



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET ITEM NUMBER: C-11	BOARD MEETING: October 30, 2018	PROJECT NUMBER: #E-038-18
BUSINESS ITEM: Relinquishment of Exemption		
APPLICANTS: DaVita Inc. and Nahant Dialysis, LLC		
REQUESTING ENTITY / LOCATION: Northgrove Dialysis, Highland, Illinois		

STATE BOARD STAFF REPORT **RELINQUISHMENT OF EXEMPTION**

I. Background

On July 24, 2018, the Illinois Health Facilities and Services Review Board approved a related party change of ownership transaction for Northgrove Dialysis a 12-station dialysis clinic to be located at 2491 Industrial Drive, Highland, Illinois

II. Reasons for Relinquishment

Since the approval of the certificate of exemption, DaVita's proposed joint venture partner decided it would not invest in the Northgrove Dialysis clinic. There are no other potential joint venture partners, so a joint venture for this clinic is no longer viable. Further, single-member limited liability companies are considered disregarded entities for tax filing and are not eligible to enroll in the Illinois Medicaid program. In order to ensure Northgrove Dialysis can accept Medicaid patients, it needs to revert back to the original organizational structure with Total Renal Care, Inc. as the operating entity.

III. Staff Recommendation

An exemption holder desiring to relinquish an exemption is required to submit to the State Board a letter documenting:

- 1) A description of the exemption and related costs;
- 2) A detailed explanation of the reasons for relinquishment; and
- 3) If the approval of the permit or exemption was based upon need, an explanation of how that need will be met in absence of the project.

The exemption holders have provided all of the information required by the State Board.

STATE BOARD STAFF FINDS THE PROPOSED RELINQUISHMENT EXEMPTION TO BE IN COMPLIANCE WITH CRITERION RELINQUISHMENT OF AN EXEMPTION (77 IAC 1130.580)