

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT**

**RECEIVED****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION****This Section must be completed for all projects.****HEALTH FACILITIES &  
SERVICES REVIEW BOARD****Facility/Project Identification**

|                                                   |      |                      |                         |
|---------------------------------------------------|------|----------------------|-------------------------|
| Facility Name: Fresenius Medical Care Des Plaines |      |                      |                         |
| Street Address: 1625 Oakton Place                 |      |                      |                         |
| City and Zip Code: Des Plaines 60018              |      |                      |                         |
| County:                                           | Cook | Health Service Area: | 7 Health Planning Area: |

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

|                                                                                                    |                   |
|----------------------------------------------------------------------------------------------------|-------------------|
| Exact Legal Name: Fresenius Medical Care Des Plaines, LLC d/b/a Fresenius Medical Care Des Plaines |                   |
| 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 Applicants**

- |                                                               |                                              |                                |
|---------------------------------------------------------------|----------------------------------------------|--------------------------------|
| <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 |

- 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 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 |

- 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 Medical Care North America           |
| 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: Marybeth Wiekierak                                      |
| Title: Regional Vice President                                |
| Company Name: Fresenius Medical Care North America            |
| Address: 3500 Lacey Road, Suite 900, Downers Grove, IL, 60515 |
| Telephone Number: 630-960-6770                                |
| E-mail Address: marybeth.wiekierak@fmc-na.com                 |
| Fax Number: 630-960-6812                                      |

**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 Medical Care North America           |
| 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                                     |

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Washington Center, LLC

Address of Site Owner: 1649 Oakton Place, Des Plaines, IL 60018

Street Address or Legal Description of the Site: 1625 Oakton Place, Des Plaines, IL 60018

**Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, 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.**

**APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Operating Identity/Licensee**

[Provide this information for each applicable facility and insert after this page.]

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

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 |

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- 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.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

**APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Organizational Relationships**

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

**APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Flood Plain Requirements**

[Refer to application instructions.]

**NOT APPLICABLE – STATION ADDITION ONLY**

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**

[Refer to application instructions.]

**NOT APPLICABLE – STATION ADDITION ONLY**

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 1110.20 and Part 1120.20(b)]

Part 1110 Classification:

- ☐ Substantive
- ☒ 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 Des Plaines, LLC proposes to add 3 stations to its 13-station Des Plaines ESRD facility in existing space.

The facility is located at 1625 Oakton Place, Des Plaines, which is in a Federally Designated Medically Underserved Area (MUA) in Cook County and part of HSA 7.

This project is "non-substantive" under Planning Board rule 1110.40 as it entails the addition of 3 stations to an existing 13-station in-center hemodialysis facility.

**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.

| <b>Project Costs and Sources of Funds</b>                                                                                                             |                  |                     |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|------------------|
| <b>USE OF FUNDS</b>                                                                                                                                   | <b>Clinical</b>  | <b>Non-Clinical</b> | <b>TOTAL</b>     |
| 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                                                                                                                               | 359,676          | N/A                 | 359,676          |
| Contingencies                                                                                                                                         | 35,226           | N/A                 | 35,226           |
| Architectural/Engineering Fees                                                                                                                        | 32,000           | N/A                 | 32,000           |
| Consulting and Other Fees                                                                                                                             | N/A              | N/A                 | N/A              |
| Movable or Other Equipment (not in construction contracts)                                                                                            | 18,000           | N/A                 | 18,000           |
| 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 Equipment                                                                                                                 | 43,000           | N/A                 | 43,000           |
| 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>\$487,902</b> | <b>N/A</b>          | <b>\$487,902</b> |
| <b>SOURCE OF FUNDS</b>                                                                                                                                | <b>Clinical</b>  | <b>Non-Clinical</b> | <b>TOTAL</b>     |
| Cash and Securities                                                                                                                                   | 444,902          | 0                   | 444,902          |
| 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)                                                                                                                            | 43,000           | N/A                 | 43,000           |
| 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>\$487,902</b> | <b>0</b>            | <b>\$487,902</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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>Purchase Price: \$ _____<br>Fair Market Value: \$ _____                                                                                                                                                                    |
| The project involves the establishment of a new facility or a new category of service<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                             |
| If yes, provide the dollar amount of all <b>non-capitalized</b> 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.<br><br>Estimated start-up costs and operating deficit cost is \$ <u>      N/A      </u> . |

**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): 3/31/2021

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 Expansion | \$487,902 | 927               |          |                                                     | 927        |       |               |
|                                  |           |                   |          |                                                     |            |       |               |
|                                  |           |                   |          |                                                     |            |       |               |
| Total Reviewable                 | \$487,902 | 927               |          |                                                     | 927        |       |               |
|                                  |           |                   |          |                                                     |            |       |               |
| <b>TOTAL</b>                     | \$487,902 | 927               |          |                                                     | 927        |       |               |

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:

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

**This Application is filed on the behalf of Fresenius Medical Care Des Plaines, 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.**

Teri Gurchiek  
SIGNATURE

Teri Gurchiek  
PRINTED NAME

Vice President of Operations  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 25th day of June, 2019

Marybeth Wiekierak  
SIGNATURE

Marybeth Wiekierak  
PRINTED NAME

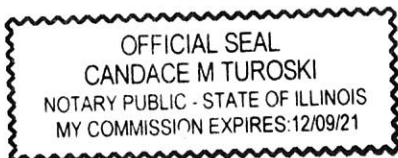
Regional Vice President  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 25th day of June, 2019

Candace M. Turosski  
Signature of Notary

Seal



Candace M. Turosski  
Signature of Notary

Seal



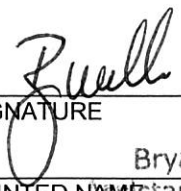
\*Insert the EXACT legal name of the applicant



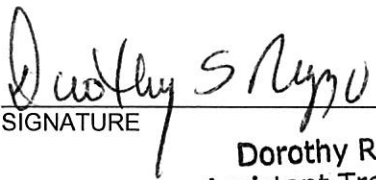
The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- 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  
Bryan Mello  
PRINTED NAME Assistant Treasurer

PRINTED TITLE

  
SIGNATURE  
Dorothy Rizzo  
PRINTED NAME Assistant Treasurer

PRINTED TITLE

Notarization:

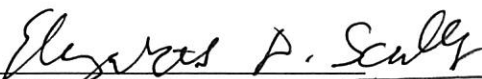
Subscribed and sworn to before me

this 14<sup>th</sup> day of June 2019

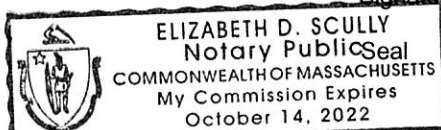
Notarization:

Subscribed and sworn to before me

this \_\_\_\_ day of \_\_\_\_\_

  
Signature of Notary

Seal



\*Insert the EXACT legal name of the applicant

**SECTION II. DISCONTINUATION****NOT APPLICABLE STATION ADDITION ONLY**

This Section is applicable to the discontinuation of a health care facility maintained by a State agency.

**NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

**Criterion 1110.290 – Discontinuation (State-Owned Facilities and All Relocations)**

READ THE REVIEW CRITERION and provide the following information:

**GENERAL INFORMATION REQUIREMENTS**

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

**REASONS FOR DISCONTINUATION**

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

**IMPACT ON ACCESS**

1. Document whether or not the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.

**APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**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.

**1110.110(a) – Background of the Applicant**

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 1110.110(b) & (d)****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 1110.120 - 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<br>BGSF/DGSF | STATE<br>STANDARD | DIFFERENCE | MET<br>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./<br>SERVICE | HISTORICAL<br>UTILIZATION<br>(PATIENT DAYS)<br>(TREATMENTS)<br>ETC. | PROJECTED<br>UTILIZATION | STATE<br>STANDARD | MEET<br>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 – THERE IS NO UNFINISHED SHELL SPACE**

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 – THERE IS NO UNFINISHED SHELL SPACE**

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.**



**SECTION V. SERVICE SPECIFIC****F. Criterion 1110.230 - In-Center Hemodialysis**

- Applicants proposing to establish, expand and/or modernize the In-Center Hemodialysis category of service must submit the following information:
- 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 | 13                  | 16                  |

- READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

| APPLICABLE REVIEW CRITERIA                                                                       | Establish | Expand | Modernize |
|--------------------------------------------------------------------------------------------------|-----------|--------|-----------|
| 1110.230(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)               | X         |        |           |
| 1110.230(b)(2) - Planning Area Need - Service to Planning Area Residents                         | X         | X      |           |
| 1110.230(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service      | X         |        |           |
| 1110.230(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service |           | X      |           |
| 1110.230(b)(5) - Planning Area Need - Service Accessibility                                      | X         |        |           |
| 1110.230(c)(1) - Unnecessary Duplication of Services                                             | X         |        |           |
| 1110.230(c)(2) - Maldistribution                                                                 | X         |        |           |
| 1110.230(c)(3) - Impact of Project on Other Area Providers                                       | X         |        |           |
| 1110.230(d)(1), (2), and (3) - Deteriorated Facilities and Documentation                         |           |        | X         |
| 1110.230(e) - Staffing                                                                           | X         | X      |           |
| 1110.230(f) - Support Services                                                                   | X         | X      | X         |
| 1110.230(g) - Minimum Number of Stations                                                         | X         |        |           |
| 1110.230(h) - Continuity of Care                                                                 | X         |        |           |
| 1110.230(i) - Relocation (if applicable)                                                         | X         |        |           |
| 1110.230(j) - Assurances                                                                         | X         | X      |           |

**APPEND DOCUMENTATION AS ATTACHMENT 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

- 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 1110.230(i) - 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)

## VI. 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>\$444,902</u> | a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <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>       | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <u>N/A</u>       | c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <u>*\$43,000</u> | 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: <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, any capital improvements to the property and provision of capital equipment;</li> </ol> |

|                                                                                                                         |                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                         | 5) For any option to lease, a copy of the option, including all terms and conditions.                                                                                                                                                                                                                                                 |
| <u>N/A</u>                                                                                                              | 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; |
| <u>N/A</u>                                                                                                              | f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;                                                                                                                                                                                                             |
| <u>N/A</u>                                                                                                              | g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.                                                                                                                                                                                                            |
| <u>\$487,902</u>                                                                                                        | <b>TOTAL FUNDS AVAILABLE</b>                                                                                                                                                                                                                                                                                                          |
| *Dialysis machine lease only. No additional space is being leased for expansion.                                        |                                                                                                                                                                                                                                                                                                                                       |
| APPEND DOCUMENTATION AS <u>ATTACHMENT 34</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. |                                                                                                                                                                                                                                                                                                                                       |

**SECTION VII. 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<br>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 VIII.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<br>(list below)                          | A                       | B               | C                    | D      | E                     | F      | G                    | H                  | Total<br>Cost<br>(G + H) |
|                                                     | Cost/Square Foot<br>New | Mod.            | Gross Sq. Ft.<br>New | Circ.* | Gross Sq. Ft.<br>Mod. | Circ.* | Const. \$<br>(A x C) | Mod. \$<br>(B x E) |                          |
| ESRD<br>Expansion                                   |                         | 388.00          |                      |        | 927                   |        |                      | \$359,676          | \$359,676                |
| Contingency                                         |                         | 38.00           |                      |        | 927                   |        |                      | \$35,226           | \$35,226                 |
| <b>Total<br/>Expansion</b>                          |                         | <b>\$426.00</b> |                      |        | <b>927</b>            |        |                      | <b>\$394,902</b>   | <b>\$394,902</b>         |
| Non<br>Reviewable                                   |                         | 0               |                      |        | 0                     |        |                      | 0                  | 0                        |
| Contingency                                         |                         | 0               |                      |        | 0                     |        |                      | 0                  | 0                        |
| <b>Total Non-<br/>Reviewable</b>                    |                         | <b>\$0</b>      |                      |        | <b>0</b>              |        |                      | <b>\$0</b>         | <b>\$0</b>               |
| <b>TOTALS</b>                                       |                         | <b>\$426.00</b> |                      |        | <b>927</b>            |        |                      | <b>\$394,902</b>   | <b>\$394,902</b>         |

\* 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 IX. 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.**

| Safety Net Information per PA 96-0031 |             |             |             |
|---------------------------------------|-------------|-------------|-------------|
| CHARITY CARE (Self-Pay)               |             |             |             |
| Charity (# of patients)<br>(Self-Pay) | 2016        | 2017        | 2018        |
| Out-patient Only                      | 233         | 280         | 294         |
| Total Charity<br>(cost in dollars)    | \$3,269,127 | \$4,598,897 | \$5,295,686 |
| MEDICAID                              |             |             |             |
| Medicaid (# of patients)              | 2016        | 2017        | 2018        |
| Out-patient Only                      | 318         | 328         | 326         |
| Medicaid (revenue)                    | \$7,310,484 | \$4,383,383 | \$6,630,014 |
| Total                                 | \$4,368,165 | \$6,630,014 | \$7,151,669 |

\* As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.

**APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

Note: Medicaid reported numbers are impacted by the large number of patients who switch from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2018 of our commercial patients we had 977 Medicaid Risk patients with Revenues of \$30,748,374.

**SECTION X. 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.**

| CHARITY CARE                              |               |               |               |
|-------------------------------------------|---------------|---------------|---------------|
|                                           | 2016          | 2017          | 2018          |
| <b>Net Patient Revenue</b>                | \$450,657,245 | \$461,658,707 | \$436,811,409 |
| Amount of Charity Care (self-pay charges) | \$3,269,127   | \$4,598,897   | \$5,295,686   |
| Cost of Charity Care (Self-Pay)           | \$3,269,127   | \$4,598,897   | \$5,295,686   |

\*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.

**APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

Note: Medicaid reported numbers are impacted by the large number of patients who switch from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2018 of our commercial patients we had 977 Medicaid Risk patients with Revenues of \$30,748,374.

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

| INDEX OF ATTACHMENTS |                                                                                                        |       |
|----------------------|--------------------------------------------------------------------------------------------------------|-------|
| ATTACHMENT NO.       |                                                                                                        | PAGES |
| 1                    | Applicant Identification including Certificate of Good Standing                                        | 25-26 |
| 2                    | Site Ownership                                                                                         | 27    |
| 3                    | Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | 28    |
| 4                    | Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.                  | 29    |
| 5                    | Flood Plain Requirements                                                                               |       |
| 6                    | Historic Preservation Act Requirements                                                                 |       |
| 7                    | Project and Sources of Funds Itemization                                                               | 30    |
| 8                    | Financial Commitment Document if required                                                              | 31-32 |
| 9                    | Cost Space Requirements                                                                                | 33    |
| 10                   | Discontinuation                                                                                        |       |
| 11                   | Background of the Applicant                                                                            | 34-40 |
| 12                   | Purpose of the Project                                                                                 | 41    |
| 13                   | Alternatives to the Project                                                                            | 42-43 |
| 14                   | Size of the Project                                                                                    | 44    |
| 15                   | Project Service Utilization                                                                            | 45    |
| 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                                                                                 | 46-60 |
| 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                                                                                       | 61    |
| 36                   | Financial Viability                                                                                    | 62    |
| 37                   | Economic Feasibility                                                                                   | 63-67 |
| 38                   | Safety Net Impact Statement                                                                            | 68    |
| 39                   | Charity Care Information                                                                               | 69-70 |
| Appendix 1           | Physician Referral Letter                                                                              | 71-73 |
|                      |                                                                                                        |       |
|                      |                                                                                                        |       |
|                      |                                                                                                        |       |

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

|                                     |                                                                                  |
|-------------------------------------|----------------------------------------------------------------------------------|
| Exact Legal Name:                   | Fresenius Medical Care Des Plaines, LLC d/b/a Fresenius Medical Care Des Plaines |
| 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 Applicants**

|                                                               |                                              |                                |
|---------------------------------------------------------------|----------------------------------------------|--------------------------------|
| <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.

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

**Co - Applicant Identification**

|                                     |                                       |
|-------------------------------------|---------------------------------------|
| 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                          |

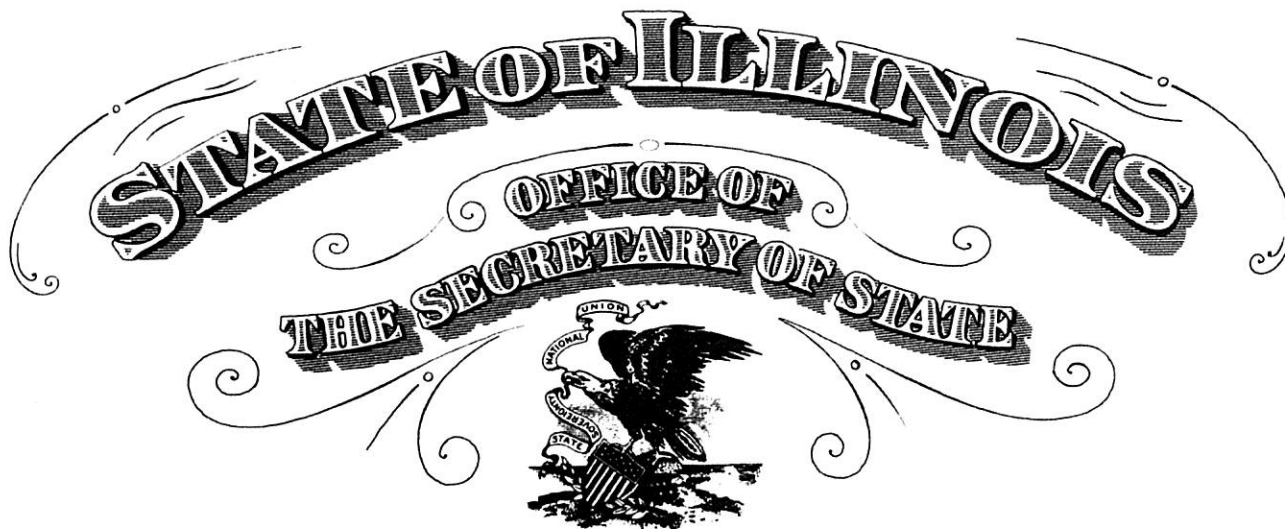
**Type of Ownership of Co-Applicant**

|                                                            |                                              |                                |
|------------------------------------------------------------|----------------------------------------------|--------------------------------|
| <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 |

☐ 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.

File Number

0332567-9



***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***

FRESENIUS MEDICAL CARE DES PLAINES, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON SEPTEMBER 13, 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 15TH  
day of MAY A.D. 2019 .***

*Jesse White*

SECRETARY OF STATE

Authentication #: 1913503874 verifiable until 05/15/2020  
Authenticate at: <http://www.cyberdriveillinois.com>

Certificate of Good Standing  
ATTACHMENT 1

**Site Ownership**

|                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exact Legal Name of Site Owner: Washington Center, LLC                                                                                                                                                                                                                                                          |
| Address of Site Owner: 1649 Oakton Place, Des Plaines, IL 60018                                                                                                                                                                                                                                                 |
| Street Address or Legal Description of the Site: 1625 Oakton Place, Des Plaines, IL 60018                                                                                                                                                                                                                       |
| <b>Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, 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**

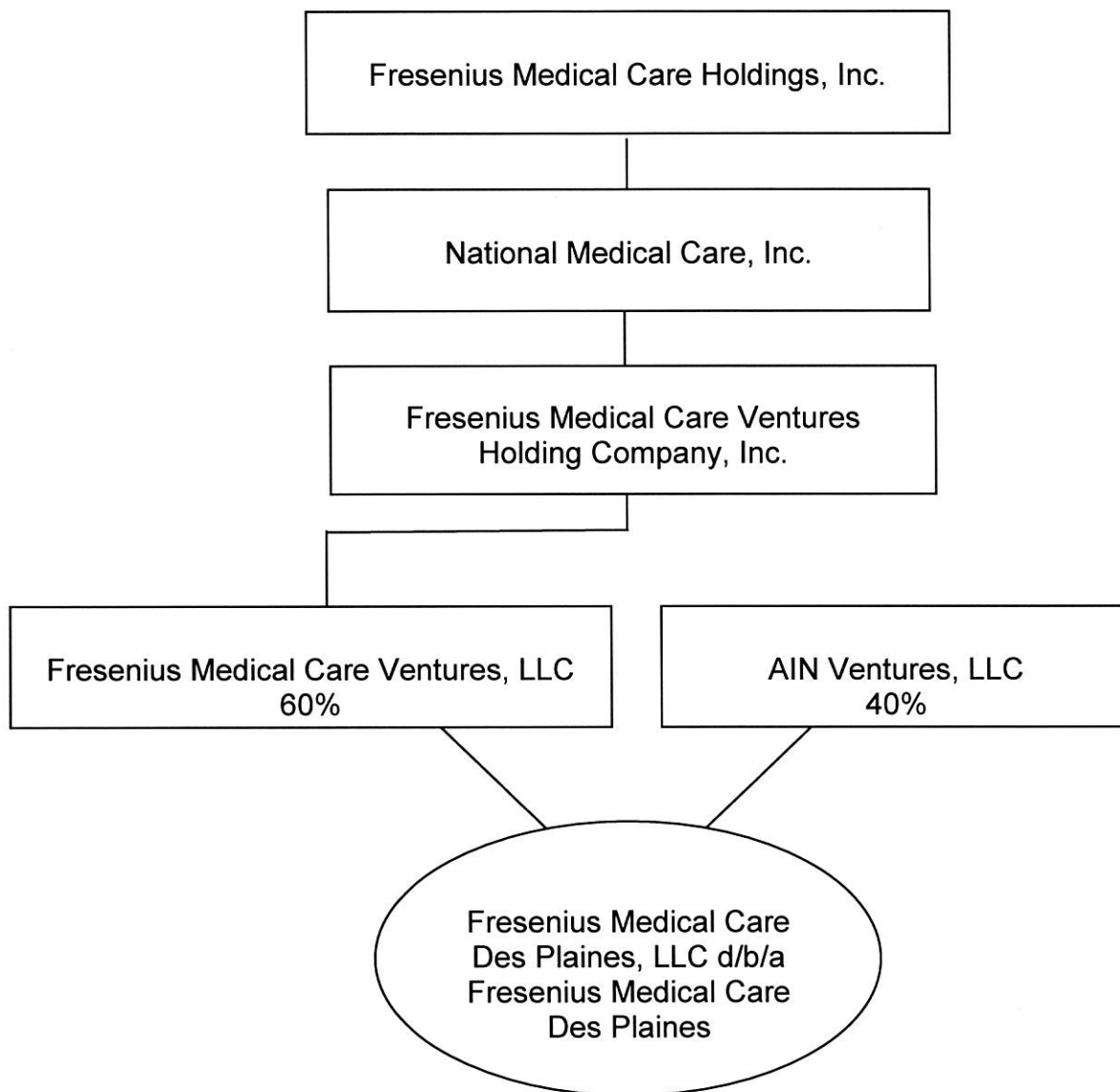
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                           |                          |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|---------------------|
| Exact Legal Name: Fresenius Medical Care Des Plaines, LLC d/b/a Fresenius Medical Care Des Plaines*                                                                                                                                                                                                                                                                                                                                                              |                           |                          |                     |
| 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>○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>○ 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>○ <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 an 60% membership interest in Fresenius Medical Care Des Plaines, LLC. Its address is 920 Winter Street, Waltham, MA 02451

AIN Ventures, LLC has a 40% membership interest in Fresenius Medical Care Des Plaines, LLC. Its address is 210 S. Des Plaines Street, Chicago, IL 60661.



**SUMMARY OF PROJECT COSTS**

| <b>Modernization</b>          |                |
|-------------------------------|----------------|
| Concrete                      | 15,000         |
| Doors & Windows               | 13,056         |
| Electrical Work               | 56,000         |
| Finishes                      | 41,000         |
| General Conditions            | 70,000         |
| Indirect Costs                | 42,000         |
| Mechanical Work               | 75,000         |
| Site Work                     | 4,875          |
| Specialities                  | 1,475          |
| Thermal & Moisture Protection | 1,270          |
| Woods & Plastics              | 40,000         |
| <b>Total</b>                  | <b>359,676</b> |

|                      |                 |
|----------------------|-----------------|
| <b>Contingencies</b> | <b>\$35,226</b> |
|----------------------|-----------------|

|                                      |                 |
|--------------------------------------|-----------------|
| <b>Architecture/Engineering Fees</b> | <b>\$32,000</b> |
|--------------------------------------|-----------------|

| <b>Moveable or Other Equipment</b> |                 |
|------------------------------------|-----------------|
| Dialysis Chairs                    | 7,500           |
| Clinical Furniture & Equipment     | 1,500           |
| TVs & Accessories                  | 4,000           |
| Other miscellaneous                | 5,000           |
| <b>Total</b>                       | <b>\$18,000</b> |

| <b>Fair Market Value of Leased Space and Equipment</b> |                 |
|--------------------------------------------------------|-----------------|
| FMV Leased Dialysis Machines                           | 43,000          |
|                                                        | <b>\$43,000</b> |

|                    |                  |
|--------------------|------------------|
| <b>Grand Total</b> | <b>\$487,902</b> |
|--------------------|------------------|

Itemized Costs  
ATTACHMENT - 7

|                   |            |                      |
|-------------------|------------|----------------------|
| DRAWN BY:         | DN         |                      |
| SCALE:            | 3/32" = 1" |                      |
| USABLE AREA:      | AS NOTED   |                      |
| <b>REVISIONS:</b> |            |                      |
| DATE              | BY         | STATUS               |
| 06/09/06          | SK         | XXXXXXXXXXXXXXXXXXXX |
|                   |            |                      |
|                   |            |                      |
|                   |            |                      |
|                   |            |                      |

900 Circle 75 Parkway, Suite 1080  
Atlanta, GA 30339  
Phone: 770.955.2075



**FRESENIUS  
MEDICAL CARE**

**Real Estate and Construction Services**  
**Atlanta (Design)**

**Current Fresenius CON Permits and Status**

| <b>Project Number</b> | <b>Project Name</b>                              | <b>Project Type</b>   | <b>Completion Date</b> | <b>Comment</b>                                                          |
|-----------------------|--------------------------------------------------|-----------------------|------------------------|-------------------------------------------------------------------------|
| #16-029               | Fresenius Medical Care Ross Dialysis - Englewood | Relocation/ Expansion | 09/30/2018             | Anticipated opening August 2019                                         |
| #16-042               | Fresenius Kidney Care Paris Community            | Establishment         | 03/31/2020             | Permit Renewal/Financial Commitment Extension Request Approved 10/30/18 |
| #17-056               | Fresenius Medical Care Galesburg                 | Relocation            | 12/31/2019             | Open March 2019, waiting for Certification                              |
| #17-065               | Fresenius Kidney Care New Lenox                  | Establishment         | 12/31/2019             | Shell construction beginning by July 2019                               |
| #18-006               | Fresenius Kidney Care Madison County             | Establishment         | 06/30/2020             | Project obligated June 17, 2019                                         |
| #18-039               | Fresenius Kidney Care Grayslake                  | Establishment         | 03/31/2021             | Permitting phase                                                        |
| #18-045               | Fresenius Kidney Care West Belmont               | Expansion             | 2/14/2020              | Permitted January 15, 2019                                              |
| #18-046               | Fresenius Kidney Care Cicero                     | Expansion             | 12/31/2019             | Stations in, waiting for CMS Certification                              |

**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 Expansion | \$487,902 | 927               |          |                                                     | 927        |       |               |
|                                  |           |                   |          |                                                     |            |       |               |
| Total Reviewable                 | \$487,902 | 927               |          |                                                     | 927        |       |               |
|                                  |           |                   |          |                                                     |            |       |               |
| <b>TOTAL</b>                     | \$487,902 | 927               |          |                                                     | 927        |       |               |



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## **About Us**

Fresenius Kidney Care, a division of Fresenius Medical Care North America (FMCNA), provides dialysis treatment and services to over 190,000 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**

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 that include 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.



## **Five Star Quality Rated by CMS**

Fresenius Kidney Care achieved the largest number of top-rated, Five Star dialysis centers in 2018, 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 United States raised over \$800,000 for the NKF Kidney Walk with \$25,000 raised in Illinois through pledges and t-shirt sales. In addition, each year Fresenius Kidney Care donates \$30,000 to the NKFI.

Background

**ATTACHMENT - 11**

**Thrive On**

## Fresenius Kidney Care In-center Clinics in Illinois

#19-034

| 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              | 14-2839    | 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 Heights         | 14-2832    | 15 E. Independence Drive         | Chicago Heights  | 60411 |
| 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    | 4861W. 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             | 14-2837    | 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 Biesterfield 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 |
| Grayslake               | -          | Belvidere Road                   | Grayslake        | 60030 |
| 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 |
| Madison County          | -          | 1938 -1946 Grand Ave.            | Granite City     | 62040 |
| 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          | 14-2843    | 1710-1790 W. Golf Road           | Mount Prospect   | 60056 |
| Mundelein               | 14-2731    | 1400 Townline Road               | Mundelein        | 60060 |



| Clinic                  | Provider # | Address                           | City            | Zip   |
|-------------------------|------------|-----------------------------------|-----------------|-------|
| Naperbrook              | 14-2765    | 2451 S Washington                 | Naperville      | 60565 |
| Naperville North        | 14-2678    | 516 W. 5th Ave.                   | Naperville      | 60563 |
| New City                | 14-2815    | 4622 S. Bishop Street             | Chicago         | 60609 |
| New Lenox               | -          | Cedar Crossing Development        | New Lenox       | 60451 |
| Niles                   | 14-2559    | 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 |
| Paris                   | -          | 721 E Court Street                | Paris           | 61944 |
| 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 Elgin             | 14-2856    | 770 N. McLean Blvd.               | South Elgin     | 60177 |
| 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 |
| Springfield East        | 14-2853    | 1800 E. Washington Street         | Springfield     | 62703 |
| 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. Neltor                    | 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 |
| Woodridge               | 14-2845    | 7550 Janes Avenue                 | Woodridge       | 60517 |
| Zion                    | 14-2841    | 1920-1920 N. Sheridan Road        | Zion            | 60099 |

## Certification &amp; Authorization

Fresenius Medical Care Des Plaines, LLC

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 Des Plaines, 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 & Services Review Board; and

In regard 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: 

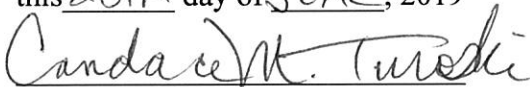
Teri Gurchiek/Vice President of Operations  
Name/Title

By: 

Marybeth Wiekierak/Regional Vice President  
Name/Title

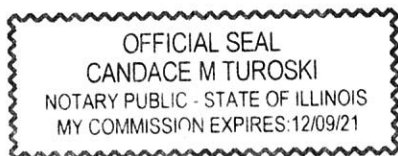
Notarization:

Subscribed and sworn to before me  
this 25th day of June, 2019



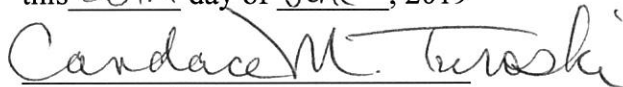
Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me  
this 25th day of June, 2019



Signature of Notary

Seal



## Certification &amp; 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 regard 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: *Dorothy Rizzo*  
ITS: Dorothy Rizzo  
Assistant Treasurer

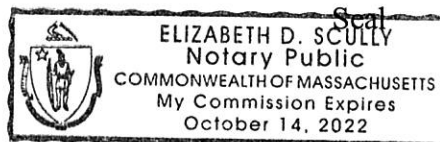
Notarization:  
Subscribed and sworn to before me  
this 14<sup>th</sup> day of June, 2019

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2019

*Elizabeth D. Scully*  
Signature of Notary

\_\_\_\_\_  
Signature of Notary

Seal





**Criterion 1110.230 – Purpose of Project**

1. The purpose of this project is to maintain life-sustaining dialysis services in the Federally Designated Medically Underserved Area of Des Plaines in the most cost-effective way, by adding 3 ESRD stations in existing space at the CMS 4-star rated Fresenius Medical Care Des Plaines facility. As of June 30 2019, the facility was operating at 74% utilization with 13 stations and 58 patients (the facility was at 82% in March 2019). The result of the expansion will be a 16-station ESRD facility.
2. The Fresenius Des Plaines facility is located in suburban Cook County and HSA 7. This is a Medically Underserved Area.
3. Fresenius Des Plaines has been operating at an average 79% utilization rate over the past 12 months and 77% over the past 24 months. The facility just added one station as of June 2018 and has already operated over 80% two quarters since that time. High utilization rates restrict access to treatment schedule times for patients new to dialysis causing conflicts with their work or family responsibilities. At high utilization rates, new patients generally are scheduled on the 3<sup>rd</sup> shift of the day which ends around 8 p.m. There are fewer transportation options for patients going home from treatment at this time of night causing hardship for the patient and family members who must transport them.
4. Not Applicable
5. Increasing the capacity at the Fresenius Des Plaines facility will maintain access to dialysis services in this medically underserved area. The additional stations will enable patients to remain in their community for treatment instead of travelling out of their market, which can result in a loss of continuity of care and transportation problems. The additional stations will also provide patients with a choice of treatment shift times that would better coordinate with their home life, employment and transportation options.
6. The goal of Fresenius Medical Care is to keep dialysis access available to this underserved 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. This facility participates in the Value Based CMS ESRD Seamless Care Organization (ESCO) which increases patient monitoring resulting in higher quality, fewer hospitalizations/readmissions and significant cost savings to Medicare. It is expected that this facility would continue to have similar quality outcomes after the expansion. The Des Plaines facility has a 4-star CMS Quality rating, and the patients have the quality values as listed below:
  - 94% of patients had a URR  $\geq$  65%
  - 94% of patients had a Kt/V  $\geq$  1.2

## Alternatives

### 1) All Alternatives

A-C.

- The alternative of doing nothing will not address patient access issues due to the high utilization at the Fresenius Des Plaines clinic and therefore was not considered. There is no cost to this alternative.
- The physician's supporting this project admit patients to several area clinics also operating at high utilization rates. Fresenius Des Plaines has been operating at an average 79% for the past 12 months and at 77% for the past two years, despite an addition of one station in June 2018. Additional access is needed for Associates in Nephrology (AIN) patients, as well as from other area nephrologists, and it is more cost effective and reasonable to add stations to an existing clinic, if there is available space. There is no cost to referring patients to other area facilities.
- The alternative of adding fewer stations was already acted upon. One station was added in June 2018 and had little impact on the overutilization and the clinic has been over 80% two quarters since then. The cost of adding the one station was approximately \$20,000.
- The facility is already joint venture which does not impact the overall project costs.
- The chosen alternative for addressing high utilization at the Des Plaines facility, located in a medically underserved area, is the most cost effective by adding three stations in existing space. The cost of this project is minimal at \$487,902.

### 2) Comparison of Alternatives

|                                             | Total Cost                                                                                                                   | Patient Access                                                                                                                                                              | Quality                                                                                                                                                                                                                                                                                                           | Financial                                       |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Do Nothing                                  | Rejected – won't address patient access issues in Des Plaines                                                                |                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                   |                                                 |
| Admit patients to other area facilities.    | Associates in Nephrology physicians already admit patients to clinics spread all over Chicago and the near the near suburbs. |                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                   |                                                 |
| Establish a Joint Venture                   | The facility is already a joint venture.                                                                                     |                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                   |                                                 |
| Expand Fresenius Des Plaines by 3 stations. | \$487,902                                                                                                                    | Access to dialysis treatment will be maintained in this medically underserved area New ESRD patients will have treatment shift scheduling options with additional stations. | Fresenius Medical Care Des Plaines has a 4-star CMS rating for 2018. Patient quality is above standards and it is expected to remain so. This facility also participates in the Value Based CMS ESCO.<br><br>With access to treatment patient's transportation problems will decrease and thus missed treatments. | This cost is to Fresenius and its partner only. |

Alternatives

ATTACHMENT – 13

**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. This facility participates in the Value Based CMS ESRD Seamless Care Organization which increases patient monitoring resulting in higher quality, fewer hospitalizations/readmissions and significant cost savings to Medicare. It is expected that this facility would continue to have similar quality outcomes after the expansion. The Des Plaines facility has a 4-star CMS Quality rating, and the patients have the quality values as listed below:

- 94% of patients had a  $URR \geq 65\%$
- 94% 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<br/>BGSF/DGSF</b> | <b>STATE STANDARD<br/>450-650 BGSF<br/>Per Station</b> | <b>DIFFERENCE</b> | <b>MET<br/>STANDARD?</b> |
| ESRD IN-CENTER<br>HEMODIALYSIS<br>Expansion Space | 927<br>(3 Stations)           | 1,350 – 1,950<br>BGSF                                  | None              | Yes                      |

The State Standard for the space being expanded is between 450 - 650 BGSF per station or 1,350 – 1,950 BGSF thereby meeting the standard.

**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 | 81% December 2018<br>13 Stations |                              | 80%                   | Yes                  |
|                    | IN-CENTER HEMODIALYSIS | 82% March 2019<br>13 Stations    |                              | 80%                   | Yes                  |
|                    | IN-CENTER HEMODIALYSIS | 77% June 2019<br>13 Stations     |                              | 80%                   | No                   |
| <b>YEAR 1*</b>     | IN-CENTER HEMODIALYSIS | 16 Stations                      | 77%                          | 80%                   | No                   |
| <b>YEAR 2*</b>     | IN-CENTER HEMODIALYSIS | 16 Stations                      | 85%                          | 80%                   | Yes                  |

\*With additional 3 stations.

This facility has already met the State standard utilization target of 80% two quarters in the past twelve months since the addition of the 1 new station. After the addition of the 3 stations and after the first two years of their operation the facility will be above 80% utilization, even after accounting for patient attrition due to death, transplant, modality change or transfer.

## 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 the Des Plaines area of HSA 7. 98% of current ESRD and 100% pre-ESRD patients identified who are expected to be referred to the Des Plaines facility reside in HSA 7, thereby meeting this requirement.

| HSA | Pre-ESRD EXPECTED TO BE REFERRED TO<br>FRESENIUS MEDICAL CARE DES PLAINES<br>BEFORE 3 STATION ADDITION |
|-----|--------------------------------------------------------------------------------------------------------|
| 7   | 17 PTS - 100%                                                                                          |

| HSA | Pre-ESRD EXPECTED TO BE REFERRED TO<br>FRESENIUS MEDICAL CARE DES PLAINES IN 2<br>YEARS AFTER THE 3-STATION ADDITION |
|-----|----------------------------------------------------------------------------------------------------------------------|
| 7   | 41 PTS - 100%                                                                                                        |

| HSA | July 11, 2019 ESRD Patients of<br>Fresenius Medical Care Des Plaines |
|-----|----------------------------------------------------------------------|
| 7   | 59 Pts. - 98%                                                        |
| 6   | 1 Pt. - 2%                                                           |



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

### A. Historical Service Demand

- i) The Fresenius Des Plaines 13-station dialysis facility, located in a Medically Underserved Area, has been operating at an average utilization rate of 79% for the past 12 months and 77% over the past two years, despite the addition of one station in June 2018. The clinic was at 82% utilization as of March 2019 with 64 patients however dropped slightly to 77% with 60 patients as of July 11, 2019.

Dr. Kniaz has identified 17 pre-ESRD patients he expects to refer to the facility in the next 12 months prior to the use of the 3 new stations and another 41 he expects to refer to the clinic in the first two years the new stations are operable.

### **ALL HEMODIALYSIS PATIENTS OF FRESENIUS MEDICAL CARE DES PLAINES (JULY 11, 2019)**

| Zip Code     | Patients  |
|--------------|-----------|
| 60007        | 1         |
| 60016        | 17        |
| 60018        | 30        |
| 60019        | 2         |
| 60056        | 7         |
| 60068        | 1         |
| 60714        | 1         |
| 60634        | 1         |
| <b>Total</b> | <b>60</b> |

See attached physician support/referral letter on following page.

**ASSOCIATES IN NEPHROLOGY, S.C.**

*NEPHROLOGY AND HYPERTENSION*

210 SOUTH DESPLAINES ST.

CHICAGO, IL 60661

July 11, 2019

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:

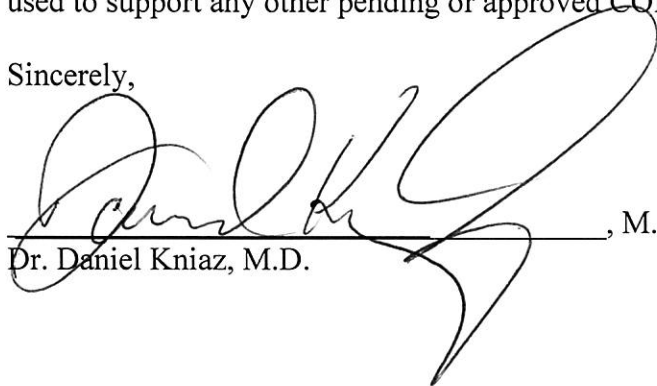
I am a nephrologist practicing in the Des Plaines area with Associates in Nephrology. (AIN). I am the Medical Director of the Fresenius Medical Care Des Plaines dialysis center. I am writing to support the proposed addition of 3 stations to this facility. In the past year the patients requiring dialysis at this facility has continually increased. A recent addition of one station was not enough to meet demand. The facility has room for 3 more stations that can provide access to accommodate this demand which will quickly meet the immediate need.

At the Fresenius Medical Care Des Plaines facility I was treating 24 in-center hemodialysis patients at the end of 2016, 36 at the end of 2017, 38 at the end of 2018, and 41 as of March 2019. In the most recent 12-month period I also referred 15 new ESRD patients for dialysis services to the Des Plaines facility. I currently have 148 chronic kidney disease (CKD) patients that reside in Des Plaines and surrounding areas. Of these I expect approximately 41 to be referred to the facility in the first two years the new stations are operating. Another 17 will be referred to the facility in the next 12 months, before the new stations become operable.

I respectfully ask for approval of the 3-station expansion for Fresenius Medical Care Des Plaines to alleviate high utilization and provide access for my future dialysis patients. Thank you for your consideration.

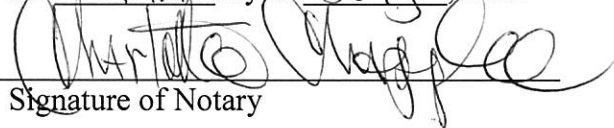
I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other pending or approved CON application.

Sincerely,

  
\_\_\_\_\_, M.D.  
Dr. Daniel Kniaz, M.D.

Notarization:

Subscribed and sworn to before me  
this 19th day of July, 2019

  
\_\_\_\_\_  
Signature of Notary

Seal



**PRE-ESRD PATIENTS IDENTIFIED  
FOR FRESENIUS DES PLAINES**

| PRE-ESRD REFERRALS |          | New ESRD REFERRALS |                    |
|--------------------|----------|--------------------|--------------------|
| City               | Zip Code | NEXT 12            | 1st 2 yrs STATIONS |
|                    |          | 12 MONTHS          | OPERABLE           |
| Arlington Heights  | 60005    | 1                  | 4                  |
| Des Plaines        | 60016    | 4                  | 14                 |
| Des Plaines        | 60018    | 4                  | 5                  |
| Mount Prospect     | 60056    | 6                  | 9                  |
| Park Ridge         | 60068    | 2                  | 8                  |
| Schiller Park      | 60176    | 0                  | 1                  |
| Totals             |          | 17                 | 41                 |

**NEW ESRD REFERRALS OF DR. KNIAZ AT  
FRESENIUS MEDICAL CARE DES PLAINES 7/1/2018 – 6/30/19**

| Zip Code     | New ESRD  |
|--------------|-----------|
| 60016        | 5         |
| 60018        | 6         |
| 60056        | 3         |
| 60068        | 1         |
| <b>Total</b> | <b>15</b> |

**DR. KNIAZ IN-CENTER HEMODIALYSIS PATIENTS AT  
FRESENIUS MEDICAL CARE DES PLAINES**

| Zip Code     | December 30 |           |           | June 30   |
|--------------|-------------|-----------|-----------|-----------|
|              | 2016        | 2017      | 2018      | 2019      |
| 60005        |             |           | 1         | 1         |
| 60007        |             |           | 1         | 1         |
| 60016        | 9           | 9         | 15        | 15        |
| 60018        | 7           | 10        | 14        | 15        |
| 60056        | 1           | 2         | 3         | 4         |
| 60062        | 1           |           |           |           |
| 60068        | 1           | 1         | 2         | 3         |
| 60074        | 1           | 1         |           |           |
| 60107        | 1           |           |           |           |
| 60613        |             | 1         | 1         |           |
| 60630        | 1           | 1         |           | 1         |
| 60641        | 1           | 1         | 1         | 1         |
| 60714        | 1           |           |           |           |
| <b>Total</b> | <b>24</b>   | <b>26</b> | <b>38</b> | <b>41</b> |

Criterion 1110.1430 (f)(1) – Staffing

2) A. Medical Director

Dr. Daniel Kniaz is the Medical Director for Fresenius Medical Care Des Plaines and will continue to be the Medical Director. Attached is his curriculum vitae.

B. All Other Personnel

The Des Plaines facility currently employs the following staff:

- Clinic Manager who is a Registered Nurse
- 3 Registered Nurses
- 7 Patient Care Technicians
- Full-time Registered Dietitian
- Full-time Licensed Master Level Social Worker
- Full-time Equipment Technician
- Full-time Secretary

Two additional patient care technicians' will be hired after the 3-station expansion.

- 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.

**CURRICULUM VITAE**  
**Daniel Kniaz, MD, FACP**

Associate Director  
Division of Nephrology  
Lutheran General Hospital

**Personal Information**

Date of Birth: July 31, 1956

Place of Birth: Milwaukee, Wisconsin

**Administrative Office Address**

Department of Medicine  
Lutheran General Hospital  
1775 Dempster  
Park Ridge, Illinois 60068  
(847) 723-6200 / FAX (847) 696-3391

**Clinical Practice Office Address**

8901 Golf Rd, Suite 203  
Des Plaines, IL 60016  
(847) 294-5160 / FAX (847) 294-9962

**Academic Appointments**

|              |                                                                                                                            |
|--------------|----------------------------------------------------------------------------------------------------------------------------|
| 1984         | Instructor in Medicine<br>Quigley Memorial Hospital, Chelsea, Massachusetts                                                |
| 1984-86      | Instructor in Medicine<br>Department of Medicine<br>University of Massachusetts Medical Center<br>Worcester, Massachusetts |
| 1986-89      | Instructor in Medicine<br>University of Illinois at Chicago and West Side VA Hospital<br>Chicago, Illinois                 |
| 1989-91      | Clinical Assistant Professor of Medicine<br>University of Illinois at Chicago                                              |
| 1991-1997    | Clinical Assistant Professor of Medicine<br>University of Chicago                                                          |
| 1997-Present | Clinical Associate Professor of Medicine<br>The Chicago Medical School                                                     |

**Licensure and Certification**

Illinois Number - 036-073101  
 Massachusetts - Registration No. 51721  
 Diplomat - Medical Board of Medical Examiners, 1982  
 Diplomat - American Board of Internal Medicine, 1984  
 Diplomat - American Board of Internal Medicine/Nephrology, 1988

**Education*****Undergraduate Education:***

9/73 - 6/78            University of Wisconsin - Milwaukee  
 8/75 - 5/77            University of Wisconsin - Madison  
 Graduated in May 1977 with BS - Major in Biochemistry

***Medical School Education:***

8/77 - 6/81            Medical College of Wisconsin Affiliated Hospitals.  
 8701 Water Town Plank Rd, Milwaukee, WI 53226  
 Phone # (414) 456-8296  
 Graduated in May 1981

**Postgraduate Training**

7/1/81- 6/30/82      Internship  
 St. Elizabeth's Hospital  
 736 Cambridge Street, Brighton, MA 02135  
 Phone # (617) 789-3000

7/1/82 - 6/30/84      Residency in Internal Medicine  
 St. Elizabeth's Hospital  
 736 Cambridge Street, Brighton, MA 02135  
 Phone # (617) 789-3000

7/1/84 - 6/30/86      Fellowship in Nephrology  
 University of Massachusetts Medical Center  
 55 Lake Ave. North, Worcester, MA 01655  
 Phone # (508) 856-3155

**Honors*****Undergraduate:***

Dean's List University of Wisconsin-Milwaukee - 1973 and 1974  
 Dean's List University of Wisconsin-Madison - 1975  
 Elected to Phi Kappa Phi Honor Society - 1977

***Medical School:***

Special Mention - Department of Microbiology for "Superior Performance"  
 Elected to Alpha Omega Alpha Honor Society - 1981



**Professional Societies and Activities**

|                |                                                                                                     |
|----------------|-----------------------------------------------------------------------------------------------------|
| 2008-          | Member- Renal Physicians Association                                                                |
| 2008-          | Member- Illinois State Medical Society                                                              |
| 1977 - 1978    | Volunteer - Milwaukee Children's Hospital<br>Diabetes Clinic                                        |
| 1981           | Clinical Research at the Diabetes Research Center<br>mentor Dr. Jerry Palmer in Seattle, Washington |
| 1984           | Courtesy Staff, Department of Medicine<br>Symmes Hospital, Arlington, Massachusetts                 |
| 1985 - 1986    | Emergency Medicine Staff<br>Milford-Whitinsville Hospital, Milford, Massachusetts                   |
| 1985 - 1986    | Courtesy Staff, Department of Medicine<br>Holden District Hospital, Holden, Massachusetts           |
| 1983 - Present | Member - American College of Physicians                                                             |
| 1984 - 1986    | Instructor of Medicine, Department of Medicine<br>University of Massachusetts Medical Center        |
| 1986 - Present | International Society of Nephrology                                                                 |
| 1986 - Present | American Society of Nephrology                                                                      |
| 1986 - 1989    | Instructor of Medicine, Division of Nephrology<br>University of Illinois at Chicago/West Side VA    |
| 1987 - Present | National Kidney Foundation of Illinois                                                              |
| 1987 - Present | Member - American Diabetes Association                                                              |
| 1990 - Present | Member - American Heart Association                                                                 |
| 1990 - Present | Camp Physician, Camp Menominee, Wisconsin, 1-2 weeks/year                                           |
| 1999 - Present | Medical Advisory Board Lincoln Park Zoo                                                             |

**Principal Clinical, Educational and Service Responsibilities**

|                |                                                                      |
|----------------|----------------------------------------------------------------------|
| 1989 - Present | Associate Director, Division of Nephrology                           |
| 1994 - 1999    | Research Advisory Committee                                          |
| 1992 - 1999    | Parenteral Nutrition Committee                                       |
| 1994 - Present | Pharmacy & Therapeutics Committee                                    |
| 1994 - 1999    | Clinical Research Support Grant Committee                            |
| 1996 - 1998    | Credentials Committee                                                |
| 1993 - 1999    | Resident Evaluation Committee (DOM)                                  |
| 1995 - 1999    | Medical Director-IMSS, Advocate Medical Group                        |
| 1994 - 1999    | Assistant Medical Director, Lutheran General/Neomedica Dialysis Unit |
| 1999 - Present | Medical Director, Cumberland Dialysis Unit                           |

**Hospital Admitting Privileges**

|                 |                                                                             |
|-----------------|-----------------------------------------------------------------------------|
| 09/89 - Present | Lutheran General Hospital - 1775 Dempster St., Park Ridge, IL 60068         |
| 09/89 - Present | Good Shepherd Hospital - 450 W. Hwy. 22, Barrington, IL 60010               |
| 11/99 - Present | Northwest Community Hospital - 800 W. Central Rd., Arlington Hts., IL 60005 |
| 12/11 - Present | Holy Family Hospital - 100 N. River Rd., Des Plaines, IL 60016              |
| 11/99 - 2006    | St. Alexius Hospital - 1555 N. Barrington, Hoffman Estates, IL 60194        |

**Group Practice Affiliation**

- 07/1989 – 12/1996 Lutheran General Medical Group  
 01/1997 – 07/1999 Advocate Medical Group  
 701 Lee St., Suite 210, Des Plaines, IL 60016
- 8/1999 – Present Associates in Nephrology  
 210 South Des Plaines Street, Chicago, IL 60611  
 (312) 654-2700 / FAX (312) 654-0118

**Original Articles**

1. Hollander PH, Asplin CM, **Kniaz D**, Hansen JA, Palmer JP: Beta-Cell Dysfunction in Nondiabetic HLA Identical Siblings of Insulin-Dependent Diabetics. *Diabetes* 31:149-153, 1982.
2. Silva P, Stoff JS, Solomon R, Lear S, **Kniaz D**, Greger R, Epstein FH: Atrial Natriuretic Peptide Stimulates Salt Secretion by Shark Rectal Gland by Releasing Vasoactive Intestinal Peptide. *Am J Physiol* 252:F99-103, 1987.
3. **Kniaz D**, Arruda JAL: Adaptation to Respiratory Acidosis in the Turtle Urinary Bladder. *Proceedings of the Society of Experimental Biology and Medicine* 195:84-94, 1990.
4. **Kniaz D**, Pahlavan P, Valaitis D, Arruda JAL: High Affinity Binding Sites for VIP in Renal Cortical Membranes: Possible Role of VIP in Renal Transport. *Kidney Int* 39:266-272, 1991.
5. **Kniaz D**, Arruda JAL: Adaptation to Metabolic Alkalosis by the Turtle Urinary Bladder. *Proceedings of the Society of Experimental Biology and Medicine* 196:444-450, 1991.
6. **Kniaz D**: Diabetic Nephropathy: What We Can Learn from the Pima Indians. *Kidney* 1:4-6, 1992.
7. **Kniaz D**, Eisenberg GM, Elrad H, Johnson CA, Valaitis J, Bregman H: Postpartum Hemolytic Uremic Syndrome Associated with Antiphospholipid Antibodies. *Am J Nephrol* 12:126-133, 1992.

**Abstracts**

1. **Kniaz D**, Leone D, Stoff JS: Arachidonic Acid Metabolites Modulate AVP Stimulated cAMP in the LLC-PK<sub>1</sub> Epithelial Cell Line. *Kidney Int* 31:276, 1987.
2. **Kniaz D**, Mola R, Talor Z, Arruda J: Mechanism of Adaptation to Respiratory Acidosis in the Turtle Bladder. *Kidney Int* 33:402, 1988.
3. Talor Z, Pahlavan P, Mejicano GC, Cragoe EJ, **Kniaz D**, Arruda J: Enhancement of Na-H Antiporter in Chronic Hypercapnia is Mediated by Increased Number of Antiporters. *Kidney Int* 33:402, 1988.
4. **Kniaz D**, Mola R, Arruda J: Metabolic Alkalosis Increases the Number of B-carbonic Anhydrase (CA) Cells. *Kidney Int* 33:402, 1989.
5. **Kniaz D**, Valaitis D, Pahlavan P, Mola R, Arruda J: Vasoactive intestinal Peptide (VIP) Inhibits Sodium Transport in Renal Proximal Tubules (PT). *Kidney Int* 37:3771, 1990.

**Book Chapters**

1. Arruda JAL, **Kniaz D**, Talor Z: Disorders of Acid Base Metabolism. In Current Nephrology, Vol. 12, ed H. Gonick. Year Book Medical Publishers, Chicago 1988.

**Invited Lectures**

1. **"Diabetic Renal Disease and Hypertension"**. Illinois Association of Osteopathic Physicians and Surgeons, December 1990".
2. **"Lunch with the Experts"** session. Clinical Nephrology Meetings of the National Kidney Foundation, Chicago, April 1992.
3. **"Diabetic Nephropathy"**
  - A. Medical Grand Rounds, Great Lakes Naval Hospital, February 2000
  - B. American Heart Association Conference, Knoxville, TN, October 1992.
  - C. Medical Grand Rounds, Methodist Medical Center, Knoxville, TN, October 1992.
  - D. Medical Grand Rounds, Ravenswood Hospital, May 1990.
  - E. Medical Grand Rounds, Lutheran General Hospital, July 2002.
  - F. Medical Grand Rounds, Medical Society, Davenport, IA, October 2002.
4. **"Renal Issues on Hypertension" Medical Grand Rounds**
  - A. West Suburban Hospital, Oak Park, IL, July 1992.
  - B. Manmouth Community Hospital, IL, June 1992.
  - C. McDonough County Hospital, IL, June 1992.
  - D. St. Joseph Medical Center, Ft. Wayne, IN, June 1992.
  - E. Parkview Memorial Hospital, Ft. Wayne, IN, Dec. 1991
  - F. Detroit Riverview Hospital, Detroit, MI, Nov. 1991.
  - G. Detroit Osteopathic Hospital, Detroit, MI, Nov. 1991.
  - H. Ball Memorial Hospital, Muncie, IN, Nov. 1991.

**"Atheroembolic Disease"**

  - A. Medical Grand Rounds, Ravenswood Hospital, May 1999
5. Cardiovascular Speakers Program for Boehringer Ingelheim, Merck, Novartis, Sanofi-Synthelabo Inc., and Bristol-Myers Squibb Pharmaceuticals 2000 – Present.

**Presentations at Meetings**

1. **Kniaz D, Leone D, Stoff JS:** Arachidonic Acid Metabolites Modulate AVP Stimulated cAMP in the LLC-PK 1 Epithelial Cell Line. American Society of Nephrology, Washington, D.C., 1986.
2. **Kniaz D, Mola R, Talor Z, Arruda J:** Mechanism of Adaptation to Respiratory Acidosis in the Turtle Bladder. American Society of Nephrology, Washington, D.C., 1987.
3. **Talor Z, Pahlavan P, Mejicano GC, Cragoe EJ, Kniaz D, Arruda J:** Enhancement of Na-H Antiporter in Chronic Hypercapnia is Mediated by Increased Number of Antiporters. American Society of Nephrology, Washington, D.C., 1987.
4. **Kniaz D, Mola R, Arruda J:** Metabolic Alkalosis Increases the Number of B-carbonic Anhydrase (CA) Cells. American Society of Nephrology, San Antonio, Texas, 1988.
5. **Kniaz D, Valaitis D, Pahlava P, Mola R, Arruda J:** Vasoactive Intestinal Peptide (VIP) Inhibits Sodium Transport in Renal Proximal Tubules (PT). Midwest Regional Meeting of American Society for Clinical Research, Chicago, IL., 1989.

**Research Support**

1. Principal Investigator - National Kidney Foundation of Illinois. Adaption to respiratory acidosis. December 31, 1987 to December 31, 1988. (\$10,000).
2. Principal Investigator - Squibb Pharmaceutical. Fosinopril for the treatment of hypertension in patients with impaired renal function. Protocol No. 23101-47. Multicenter trial for which I was the principal Investigator at the University of Illinois. May 1987 to December 1988. (\$22,000).
3. Co-Investigator - NIH/Squibb. Multicenter trial of ACE inhibition in diabetic nephropathy at the University of Illinois. Protocol No. 12k928-257. May 1987 to May 1992. (\$120,000).
4. Principal Investigator - Sponsored by Boehringer Mannheim Diagnostics, Reflection Creatinine Evaluations protocol for the physician's office. (\$7,026.00).
5. Co-Investigator - Sponsored by: Roerig Division, Pfizer, Inc. A Multicenter Trial to Evaluate Efficacy and Lipid Effects of Doxazosin as Initial Therapy in Mild to Moderate Essential Hypertension, 1990. (\$16,000).
6. Co-Investigator - Sponsored by: Vas-Cath of Canada, LTD. A Multicenter Trial to Evaluate the Safety and Hemodialysis Performance of the Vas-Cath Trialysis Catheter, 1990. (\$6,000).
7. Principal Investigator - Sponsored by: Merck, Sharp & Dohme, Inc. A Multicenter Trial to Evaluate Efficacy and Safety of Extended-Release Felodipine, 1992. (\$12,000).
8. Principal Investigator - Sponsored by: Merck, Sharp & Dohme, Inc. A study of the Hypertensive Efficacy and Safety of Diltiazem ER Compared to Placebo in Patients with Mild to Moderate Hypertension, 1992. (\$26,400).

**Criterion 1110.1430 (e)(5) Medical Staff**

I am the Regional Vice President of at Fresenius Kidney Care who oversees the Des Plaines facility and in accordance with 77 Il. Admin Code 1110.230, I certify the following:

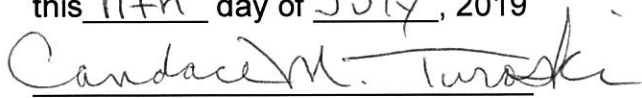
Fresenius Medical Care Des Plaines is an "open" unit with regards to medical staff and will continue to be. Any Board Licensed nephrologist may apply for privileges at the Des Plaines facility, just as they currently are able to at all Fresenius Kidney Care facilities.

  
Signature

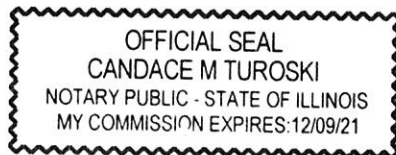
Marybeth Wiekierak  
Printed Name

Regional Vice President  
Title

Subscribed and sworn to before me  
this 11th day of July, 2019

  
Signature of Notary

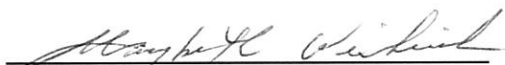
Seal



## Criterion 1110.1430 (f) – Support Services

I am the Regional Vice President at Fresenius Kidney Care who oversees the Des Plaines facility. In accordance with 77 Il. Admin Code 1110.230, and with regards to Fresenius Medical Care Des Plaines, I certify to the following:

- Fresenius Medical Care utilizes a patient data tracking system in all its facilities.
- These support services are available at Fresenius Medical Care Des Plaines 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 Advocate Lutheran General Hospital
  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services

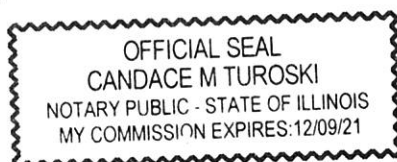
  
Signature

Marybeth Wiekierak/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 26th day of JUNE, 2019

  
Signature of Notary

Seal



## Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President at Fresenius Kidney Care who oversees the Des Plaines facility. In accordance with 77 Il. Admin Code 1110.230, and with regards to Fresenius Medical Care Des Plaines, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Des Plaines in the first two years of operation of the additional 3 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 Des Plaines is a 4-star rated facility. Hemodialysis patients have achieved adequacy outcomes of:
  - 94% of patients had a URR  $\geq$  65%
  - 94% of patients had a Kt/V  $\geq$  1.2

and same is expected after the expansion.

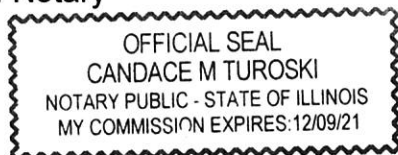
  
Signature

Marybeth Wiekierak/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 26th day of June, 2019

  
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.

2017 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted to the Board via email on August 14, 2018.

2018 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted to the Board via email on May 15, 2019.

**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).

| <b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b> |                         |                 |                      |        |                       |                   |                      |                    |                          |
|------------------------------------------------------------|-------------------------|-----------------|----------------------|--------|-----------------------|-------------------|----------------------|--------------------|--------------------------|
| Department<br>(list below)                                 | A                       | B               | C                    | D      | E                     | F                 | G                    | H                  | Total<br>Cost<br>(G + H) |
|                                                            | Cost/Square Foot<br>New | Mod.            | Gross Sq. Ft.<br>New | Circ.* | Gross Sq. Ft.<br>Mod. | Sq. Ft.<br>Circ.* | Const. \$<br>(A x C) | Mod. \$<br>(B x E) |                          |
| ESRD<br>Expansion                                          |                         | 388.00          |                      |        | 927                   |                   |                      | \$359,676          | \$359,676                |
| Contingency                                                |                         | 38.00           |                      |        | 927                   |                   |                      | \$35,226           | \$35,226                 |
| <b>Total<br/>Expansion</b>                                 |                         | <b>\$426.00</b> |                      |        | <b>927</b>            |                   |                      | <b>\$394,902</b>   | <b>\$394,902</b>         |
| Non<br>Reviewable                                          |                         | 0               |                      |        | 0                     |                   |                      | 0                  | 0                        |
| Contingency                                                |                         | 0               |                      |        | 0                     |                   |                      | 0                  | 0                        |
| <b>Total Non-<br/>Reviewable</b>                           |                         | <b>\$0</b>      |                      |        | <b>0</b>              |                   |                      | <b>\$0</b>         | <b>\$0</b>               |
| <b>TOTALS</b>                                              |                         | <b>\$426.00</b> |                      |        | <b>927</b>            |                   |                      | <b>\$394,902</b>   | <b>\$394,902</b>         |

\* Include the percentage (%) of space for circulation

**Criterion 1120.310 (d) – Projected Operating Costs****Year 2021**

|                                            |                    |
|--------------------------------------------|--------------------|
| Estimated Personnel Expense:               | \$1,223,093        |
| Estimated Medical Supplies:                | \$218,618          |
| Estimated Other Supplies (Exc. Dep/Amort): | \$1,136,610        |
|                                            | <u>\$2,578,321</u> |
| Estimated Annual Treatments:               | 11,059             |
| Cost Per Treatment:                        | \$233.14           |

**Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs****Year 2021**

|                            |            |
|----------------------------|------------|
| Depreciation/Amortization: | \$156,648  |
| Interest                   | <u>\$0</u> |
| Capital Costs:             | \$156,648  |
| Treatments:                | 11,059     |
| Capital Cost per Treatment | \$14.16    |

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

Fresenius Medical Care Des Plaines, 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: Teri A Gurchiek

Teri Gurchiek/Vice President of Operations  
Name/Title

By: Marybeth Wiekierak

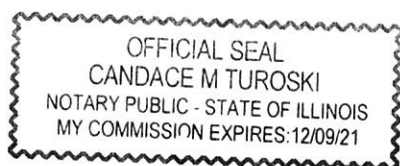
Marybeth Wiekierak/Regional Vice President  
Name/Title

Notarization:

Subscribed and sworn to before me  
this 25th day of June, 2019

Candace M. Turosski  
Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me  
this 25th day of June, 2019

Candace M. Turosski  
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: *[Signature]*  
 Title: Bryan Mello  
 Assistant Treasurer

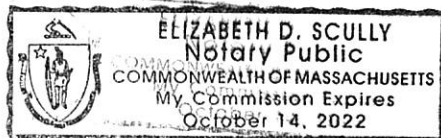
By: *[Signature]*  
 Title: Dorothy Rizzo  
 Assistant Treasurer

Notarization:

Subscribed and sworn to before me  
 this 14<sup>th</sup> day of June, 2019

*Elizabeth D. Scully*  
 Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me  
 this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
 Signature of Notary

Seal

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

Fresenius Medical Care Des Plaines, 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: *Teri A Gurchick*

Teri Gurchick/Vice President of Operations  
Name/Title

By: *Marybeth Wiekierak*

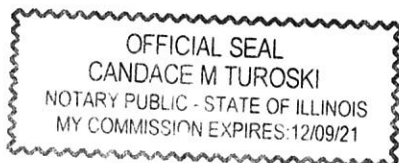
Marybeth Wiekierak/Regional Vice President  
Name/Title

Notarization:

Subscribed and sworn to before me  
this 25<sup>th</sup> day of June, 2019

*Candace M. Turosski*  
Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me  
this 25<sup>th</sup> day of June, 2019

*Candace M. Turosski*  
Signature of Notary

Seal



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

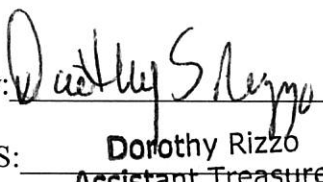
Fresenius Medical Care Holdings, Inc.

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

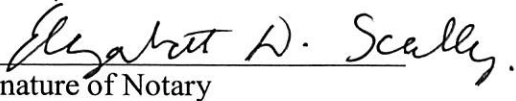
The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By:   
ITS: Bryan Mello  
Assistant Treasurer

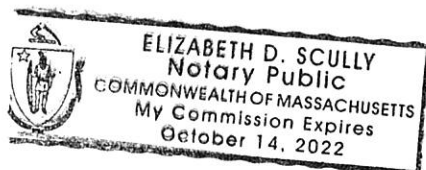
By:   
ITS: Dorothy Rizzo  
Assistant Treasurer

Notarization:

Subscribed and sworn to before me  
this 14<sup>th</sup> day of June, 2019

  
Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Signature of Notary

Seal



The addition of 3 ESRD stations to the 13-station Fresenius Medical Care Des Plaines facility will not have any impact on safety net services in the Des Plaines area of Cook County. Outpatient dialysis services are not typically considered "safety net" services, 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, and who qualify for FMCNA Indigent Waiver policy. We assist patients who do not have insurance in enrolling when possible in Medicare, 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 wheelchair bound or have other disabilities which require assistance with respect to dialysis services and transport to and from the unit.

This 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 Medical Care North America is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the CON 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 evaluated to determine if criteria has been met for 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 and National Kidney Foundation.

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.

| CHARITY CARE                              |               |               |               |
|-------------------------------------------|---------------|---------------|---------------|
|                                           | 2016          | 2017          | 2018          |
| <b>Net Patient Revenue</b>                | \$450,657,245 | \$461,658,707 | \$436,811,409 |
| Amount of Charity Care (self-pay charges) | \$3,269,127   | \$4,598,897   | \$5,295,686   |
| Cost of Charity Care (Self-Pay)           | \$3,269,127   | \$4,598,897   | \$5,295,686   |

\*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay. Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.

Note: Medicaid reported numbers are impacted by the large number of patients who switch from Medicaid to a Medicaid Risk insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2018 of our commercial patients we had 977 Medicaid Risk patients with Revenues of \$30,748,374.

## **Fresenius Medical Care North America - Community Care/Charity Care**

Fresenius Medical Care North America is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the CON Board's definition. However, Fresenius Kidney Care provides care to patients who do not qualify for any type of coverage for dialysis services. The following will document all the programs available to FMCNA patients to assist with any financial need for the provision of dialysis care.

Fresenius Medical Care North America (FMCNA) assists all our patients in securing and maintaining insurance coverage when possible.

### **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. This program is not advertised to patients, but is discussed with patients who have indicated a financial hardship and a need for Indigent Waiver consideration and have not qualified for any other available programs.

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 four (4) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (4) 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 an amount of thirteen (13) times the Federal Poverty Standard (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 (or excuses a portion of the charges if patient qualifies for sliding scale discount when annual income is between 5 and 13 times the Federal Poverty Guideline). Patients may have dual coverage of AKF assistance (or other insurance coverage) and an Indigent Waiver if their financial status qualifies them for multiple 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 their healthcare needs, including transportation to their appointments. Patients who are not found to qualify may apply for the Indigent Waiver Program.

### **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.

Patient Accounts are reviewed periodically for consideration of patient liability and to determine if the account meets criteria to be written off as bad debt (uncollected revenue).

### 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) provided they have met the government work credit requirements.

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.

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 they meet AKF eligibility requirements.

Patients who are self-pay are eligible to apply for the Indigent Waiver Program or any other insurance assistance. Self-pay patient accounts are reviewed on a periodic basis for consideration of patient liability and to determine if the account meets the criteria to be written off to bad debt (uncollected revenue).

| CHARITY CARE                              |               |               |               |
|-------------------------------------------|---------------|---------------|---------------|
|                                           | 2016          | 2017          | 2018          |
| <b>Net Patient Revenue</b>                | \$450,657,245 | \$461,658,707 | \$436,811,409 |
| Amount of Charity Care (self-pay charges) | \$3,269,127   | \$4,598,897   | \$5,295,686   |
| Cost of Charity Care (Self-Pay)           | \$3,269,127   | \$4,598,897   | \$5,295,686   |

\*As a for-profit corporation Fresenius does not provide charity care per the Board's definition. Numbers reported are self-pay Self-pay balances are written off to bad debt. Medicare may reimburse a portion of bad debt as part of cost reporting.

**ASSOCIATES IN NEPHROLOGY, S.C.**

*NEPHROLOGY AND HYPERTENSION*

210 SOUTH DESPLAINES ST.

CHICAGO, IL 60661

July 11, 2019

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:

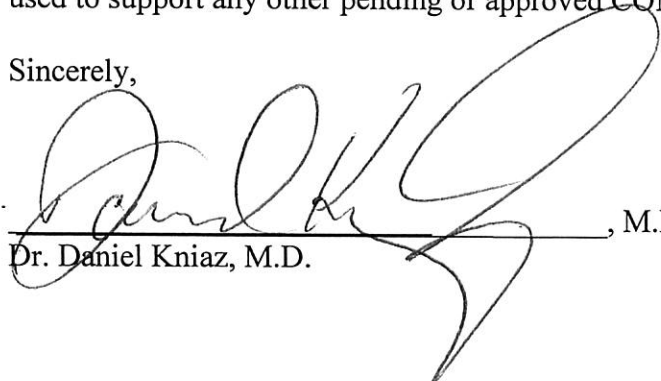
I am a nephrologist practicing in the Des Plaines area with Associates in Nephrology. (AIN). I am the Medical Director of the Fresenius Medical Care Des Plaines dialysis center. I am writing to support the proposed addition of 3 stations to this facility. In the past year the patients requiring dialysis at this facility has continually increased. A recent addition of one station was not enough to meet demand. The facility has room for 3 more stations that can provide access to accommodate this demand which will quickly meet the immediate need.

At the Fresenius Medical Care Des Plaines facility I was treating 24 in-center hemodialysis patients at the end of 2016, 36 at the end of 2017, 38 at the end of 2018, and 41 as of March 2019. In the most recent 12-month period I also referred 15 new ESRD patients for dialysis services to the Des Plaines facility. I currently have 148 chronic kidney disease (CKD) patients that reside in Des Plaines and surrounding areas. Of these I expect approximately 41 to be referred to the facility in the first two years the new stations are operating. Another 17 will be referred to the facility in the next 12 months, before the new stations become operable.

I respectfully ask for approval of the 3-station expansion for Fresenius Medical Care Des Plaines to alleviate high utilization and provide access for my future dialysis patients. Thank you for your consideration.

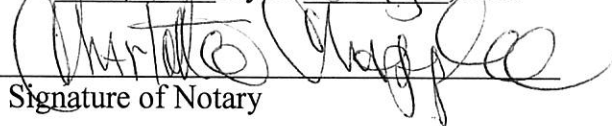
I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other pending or approved CON application.

Sincerely,

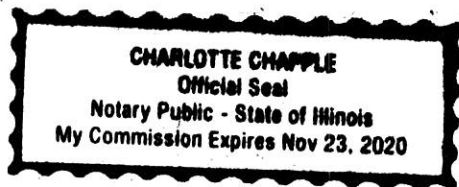
  
\_\_\_\_\_, M.D.  
Dr. Daniel Kniaz, M.D.

Notarization:

Subscribed and sworn to before me  
this 19th day of July, 2019

  
\_\_\_\_\_  
Signature of Notary

Seal



**PRE-ESRD PATIENTS IDENTIFIED  
FOR FRESENIUS DES PLAINES**

| PRE-ESRD REFERRALS |          | New ESRD REFERRALS |                    |
|--------------------|----------|--------------------|--------------------|
| City               | Zip Code | NEXT 12            | 1st 2 yrs STATIONS |
|                    |          | 12 MONTHS          | OPERABLE           |
| Arlington Heights  | 60005    | 1                  | 4                  |
| Des Plaines        | 60016    | 4                  | 14                 |
| Des Plaines        | 60018    | 4                  | 5                  |
| Mount Prospect     | 60056    | 6                  | 9                  |
| Park Ridge         | 60068    | 2                  | 8                  |
| Schiller Park      | 60176    | 0                  | 1                  |
| <b>Totals</b>      |          | <b>17</b>          | <b>41</b>          |

**NEW ESRD REFERRALS OF DR. KNIAZ AT  
FRESENIUS MEDICAL CARE DES PLAINES 7/1/2018 – 6/30/19**

| Zip Code     | New ESRD  |
|--------------|-----------|
| 60016        | 5         |
| 60018        | 6         |
| 60056        | 3         |
| 60068        | 1         |
| <b>Total</b> | <b>15</b> |

**DR. KNIAZ IN-CENTER HEMODIALYSIS PATIENTS AT  
FRESENIUS MEDICAL CARE DES PLAINES**

| Zip Code     | December 30 |           |           | June 30   |
|--------------|-------------|-----------|-----------|-----------|
|              | 2016        | 2017      | 2018      | 2019      |
| 60005        |             |           | 1         | 1         |
| 60007        |             |           | 1         | 1         |
| 60016        | 9           | 9         | 15        | 15        |
| 60018        | 7           | 10        | 14        | 15        |
| 60056        | 1           | 2         | 3         | 4         |
| 60062        | 1           |           |           |           |
| 60068        | 1           | 1         | 2         | 3         |
| 60074        | 1           | 1         |           |           |
| 60107        | 1           |           |           |           |
| 60613        |             | 1         | 1         |           |
| 60630        | 1           | 1         |           | 1         |
| 60641        | 1           | 1         | 1         | 1         |
| 60714        | 1           |           |           |           |
| <b>Total</b> | <b>24</b>   | <b>26</b> | <b>38</b> | <b>41</b> |



July 22, 2019

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 Des Plaines

Dear Ms. Avery,

I am submitting the attached application for consideration by the Illinois Health Facilities and Services Review Board. A filing fee of \$2500.00 payable to the Illinois Department of Public Health was submitted via overnight delivery to arrive July 23, 2019.

Upon your staff's initial review of the enclosed application, please notify me of the total fee and the remaining fee due in connection with 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