



July 5, 2018

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Richard H. Sewell
Chairman
Illinois Health Facilities Services and Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL

Re: Project #18-006, Fresenius Kidney Care Madison County
Opposition Response

Dear Mr. Sewell:

On behalf of Fresenius Kidney Care (FKC), I am writing in response to DaVita's opposition comments to project #18-006, Fresenius Kidney Care Madison County in HSA 11. We object to DaVita's statement that FKC is "corrupting one of the core tenets of the IHFSRB," which promotes orderly and economic development of health care facilities. FKC has been conservative and thoughtful in its planning for new facilities in Illinois. These decisions have been based on providing relief for our own overutilized facilities, for underserved communities, for access to a choice of provider where there is none, and in response to physician need.

In fact, since January 2017, FKC has only been granted six permits for new facilities which are spread out over 5 different State HSA's. In this same time frame, DaVita has been granted nine permits, many of which fall into the same service areas. For instance, there have been three granted in HSA 11. The proposed FKC Madison County project was submitted under similar criteria as DaVita's recent HSA 11 approved applications.

After careful consideration, FKC decided to proceed with the Madison County project in response to concerned nephrologists, based in St. Louis who practice in the near Metro East area, who were not able to provide their Illinois patients with a choice of a dialysis provider and most importantly were not able to offer them the advantages of participating in the CMS ESRD Seamless Care Organization (ESCO) that they prefer in St. Louis. This is especially important because of the medically underserved designation of the area. FKC Madison County will participate in the CMS ESCO, which not only provides increased patient monitoring, improved quality, and lowers hospitalizations and readmissions, but provides significant cost savings to Medicare. (see description of ESCO on following page)



CMS ESCO Value Based Care Model

Healthcare is moving toward a value-based system focused on caring for the whole patient, improving efficiencies and reducing costs. One way that FMCNA has demonstrated its commitment is through a significant investment in End Stage Renal Disease Seamless Care Organizations (ESCOs), the nation's first disease-specific shared savings program designed to identify, test and evaluate new ways to improve care for Americans with ESRD.

In January 2017, the Centers for Medicaid and Medicare Services (CMS) awarded 18 new ESCO contracts to FMCNA, which was in addition to the six ESCOs the company was awarded in 2015. FMCNA now operates 24 of the 37 ESCOs awarded by CMS. FMCNA holds two ESCO contracts in Illinois, including Chicago and Bloomington, which includes Springfield and the St. Louis area.

Under each ESCO, local nephrologists and dialysis providers partner to develop an innovative care model based on highly coordinated, patient-centered care. By monitoring and managing the total care of the ESRD patient, the ESCO aims to avoid 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 CNU 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 active roles 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.

Granite City experiences a depressed economy with 17% of the residents living below the poverty level and receiving Food Stamp/SNAP benefits. 8% of residents have no health insurance and 44% are covered by a public insurance policy. The uninsured/under-insured have greater difficulty accessing needed healthcare services, and preventative care is a struggle. Transportation issues (which are prominent for dialysis patients) also inhibit this population from accessing proper care outside of their community if they were to desire a different provider.



In preparation of the application for FKC Madison County, we relied on two separate physician practices, Gateway Nephrology and St. Louis Kidney Care, for support. We understood that Dr. Cheema had recently supported DaVita Foxpoint, #17-040, and that he removed his support from that project due to business concerns. Every effort was made to ensure there was no duplication of patients and we are confident that there was no duplication. This confidence was due in part to choosing identified patients for Madison County who were in much earlier stages of kidney disease, reducing the number of identified patients by eliminating any potential duplicates and simply the timeframe of the Foxpoint project vs Madison County. Foxpoint is now in operation and FKC Madison County will not be fully operational and certified for approximately two years. Dr. Cheema's cited patients in the Foxpoint application will be requiring dialysis during this time and will still need to dialyze in Granite City clinics prior to the Madison County clinic's opening.

Additionally, Dr. Cheema, in a support letter dated July 3, 2018, identified 17 patients who have entered his practice **after** he provided patient referral information for the DaVita Foxpoint application. These are new patients and could not have been included with DaVita's Foxpoint application.

We also had the support of St. Louis Kidney Care, Drs. Polack and Mayer, who identified 26 patients initially in the application and another 11 in a second support letter, who they anticipate referring to FKC Madison County, which alone would bring the facility to 69% utilization. These numbers do not account for the patients who will be referred who have not seen a nephrologist prior to ending up in the hospital in need of dialysis. Even if the Board chooses to dismiss Dr. Cheema's Madison County referral letter included in the application, there appears to be ample patients to support the Madison County facility who were not duplicated, and who will not need dialysis until two years after DaVita Foxpoint begins operation.

DaVita is correct in reiterating that there is an excess of 39 stations in HSA 11, which includes Bond, Clinton, Madison, Monroe and St. Clair counties. However, there was an excess of stations when DaVita's last three clinics were approved in HSA 11, two just this year.

- DaVita Foxpoint - approved March 2017 - excess of 21 stations
- DaVita Edgemont- approved January 2018 - excess of 15 stations
- DaVita Northgrove - approved April 2018 - excess of 27 stations

It is curious why excess stations are suddenly a concern now. The excess of stations did not appear to be an issue in the above applications.

While there may not be a determined need for stations in HSA 11, there is a lack of choice of a dialysis provider in the near Metro East area. DaVita operates 75% of the stations in the HSA and FKC 25%. In a ten-mile radius of Granite City, DaVita operates 100% of all stations. FKC Madison County will be a small 9-station clinic that should not negatively impact DaVita's significant hold in the near Metro East market.



Our concern is lack of choice for patients and for nephrologists as the physicians supporting this facility have spoken of. Allowing a facility participating in the ESCO to be established in Granite City will improve patient quality and lower costs as the program is value based and not based on fee for services – again only offered in Illinois by Fresenius Kidney Care's partnership with CMS.

Fresenius Kidney Care asks that you consider the benefits FKC Madison County, participating in the CMS ESCO, will offer this medically underserved area while providing patients and nephrologists a choice.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Connor

About Us

Fresenius Kidney Care, a division of Fresenius Medical Care North America (FMCNA), provides dialysis treatment and services to nearly 180,000 people with kidney disease at more than 2,300 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 our patients 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 patients with CKD or ESRD about living with kidney disease. These classes are held routinely at a variety of locations including clinics, hospitals and physician offices. Class topics include understanding CKD, eating well, social support and treatment options.
- **Navigating Dialysis Program** – A patient education and engagement program focused on empowering patients with the knowledge they need to thrive during their first 90 days on dialysis. In-center and at-home patients receive a starter kit and supporting touchpoints from members of their care team covering topics like treatment, access, eating well and thriving.
- **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

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Five Star Quality Rated by CMS

Fresenius Kidney Care achieved the largest number of top-rated, Five Star dialysis centers in Illinois in 2016, based on the Dialysis Facility Compare Five Star Quality Rating System issued by CMS. This focus on quality continues to drive Fresenius Kidney Care's success in Illinois.

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 the Chicago area raised over \$25,000 for the NKFI Kidney Walk in downtown Chicago through pledges and t-shirt sales. 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.

