DIALYSIS CARE CENTER, LLC
15786 S. Bell Road
Homer Glen, IL 60491
PH: 708-645-1000
FAX: 931-484-4701

November 21, 2018

VIA Federal Express

Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, Illinois 62761
Attn: Michael Constantino

Re: Additional information - Dialysis Care Center Evergreen Park, #18-019

Dear Mr. Constantino:

I am writing on behalf of Dialysis Care Center Evergreen Park to provide clarification and additional information based on the findings on the board report issued on 11/20/2018.

Planning Area Need:
As previously stated in our CON Application submitted to the board. There is a growing need for dialysis access in HSA 7 due to the exponential growth in population and being an economically disadvantaged community. However, per the board report, it was stated that there is an excess of 28 ESRD stations within HSA 7 but the calculated need in HSA 7 was understated by the board.

In reference to DaVita data and presentation during the last board hearing for "Melrose Village Dialysis – 17-029". It was stated that the board projection understated existing and projected need because the underlying data is out-of-date. Repeating the State's calculation using the recent 2017 use data, they were able to accurately evaluate the demand for ESRD and the need for the proposed clinic within HSA 7. Due to the lag in use rate data reporting, the increased dialysis services use rate based on projected 2020 population results in a calculated **NEED** for 66 stations as shown in Exhibit A, rather than the calculated excess of 28 stations reported by the board.

According to the data "Exhibit A" provided by DaVita. We agreed that there is an excess **NEED** of 66 stations needed in HSA 7. As such, there is a justification for establishing the proposed 14-station ESRD facility in Evergreen Park and the immediate five-mile vicinity of the proposed clinic.

Unnecessary Duplication of Service, Maldistribution, Impact on Other Facilities:
Establishing the proposed DCC Evergreen Park will not result in maldistribution of service or negatively affect the existing clinics. We examined the current and projected average utilization of the existing clinics within the five-mile of the proposed clinic and we realized that by the time the proposed clinic is operating, the average utilization of the existing clinics will be more than 80% Target Utilization by 2020.

Currently, the average utilization of the existing clinics is approximately 81%. Given the projected compound growth rate of 4.84% in HSA 7, existing and approved clinics in the Patients Service Area are projected to be at 84.26% by 2019, 88.30% by 2020 and 92.54% by 2021utilization which exceeds the State Board's "80% Target Utilization" Standard as shown in Exhibit B and C. As a result, the existing clinics within five-mile PSA will be over-utilized which creates additional need for more dialysis access in HSA 7.

Continuity of Care:
The signed Transfer Agreement with Advocate Christ Medical Center, Oak Lawn is attached to this letter as "Exhibit D".

Reasonableness of Project:
The board report indicated that the applicants exceeded the State Board Standard for Architectural/Engineering Fees. The stated fee is a minimal fraction of the new construction cost which is not a substantial amount of money as related to the total costs of project. As such, the fee was incorporated into the total funds for the project without exceeding the budgeted costs allocated to this project.

Please do not hesitate to contact me if you have any questions or need any additional information regarding this project.

Sincerely,

Asim M. Shazzad
Chief Operating Officer

Exhibit A

Updated Need Calculation Based on 2017 Use Rate	
	HSA 7
Planning Area Population - 2015	3,466,200
In Station ESRD Patients - 2017	5,342
Area Use Rate 2017	1.54
Planning Area Population - 2020 (Est)	3,508,600
Projected Patients - 2020	5,407
Adjustment	1.33
Patients Adjusted	7,192
Projected Treatments - 2020	1,121,916
Existing Stations	1,432
Stations Needed - 2020	1,498
Number of Stations Needed	66

HFSRB Monthly Update 09-14-2018	(2)

In Station ESRD Patients - 12/31/2015	4,996
% Increase in Patients 2015 to 2017	6.93%

Area Use Rate - 2015	1.44

The above data was prepared and presented by DaVita in support of Melrose Village Dialysis Clinic - #17-029 submitted to the board as “Additional Information” on 9/27/2018.

Exhibit B

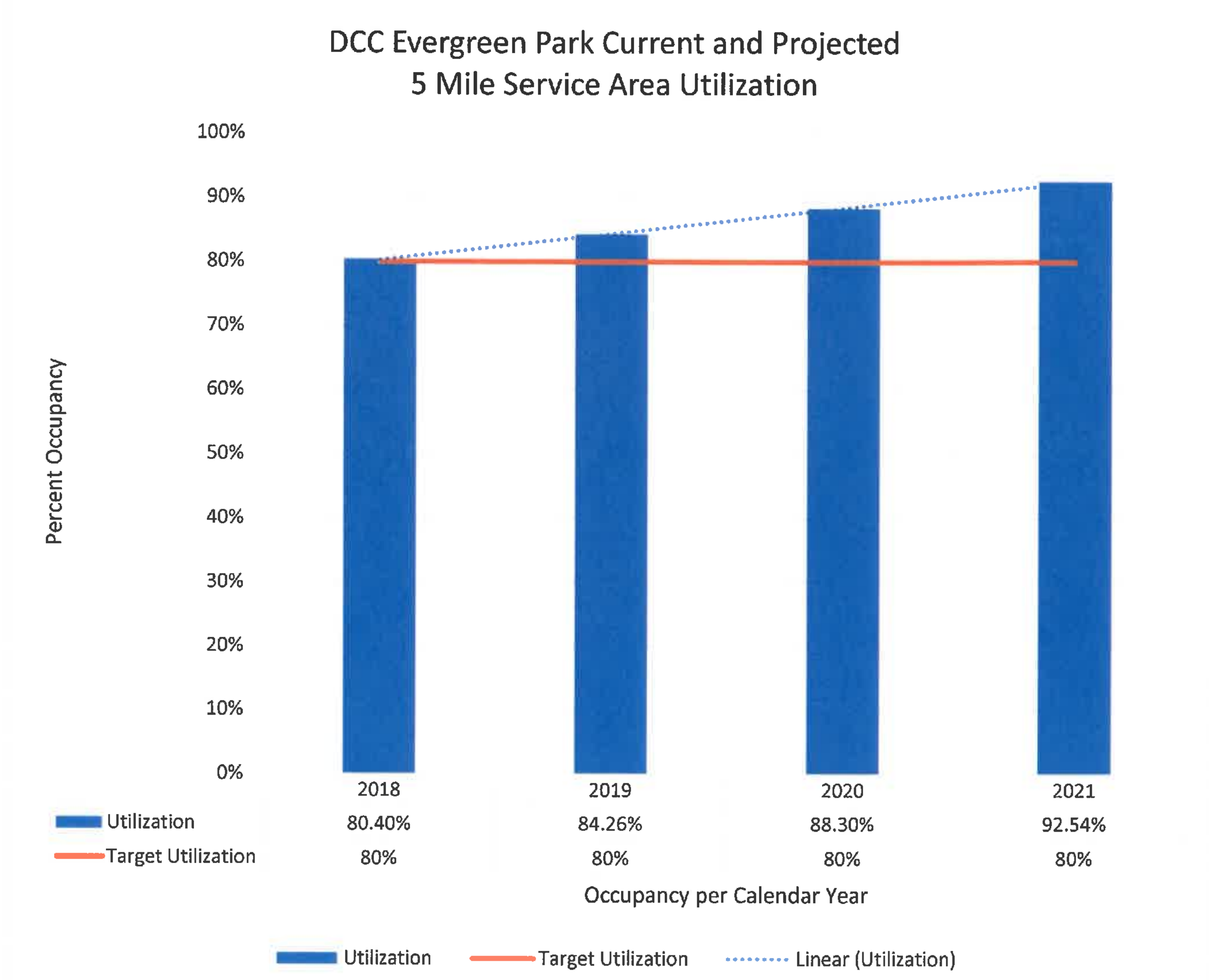
DCC Evergreen Park Current and Projected
5 Mile Service Area Utilization
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Percent Occupancy
2018
2019
2020
2021
Utilization
80.40%
84.26%
88.30%
92.54%
Target Utilization
80%
80%
80%
80%
Occupancy per Calendar Year
Utilization
Target Utilization
Linear (Utilization)

Exhibit C

Dialysis Care Center Evergreen Park 18-019 5-mile radius

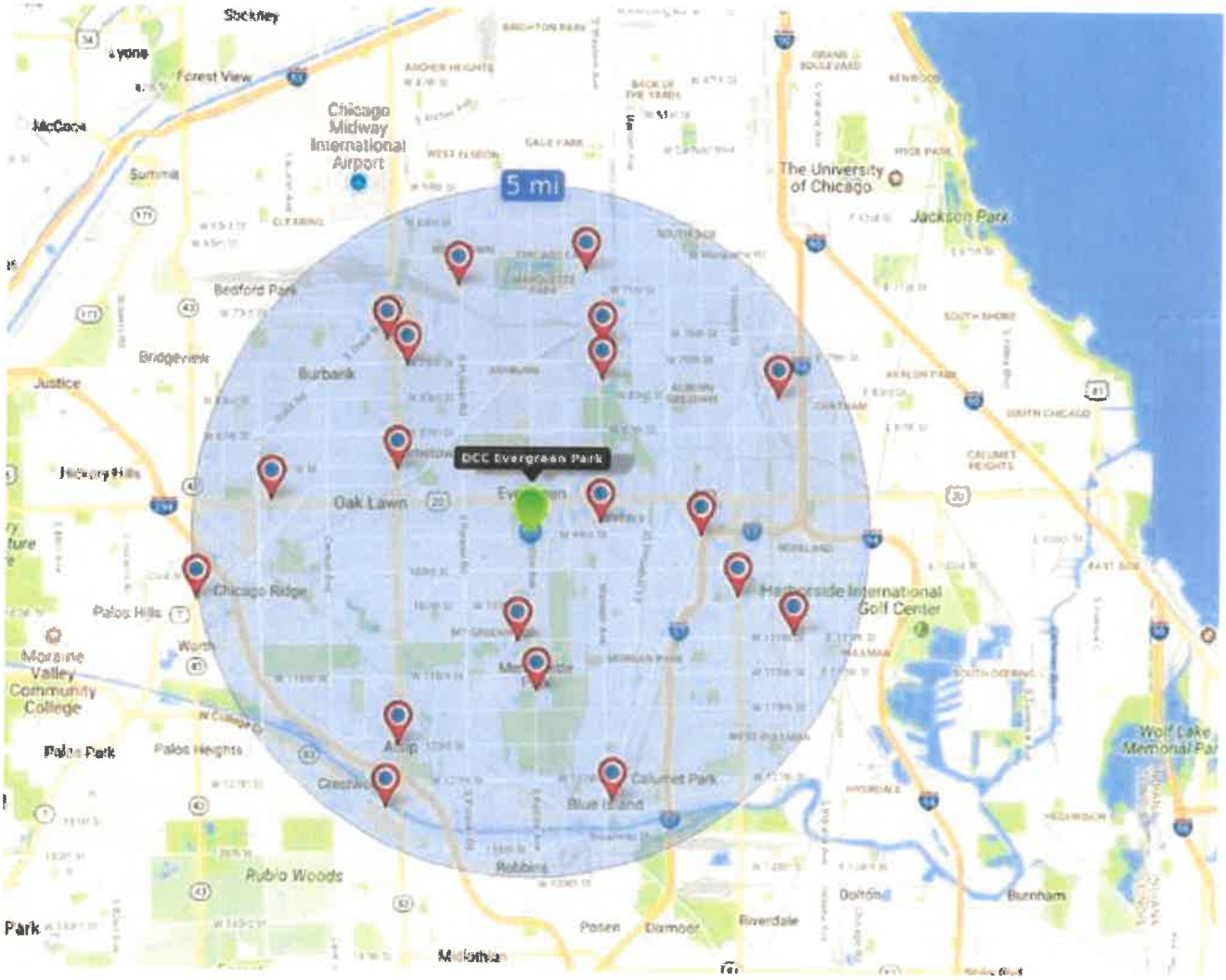

Exhibit D

TRANSFER AGREEMENT
BETWEEN
ADVOCATE HEALTH AND HOSPITALS CORPORATION
D/B/A ADVOCATE CHRIST MEDICAL CENTER
AND
DIALYSIS CARE CENTER EVERGREEN PARK

THIS AGREEMENT is entered into this 19th day of November, 2019, ("Effective Date") between ADVOCATE HEALTH AND HOSPITALS CORPORATION d/b/a ADVOCATE CHRIST MEDICAL CENTER, an Illinois not-for-profit corporation, hereinafter referred to as "HOSPITAL", and Dialysis Care Center Evergreen Park, hereinafter referred to as "FACILITY".

WHEREAS, HOSPITAL is licensed under Illinois law as an acute care hospital;

WHEREAS, FACILITY is certified to operate as an Illinois free-standing dialysis clinic owned and operated by FACILITY and, if required, as a properly licensed medical facility under state laws and regulations;

WHEREAS, HOSPITAL and FACILITY desire to cooperate in the transfer of patients between HOSPITAL and FACILITY, when and if such transfer may, from time to time be deemed necessary and requested by the respective patient's physician, to facilitate appropriate patient care;

WHEREAS, the parties mutually desire to enter into a transfer agreement to provide for the medically appropriate transfer or referral of patients from FACILITY to HOSPITAL, for the benefit of the community and in compliance with HHS regulations; and

WHEREAS, the parties desire to provide a full statement of their agreement in connection with the services to be provided hereunder.

NOW, THEREFORE, BE IT RESOLVED, that in consideration of the mutual covenants, obligations and agreements set forth herein, the parties agree as follows:

I. TERM

1.1 This Agreement shall be effective from the Effective Date, and shall remain in full force and effect for an initial term of one (1) year. **Thereafter, this Agreement shall be automatically extended for successive one (1) year periods unless terminated as hereinafter set forth. All the terms and provisions of this Agreement shall continue in full force and effect during the extension period(s).**

II. TERMINATION

2.1 Either party may terminate this Agreement, with or without cause upon thirty (30) days prior written notice to the other party. Additionally, this Agreement shall automatically terminate should either party fail to maintain the licensure or certification necessary to carry out the provisions of this Agreement.

III. OBLIGATIONS OF THE PARTIES

3.1 FACILITY agrees:

a. That FACILITY shall refer and transfer patients to HOSPITAL for medical treatment only when such transfer and referral has been determined to be medically appropriate by the patient's attending physician or, in the case of an emergency, the Medical Director for FACILITY, hereinafter referred to as the "Transferring Physician";

b. That the Transferring Physician shall contact HOSPITAL's Emergency Department Nursing Coordinator prior to transport, to verify the transport and acceptance of the emergency patient by HOSPITAL. The decision to accept the transfer of the emergency patient shall be made by HOSPITAL's Emergency Department physician, hereinafter referred to as the "Emergency Physician", based on consultation with the member of HOSPITAL's Medical Staff who will serve as the accepting attending physician, hereinafter referred to as the "Accepting Physician". In the case of the non-emergency patient, the Medical Staff attending physician will act as the Accepting Physician and must indicate acceptance of the patient. FACILITY agrees that HOSPITAL shall have the sole discretion to accept the transfer of patients pursuant to this Agreement subject to the availability of equipment and personnel at HOSPITAL. The Transferring Physician shall report all patient medical information which is necessary and pertinent for transport and acceptance of the patient by HOSPITAL to the Emergency Physician and/or Accepting Physician;

c. That FACILITY shall be responsible for effecting the transfer of all patients referred to HOSPITAL under the terms of this Agreement, including arranging for appropriate transportation, financial responsibility for the transfer in the event patient fails or is unable to pay, and care for the patient during the transfer. The Transferring Physician shall determine the appropriate level of patient care during transport in consultation with the Emergency Physician and/or Accepting Physician;

d. That pre-transfer treatment guidelines, if any, will be augmented by orders obtained from the Emergency Physician and/or Accepting Physician;

e. That, prior to patient transfer, the Transferring Physician is responsible for insuring that written, informed consent to transfer is obtained from the patient, the parent or legal guardian of a minor patient, or from the legal guardian or next-of-kin of a patient who is determined by the Transferring Physician to be unable to give informed consent to transfer;

f. To inform its patient of their responsibility to pay for all inpatient and outpatient services provided by ADVOCATE; and

g. To maintain and provide proof to HOSPITAL of professional and general liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

3.2 HOSPITAL agrees:

a. To accept and admit in a timely manner, subject to bed availability, FACILITY patients referred for medical treatment, as more fully described in Section 3.1, Subparagraphs a through g;

b. To accept patients from FACILITY in need of inpatient hospital care, when such transfer and referral has been determined to be medically appropriate by the patient's Transferring Physician at FACILITY;

c. That HOSPITAL will seek to facilitate referral of transfer patients to specific Accepting Physicians when this is requested by Transferring Physicians and/or transfer patients;

d. That HOSPITAL shall provide FACILITY patients with medically appropriate and available treatment provided that Accepting Physician and/or Emergency Physician writes appropriate orders for such services; and

e. To maintain professional and general liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

IV. GENERAL COVENANTS AND CONDITIONS

4.1 Release of Medical Information. In all cases of patients transferred for the purpose of receiving medical treatment under the terms of this Agreement, FACILITY shall insure that copies of the patient's medical records, including X-rays and reports of all diagnostic tests, accompany the patient to HOSPITAL, subject to the provisions of applicable State and Federal laws governing the confidentiality of such information. Information to be exchanged shall include any completed transfer and referral forms mutually agreed upon for the purpose of providing the medical and administrative information necessary to determine the appropriateness of treatment or placement, and to enable continuing care to be provided to the patient. The medical records in the care and custody of HOSPITAL and FACILITY shall remain the property of each respective institution.

4.2 Personal Effects. FACILITY shall be responsible for the security, accountability and appropriate disposition of the personal effects of patients prior to and during transfer to HOSPITAL. HOSPITAL shall be responsible for the security, accountability and appropriate disposition of the personal effects of transferred patients upon arrival of the patient at HOSPITAL.

4.3 Independent Contractor. Nothing contained in this Agreement shall constitute or be construed to create a partnership, joint venture, employment, or agency relationship between the parties and/or their respective successors and assigns, it being mutually understood and agreed that the parties shall provide the services and fulfill the obligations hereunder as independent contractors. Further, it is mutually understood and agreed that nothing in this Agreement shall in any way affect the independent operation of either HOSPITAL or FACILITY. The governing body of HOSPITAL and FACILITY shall have exclusive control of the management, assets, and affairs at their respective institutions. No party by virtue of this Agreement shall assume any liability for any debts or obligations of a financial or legal nature incurred by the other, and neither institution shall look to the other to pay for service rendered to a patient transferred by virtue of this Agreement.

4.4 Publicity and Advertising. Neither the name of HOSPITAL nor FACILITY shall be used for any form of publicity or advertising by the other without the express written consent of the other.

4.5 Cooperative Efforts. The parties agree to devote their best efforts to promoting cooperation and effective communication between the parties in the performance of services hereunder, to foster the prompt and effective evaluation, treatment and continuing care of recipients of these services. Parties shall each designate a representative who shall meet as often as necessary to discuss quality improvement measures related to patient stabilization and/or treatment prior to and subsequent to transfer and patient outcome. The parties agree to reasonably cooperate with each other to oversee performance improvement and patient safety applicable to the activities under this Agreement to the extent permissible under applicable laws. All information obtained and any materials prepared pursuant to this section and used in the course of internal quality control or for the purpose of reducing morbidity and mortality, or for improving patient care, shall be privileged and strictly confidential for use in the evaluation and improvement of patient, as may be amended from time to time.

4.6 Nondiscrimination. The parties agree to comply with Title VI of the Civil Rights Act of 1964, all requirements imposed by regulations issued pursuant to that title, section 504 of the Rehabilitation Act of 1973, and all related regulations, to insure that neither party shall discriminate against any recipient of services hereunder on the basis of race, color, sex, creed, national origin, age or handicap, under any program or activity receiving Federal financial assistance.

4.7 Affiliation. Each party shall retain the right to affiliate or contract under similar agreements with other institutions while this Agreement is in effect.

4.8 Applicable Laws. The parties agree to fully comply with applicable federal, and state laws and regulations affecting the provision of services under the terms of this Agreement.

4.9 Governing Law. All questions concerning the validity or construction of this Agreement shall be determined in accordance with the laws of Illinois.

4.10 Writing Constitutes Full Agreement. This Agreement embodies the complete and full understanding of HOSPITAL and FACILITY with respect to the services to be provided hereunder. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties hereto. Neither this Agreement nor any rights hereunder may be assigned by either party without the written consent of the other party.

4.11 Written Modification. There shall be no modification of this Agreement, except in writing and exercised with the same formalities of this Agreement.

4.12 Severability. It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held to be illegal by the courts or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

4.13 Notices. All notices required to be served by provisions of this Agreement may be served on any of the parties hereto personally or may be served by sending a letter duly addressed by registered or certified mail. Notices to be served on HOSPITAL shall be served at or mailed to: Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center, 4440 West 95th Street, Oak Lawn, IL 60453, Attention: President, with a copy to Advocate Health Care, Senior Vice President and General

Counsel, 3075 Highland Parkway, Downers Grove, Illinois 60515 unless otherwise instructed.

Notices to be served on FACILITY shall be mailed to: 9834 S Kedzie Avenue, Evergreen Park, IL 60643, Attention: Asim Shazzad, with copies to: 15786 S Bell Rd, Homer Glen, IL 60491.

IN WITNESS WHEREOF, this Agreement has been executed by HOSPITAL and FACILITY on the date first above written.

ADVOCATE HEALTH AND HOSPITALS CORPORATION
d/b/a ADVOCATE CHRIST MEDICAL CENTER

BY: ______________________
NAME: Matthew Primack
TITLE: President

DIALYSIS CARE CENTER EVERGREEN PARK

BY: ______________________
NAME: Asim Shazzad
TITLE: CEO