



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: C-02 thru C-08	BOARD MEETING: April 30, 2019	
FACILITY NAME:	USRC Villa Park, LLC USRC Bolingbrook, LLC USRC Hickory Hills, LLC USRC Streamwood, LLC USRC Oak Brook, LLC USRC West Chicago, LLC USRC Scottsdale Dialysis, LLC	#E-005-19 #E-006-19 #E-007-19 #E-008-19 #E-009-19 #E-010-19 #E-011-19

I. PROJECT DESCRIPTION:

U.S. Renal Care, Inc., a provider of dialysis services for patients suffering from end stage renal disease, is being acquired by a private investor group BCPE Cycle Buyer, Inc. U.S. Renal Care, Inc. operates in 32 states and the Territory of Guam. US Renal Care Inc. owns seven facilities in Illinois.

The Applicants are BCPE Cycle Buyer, Inc., (a private investor group that includes U.S. Renal Care's current management team along with Bain Capital Private Equity, Summit Partners, Revelstoke Capital Partners and Mark Caputo). The transaction is a nationwide transaction involving approximately 335 facilities. The value of the transaction is approximately \$2.3 to \$2.8 billion. This is a private transaction the financial terms were not made public.

The operating entities and the owners of the site will not change because of this change of ownership. The seven U.S. Renal Care facilities in Illinois are:

TABLE ONE
US Renal Care Facilities in Illinois

Exemption #	Facility/Operating Entity	Owner of the Site	Address	City	Stations	FMV ⁽¹⁾
E-005-19	USRC Villa Park, LLC.	Royal Plaza Management, LLC	200 East North Avenue	Villa Park	13	\$6,554,196
E-006-19	USRC Bolingbrook, LLC	PHT Bolingbrook MOB/dba Partners Health Trust	396 Remington Blvd. Suite 110	Bolingbrook	13	\$4,161,660
E-007-19	USRC Hickory Hills, LLC	H.P. Shopping Square Center LLC	9640 South Roberts Road	Hickory Hills	13	\$1,532,713
E-008-19	USRC Streamwood, LLC.	Inland Real Estate Column I LLC	149 East Irving Road	Streamwood	13	\$9,781,638
E-009-19	USRC Oak Brook, LLC	Anar Real Estate Inc.	1201-B Butterfield Road	Downers Grove	13	\$2,897,160
E-010-19	USRC West Chicago, LLC	IN Retail Fund Chatham Ridge L.L.C.	112 West 87th Street, Suite N	Chicago	13	\$2,187,613
E-011-19	USRC Scottsdale Dialysis/Dialysis Newco, Inc.	A & R Katz Management Co.	4651 W. 79th Street, Suite 100	Chicago	36	\$16,779,078

1. FMV – Fair Market Value

II. **Applicable Rules**

The Illinois Health Facilities Planning Act defines a change of ownership as

“ . . . a change in the person who has ownership or control of a health care facility’s physical plant and capital assets. A change in ownership is indicated by the following transactions: sale, transfer, acquisition, lease, change of sponsorship or other means of transferring control.”

The State Board’s rule (77 IAC 1130.500 & 77 ILAC 1130.520) specifies the requirements necessary for a change of ownership exemption application to be filed with the State Board. The State Board may, by rule, delegate authority to the Chairman to grant permits or exemptions when applications meet all of the State Board's review criteria and are unopposed [20 ILCS 3960/5].

All of the requirements of the State Board have been met.

TABLE TWO			
US Renal Care			
Charity Care for Illinois Facilities			
Charity Care	2016	2017	2018
Net Patient Revenue of All Illinois Facilities	\$26,319,558	\$29,309,559	\$33,049,058
Amount of Charity Care (charges)	\$100,882	\$119,516	\$93,851
Cost of Charity Care	\$100,882	\$119,516	\$93,851