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October 5, 2021

Via Email

Anne M. Cooper 312.873.3606 312.276.4317 Fax acooper@polsinelli.com

Ms. Courtney Avery Administrator Illinois Health Facilities and Services Review Board 525 West Jefferson Street, 2nd Floor Springfield, Illinois 62761

Re: Opposition to NANI Sycamore Dialysis (Proj. No. 21-019)

Dear Ms. Avery:

Polsinelli PC represents DaVita Inc. ("DaVita") and, on behalf of DaVita, writes this letter to document DaVita's strong objection Sycamore Renal Center, LLC, Nephrology Associates of Northern Illinois, Ltd., (collectively, "NANI") application to establish a 10-station dialysis center in Sycamore, Illinois. As detailed below, there is no need for additional stations in Sycamore and approval of the additional stations will result in unnecessary duplication of dialysis services within HSA 1. Furthermore, no facilities within 15 miles of the proposed NANI Sycamore Dialysis are operating above the Illinois Health Facilities and Services Review Board ("State Board") utilization standard nor trending to exceed target utilization in the near future. For these reasons, DaVita respectfully requests the State Board deny NANI's proposal to establish a dialysis center in Sycamore, Illinois.

1. No Need for Additional Stations within HSA 1

There is no need for additional stations in the Sycamore service area. There is currently an excess of stations in HSA 1. Accordingly, the establishment of a 10-station dialysis center will create greater excess in the HSA.

2. Utilization of Existing Facilities

There are presently 2 existing dialysis facilities within 15 miles of the proposed NANI Sycamore Dialysis. As of June 30, 2021, these facilities collectively operated at 68.1% utilization with neither facility operating above the State Board's 80% utilization standard. See Attachment – 1. Further, over the past four years the compound annual growth rate these 2 dialysis facilities

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was 2.9%. Assuming this historical growth trend continues, the projected utilization of the existing facilities by June 2024 (two years after the anticipated project completion date) will only increase to 76.4%. Importantly, these facilities will not collectively achieve 80% utilization until 2025.

NANI states a purpose of the project is to improve access to treatment times that are in the best interest of their patients. As previously noted, neither facility within the Sycamore geographic service area is currently operating at the State Board standard. There is shift availability at both Sycamore area dialysis facilities and scheduling patients for their desired shift is not difficult. Finally, DaVita maintains an open medical staff, and Dr. Arora has privileges at the DaVita facilities. There is no reason why NANI's projected patients cannot be treated at any of the existing facilities.

DaVita opposes NANI's proposal to establish a 10-station dialysis center in Sycamore, Illinois. There is currently no need, and the additional stations in Sycamore will exacerbate the current underutilization of in-center hemodialysis services. DaVita respectfully requests the State Board to deny this project

Sincerely,

Anne M. Cooper

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cc: Mary J. Anderson

		6/30/2018	6/30/2018	6/30/2019	6/30/2019	6/30/2020	6/30/2020 6/30/2021 6/30/2021	6/30/2021	-	6/30/2022	6/30/2022	6/30/2023	6/30/2023	6/30/2024	6/30/2024
	Stations	Stations Patients	Utilization	Patients	Utilization	Patients	Utilization	Patients Utilization	Utilization	Patients	Utilization	Patients	Utilization	Patients	Utilization
Sycamore Dialysis	12	59	81.9%	99	91.7%	28	80.6%	99	77.8%	55	76.4%	54	75.1%	53	73.8%
Timbercreek Dialysis	12	31	43.1%	77	61.1%	44	61.1%	42	28.3%	46	64.5%	51	71.4%	57	79.0%
Total	24	96	62.5%	110	76.4%	102	70.8%	86	68.1%	102	70.5%	106	73.3%	110	76.4%