



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: H-04	BOARD MEETING: January 31, 2023	PROJECT NO: 22-042	PROJECT COST:
FACILITY NAME: Circle Dialysis Clinic		CITY: Chicago	Original: \$0
TYPE OF PROJECT: Substantive			HSA: VI

PROJECT DESCRIPTION: The Applicant (Circle Medical Management, Inc.) proposes the discontinuation of its End Stage Renal Dialysis (ESRD) facility in Chicago, Illinois. There is no cost to this project and the expected completion date is May 9, 2023.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION

- The Applicant (Circle Medical Management Inc.) proposes the discontinuation of an existing 28-station ESRD facility located in Chicago, Illinois. There is no cost to this project and the expected completion date is May 9, 2023.
- The proposed discontinuation is planned in conjunction with the establishment of a 24-station ESRD Facility (Project #22-043), located at 140 South Ashland Avenue, Chicago.
- Both ESRD facilities are located in HSA-06, where a need for 25 additional ESRD stations exists, per the December 2022 ESRD Inventory Update.

SUMMARY

- The Applicant is asking the State Board to approve the discontinuation of a 28-station ESRD facility and relocate 24 of these stations to a replacement site (approximately .5-miles from the current site). The Applicant notes the impending expiration of the building lease at the West Washington Boulevard facility.
- The existing 28-station facility has operated at approximately 37% over the most recent five-year period.

Year	2016	2017	2018	2019	2020	Ave
Utilization	64%	65%	63%	59%	57%	61.6%
Patients	103	110	105	99	95	102.4
Stations	27	28	28	28	28	
1. Information taken from facility surveys.						

- Both facilities are located in the same zip code (60607) and the same health service area (HSA-VI). HSA-VI currently reports having a need for 25 additional ESRD stations, so the proposed transaction will not add to any overage of stations in the service area. There are 23 ESRD facilities operating within a 5-mile radius of the Applicant facility. None of the mentioned facilities are operating in excess of the State Board Standard (80%).
- The existing facility is currently operating at 54.9%. If this facility discontinued all of its 28 stations, average utilization of the remaining facilities in the service area would increase to 58%. The Applicant anticipates the average utilization of area facilities to increase from 54.9% to 55.4% as a result of the reduction of 4 ESRD stations.
- The Applicants have met the State Board's requirements for the discontinuation of this 28-station ESRD facility.



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STATE BOARD STAFF REPORT

Project #22-042 Circle Dialysis Clinic

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Circle Medical Management, Inc.
Facility Name	Circle Dialysis Clinic
Location	14255 S. Cicero Avenue, Crestwood, Illinois
Permit Holder	Circle Medical Management, Inc.
Operating Entity	Circle Medical Management, Inc.
Owner of Site	Respiratory Health Association
Application Received	November 19, 2022
Application Deemed Complete	December 2, 2022
Review Period Ends	April 1, 2023
Financial Commitment Date	N/A
Project Completion Date	May 9, 2023
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicant (Circle Medical Management, Inc.) proposes to discontinue an existing 28-station ESRD facility located at 1426 West Washington Avenue, Chicago, Illinois. There is no cost to this project and the expected completion date is May 9, 2023.

II. Summary of Findings

- A. State Board Staff finds the proposed project is in conformance with the provisions of 77 ILAC 1110 (Part 1110).
- B. 77 ILAC 1120 (Part 1120) is not applicable to this project because there is no cost.

III. General Information

The Applicant is Circle Medical Management, Inc. Circle Medical Management Inc is under the joint ownership of Dr. Edmund Lewis (98%), and Dr. Julia Lewis (2%). Circle Medical Management own no other facilities in Illinois, other than the Washington Boulevard facility, which is slated for discontinuation. The Applicant party will be co-owner of the replacement facility (Project #22-043), with SRS-Circle Chicago, LLC. There are no project costs associated with this discontinuation.

IV. Background of the Applicants

The Applicant is Circle Medical Management, Inc. Circle Medical Management Inc is under the joint ownership of Dr. Edmund Lewis (98%), and Dr, Julia Lewis (2%). The Applicant attests that no adverse actions have been taken against Circle Medical Management Inc. in the three years prior to application.

V. Purpose of the Project

The Applicant states: *“The purpose of the relocation is to prevent an adverse impact on patients who are currently receiving services at the current facility, and to continue to provide the level of care that has traditionally been delivered to residents of the neighborhood in which the current facility is located, and patients who currently receive their care at Rush University. The facility has been in continuous operation since 1988. It serves a diverse group of patients. Recent studies have revealed the existence of significant social disparities in access to care. The current facility has made a point of eliminating those inequities since its inception more than 30 years ago. The owner’s objective in relocation is to continue to provide care to a diverse mix of patients who are challenged by the factors causing the disparity and inequity in healthcare that is finally being recognized in healthcare today.”*

VI. Discontinuation

The Applicant proposes the discontinuation of a 28-station ESRD facility in Chicago, to be followed by the reestablishment of a 24-station replacement facility approximately .5 miles away, in the same zip code and health service area. Should the State Board approve Project #22-043 (the establishment of the 24-stations at 140 South Ashland Avenue) the Applicants will discontinue the existing 28-station facility located at 1426 West Washington Boulevard, Chicago, after licensure and completion of project #22-043. Upon discontinuation, the property will be returned to its owners, and the existing equipment will be disposed of as it has outlived its tenure of useful service.

The proposed discontinuation is the result of the Applicants proposing to relocate the dialysis facility to 222 Vollmer Road Chicago Heights, Illinois from 14255 S. Cicero Avenue, Crestwood, Illinois approximately 11 miles from the current site.

The Applicant stated the reason for the discontinuation is based on the economic infeasibility of the current facility and the continued financial viability of operating at the same location. The Applicant has operated at the West Washington Boulevard location since 1988, in a building leased from a third party. The building owners expressed an unwillingness to renew the current lease, which expires in the 12 months

The Applicant does not believe there will be an impact on access with the discontinuation of this facility in Chicago, and the re-establishment of a 24-station replacement facility less than a mile away. There are 21 ESRD facilities within 5-miles of Circle Dialysis Clinic with 470 stations reporting an average utilization of 53.7%. Only one of the facilities identified in Table Two is operating above the State standard of 80%.

TABLE TWO Facilities within 5-miles of Circle Dialysis Clinic				
ESRD Name	City	Stations	Patients	Utilization
DaVita West Side	Chicago	12	32	51%
FMC Polk	Chicago	24	28	53%
FMC West Willow	Chicago	12	43	53%
DaVita Garfield	Chicago	24	90	56%
FMC Congress Parkway	Chicago	30	93	52%
DaVita Little Village	Chicago	16	70	77%
FMC West Metro	Chicago	12	20	16%
FMC Northwestern	Chicago	42	135	52%
FMS Humboldt Park	Chicago	34	125	61%
FMC Prairie	Chicago	24	100	66%
FMC Austin	Chicago	20	59	50%
DaVita Lincoln Park	Chicago	25	60	46%
DaVita Marshall Square	Chicago	12	3	7%
FMC Bridgeport	Chicago	27	104	64%
Lawndale Dialysis	Chicago	16	92	94%
FMC Logan Square	Chicago	16	60	67%
SAH Dialysis	Chicago	15	44	47%
DaVita Logan Square	Chicago	28	107	68%
FMS Hubbard	Chicago	24	61	43%
University of Illinois Med. Center	Chicago	26	116	73%
FMC Westside	Chicago	31	64	32%
Total Stations/Patient/Average Utilization		470	1506	53.7%
1. Information as of December 31, 2020. 2. State Standard for ESRD Utilization: 80%				

VII. Charity Care/Medicaid Information

According to the Applicant, this proposed discontinuation will have little, if any, impact on the essential safety net services in the community. The project is being filed as part of the relocation of the facility and this relocation will not result in any stations additions in the HSA VI ESRD Planning Area. The proposed discontinuation and relocation of the facility address challenges faced by the applicant, both with regards to patient census and could improve the overall ability of other providers to provide care. Outpatient dialysis facilities services provide a necessary service for patients in need of life sustaining dialysis care. This care is not viewed as a safety net service in the same manner as primary care services.

TABLE THREE			
Net Patient Revenue/Charity Care/Medicaid Information			
	2019	2020	2021
CHARITY CARE			
Charity (# of patients)			
Outpatient	0	0	2
Total	0	0	0
Charity (cost in dollars)			
Outpatient	\$294,744	\$209,163	\$155,748
Total	\$294,744	\$209,163	\$155,748
MEDICAID			
Medicaid (# of patients)			
Outpatient	19	20	23
Total	19	20	23
Medicaid (revenue)			
Outpatient	\$408,247	\$671,569	\$463,725
Total	\$408,247	\$671,569	\$463,725