



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

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 Dialysis Care Center Rockford (Proj. No. 21-028)

Dear Ms. Avery:

Polsinelli PC represents DaVita Inc. ("DaVita") and, on behalf of DaVita, writes this letter to document DaVita's strong objection to the proposal to add 4 stations to Dialysis Care Center Rockford ("DCC Rockford"). As detailed below, there is no need for additional stations in Rockford and approval of the additional stations will result in unnecessary duplication of dialysis services within HSA 1. Furthermore, only two of the seven dialysis facilities within 15 miles of the DCC Rockford are operating above the Illinois Health Facilities and Services Review Board ("State Board") utilization standard and no other facilities are trending to exceed target utilization in the near future. For these reasons, DaVita respectfully requests the State Board to deny DCC Rockford's plan to add four stations to its existing dialysis center.

1. No Need for Additional Stations within HSA 1

There is no need for additional stations in the Rockford service area. There is currently an excess of stations in HSA 1. Accordingly, the addition of 4 stations will create greater excess in the HSA.

2. Utilization of Existing Facilities

There are presently 7 existing dialysis facilities within 15 miles of DCC Rockford with an eighth facility projected to open in the first quarter of 2022. As of June 30, 2021, these facilities operated at 67.6% utilization with only two facilities operating above the State Board's 80% utilization standard. See Attachment – 1. Further, over the past four years the compound annual growth rate of these 7 dialysis facilities was 1.1%. Assuming this historical growth trend

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continues, the projected utilization of the existing facilities by June 2024 (two years after the anticipated project completion date) will only increase to 72.4% and aggregate utilization will not exceed 80% until 2027.

Notwithstanding the excess capacity among facilities in the Rockford area, DCC Rockford has capacity at its existing dialysis center. Importantly, it is currently treating 15 dialysis patients and operating only two shifts per day three days per week. Accordingly, DCC Rockford can accommodate 24 patients before meeting the State Board's 80% utilization standard. Expanding capacity after a few months of operation is premature.

DCC Rockford states a purpose of the project is to improve access to preferred treatment times. As previously noted, only two existing facilities are operating at the State Board standard. There is shift availability at every DaVita Rockford dialysis facility and scheduling patients for their desired shift is not difficult. In fact, DaVita plans to open a new 8-station dialysis facility on the south side of Rockford in the coming months. Finally, DaVita maintains an open medical staff, and Dr. Mahmood and Dr. Manda have privileges at the DaVita facilities in Rockford. There is no reason why their projected patients cannot be treated at any of the existing facilities in Rockford.

DaVita opposes DCC Rockford's proposed project add 4 stations to its dialysis facility in Rockford, Illinois. There is currently no need and the additional stations in Rockford will exacerbate the current underutilization of in-center hemodialysis services. DaVita respectfully requests the State Board to deny this project

Sincerely,

A handwritten signature in blue ink that reads "Anne M. Cooper".

Anne M. Cooper

cc: Mary J. Anderson

	Stations	6/30/2018	6/30/2018	6/30/2018	6/30/2019	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*	6/30/2022*	6/30/2023*	6/30/2023*	6/30/2024*	6/30/2024*
		Patients	Utilization	Patients	Utilization	Patients	Utilization	Patients	Utilization	Patients	Utilization	Patients	Patients	Utilization	Patients	Patients	Utilization	Patients	Utilization
Rockford Memorial Hospital	22	93	70.5%	86	65.2%	81	61.4%	82	62.1%	79	59.6%	75	57.1%	72	54.8%				
Stoncrest Dialysis	12	70	97.2%	71	98.6%	68	94.4%	62	86.1%	60	82.7%	57	79.4%	55	76.3%				
DaVita Forest City	12	20	27.8%	29	40.3%	30	41.7%	35	48.6%	42	58.6%	51	70.6%	61	85.1%				
DaVita Machesney Park	12	44	61.1%	45	62.5%	49	68.1%	51	70.8%	54	74.4%	56	78.2%	59	82.1%				
Roxbury Dialysis	16	86	89.6%	82	85.4%	85	88.5%	79	82.3%	77	80.0%	75	77.8%	73	75.6%				
Churchview Dialysis	24	86	59.7%	79	54.9%	93	64.6%	99	68.8%	104	72.1%	109	75.5%	114	79.1%				
DaVita Belvidere Dialysis	12	33	45.8%	35	48.6%	49	68.1%	38	52.8%	40	55.3%	42	58.0%	44	60.8%				
DCC Rockford	8	0	0.0%	0	0.0%	0	0.0%	8	16.7%	30	62.5%	39	81.3%	39	81.3%				
DaVita Edgewater	8	0	0.0%	0	0.0%	0	0.0%	0	0.0%	22	45.8%	45	93.8%	45	93.8%				
Total	126	432	57.1%	427	56.5%	455	60.2%	454	60.1%	506	67.0%	549	72.6%	562	74.3%				

*Projected