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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

October 10, 2019

Via Federal Express

Via Email

Mr. Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**Re: Midway Dialysis (Proj. No. 19-027) - Technical Comment to State
Board Report**

Dear Mr. Constantino:

Polsinelli represents DaVita Inc., Total Renal Care, Inc. and Genesis KC Development, LLC (collectively, the "Applicants"). In this capacity, we are writing in response to the Illinois Health Facilities and Services Review Board's ("State Board") findings on the Midway Dialysis application for permit to establish a 12 station dialysis clinic to be located at 3700 West 63rd Street, Chicago, Illinois (the "Proposed Clinic"). Pursuant to Section 6(c-5) of the Illinois Health Facilities Planning Act (the "Planning Act"), the Applicants submit the following in response to the State Board's findings.

Our view of the Applicant's compliance with the unnecessary duplication/maldistribution of services criterion diverges with the State Board's, and we believe the report should be fully positive with no negative findings. It is our view that nothing relating to the current capacity of area providers should deter a positive finding on this criterion because, consistent with the critical tenet of health planning, future demand must be predicted in order to provide adequate access for the community to be served. As, consistent with the State Board framework, DaVita is planning for 2022 access requirements, in which the State Board calculates a need for 80 dialysis stations in the City of Chicago. As shown in Attachment – 1, the Applicants project average utilization of the clinics within the GSA will reach 80% by 2022.

As discussed in greater detail in the certificate of need application, the GSA of the proposed clinic is an ethnically diverse community that is 21% African American and 54% Hispanic. See Application p 102. It is also an area with many low income residents. In fact, the percentage of residents living at 150% of the Federal Poverty Level is 1.5 times the State

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percentage. Race, poverty and other social disadvantages contribute to higher incidence of chronic diseases such as diabetes, hypertension and chronic kidney disease. As shown in Attachment -2, 85% of the end stage renal disease (“ESRD”) patients in the City of Chicago are African American and Hispanic, which contributes to higher ESRD use rates in the City of Chicago (HSA 6) relative to other areas of the State. See Attachment – 3. Further, an analysis of ESRD patient density by zip code demonstrates the need for dialysis services on the South Side of Chicago. See Attachment -4. Importantly, zip code 60629, which is where the Proposed Clinic will be located, has one of the highest ESRD patient populations in the City of Chicago.

Finally, there are 68 dialysis clinics within the City of Chicago, which comprises 234 square miles. As demonstrated in the map attached at Attachment – 5, there is no five mile area within the City of Chicago that does not include an underutilized dialysis clinic. The fact there is service capacity in clinics today does not diminish the need for dialysis services in Chicago in 2022, particularly on the South Side where there are health professional shortage areas and medically underserved areas and populations. Many patients in the City of Chicago lack access to primary care and are not treated by a nephrologist prior to kidney failure. The Proposed Clinic will not only provide readily accessible dialysis services to patients living in the Midway GSA, but it will effectively provide kidney patients with a medical home within their immediate community.

Thank you for your consideration of the Applicants’ response to the State Board’s findings for the Midway Dialysis certificate of need application.

Sincerely,



Anne M. Cooper

Attachments

Attachment - 1

Projected Utilization

Facility	Straight-Line Distance to Center (Miles)	Number of Stations 6/30/2019	Number of Patients 06/30/19	Utilization % 06/30/19	Projected Utilization 12/31/2022	Projected Utilization 12/31/2022
West Lawn Dialysis	1.02	12	65	90.3%	72	99.4%
Fresenius Medical Care Marquette Park	1.63	16	85	88.5%	94	97.5%
FMC Dialysis Services - Burbank	2.23	26	110	70.5%	121	77.7%
Brighton Park	2.26	16	1	1.0%	94	98.2%
USRC Scottsdale	2.36	36	119	55.1%	131	60.7%
South Side Dialysis Center	2.45	39	172	73.5%	189	81.0%
DaVita Auburn Park Dialysis	2.68	12	-	0.0%	62	86.1%
DaVita Ford City Dialysis	2.76	12	2	2.8%	62	85.9%
Beverly Dialysis	2.83	16	84	87.5%	93	96.4%
Fresenius Medical Care - Midway	3.15	12	55	76.4%	61	84.1%
FMC New City	3.51	16	45	46.9%	50	51.6%
Fresenius Ross-Englewood	3.60	24	59	41.0%	65	45.1%
Dialysis Care Center of Oak Lawn	3.84	11	59	89.4%	65	98.5%
Oak Meadows Dialysis	4.36	12	-	0.0%	62	86.1%
Fresenius Medical Care Cicero	4.36	20	99	82.5%	109	90.9%
RCG Garfield	4.55	22	85	64.4%	94	70.9%
Dialysis Care Center Evergreen Park	4.56	14	-	0.0%	74	88.1%
SAH Dialysis at 26th Street	4.58	15	48	53.3%	53	58.7%
DaVita Marshall Square	4.62	12	-	0.0%	63	87.5%
Fresenius Medical Care Summit	4.68	12	48	66.7%	53	73.4%
Fresenius Medical Care Evergreen Park	4.73	30	96	53.3%	164	91.1%
DaVita Lawndale	4.79	16	99	103.1%	99	103.1%
DaVita Cicero Dialysis	4.83	12	-	0.0%	64	88.9%
Total		413	1,331	53.7%	1,992	80.4%

Attachment - 2

Patient Mix

	HSA 6		Illinois	
	Patients by Race/ Ethnicity	%	Patients by Race/ Ethnicity	%
Caucasian	584	7.8%	9,730	36.3%
African American	4,697	62.8%	10,903	40.7%
Hispanic	1,682	22.5%	4,143	15.5%
Other/Unknown	512	6.9%	2,039	7.6%
Total	7,475	100.0%	26,815	100.0%

- 43% of African American and 41% of Latino dialysis patients reside in Chicago

Attachment - 3

In-Center Hemodialysis Use Rates

	2013 Use Rate ¹	2017 Use Rate
City of Chicago (HSA 6)	1.776	1.895
Statewide	1.236	1.401

- The City of Chicago has the highest use rate of any planning area in the State of Illinois.
 - Chicago residents require in-center hemodialysis at more than twice the rate of the planning area with the lowest use rate²
 - Poverty and other socio-economic disadvantages are known to affect a person's predisposition, diagnosis, and management of chronic diseases of conditions like diabetes, hypertension, obesity and kidney disease
 - Poverty rate (< 150% FPL) in the City of Chicago is 1.5 times that of the State of Illinois

Health Professional Shortage Area (HPSA) - Designations that indicate health care provider shortages in primary care, dental health; or mental health.

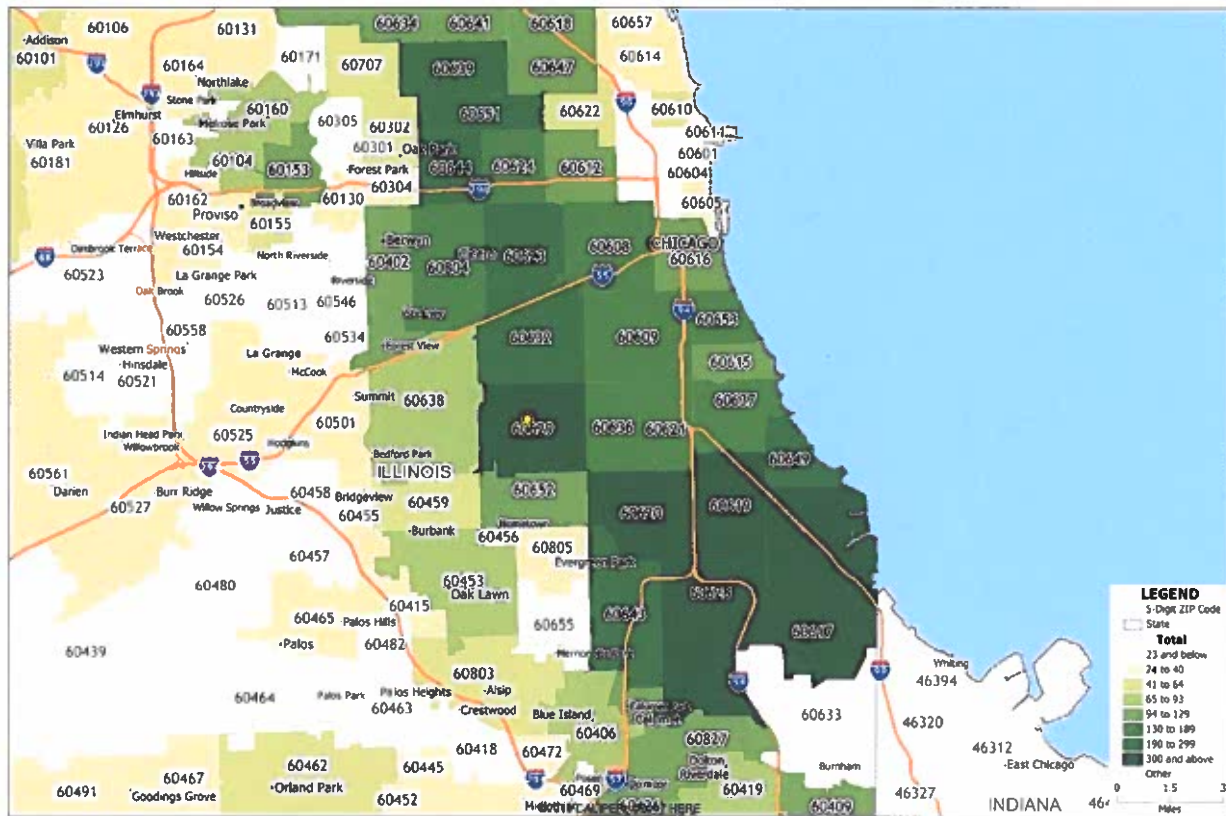
Medically Underserved Areas (MUAs) - Geographic areas with a lack of access to primary care services.

¹ Values represent use rate per 1000 residents.

² HSA 4

Attachment - 4

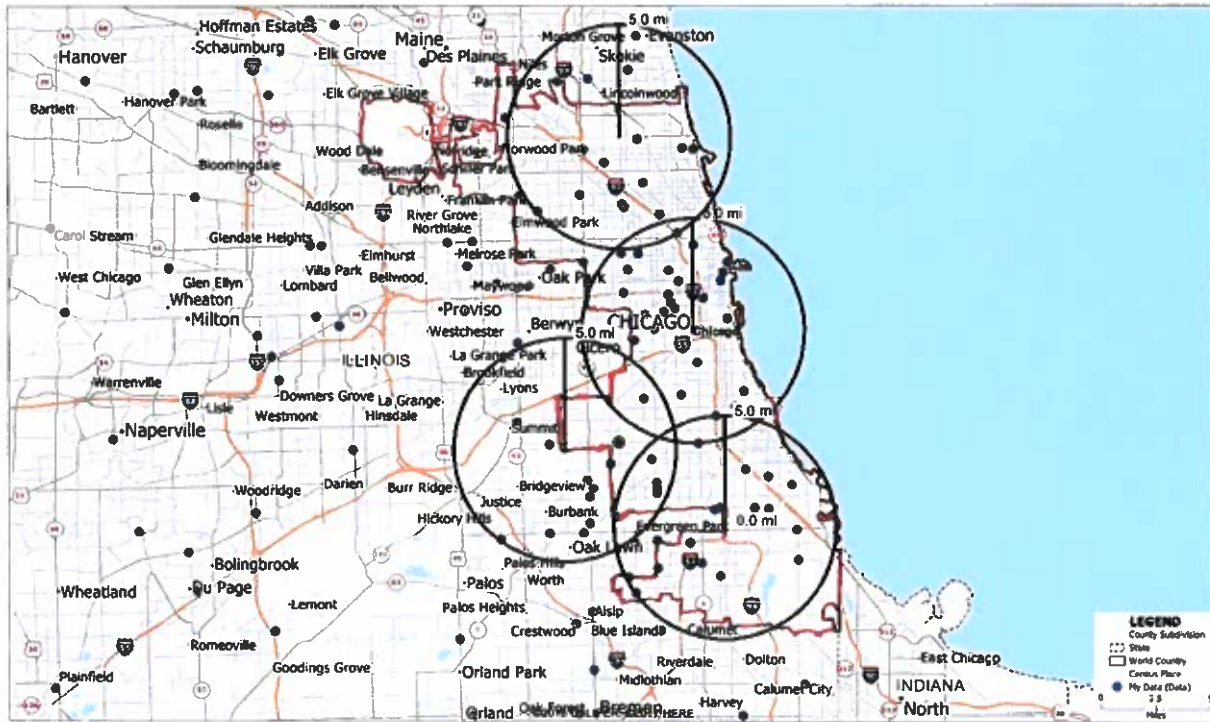
ESRD Patient Density



Source: The Renal Network, March 31, 2019 Patients by Zip Code

Attachment – 5

City of Chicago
Geographic Distances*



*Each circle comprises a 5 mile radius