, 1 part-time Social Worker, 1 part-time Dietitian and 1 part-time secretary.

- 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.

**RAJU B. RAY, MD**

901 Biesterfield Road, Suite 310  
Elk Grove Village, IL 60007  
(847) 952 - 9332

**CLINICAL  
EXPERIENCE**

August 03 – Present

Nephrologist  
Alexian Brothers Medical Center, Elk Grove Village, IL  
St. Alexius Medical Center, Hoffman Estates, IL

July 01 – July 03

Consultant Nephrologist  
Rockford memorial hospital, St. Anthony's medical center,  
Swedishamerican Hospital  
Rockford, IL

June 97 - June 99

Attending Physician - Internist  
Private Group Practice  
Chicago, IL

February 99 – May 01

Medical Director  
Premier Hospice, Inc.  
Calumet City, IL

December 97–March

98 Medical Advisors  
Home Health Services, Inc.  
Chicago, IL

**ACADEMIC POSITION**

May 03 – Present

Clinical Assistant Professor, University of Illinois

**FELLOWSHIP**

July 99 – 2001

Fellowship - Nephrology & Hypertension  
Northwestern University Medical School  
Northwestern Memorial Hospital and VA Medical Center  
Chicago, IL

**RESEARCH  
EXPERIENCE**

August 97 - June 99

Postdoctoral Fellow  
Division of Nephrology/Hypertension  
Northwestern University Medical School, Chicago, IL

RAJU B. RAY, MD

(2 of 3)

**RESIDENCY**

June 94 - June 97

Internal Medicine  
St. Luke's Hospital – University of Missouri  
St. Louis, MO

**EDUCATION**

March 1990

Doctor of Medicine  
Bangalore Medical College – Bangalore University  
Bangalore

**WORK EXPERIENCE**

February 2003 – Present

Nephrology Associates of Northern Illinois – Elk Grove Village Illinois

March 90 - December 93

Senior House Officer  
Ministry of Health & Environment, Kingston, Jamaica, WI  
(Kingston Public Hospital/Bustamante Childrens' Hospital)  
All India Institute of Medical Sciences, New Delhi, India  
National Institute of Mental Health & Neurosciences,  
Wockhardt Medical & Research Center, Bangalore, India

**RESEARCH/ABSTRACT/  
PRESENTATIONS**

"Evaluation of Megestrol Acetate in moderate doses in chronically Malnourished dialysis patients", M Rammohan, A Liang, C Ghossein, S Mahmood, **R Ray**, D Batlle – an abstract presentation at the *American Society of Nephrology (ASN)*, November 4-10, 2002, Philadelphia, PA

"Effect of total dietary potassium deprivation in normal human subjects: Early changes on sodium balance and AVP release", C Delis, D Esparaz, T Keilani, W Schlueter, S Jain, **R Ray**, H Fehmi, M Rammohan, R Rosa and D Batlle - a poster and oral presentation in the 'Free Communication Session' at the *American Society of Nephrology (ASN)*, October 21-28, 1998, Philadelphia, PA

"Aortic Perforation - an extremely rare complication of Dilator migration", **R Ray**, Tshiswaka Kayembe - an abstract presentation at Missouri Regional Meeting of the *American College of Physicians (ACP)*, October 25-27, '96  
at Marriott's Tan-Tar-A resort in Osage beach, MO

"Physicians & Computers", an oral presentation at St. Louis Regional Medical Center, St. Louis, MO, March 1997



RAJU B. RAY, MD  
(3 of 3)

“Psychiatry for the Non-Psychiatrists”, an oral presentation at St. Louis Regional Medical Center, St. Louis, MO, April 1996

CERTIFICATIONS

ABIM Board Certified – Nephrology - 2001  
ABIM Board Certified – Internal Medicine - 1997  
Clinical Hypertension Specialist, American Society of Hypertension – 2003

LICENSURE

State of Illinois  
State of Michigan

MEMBERSHIPS

Member, The American Society of Nephrology  
Member, National Kidney Foundation  
Member, Renal Physicians Association  
Member, American Society of Hypertension  
Member, American Medical Association  
Member, Illinois Medical Society

REFERENCES

Available upon request

Criterion 1110.1430 (g) – Support Services

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

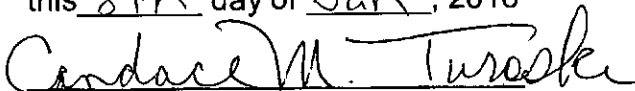
- Fresenius Medical Care utilizes a patient data tracking system in all of its facilities.
- These support services are available at Fresenius Medical Care Elgin during all six shifts:
  - Nutritional Counseling
  - Psychiatric/Social Services
  - Home/self training
  - Clinical Laboratory Services –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



Signature

Coleen Muldoon/Regional Vice President/Manager  
Name/Title

Subscribed and sworn to before me  
this 8th day of Jan, 2018



Signature of Notary



Criterion 1110.1430 (j) – Assurances

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

1. As supported in this application through expected referrals to Fresenius Medical Care Elgin in the first two years of operation of the additional 5 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 Elgin hemodialysis patients have achieved adequacy outcomes of:
  - o 95% of patients had a URR  $\geq$  65%
  - o 98% of patients had a Kt/V  $\geq$  1.2

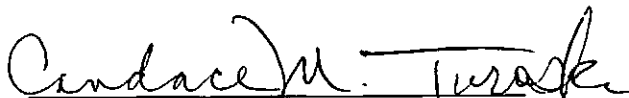
and same is expected after the expansion.



Signature

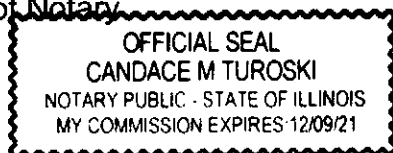
Coleen Muldoon/Regional Vice President/Manager  
Name/Title

Subscribed and sworn to before me  
this 8<sup>th</sup> day of Jan, 2018



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	750			750			15,000	15,000
Contingency	-	-			-			-	-
<b>TOTALS</b>	20.00	750			750			15,000	15,000
Include the percentage (%) of space for circulation									

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

**Year 2018**

Estimated Personnel Expense:	\$1,869,600
Estimated Medical Supplies:	\$511,680
Estimated Other Supplies (Exc. Dep/Amort):	<u>\$2,164,800</u>
	\$4,546,080
 Estimated Annual Treatments:	 19,680
Cost Per Treatment:	\$231.00

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

**Year 2018**

Depreciation/Amortization:	\$240,000
Interest	<u>\$0</u>
Capital Costs:	\$240,000
 Treatments:	 19,680
Capital Cost per Treatment	\$12.20

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

Fresenius Medical Care Elgin, 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: *Adam Thiel*

ITS: Regional Vice President / Manager

Notarization:

Subscribed and sworn to before me  
this 8th day of Jan, 2018

*Candace M. Turoski*

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: Zuell  
Title: Bryan Mello  
Assistant Treasurer

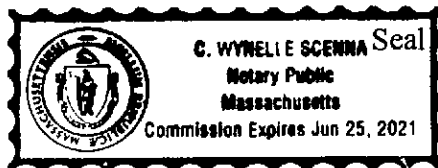
By: Red B  
Title: Thomas D. Brouillard, Jr.  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Notarization:  
Subscribed and sworn to before me  
this 16 day of Jan, 2018

Signature of Notary C Wynelle Scenna Signature of Notary

Seal





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

Fresenius Medical Care Elgin, 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

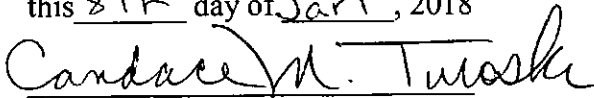
The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: 

ITS: Regional Vice President/Manager

Notarization:

Subscribed and sworn to before me  
this 8<sup>th</sup> day of Jan, 2018



Signature of Notary

Seal



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

Fresenius Medical Care Holdings, Inc.

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: *[Signature]*  
ITS: Bryan Mello  
Assistant Treasurer

By: *[Signature]*  
ITS: Thomas D. Brouillard, Jr.  
Assistant Treasurer

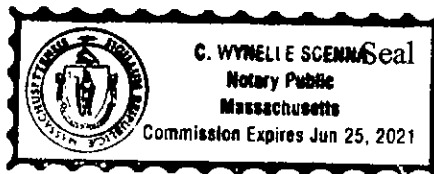
Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Notarization:  
Subscribed and sworn to before me  
this 16 day of Jan, 2018

*C Wynelle Scenna*  
Signature of Notary

*C Wynelle Scenna*  
Signature of Notary

Seal



**Safety Net Impact Statement**

The addition of 5 ESRD stations to the 20-station Fresenius Medical Care Elgin facility will not have any impact on safety net services in Elgin. 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.

<b>Safety Net Information per PA 96-0031</b>			
<b>CHARITY CARE* (self-pay)</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Charity (# of patients)</b>	251	195	233
<b>(self-pay)</b>			
<b>Charity (cost in dollars)</b>	\$5,211,664	\$3,204,986	\$3,269,127
<b>(self-pay)</b>			
<b>MEDICAID</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Medicaid (# of patients)</b>	750	396	320
<b>Medicaid (revenue)</b>	\$22,027,882	\$7,310,484	\$4,383,383
*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay.			

**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* (self-pay)			
	2014	2015	2016
<b>Net Patient Revenue</b>	\$411,981,839	\$438,247,352	\$449,611,441
<b>Amount of Charity Care (self-pay charges)</b>	\$5,211,664	\$3,204,986	\$3,269,127
<b>Cost of Charity Care (self-pay)</b>	\$5,211,664	\$3,204,986	\$3,269,127
*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay			

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

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## **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 HIPP. 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.

LISA L. PILLSBURY, M.D. • MOHAMED A. RAHMAN, M.D., F.A.C.P. • RAJU B. RAY, M.D. • RICHARD K. LEE, M.D.

GRADY M. WICK, M.D. • NAHID ALAVI, M.D. • KHURRAM SALEEM, M.D.

ANNE C. ALLEN, PA-C • RENNE SPACAPAN, DNP, APN

January 11, 2018

Nephrology and Hypertension

Nephrology Associates of Northern Illinois

901 Biesterfield Road, Suite 310 • Elk Grove Village, Illinois • Telephone (847) 952-9332 • Fax (847)952-9338

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:

My name is Raju Ray, M.D. and I am the Medical Director of the Fresenius Medical Care Elgin dialysis facility and am in practice with Nephrology Associates of Northern Illinois (NANI). The Elgin facility is 97% utilized with 116 ESRD patients. 4 more patients will put the clinic at capacity. The clinic has started operating a 4<sup>th</sup> treatment shift at night to keep access available here in Elgin, however this is not an optimal treatment time for our patients, their families or for staffing.

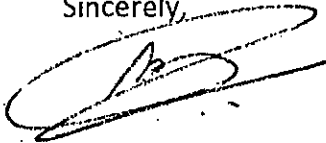
The purpose of this letter is to express my support for the Fresenius proposal to expand the Elgin 20-station facility (at 97%) by 5 more stations. These 5 stations can be available in a matter of 2-3 months and will provide the most immediate solution to maintain access here in Elgin.

In this far west/northwest suburban region, my partners and I at NANI have referred 118 new patients for hemodialysis services over the past twelve months. We were treating 201 hemodialysis patients at the end of 2015, 276 at the end of 2016, and 347 at the end of 2017. Due to the growth we have seen in our practice in recent years, attributable to the growing Hispanic and elderly population in both Kane and McHenry Counties, and the addition of new physicians to the practice, it is expected that our number of ESRD patients will continue to increase. We have approximately 130 Pre-ESRD patients living in the two Elgin zip codes and I expect that 33 of them would begin dialysis in the upcoming 12-18 months. This does not account for the many patients who are diagnosed with end stage renal disease in the emergency room that have not been followed by a nephrologist for their kidney disease. There is no longer access to dialysis in the city of Elgin for my patients who live here.

To keep dialysis access available to this growing ESRD population, I ask the Board to please vote in favor of the Fresenius Medical Care Elgin expansion. Thank you for your consideration.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

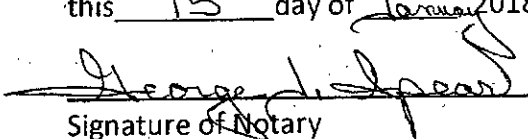
Sincerely,



Raju Ray, M.D.

Notarization:

Subscribed and sworn to before me  
this 15 day of January 2018



Signature of Notary  
(Seal)





**PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO  
FRESENIUS ELGIN IN THE NEXT 12-18 MONTHS FROM ELGIN ZIP CODES**

Patients of NANI identified below from Elgin Zip Codes will begin dialysis treatment within 18 months			
Pre-ESRD Beginning Dialysis in Next 12 Months at Fresenius Elgin		Pre-ESRD Beginning Dialysis 12-18 Months at Fresenius Elgin	
Zip Code	Patients	Zip Code	Patients
60120	6	60120	4
60123	17	60123	6
<b>Total</b>	<b>23</b>	<b>Total</b>	<b>10</b>

**NEW REFERRALS OF NANI FOR 2017**

Zip Code	Fresenius Kidney Care			ARA	DaVita Dialysis							Total
	Elgin	Hoffman Estates	McHenry	Barrington	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Marengo	Sycamore	Timber Creek	
60013					1							1
60014	1					2		2				5
60020			1									1
60033									1			1
60042					1							1
60050			5		1			1				7
60051			2		1							3
60067					1							1
60071			1									1
60081			1									1
60084					1							1
60097			2									2
60098			1					3	1			5
60102	1				1	3						5
60103							1					1
60110			1			5	1					7
60113											1	1
60115										1	1	2
60118						2	1					3
60120	3			1		2	8					14
60123	10					3	11					24
60124						1						1
60133		1										1
60135									1	2		3
60140	1								3			4
60142						5		1	1			7
60152									3			3
60156						2						2
60178										4		4
60192		1										1
60622							1					1
60623	1								1			2
61071									1			1
61103							1					1
<b>Total</b>	<b>17</b>	<b>2</b>	<b>14</b>	<b>1</b>	<b>7</b>	<b>25</b>	<b>24</b>	<b>7</b>	<b>12</b>	<b>7</b>	<b>2</b>	<b>118</b>

**PATIENTS OF NANI AS OF DECEMBER 31, 2015**

Zip Code	Fresenius Kidney Care			American Renal Associates				DaVita Dialysis							Total
	Elgin	Round Lake	McHenry	McHenry	Barrington	Crystal Lake	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Lake Villa	Marengo	Sycamore	Timber Creek	
60010							7								7
60012										5					5
60013							2			2					4
60014						2				17					19
60020											1				1
60033			1									5			6
60034			1												1
60047			1				2								3
60050			13	3						2					18
60051			5												5
60072			1												1
60073		1													1
60081			1												1
60084							2								2
60085			1												1
60097			2												2
60098			5	1						9		1			16
60102							2	3		3					8
60107					1										2
60110	1					1		6	3						12
60112													1		1
60115													4	10	14
60118								1	1						2
60120	2								12						14
60123	3							1	9	2					17
60124								1							1
60133									1						1
60135													1		1
60140															1
60142	3							3				1			8
60146								1							1
60152												4			4
60156						1				4					6
60177									2						3
60178					1								6		6
60193									1						1
60195							1								1
60550														1	1
60556													1		1
60632									1						1
61068													1		1
Total	9	1	31	4	2	4	16	16	30	45	1	11	14	11	201

**PATIENTS OF NANI AS OF DECEMBER 31, 2016**

Zip Code	Fresenius Kidney Care		American Renal Associates				DaVita Dialysis						Total
	Elgin	McHenry	McHenry	Barrington	Crystal Lake	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Marengo	Sycamore	Timber Creek	
60010						5							5
60012						1			3				4
60013						2	1		3				6
60014					2	1			13				16
60020		1											1
60033		1								4			5
60034		1											1
60042		2											2
60047		1		1		2							4
60050		10	3						1				14
60051		6	1										7
60071		1											1
60072		1											1
60081		1											1
60084		1											1
60090								1					1
60097		1											1
60098		6	1						7	1			15
60102							7		5				12
60103							1						1
60107								1					1
60110	4			1	1		18	7					31
60112											2		2
60115											5	9	14
60118	1						2	1					4
60120	5			2			2	18					27
60123	11						8	14					33
60124	1						2						3
60135										1	2		3
60136							3						3
60140	1						2			1	1		5
60141								1					1
60142	2						13	1	1	1			18
60145											2		2
60152										2			2
60156		2					1		2				5
60177	2			1			3	3					9
60178											7		7
60193								1					1
60440							1					1	1
60550											1		1
60556												1	1
60632								1					1
61008										1		1	1
61068											1		1
Total	27	35	5	5	3	11	64	49	35	11	21	10	276

**PATIENTS OF NANI AS OF DECEMBER 31, 2017**

Zip Code	Fresenius Kidney Care		ARA				DaVita Dialysis						Total
	Elgin	McHenry	McHenry	Barrington	Crystal Lake	Barrington Creek	Carpentersville	Cobblestone (Elgin)	Crystal Springs	Marengo	Sycamore	Timber Creek	
60010						4							4
60012									3				3
60013						1	1						2
60014	1	1		1	1		1		11				16
60033		1								9			10
60034		1								1			2
60042		1											1
60047		1		1		1							3
60050		13	2						3				18
60051		7											7
60067						1							1
60071		1											1
60081		2											2
60084		1											1
60090	1							1					2
60097		3											3
60098		6	1		1				9	1			18
60102	1						7		4				12
60103							1						1
60110	3	1		1	1		22	12					40
60112											3		3
60115											5	6	11
60118	2						2	1					5
60120	11			1			3	27					42
60123	24						7	24					55
60124	3						3						6
60126								1					1
60135							1			4			5
60136							3						3
60140	2						3			1	2		8
60141								1					1
60142	2						13	1	2	2			20
60145											2		2
60152										7			7
60156							3		1				4
60177	2			1			3	3			8		9
60178											1		1
60193												1	1
60550											1		1
60556										1			1
60623													1
60632								1					1
60644								1					1
61008										1			1
61068											1		1
61071										1			1
61103								1					1
Total	52	39	3	5	3	7	73	74	33	25	26	7	347



**FRESENIUS  
KIDNEY CARE**

18-004

**Fresenius Kidney Care**  
3500 Lacey Road, Downers Grove, IL 60515  
T 630-960-6807 F 630-960-6812  
Email: lori.wright@fmc-na.com

January 16, 2017

**RECEIVED**

JAN 18 2018

**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 Elgin

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 5 stations to the 20-station Fresenius Medical Care Elgin ESRD facility;
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 regarding 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