

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Circle Dialysis Clinic			
Street Address: 140 South Ashland Avenue			
City and Zip Code: Chicago, IL 60607			
County: Cook	Health Service Area: 6	Health Planning Area: 6	

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

Exact Legal Name: Circle Medical Management, Inc	
Street Address: 1426 W. Washington Blvd	
City and Zip Code: Chicago, IL 60607	
Name of Registered Agent: KEVIN J CAPLIS	
Registered Agent Street Address: 120 N LASALLE ST #2600	
Registered Agent City and Zip Code: CHICAGO 60602	
Name of Chief Executive Officer: Edmund Lewis, MD, President	
CEO Street Address: 1426 W. Washington Blvd	
CEO City and Zip Code: Chicago, IL 60607	
CEO Telephone Number: 615-467-0140	

Type of Ownership of Applicants

☐ Non-profit Corporation	☐ Partnership	
☒ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ 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.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Sheri Floramo Korbet
Title: Chief Operating Officer
Company Name: Circle Medical Management, Inc
Address: 1426 W. Washington Blvd Chicago, IL 60607
Telephone Number: (312) 829-1424
E-mail Address: SFloramo@sanderlingllc.com
Fax Number: 615-259-0693

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Jerome S. Tannenbaum
Title: Chief Executive Officer
Company Name: SRS-Chicago Circle, LLC
Address: 511 Union Street Ste 1800 Nashville, TN 37219
Telephone Number: 615-467-0140
E-mail Address: jst@sanderlingllc.com
Fax Number: 615-259-0693

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification **Co-Applicant**

Facility Name: Circle Dialysis Clinic			
Street Address: 140 South Ashland Avenue			
City and Zip Code: Chicago, IL 60607			
County: Cook	Health Service Area: 6	Health Planning Area: 6	

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

Exact Legal Name: SRS-Circle Chicago, LLC
Street Address: 511 Union Street Ste 1800
City and Zip Code: Nashville, TN, 37219
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 South LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago 60604
Name of Chief Executive Officer: Jerome S. Tannenbaum
CEO Street Address: 511 Union Street Ste 1800
CEO City and Zip Code: Nashville, TN, 37219
CEO Telephone Number: 615-467-0140

Type of Ownership of Applicants

☐ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☒ Limited Liability Company	☐ Sole Proprietorship	☐ 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.		
APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Jerome S. Tannenbaum
Title: Chief Executive Officer
Company Name: SRS-Chicago Circle, LLC
Address: 511 Union Street, Ste 1800 Nashville, TN 37219
Telephone Number: 615-467-0140
E-mail Address: jst@sanderlingllc.com
Fax Number: 615-259-0693

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Lucien Cook, CPA
Title: Chief Accounting Officer
Company Name: SRS-Chicago Circle, LLC
Address: 511 Union Street Ste 1800 Nashville, TN 37219
Telephone Number: 615-499-5119
E-mail Address: lcook@sanderlingllc.com
Fax Number: 615-259-0693

Post Permit Contact

[Person to receive all correspondence after permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name:Jerome S. Tannenbaum, M.D., Ph.D., FACP
Title:Chief Executive Officer
Company Name:SRS-Chicago Circle, LLC
Address:511 Union Street Ste 1800 Nashville, TN 37219
Telephone Number: 615-467-0140
E-mail Address:jst@sanderlingllc.com
Fax Number:615-259-0693

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:Ashland South, LLC
Address of Site Owner:4044 N. Lincoln Ave #323, Chicago, IL 60618
Street Address or Legal Description of the Site: 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 <u>ATTACHMENT 2</u>, 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:Circle Medical Management, Inc.	
Address:1426 W. Washington Blvd Chicago, IL 60607	
☐ Non-profit Corporation ☒ For-profit Corporation ☐ Limited Liability Company	☐ Partnership ☐ Governmental ☐ Sole Proprietorship
☐ 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 organized and the name and address of each partner specifying whether each is a general or limited partner. - o 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.]

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 or 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>). **NOTE:** A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

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.]

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.

The project includes the closure of an existing 28 station licensed in-center hemodialysis facility (the "Facility") which is currently located at 1426 West Washington Blvd, Chicago, IL 60607, with relocation of the Facility to 140 South Ashland Street, both in zip code 60607 in Chicago, IL, and both within Health Service Area 6.

The new location will have 24 in-center hemodialysis stations and 2 home training stations. The Facility will offer the same dialysis modalities at the new location, including in-center hemodialysis, home hemodialysis, home Continuous Cycler Peritoneal Dialysis (CCPD), and Continuous Ambulatory Peritoneal Dialysis (CAPD). Home modalities will include training and support.

Medical Directorship of the Facility will be the same as in the existing location.

The existing location will not shut down until the new location for the Facility has been surveyed and approved for operation, at which time, patients will be re-directed to the new location. The patients will be offered schedules for their dialysis at times which are materially the same as their current schedule.

The new location is comprised of approximately 8,300 square feet of street-level vacant space inside a multi-story commercial building. Renovations will include upgrade of the HVAC system to comply with ASHRE and State Licensing standards for this type of healthcare facility, re-configuration of the plumbing, fire suppression, lighting, and electrical services to meet the needs of the contemplated dialysis facility, and general renovation of the interior walls and ceilings to conform to the schematic floor plan attached as an exhibit to this CON application.

The interior walls and partitions will be constructed in accordance with fire and insulation ratings which meet all applicable building codes.

The only modification to the exterior walls will be the replacement of entrance doors to meet ADA requirements. A separate entrance will be provided for ambulance pick-up and delivery of patients.

The Facility will be equipped with new, modernized dialysis and water treatment equipment. The floor plan and interior elevations have been designed to conform to standards published by the Facility Guidelines Institute (2021) and the Illinois standards for licensed dialysis facilities. These standards include, but are not limited to: ample treatment area around each dialysis station; adequate number of wash-up sinks; clean and soiled utility rooms, housekeeping closet, patient toilet, staff lounge and toilet, public toilet, a separate waiting area, an exam room, and a home training room. The facility also will have a separate room for treating patients who are positive for Hepatitis B.

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.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$00.00	\$00.00	\$00.00
Site Survey and Soil Investigation	\$00.00	\$00.00	\$00.00
Site Preparation	\$00.00	\$00.00	\$00.00
Off Site Work	\$00.00	\$00.00	\$00.00
New Construction Contracts	\$1,814,709	\$00.00	\$1,814,709
Modernization Contracts	\$00.00	\$00.00	\$00.00
Contingencies	\$160,000	\$00.00	\$160,000
Architectural/Engineering Fees	\$185,000	\$00.00	\$185,000
Consulting and Other Fees	\$150,000	\$00.00	\$150,000
Movable or Other Equipment (not in construction contracts)	\$253,800	\$00.00	\$253,800
Bond Issuance Expense (project related)	N/A	\$00.00	\$00.00
Net Interest Expense During Construction (project related)	N/A	\$00.00	\$00.00
Fair Market Value of Leased Space or Equipment	\$3,168,000	\$00.00	\$3,168,000
Other Costs to Be Capitalized	00.00	\$00.00	\$00.00
Acquisition of Building or Other Property (excluding land)	00.00	\$00.00	\$00.00
TOTAL USES OF FUNDS	\$5,731,509	\$00.00	\$5,731,509
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$1,363,509		\$1,363,509
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$3,168,000		\$3,168,000
Governmental Appropriations			
Grants			
Other Funds and Sources Landlord Allowance	\$1,200,000		\$1,200,000
TOTAL SOURCES OF FUNDS	\$5,731,509		\$5,731,509
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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 ☐ Yes ☒ No Purchase Price: \$ <u>N/A</u> Fair Market Value: \$ <u>N/A</u>
The project involves the establishment of a new facility or a new category of service ☒ Yes ☐ No If yes, provide the dollar amount of all non-capitalized 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. 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): <u>April 30, 2023</u>
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 See Attachment 8 - Building Lease Early Termination ☒ 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 <u>N/A</u> ☐ APORS <u>N/A</u> ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted ☐ All reports regarding outstanding permits <u>N/A - Applicant has no outstanding permits</u> 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 departments or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Not Reviewable Space [i.e., non-clinical]: means an area for the benefit of the patients, visitors, staff, or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. [20 ILCS 3960/3]

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical	\$5,731,509	00.00	8,300 (DGSF)	0	8,300 DGSF	00.00	00.00
(all ESRD)							
NON-REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical	00	00	00	00	00	00	00
TOTAL	\$5,731,509	0	8,300 (DGSF)	00	8,300 (DGSF)	00	00

APPEND DOCUMENTATION AS **ATTACHMENT 9**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. [See attached schematic floor plan](#)

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Circle Medical Management Inc		CITY: Chicago, IL 60607			
REPORTING PERIOD DATES: From:10/01/2021 to:09/30/2022					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other – In-Center Hemodialysis	28	144	13,903	-4	24
TOTALS:	28	144	13,903	-4	24

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 Circle Medical Management, 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.

Julia Lewis
SIGNATURE

Julia Lewis, M.D.
PRINTED NAME

President
PRINTED TITLE

Sheri F. Korbet
SIGNATURE

Sheri F. Korbet
PRINTED NAME

Chief Operating Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 9th day of November 2022

Notarization:
Subscribed and sworn to before me
this 9th day of November 2022

Lucien D. Cook
Signature of Notary
My Commission expires 11-6-24
Seal

Lucien D. Cook
Signature of Notary
My Commission expires 11-6-24
Seal

*Insert the EXACT legal name of the applicant



Circle Medical Management, Inc.
 SRS-Chicago Circle, LLC
 Exemption and CON Application
 November 1, 2022

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- 06/2022 - Edition

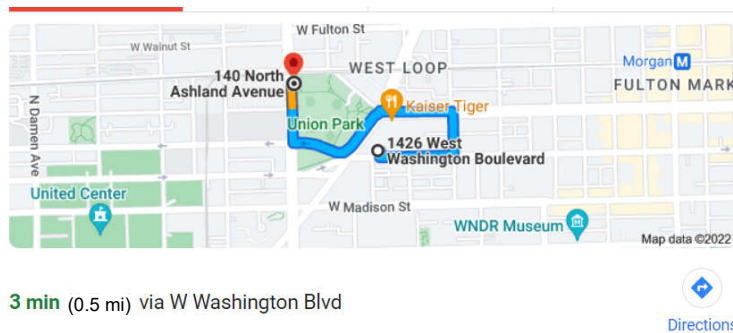
SECTION II. DISCONTINUATION**Section 1110.290 - Discontinuation - Review Criteria**

These criteria pertain to the discontinuation of categories of service and health care facilities.

a. Information Requirements - Review Criterion

The applicant shall provide at least the following information:

- i. **Identification of the categories of service and the number of beds, if any, that are to be discontinued;**
The applicant intends to discontinue a 28 Station In-Center Dialysis facility at its present location and re-locate the services to a 24 Station In-Center Dialysis Facility approximately 0.5 miles (3 minutes) away from the present location. Both locations are within HSA 6. (See map)



- ii. **Identification of all other clinical services that are to be discontinued;**
No other services will be discontinued.
- iii. **The anticipated date of discontinuation for each identified service or for the entire facility;**
The applicant proposes to discontinue operation of the existing facility upon completion and certification of the relocated facility and following the approval of this application. Upon discontinuation of this facility and relocation to the new site, there will not be a reduction of 4 In-Center Dialysis Stations within HSA 6.
- iv. **The anticipated use of the physical plant and equipment after discontinuation occurs;**
The applicant will purchase new equipment for the relocated facility, and existing equipment which is beyond its useful service life will be disposed of. The physical plant will be vacated and returned to the owner of the building. (The Owner of the building has sold the property and is unwilling to renew the lease with the applicant. The Owner's intentions for the building are unknown to the Applicant and beyond the Applicant's control).
- v. **The anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be retained;**
The medical records of the Facility's patients are maintained in an electronic health records information system. The patient's records shall continue to be maintained, without loss of data, in an electronic medical record. The records will be maintained in compliance with all applicable State and Federal laws pertaining to medical record storage.
- vi. **For applications involving discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or the Illinois Department of Public Health (IDPH) (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 60 days following the date of discontinuation.**

Attachment 10 to this Exemption request includes an attestation that the Applicant has provided the required notice of the facility closure to local media that the health care facility would routinely notify about facility events. A copy of that notice is included.

- vii. **For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.**

Copies of the notices are included as Attachment 10 to this Application. Such notices were sent on October 31, 2022.

- viii. **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.**

A copy of the attestation is included with Attachment 10 to this Application.

b. **Reasons for Discontinuation - Review Criterion**

The applicant shall document that the discontinuation is justified by providing data that verifies that one or more of the following factors (and other factors, as applicable) exist with respect to each service being discontinued:

- i. **Insufficient volume or demand for the service; *Not Applicable***
- ii. **Lack of sufficient staff to adequately provide the service; *Not Applicable***
- iii. **The facility or the service is not economically feasible, and continuation impairs the facility's financial viability; *Not Applicable***
- iv. **The facility or the service is not in compliance with licensing or certification standards. *Not Applicable***

NOTE: The Applicant has operated its In-Center Facility in the same location since 1988, in premises leased from a third party. The owner of the building is unwilling to renew the Applicant's lease, which is set to expire in approximately 12 months. Continuation of the service at the present location is not feasible for this reason.

c. **Impact on Access - Review Criterion**

The applicant shall document whether the discontinuation of each service or of the entire facility will have an adverse impact upon access to care for residents of the facility's market area. The facility's market area, for purposes of this Section, is the established radii outlined in 77 Ill. Adm. Code 1100.510(d).¹ Factors that indicate an adverse impact upon access to service for the population of the facility's market area include, but are not limited to, the following:

- i. **The service will no longer exist within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the applicant facility; *Not applicable. The radius for Cook County is 5 miles. The Applicant intends to relocate the service in a 24 Station facility, at a location which is 0.5 miles (3 minutes) from the present location. This only represents a reduction of 4 out of 28 Stations. Only 27 of such Stations have been in operation during the existence of the Facility. The 24 Station replacement facility will be able to accommodate the current and projected number of patients who utilize the existing facility. In addition, there are 24 In-Center Dialysis Facilities within a five mile radius, with a total of 503 In-Center Stations, operating at 53% capacity (as of December 31, 2020).***
- ii. **Discontinuation of the service will result in creating or increasing a shortage of beds or services, as calculated in the Inventory of Health Care Facilities, which is described in 77 Ill. Adm. Code 1100.70 and found on HFSRB's website; *There are 24 In-Center Dialysis Facilities within a five mile radius of the Facility, with a total of 503 In-Center Hemodialysis Stations, operating at 53% capacity (as of December 31, 2020). The discontinuation of the present facility, with relocation of 24 of the 28 approved Stations to a new location, will have no adverse impact on the availability of the services in HSA 6.***
- iii. **Facilities or a shortage of other categories of service at determined by the provisions of 77 Ill. Adm. Code 1100 or other Sections of this Part. *Not applicable.***

- d. **The applicant shall provide copies of notification letters sent to other resources or health care facilities that provide the same services as those proposed for discontinuation and that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d). The notification letter must include at least the anticipated date of discontinuation of the service and the total number of patients that received care or the number of**

treatments provided (as applicable) during the latest 24-month period. See attached letters which have been sent on October 31, 2022 to In-Center Hemodialysis Facilities located within 5 miles of the present 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 listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
 - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
 - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction, and submit any police or court records regarding any matters disclosed.
 - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
 - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
 - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. 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.**
5. 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 can 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** 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 BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
24 In-Center Dialysis Stations + 2 Home Training	8,300	10,800	-1,500	YES

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./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET 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:

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:

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. - MASTER DESIGN AND RELATED PROJECTS

This Section is applicable only to proposed master design and related projects.

Criterion 1110.235(a) - System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities.
2. How the services proposed in future projects will improve access to planning area residents.
3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed.
4. The anticipated role of the facility in the delivery system including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

Criterion 1110.235(b)-Master Plan or Related Future Projects

Read the criterion and provide documentation regarding the need for all beds and services to be developed and document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects; and
2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:
 - a. limitation on government funded or charity patients that are expected to continue.
 - b. restrictive admission policies of existing planning area health care facilities that are expected to continue.
 - c. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.

3. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction of modernization project(s), based upon:
 - a. historical service/beds utilization levels.
 - b. projected trends in utilization (include the rationale and projection assumptions used in such projections).
 - c. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

Criterion 1110.235(c) - Relationship to Previously Approved Master Design Projects

READ THE CRITERION which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit.
2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit.
3. An item-by-item comparison of the construction elements (i.e., site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project.
4. A comparison of proposed beds and services to those approved under the master design permit.

APPEND DOCUMENTATION AS ATTACHMENT 18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA

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
☒ In-Center Hemodialysis	28	24

- 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)

VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document those 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]:

\$2,000,000	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 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 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.
\$00.00	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
\$00.00	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.
\$4,368,000	d)	Debt – a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 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. 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate. 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. 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. 5) For any option to lease, a copy of the option, including all

	terms and conditions.
<u>\$00.00</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>\$00.00</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>\$785,697</u>	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. (<i>Accounts Receivable</i>)
	TOTAL FUNDS AVAILABLE

Note: Contemplated use of funds for construction and equipment is \$1,363,509. Cash investment of \$2,000,000 results in surplus cash on hand of \$636,491. Accounts Receivable (Net) of \$785,697 results in total working capital of \$1,422,188.

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 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 the project's 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 3 Years			Projected
Enter Historical and/or Projected Years:	2019	2020	2021	2023
Current Ratio	1.9	2.86	1.64	2.81
Net Margin Percentage	8.9%	15.0%	4.4%	7.8%
Percent Debt to Total Capitalization	37%	17.8%	39%	75%
Projected Debt Service Coverage	34	86	17	2.46
Days Cash on Hand	5.76	9.32	5.92	38
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 IX. 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 the cash and equivalents must be retained in the balance sheet asset accounts 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 (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* 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 X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, **including the impact on racial and health care disparities 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 each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all 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 37.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			

	Outpatient				
	Total				

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

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			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

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

SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: Circle Medical Management, Inc.

(Name)		(Address)	
Chicago	IL	60607	
(City)	(State)	(ZIP Code)	(Telephone Number)

2. Project Location: 140 S. Ashland Avenue Chicago, IL

(Address)		(City)	(State)
Cook	Chicago - Near West End		
(County)	(Township) (Section)		

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go to NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes___ No X ?

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: see attached Map Effective Date: 10/26/2022

Name of Official: _____ Title: _____

Business/Agency: _____ Address: _____

(City)	(State)	(ZIP Code)	(Telephone Number)
--------	---------	------------	--------------------

Signature: _____ Date: _____

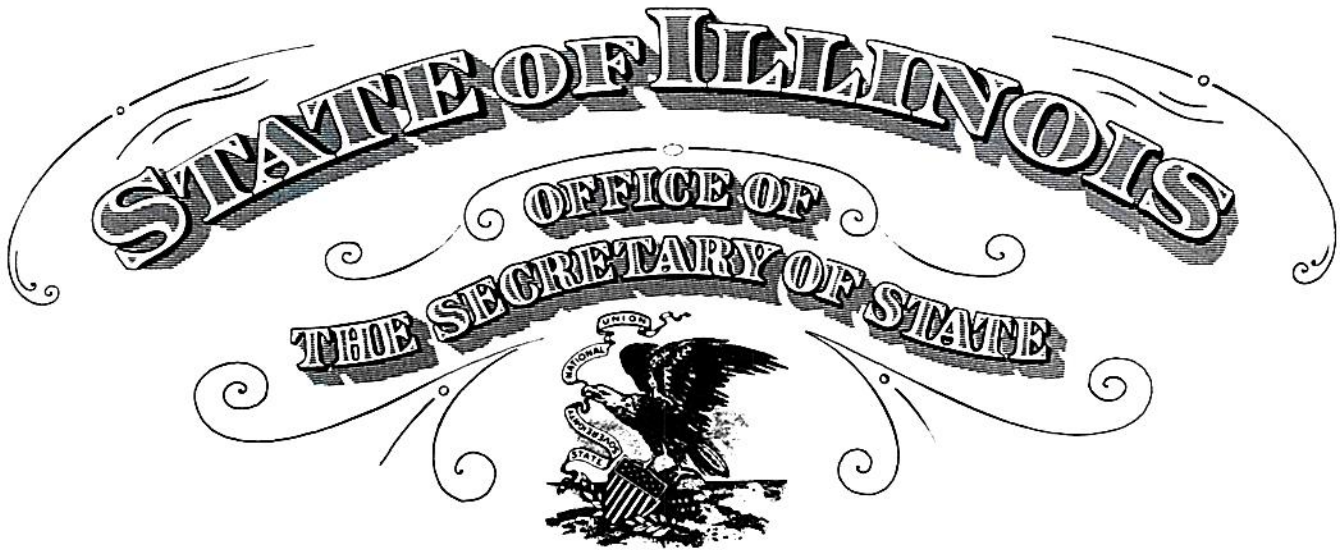
NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

Section	Attach	Description - Circle Medical Management Relocation	
Section I	1.00	Applicant Identification including Certificate of Good Standing	Included
Section I	2.00	Site Ownership	Included
Section I	3.00	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	Included
Section I	4.00	Organizational Relationships (Organizational Chart)	Included
Section I	5.00	Flood Plain Requirements	Included
Section I	6.00	Historic Preservation Act Requirements	Included
Section I	7.00	Project and Sources of Funds Itemization-Floor Plan (Itemized Project and Eqpt Cost)	Included
Section I	8.10	Financial Commitment Document if required (Letter from SRS-Chicago Circle, LLC and Pharos Capital)	Included
Section I	8.20	Financial Commitment Document if required (Lease with Early Termination Clause subject to permit approval)	Included
Section I	9.00	Cost Space Requirements (Schematic floor plan)	Included
Section II	10.10	Discontinuation - Notice to Newspaper	Included
Section II	10.20	Discontinuation - Notice to State Representative	Included
Section II	10.30	Discontinuation - Notice to State Senator	Included
Section II	10.40	Discontinuation - Notice to Dept of Health	Included
Section II	10.50	Discontinuation - Notice to Local Clinics	Included
Section II	10.60	Discontinuation - Notice to Family Services	Included
Section II	11.10	1110.110(a) – Background of the Applicant No Adverse Action	Included
Section III	11.20	1110.110(a) – Background of the Applicant- A listing of all health care facilities currently owned and/or operated	Included
Section III	11.30	1110.110(a) – Background of the Applicant - Authorization permitting HFSRB and DPH access to any documents	Included
Section III	11.40	1110.110(a) – Background of the Applicant - Concurrent applications	Included
Section III	12.00	1110.110(b) & (d) - PURPOSE OF PROJECT	Included
Section III	13.00	1110.110(b) & (d) - ALTERNATIVES	Included
Section IV	14.00	Size of the Project	Included
Section IV	15.00	Project Service Utilization	Included
Section IV	16.00	Unfinished or Shell Space	Included
Section IV	17.00	Assurances for Unfinished/Shell Space	Included
Section V	18.00	Master Plan (Not Applicable)	N/A
Section VI	24.00	In-Center Hemodialysis	Included
Section VII	34.00	1120.120 - AVAILABILITY OF FUNDS	Included
Section VIII	35.00	1120.130 Financial Waiver	N/A
Section VIII	36.00	1120.130 - Economic Feasibility - FINANCIAL VIABILITY	Included
Section IX	37.00	1120.140 - ECONOMIC FEASIBILITY -Funded in part by debt	Included
Section X	38.00	Safety Net Impact Statement	Included
Section X	39.00	Charity Care Information	Included
Section XI	99.00	Flood Plain Information	

File Number

5421-024-8



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

CIRCLE MEDICAL MANAGEMENT, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 15, 1986, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION 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 26TH
day of OCTOBER A.D. 2022 .

Jesse White

SECRETARY OF STATE

Authentication #: 2229902444 verifiable until 10/26/2023

Authenticate at: <https://www.ilsos.gov>

Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY "SRS-CHICAGO CIRCLE, LLC" IS DULY
FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD
STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS
OFFICE SHOW, AS OF THE TENTH DAY OF AUGUST, A.D. 2021.*



6155123 8300

SR# 20212934854

You may verify this certificate online at corp.delaware.gov/authver.shtmlA handwritten signature in black ink, appearing to read "JBullock", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 203883973

Date: 08-10-21

ATTACHMENT 1

Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF FORMATION OF "SRS-CHICAGO CIRCLE,
LLC", FILED IN THIS OFFICE ON THE TENTH DAY OF AUGUST, A.D.
2021, AT 11:35 O'CLOCK A.M.*



6155123 8100
SR# 20212934854

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

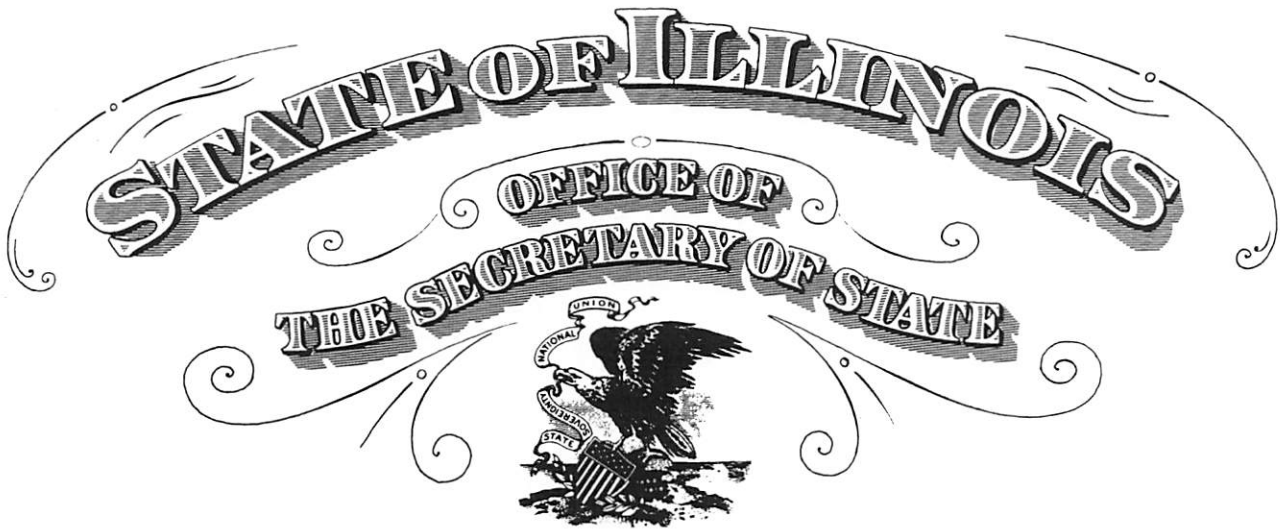
Jeffrey W. Bullock, Secretary of State

Authentication: 203883972
Date: 08-10-21

ATTACHMENT 1

File Number

1062783-4



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

SRS-CHICAGO CIRCLE, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON AUGUST 13, 2021, 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 16TH
day of AUGUST A.D. 2021 .

Jesse White

SECRETARY OF STATE

Authentication #: 2122802806 verifiable until 08/16/2022

Authenticate at: <http://www.ilsos.gov>

Your Property Tax Overview

TOTAL TAXING DISTRICT DEBT ATTRIBUTED TO YOUR PROPERTY

Total Taxing District Debt Attributed to Your Property: **\$710,065**
 Property Value: **\$1,526,708**
 Total Debt % Attributed to Your Property Value: **46.5%**

To see the 20-Year History of Your Property Taxes, [click here](#).

Note: The above amounts are illustrations of how much government debt could be attributed to your property based on its 2020 value.

[See Details Here](#)

OVERVIEW - PAYMENTS



Property Index Number (PIN): 17-18-215-024-0000

[BEGIN A NEW SEARCH](#)

Scroll down for more information.



[Incorrect Image? Click Here.](#)

Property Location:
 132 S ASHLAND AVE
 CHICAGO, IL 60607-2402
Volume: 593

Mailing Information:
 ASHLAND SOUTH LLC
 4044 N LINCOLN 323
 CHICAGO, IL 60618-3038
[Update Your Information](#)

Are Your Taxes Paid?

Tax Year 2020 (billed in 2021) Total Amount Billed: \$85,308.86

1st INSTALLMENT - Tax Year 2020

Original Billed Amount: \$49,053.97
Due Date: 03/02/2021
Tax: \$0.00
Interest: \$0.00
Current Amount Due: \$0.00

2nd INSTALLMENT - Tax Year 2020

Original Billed Amount: \$36,254.89
Due Date: 10/01/2021
Tax: \$0.00
Interest: \$0.00
Current Amount Due: \$0.00

Total Amount Due: \$0.00

[Expand Payment Details](#) ▼

Attachment 2

Your Property Tax Overview

TOTAL TAXING DISTRICT DEBT ATTRIBUTED TO YOUR PROPERTY

Total Taxing District Debt Attributed to Your Property: \$86,877
 Property Value: \$186,792
 Total Debt % Attributed to Your Property Value: 46.5%

To see the 20-Year History of Your Property Taxes, click here.

Note: The above amounts are illustrations of how much government debt could be attributed to your property based on its 2020 value.

See Details Here

OVERVIEW - PAYMENTS



Property Index Number (PIN): 17-18-215-025-0000

[BEGIN A NEW SEARCH](#)

Scroll down for more information.



Incorrect Image? Click Here.

Property Location:
 132 S ASHLAND AVE
 CHICAGO, IL 60607-2402
Volume: 593

Mailing Information:
 ASHLAND SOUTH LLC
 4044 N LINCOLN 323
 CHICAGO, IL 60618-3038
[Update Your Information](#)

Are Your Taxes Paid?

Tax Year 2020 (billed in 2021) Total Amount Billed: \$10,437.47

1st INSTALLMENT - Tax Year 2020

Original Billed Amount: \$6,002.87
 Due Date: 03/02/2021
 Tax: \$0.00
 Interest: \$0.00
 Current Amount Due: \$0.00

2nd INSTALLMENT - Tax Year 2020

Original Billed Amount: \$4,434.60
 Due Date: 10/01/2021
 Tax: \$0.00
 Interest: \$0.00
 Current Amount Due: \$0.00

Total Amount Due: \$0.00

[Expand Payment Details ▼](#)

Attachment 2

ATTACHMENT 3**PERSONS WITH 5 PERCENT OR GREATER INTEREST IN THE LICENSEE**

Circle Medical Management, Inc. is owned by Dr. Edmund Lewis (98%) (with the remaining 2% being held by Dr. Julie Lewis).

SRS-Chicago Circle, LLC is owned 100% by Sanderling Renal Services-USA LLC. The ownership interests of **Sanderling Renal Services-USA LLC** are held by certain individuals, with those individuals holding 5% or greater being: Dr. Jerome Tannenbaum (14.55%); Deborah Tannenbaum (14.55%); Dr. Benjamin Rudnitsky (14.7%); and Dr. Rajeev Prasad (8.9%).¹

¹ Depending on the date of processing of this application, the ownership structure of the SRS/Sanderling entities may be in the process of some internal restructuring. We have reflected the ownership and percentages that will be effective immediately prior to and subsequent to the transaction.

Attachment 3 – Ownership
Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

Mr. John Knierly
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Knierly,

I hereby certify that Circle Medical Management, Inc. is:

Dr. Edmund Lewis – 98%

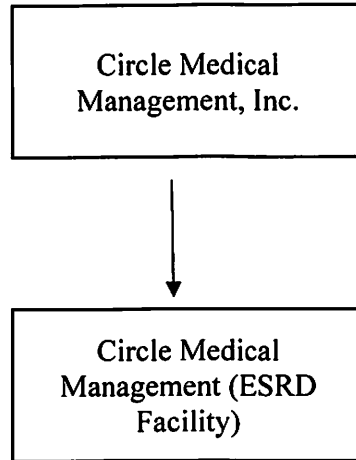
Dr. Julia Lewis – 2%

Sincerely,



Julia Lewis, M.D.
President

ATTACHMENT 4-A
PRE-TRANSACTION ORGANIZATIONAL CHART

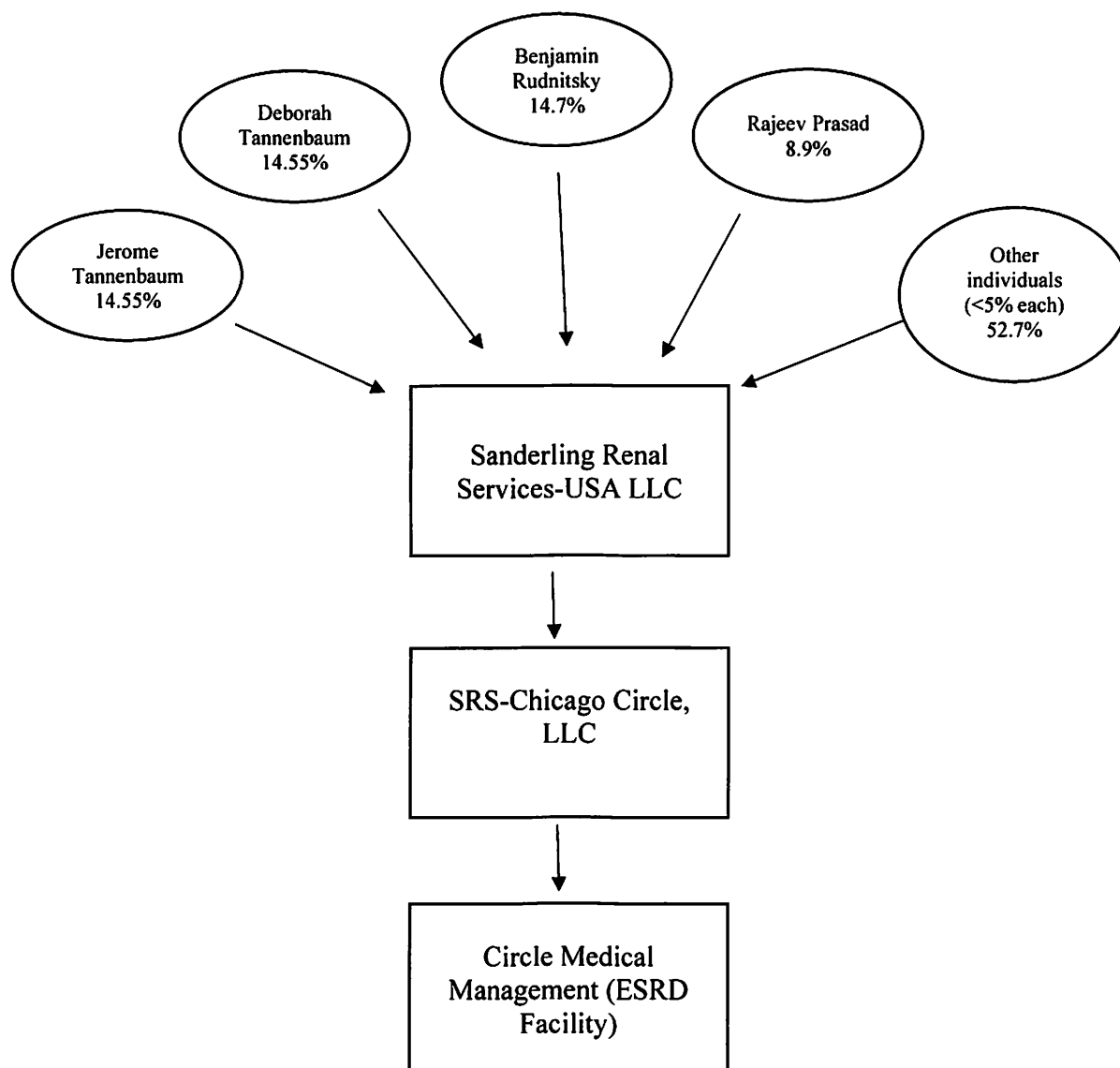


ATTACHMENT 4**ORGANIZATIONAL RELATIONSHIPS**

The facility is owned by Circle Medical Management, an Illinois corporation. As a result of the proposed transaction, the assets of the facility will be acquired by SRS-Chicago Circle, LLC, a wholly owned subsidiary of Sanderling Renal Services-USA LLC. Current and proposed organizational charts are included with this Attachment. All direct owners of a 5% or more interest in the applicant facility are identified in the organizational charts.

ATTACHMENT 4-B

POST-TRANSACTION ORGANIZATIONAL CHART



Circle Medical Management, Inc.
SRS-Chicago Circle, LLC
Exemption and CON Application
November 1, 2022
Attachment 5
Floodplain – Compliance

Executive Order 2006-5: CONSTRUCTION ACTIVITIES IN SPECIAL FLOOD HAZARD AREAS

1) For purpose of this Order:

- a) "Critical Facility" means any facility which is critical to the health and welfare of the population and, if flooded, would create an added dimension to the disaster. Damage to these critical facilities can impact the delivery of vital services, can cause greater damage to other sectors of the community, or can put special populations at risk. The determination of Critical Facility will be made by each agency.

2) All State Agencies engaged in any development within a Special Flood Hazard Area shall undertake such development in accordance with the following:

- a) All development shall comply with all requirements of the National Flood Insurance Program (44 C.F.R. 59-79) and with all requirements of 92 Illinois Administrative Code Part 700 or 92 Illinois Administrative Code Part 708, whichever is applicable.
- b) In addition to the requirements set forth in preceding Section A, the following additional requirements shall apply where applicable:
 - (1) All new Critical Facilities shall be located outside of the floodplain. Where this is not practicable, Critical Facilities shall be developed with the lowest floor elevation equal to or greater than the 500-year frequency flood elevation or structurally dry floodproofed to at least the 500-year frequency flood elevation.

Comment:

The proposed location *complies* with the Executive Order.

- 1. A dialysis clinic is a Critical Facility.
- 2. The proposed location is outside of the floodplain, as evidenced by the Flood Plain map published on the FEMA website as of October 31, 2022.

National Flood Hazard Layer FIRMette

87°40'8"W 41°53'13"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE)
Zone A, V, A99
- With BFE or Depth
Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance Flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee, See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN
- Area of Minimal Flood Hazard Zone X
- Effective LOMR
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

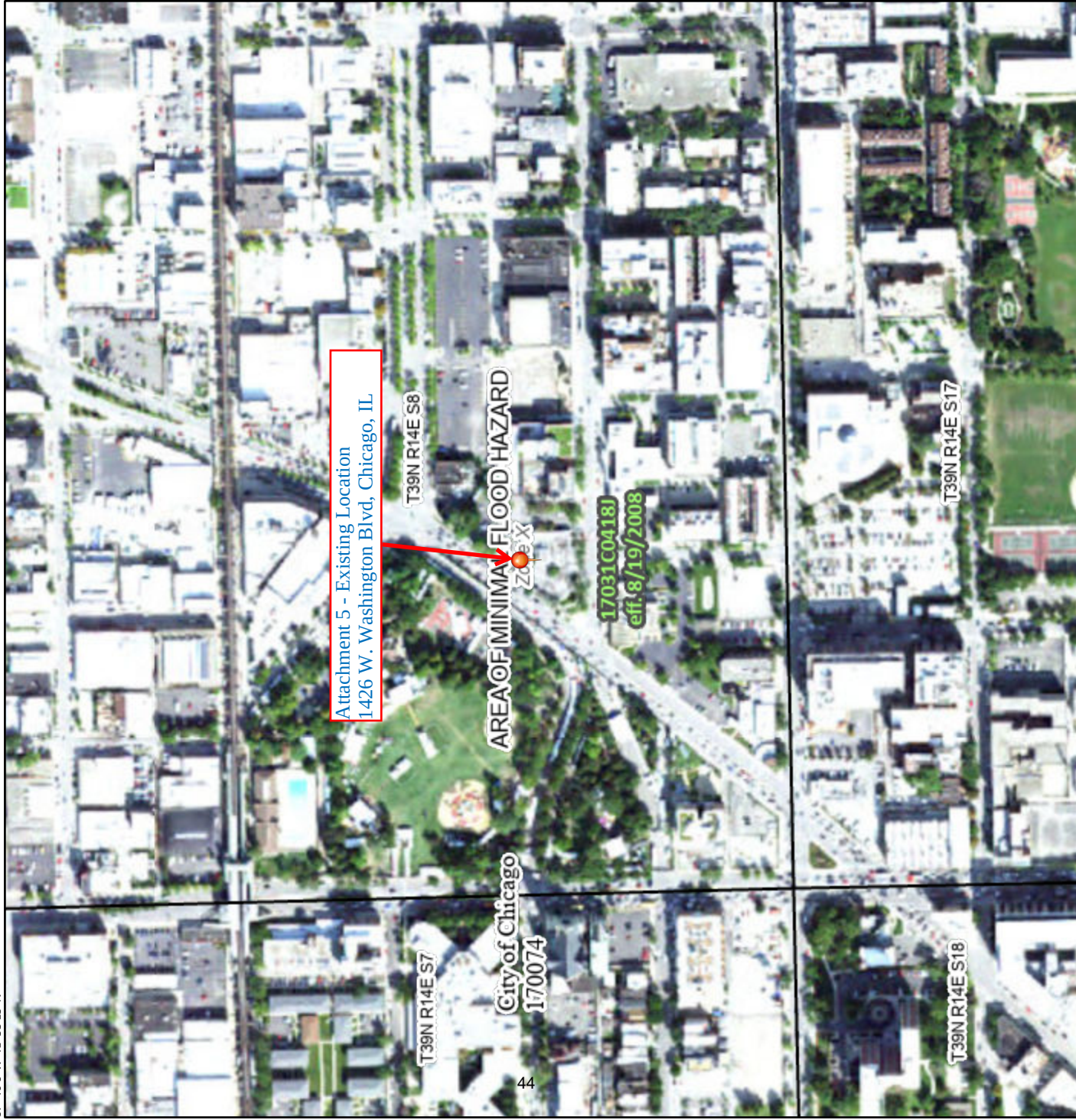
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

#22043

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **10/26/2022 at 4:12 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



0 250 500 1,000 1,500 2,000 Feet 1:6,000

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

National Flood Hazard Layer FIRMette



87°40'19"W 41°52'59"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000 45 87°39'42"W 41°52'32"N
Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend #22-043

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		17.5 Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **10/26/2022 at 4:09 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Attachment 5



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

#22-043

JB Pritzker, Governor
Colleen Callahan, Director

Cook County
Chicago

CON - Relocation of Dialysis Facility
Existing - 1426 W. Washington Blvd., Proposed - 140 S. Ashland Ave.
SHPO Log #006110122

November 3, 2022

Sheri Floramo Korbet
Circle Medical Management
1426 W. Washington Blvd.
Chicago, IL 60607

Dear Ms. Korbet:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Rita Baker, Cultural Resources Manager, at 217/785-4998 or at Rita.E.Baker@illinois.gov.

Sincerely,

A handwritten signature in cursive script that reads "Carey L. Mayer".

Carey L. Mayer, AIA
Deputy State Historic
Preservation Officer

Attachment 6

Circle Medical Management, Inc
Certificate of Need Application
Sources and Uses
Attachment 7 - Page 1

CSI Code	SCOPE OF WORK - Modernization	Amount
03300	Concrete - SOG	\$ 40,000
06200	Finish Carpentry	\$ 5,930
06410	Cabinets / Casework - Install Only	\$ 20,000
06411	Cabinets / Casework - Countertops	\$ 150,000
07200	Insulation	\$ 3,828
07800	Firestopping	\$ 48,000
07900	Sealants and Caulking	\$ 1,000
08100	Doors , Frames Hardware	\$ 78,538
08400	Entrances and Storefronts	\$ 71,405
09100	Metal Stud Framing	\$ 190,000
09200	Drywall	Included
09510	Acoustical Ceilings	\$ 84,000
	FRP	\$ 5,150
09620	Concrete Sealing	\$ 5,335
09500	Resilient Flooring	\$ 140,901
09900	Painting	\$ 23,287
10260	Wall and Corner Guards	\$ 1,500
10400	Signage	\$ 1,500
10500	Lockers - Install Only	\$ 1,000
10520	Fire Extinguishers	\$ 950
10800	Toilet Accessories	\$ 3,500
15300	Fire Protection Systems	\$ 38,000
15400	Plumbing	\$ 323,500
15700	HVAC	\$ 251,665
16000	Electrical	\$ 150,000
16400	Fire Alarm System	\$ 32,000
16700	Security Systems	\$ 25,000
00000	Subtotal - Modernization Contracts	\$ 1,695,989
00000	GC O&P @ 7%	\$ 118,719
Total Modernization Contracts		\$ 1,814,709

00000	Contingency	\$ 160,000
00000	Architectural and Engineering Fees	\$ 185,000
00000	Consulting and Licensing Fees	\$ 150,000
00000	Moveable and Other Equipment (not in contracts)	\$ 253,800
00000	Bond	\$ 0
00000	Fair Market Value of Leased Space or Equipment	\$ 3,168,000
Total Uses		\$ 5,731,509

Circle Medical Management, Inc
Certificate of Need Application
Sources and Uses
Attachment 7 - Page 2

Equipment Budget

Dialysis Chairs	\$ 52,800
Clinical Furniture & Eqpt	\$ 60,000
Office Equipment and Furniture	\$ 45,000
TV's	\$ 68,000
Telephones	\$ 8,000
Miscellaneous	\$ 20,000
Total Equipment (Purchased)	\$ 253,800

Leased Space and Equipment

FMV Leased Space (8,300 sf NPV 20 Years)	\$ 2,528,000
Leased Dialysis Machine	\$ 360,000
Leased Water Treatment System	\$ 280,000
Total FMV Leased Space and Equipment	\$ 3,168,000

Sources:

Cash	\$ 1,363,509
Leases	\$ 3,168,000
Other Funds (Landlord Allowance)	\$ 1,200,000
Total Sources	\$ 5,731,509

Attachment 8 – Financial Commitment
Circle Medical Management, Inc.
Relocation CON

October 27, 2022

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Kniery,

I hereby certify that SRS-Chicago Circle, LLC and Pharos Capital Group, LLC, have committed to invest a minimum of Two Million Dollars (\$2,000,000) in cash, from available funds, for the purpose of the relocating and supporting the future operations of the dialysis clinic owned by Circle Medical Management, Inc., from its current location at 1426 West Washington Blvd, Chicago, IL to the proposed new location at 140 South Ashland Avenue, Chicago, IL.

Pharos Capital Group, LLC is a private equity investor with \$1.2 billion under management. Pharos invests in healthcare companies that will make an impact on the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. Through its investment activities, Pharos works to address at least four of these goals:

No Poverty
Good Health and Well-Being
Reduced Inequalities
Sustainable Cities and Communities

The proposed relocation of the dialysis clinic owned by Circle Medical Management, Inc. addresses each of our primary goals. The clinic has a long-standing history of serving an inner-city population which suffers from many of the social determinants of health. Pharos is supporting this investment from its latest investment fund of \$500 Million through its investment in Sanderling Renal Services, Inc. and its wholly-owned subsidiary, SRS-Chicago Circle, LLC.

Sincerely,



Jerome S. Tannenbaum, M.D., Ph.D., FACP
Chairman and Chief Executive Officer

? Ashland south?

Paramount Lofts Commercial Space (Dialysis Space)

140 S Ashland Ave, Chicago, Illinois 60607

**SRS-CHICAGO CIRCLE, LLC. Parent company (Sanderling
Renal Services, Inc.)
and Ashland South, LLC**

STORE LEASELESSEE:

Name: SRS-Chicago Circle, LLC.
 Parent company (Sanderling Renal Services, Inc.)
 Attn: Jerome S. Tannenbaum
 c/o Sanderling Renal Services, Inc.
 511 Union Street, Ste 1800
 Nashville, TN 37219
 Via email: jst@sanderlingllc.com
 Telephone: 615-499-5122

Date of Lease: September 16, 2022

Term of Lease: Twenty (20) Years

LESSOR:

Name: Ashland South, LLC
 Attention: Amelia G Engel
 Address: 4044 N. Lincoln Avenue #323
 Chicago, IL 60618
 Telephone: 561-722-5943

Option Period: Two (2) five-year renewal options. Tenant or Sub-Tenant which has been previously approved by Landlord, may exercise its options to extend by providing written notice to Landlord no less than nine (9) Months prior to the expiration of the prior term.

Lease Termination Date: The expiration of Twenty (20) years following the Lease Commencement Date.

Lease and Rent Commencement Date: Lessee shall commence rent (including CAM) payments on the first day of the thirteenth month after lease signing.

Early Termination: Lease may be terminated by Tenant up to 180 days after lease signing otherwise lease will be in full effect and rent will commence on the 13th month after lease signing. Tenant shall be entitled to extend the early termination date to 270 days with payment of \$65,000 as an Early Termination Extension Fee).

Address of leased premises: The leased premises that are the subject of this Lease involves commercial space consisting of approximately 8,300 sq. ft., situated along the Ashland Ave and Adams Street side of the Commercial Area. The leased premises and the Commercial Area are depicted on Exhibit A attached hereto. (The leased premises are hereinafter referred to as "Premises" or "leased premises"). The "Commercial Area" is an approximately 48,109 sq. ft. space on the ground floor level of a Building sometimes known as Paramount Lofts, situated on Ashland Avenue, commonly known and referred to as 140 S Ashland Ave, Chicago, Illinois 60607 (final address TBD by City of Chicago).

Description of Lessee's Purpose and Use of Premises: Lessee shall use and occupy the premises to operate a first-class dialysis medical facility, physician office, walk-in clinic, or vascular lab. The premises shall be used solely for medical purposes without written permission from Landlord, which shall not be unreasonably withheld (consistent with Tenant's other national medical locations). No other use or purpose is allowed without the express written consent of the Lessor. ("Purpose").

Trade Name of Lessee: SRS-Chicago Circle, LLC. Parent company (Sanderling Renal Services, Inc.)

In consideration of the mutual covenants and agreements herein stated, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Premises, solely for the use by the Lessee for the purposes described above and as may be hereafter described by Lessor's architect or engineer. The Lessor is to construct those improvements on the Premises that are described at paragraph 1.5(a), with the specifications herein stated, for the use of the Lessee for the Term of this Lease and any extension thereof.

1.1 Base Rent. Lessee shall pay Lessor or Lessor's agent the amounts set forth as follows, payable monthly in advance, as rent for the Premises until Lease Termination Date, unless extended under the Option terms listed herein. All rent payments shall be due and payable on the first day of each month via ACH deposit to Ashland South, LLC's bank account.

RENT SCHEDULE

Lease Year	Annual Rent Per Square Foot of Floor Space Rented	Monthly Base Rent	Annual Rent
1 (2022-23)	\$35.90	\$24,830.83	\$297,970.00
2 (2023-24)	\$36.80	\$25,451.60	\$305,419.25
3 (2024-25)	\$37.72	\$26,087.89	\$313,054.73
4 (2025-26)	\$38.66	\$26,740.09	\$320,881.10
5 (2026-27)	\$39.63	\$27,408.59	\$328,903.13
6 (2027-28)	\$40.62	\$28,093.81	\$337,125.71
7 (2028-29)	\$41.63	\$28,796.15	\$345,553.85
8 (2029-30)	\$42.67	\$29,516.06	\$354,192.69
9 (2030-31)	\$43.74	\$30,253.96	\$363,047.51
10 (2031-32)	\$44.83	\$31,010.31	\$372,123.70
11 (2032-33)	\$45.96	\$31,785.57	\$381,426.79
12 (2033-34)	\$47.10	\$32,580.21	\$390,962.46
13 (2034-35)	\$48.28	\$33,394.71	\$400,736.52
14 (2035-36)	\$49.49	\$34,229.58	\$410,754.94
15 (2036-37)	\$50.73	\$35,085.32	\$421,023.81
16 (2037-38)	\$51.99	\$35,962.45	\$431,549.40
17 (2038-39)	\$53.29	\$36,861.51	\$442,338.14
18 (2039-40)	\$54.63	\$37,783.05	\$453,396.59
19 (2040-41)	\$55.99	\$38,727.63	\$464,731.51
20 (2041-42)	\$57.39	\$39,695.82	\$476,349.80

(See below for rent to be paid during any Option Period.)

Lessee's obligation to pay the Monthly Base Rent shall commence on Rent Commencement Date. For purposes of this Lease, the first "year" of the Term of this Lease shall be the twelve-month period commencing on the Rent Commencement Date, and each subsequent "year" shall be a successive twelve-month period thereafter.

1.2 Rent Adjustment. The Monthly Base Rent shall increase as set forth in the Rent Schedule above. Rent has been based on the approximate square footage of the Premises, being 8,300 square feet.

1.3 Any and all other governmental taxes or charges (other than income tax) levied, assessed, or imposed directly or on account of, or based in whole or in part upon, the rents imposed or the Lessee's use or occupancy of the Premises shall be borne solely by the Lessee.

1.4 Build-out.

- (By Lessor): Landlord shall remove all demising walls, dropped ceilings, flooring, lighting, bank safe and duct work. All plumbing shall be capped at existing location. Lessor agrees to pay One Million Dollars Two Hundred Thousand (\$1,200,000) to Tenant within thirty (30) days after Tenant's delivery to Landlord of all required documentation including final unconditional lien waivers and close out of all permits related to the plans submitted to Landlord for use as a Dialysis Clinic.

- (By Lessee): Please refer to "Addendum A"

1.5 Option to Extend Lease. The Lessee is to have the option to extend the Term of this Lease, for two (2) five (5) year options. Lessee must give at least nine (9) months prior written notice to Lessor; the option will commence immediately following the day on which the preceding Twenty-year Term of the Lease period would otherwise terminate, and with all such extended Terms to be subject to all the terms and conditions of this Lease (except the provisions of paragraph 1.5 hereof will not apply to any extended Term); provided, however, that no extension of this Lease shall occur unless:

- No later than nine (9) months prior to the date on which this Lease would otherwise terminate, the Lessor has received from the Lessee written notice that the Lessee is exercising one of their options to extend the Term of this Lease for a period of five (5) years. Lessee's failure to give such notice within the time specified will terminate Lessee's option to extend this Lease;

- The Lessee shall not then be in default of any terms or conditions of this Lease, including payments of rent and CAM, and Lessee has provided insurance coverages and policies as provided for herein.

- Rent for the twelve (12) months of the first extended Term of this Lease (which will occur in year 2042-43) shall be 102.5% of \$39,695.82, and the rent for each successive twelve month period thereafter, including during the second five year extended Term of this Lease if elected by the Lessee, will increase by 2.5% over the rent for the preceding twelve month period.

3. Commercial Area Maintenance. In addition to the Monthly Base Rent, Additional Rent and other amounts payable herein, commencing on the Rent Commencement Date, Lessee shall pay to Lessor in advance on the first day of each month, in monthly installments in amounts estimated from time to time by Lessor, the Lessee's proportionate share of Commercial Area maintenance costs ("CAM"). The Lessee's proportionate share of Commercial Area maintenance shall be calculated hereafter as the fraction 8,300/48,109 by architect of the total Commercial Area maintenance costs, which costs will have been determined by Lessor as of the first day of each calendar year. Schedule A attached hereto depicts the Common Area (being approximately 48,109 by architect sq. ft.) and includes the Premises (being approximately 8,300 sq. ft.) which is a part thereof. It is understood and agreed that the estimated amount of the present Common Area Maintenance charges, excluding the property tax amount, is \$2,247.92 per month. The property taxes will be determined and billed as they become due.

SCALE: 3/16" = 1'-0"

	PARTITION - P1
	PARTITION W/ SOUND ATTENUATION BATS P2
	1 HOUR FIRE RATED PARTITION - P4
	2 HOUR FIRE RATED PARTITION - P8

FD FLOOR DRAIN
FEC FIRE EXTINGUISHER CABINET
FS FLOOR SINK



Sold To:
Circle Medical Management - CU00008129
1426 W Washington Blvd
CHICAGO,IL 60607-1821

Bill To:
Circle Medical Management - CU00008129
1426 W Washington Blvd
CHICAGO,IL 60607-1821

Classified Advertising: 7318106
Purchase Order: Certificate of Exemption

Certificate of Publication:

State of Illinois - Cook

Chicago Tribune Media Group does hereby certify that it is the publisher of the Chicago Tribune. The Chicago Tribune is a secular newspaper, has been continuously published Daily for more than fifty (50) weeks prior to the first publication of the attached notice, is published in the City of Chicago, State of Illinois, is of general circulation throughout that county and surrounding area, and is a newspaper as defined by 715 IL CS 5/5.

This is to certify that a notice, a true copy of which is attached, was published 1 time(s) in the Chicago Tribune, namely one time per week or on 1 successive weeks. The first publication of the notice was made in the newspaper, dated and published on 10/31/2022, and the last publication of the notice was made in the newspaper dated and published on 10/31/2022.

This notice was also placed on a statewide public notice website as required by 715 ILCS 5/2. 1.

On the following days, to-wit: **Oct 31, 2022.**

Executed at Chicago, Illinois on this

7th Day of November, 2022, by

Chicago Tribune Company



Jeremy Gates

LEGAL NOTICE

Circle Medical Management, Inc. has filed a Certificate of Exemption application with the Illinois Health Facilities and Services Review Board to discontinue its End Stage Renal Disease Facility upon approval and relocation of the Facility to 140 South Ashland Avenue, Chicago, IL 60607. The facility will work with referring physicians to ensure patients have time to make arrangements for their care. If you are, or have been a patient at Circle Medical Management Dialysis Clinic (located at 1426 W. Washington Blvd, Chicago, IL, or have questions about obtaining your medical records, please call 615-499-5122
10/31/227318106

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

SHIP DATE: 31OCT22
ACTWTG: 0.15 LB
CAD: 1038451900/NET4530

BILL SENDER

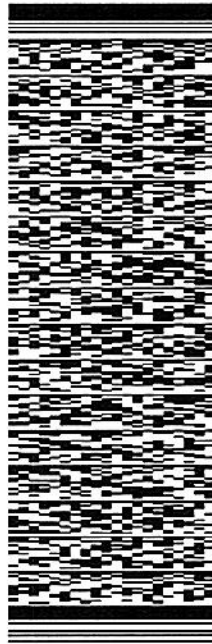
TO **DANNY DAVIS**

IL. CONGRESSIONAL REP. 7TH DIST
2815 W. 5TH AVE

CHICAGO IL 60612

REF: (312) 829-1424

INV: PO: DEPT:



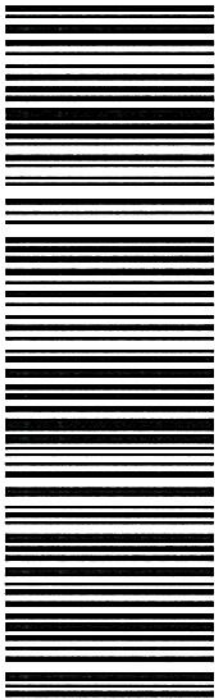
J224222101881uv

581J2454BIFE2D

TRK# 7703 5647 1802
0201

TUE - 01 NOV 4:30P
STANDARD OVERNIGHT

79 GYYA
60612
IL-US ORD



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Danny Davis
Illinois Congressional Representative 7th District
2815 W. 5th Avenue
Chicago, IL 60612

RE: Relocation of Dialysis Facility

Dear Representative Davis,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,

Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.2

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

SHIP DATE: 31OCT22
ACTWGT: 0.15 LB
CAD: 103845190/NET4530
BILL SENDER

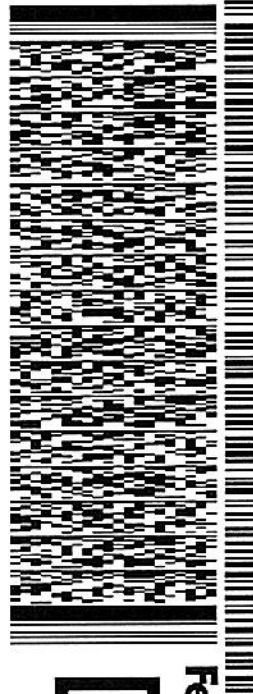
TO DICK DURBIN

US STATE SENATOR OF IL
230 S. DEARBORN SUITE 3892

CHICAGO IL 60604

(312) 829-1424 REF:

PO. DEPT.



J224222101891uv

581J2/454B/FE2D

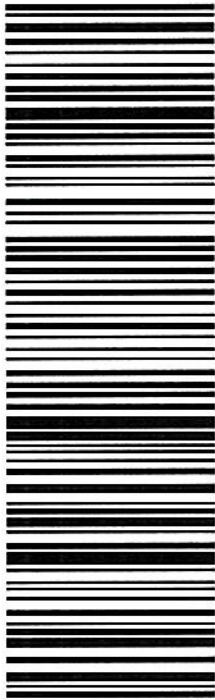
TRK# 7703 5655 9804
0201

STANDARD OVERNIGHT

TUE - 01 NOV 4:30P

79 CHIA

60604
IL-US ORD



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Dick Durbin
United States Senator Illinois
230 S. Dearborn, Suite 3892
Chicago, IL 60604

RE: Relocation of Dialysis Facility

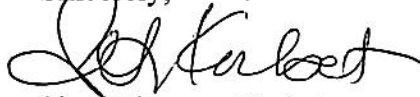
Dear Senator Durbin,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,



Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.3

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

SHIP DATE: 31OCT12
ACTWGT: 0.15 LB
CAD: 103845190/NET4530

BILL SENDER

TO SAMEER VOHRA, MD, JD, MA
IL. DEPT OF PUBLIC HEALTH
525-535 W. JEFFERSON ST

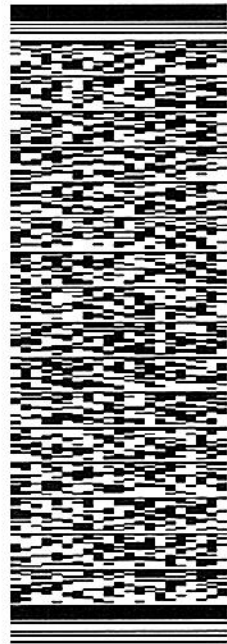
SPRINGFIELD IL 62761

(312) 829-1424

REF:

INV:

DEPT:



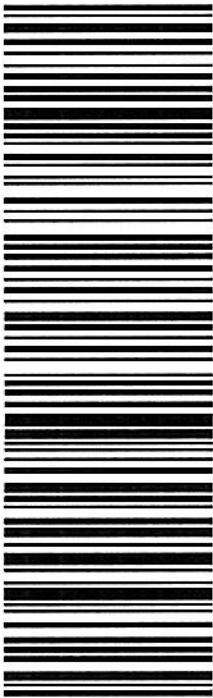
J224222101001uv

TRK# 7703 5721 9897

TUE - 01 NOV 4:30P
STANDARD OVERNIGHT

XN SPIA

62761
IL-US STL



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.



Attachment 10.4

October 29, 2022

Sameer Vohra, Md, JD, MA
Director, Illinois Department of Public Health
525-535 West Jefferson Street
Springfield, IL 62761

RE: Relocation of Dialysis Facility

Dear Dr. Vohra,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cnmdialysis.com.

Thank you for your attention to this matter.

Sincerely,



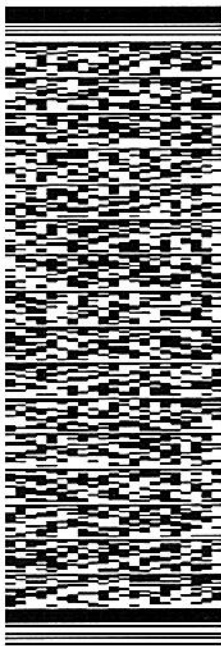
Sheri Floramo Korbet
Chief Operating Officer



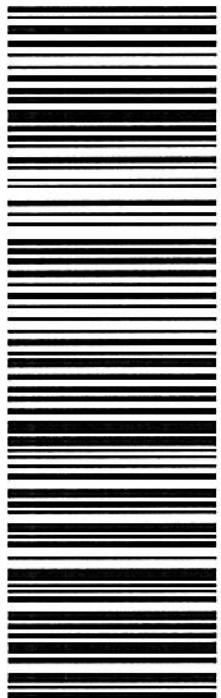
Attachment 10.4

#22-043

ORIGIN ID: CHIA PATRICK FARBO 1426 W. WASHINGTON BLVD CHICAGO, IL 60607 UNITED STATES US	(312) 829-1424	SHIP DATE: 31OCT12 ACTWGT: 0.15 LB CAD: 103845190/NET4530
TO: TERI GIRCHIEK, VP OF OPERATIONS FRESENIUS MEDICAL CARE 3500 LACEY RD 9TH FLOOR DOWNERS GROVE IL 60515		BILL SENDER
PO: (312) 829-1424 INV: REF: DEPT:	581.02454B/FE2D	

	
--	--

TRK# 7703 5754 7943	TUE - 01 NOV 4:30P
0201	STANDARD OVERNIGHT
79 ENLA	60515
IL-US	ORD



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Teri Girchiek
Midwest Group Vice President Operations
Fresenius medical Care
3500 Lacey Road, 9th Floor
Downers Grove, IL 60515

RE: Relocation of Dialysis Facility

Dear Ms. Girchiek,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,



Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.5

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

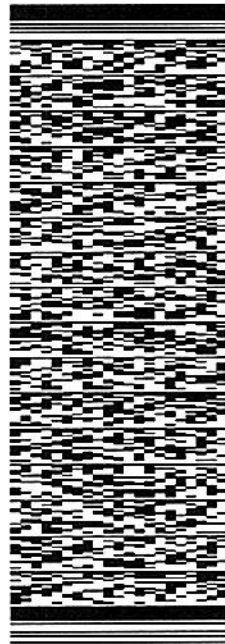
SHIP DATE: 31OCT22
ACTWGT: 0.15 LB
CAD: 103845190/NET4530
BILL SENDER

TO CLAUDIA LORA, M.D., MEDICAL DIR.
UNIVERSITY OF IL.HOSPITAL CHICAGO
1859 W. TAYLOR ST.

CHICAGO IL 60607

(312) 829-1424 REF:

PO. DEPT.



TRK# 7703 5671 7906
0201

TUE - 01 NOV 4:30P
STANDARD OVERNIGHT

79 CHIA

60607
IL-US ORD



581.024546/FE20

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Claudia Lora, M.D.
Medical Director
Outpatient Dialysis
University of Illinois Hospital Chicago
1859 W. Taylor Street
Chicago, IL 60607

RE: Relocation of Dialysis Facility

Dear Dr. Lora,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,



Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.5

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

SHIP DATE: 31OCT72
ACTWGT: 0.15 LB
CAD: 103845190/NET4530

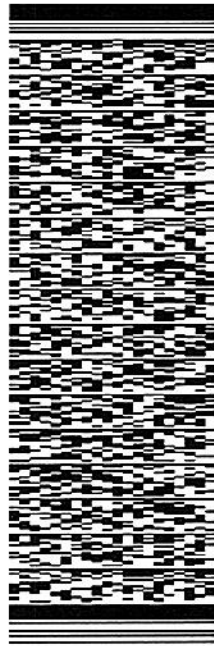
BILL SENDER

TO IZABELLA GURAU, MD, MEDICAL DIR.
ST. ANTHONY HOSPITAL
2875 W. 19TH ST

CHICAGO IL 60623

(312) 829-1424 REF:

INV: PO: DEPT:

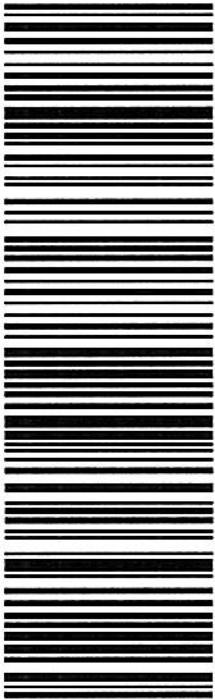


J224222101801uv

TRK# 7703 5676 9502
0201

TUE - 01 NOV 4:30P
STANDARD OVERNIGHT

79 BDFA
60623
IL-US ORD



581J2/454B/FE2D

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Izabella Gurau, M.D.
Medical Director
Outpatient Dialysis
Saint Anthony Hospital
2875 W. 19th Street
Chicago, IL 60623

RE: Relocation of Dialysis Facility

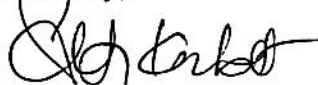
Dear Dr. Gurau,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,



Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.5

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

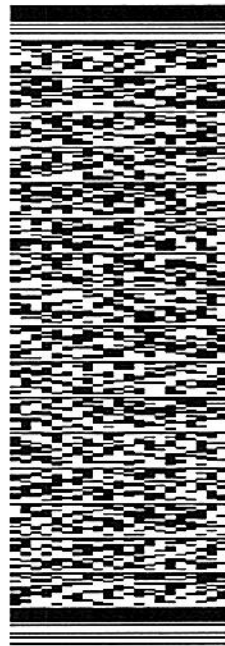
SHIP DATE: 31OCT22
ACTWGT: 0.15 LB
CAD: 103845190/NET4530
BILL SENDER

TO ANDREA CERRANO, MD, MEDICAL DIR.
MT. SINAI HOSPITAL
1500 S. FAIRFIELD AVE.

CHICAGO IL 60608

(312) 829-1424 REF:

INV: PO: DEPT:



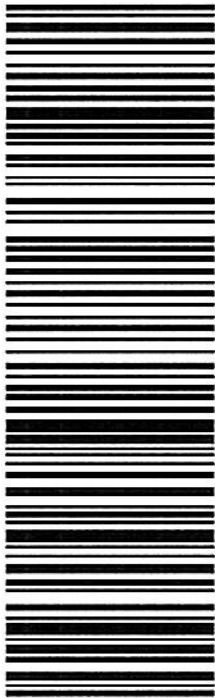
J224222101801uv

TRK# 7703 5684 1774
0201

TUE - 01 NOV 4:30P
STANDARD OVERNIGHT

79 CHIA

60608
IL-US ORD



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Andrea Cerrano, M.D.
Medical Director
Outpatient Dialysis
Mount Sinai Hospital
1500 S. Fairfield Avenue
Chicago, IL 60608

RE: Relocation of Dialysis Facility

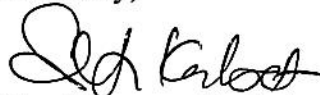
Dear Dr. Cerrano,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,



Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.5

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

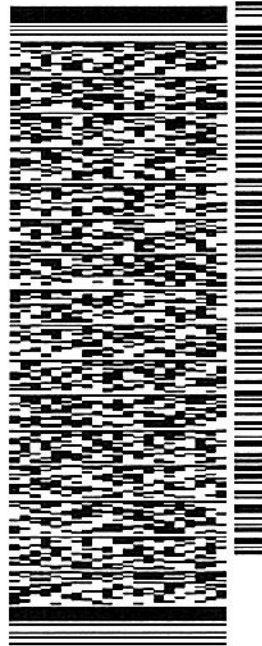
SHIP DATE: 31OCT22
ACTWGT: 0.15 LB
CAD: 103845190/NET4530
BILL SENDER

TO KALYANI PERUMAL, MD, MEDICAL DIR.
STROGER HOSPITAL OF COOK COUNTY
1969 W. OGDEN AVENUE

CHICAGO IL 60612

(312) 829-1424 REF:

INV/ PO DEPT:



581J2/454B/FE2D

TRK# 7703 5689 8589
0201

TUE - 01 NOV 4:30P
STANDARD OVERNIGHT

79 GYYA
60612
IL-US ORD



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Kalyani Perumal, M.D.
Medical Director
Outpatient Dialysis
Stoger Hospital of Cook County
1969 W. Ogden Avenue
Chicago, IL 60612

RE: Relocation of Dialysis Facility

Dear Dr. Perumal,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,


Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.5

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

SHIP DATE: 31OCT22
ACTWGT: 0.15 LB
CAD: 103845190/NET4530

BILL SENDER

TO SAMANTHA TUCKER, REG. DIR OF OP.

DAVITA DIALYSIS

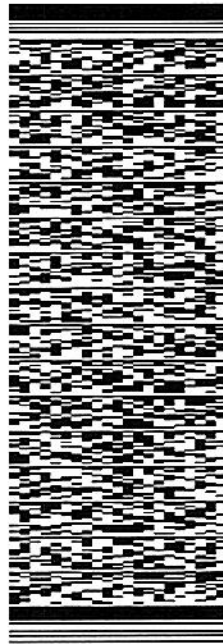
7425 JAMES AVENUE

SUITE 103

WOODRIDGE IL 60517

REF: (312) 829-1424

PO: DEPT:



J224222101881uv

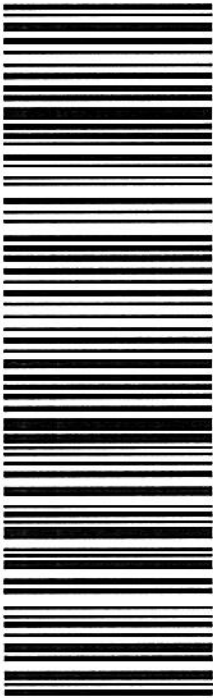
581J2454B/FE2D

TRK# 7703 5696 4675
0201

TUE - 01 NOV 4:30P
STANDARD OVERNIGHT

79 ENLA

60517
IL-US ORD



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Samantha Tucker
Regional Director of Operations
Davita Dialysis
7425 Janes Avenue Suite 103
Woodridge, IL 60517

RE: Relocation of Dialysis Facility

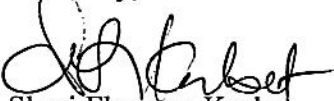
Dear Ms. Tucker,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmindialysis.com.

Thank you for your attention to this matter.

Sincerely,


Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.5

#22-043

ORIGIN ID: CHIA (312) 829-1424
PATRICK FARBO

1426 W. WASHINGTON BLVD

CHICAGO, IL 60607
UNITED STATES US

SHIP DATE: 09NOV22
ACTWGT: 0.50 LB
CAD: 103845190/NET4530
BILL SENDER

TO THERESA EAGLESON, MD, DIRECTOR

IL. DEPT OF HEALTHCARE & FAMILY SER

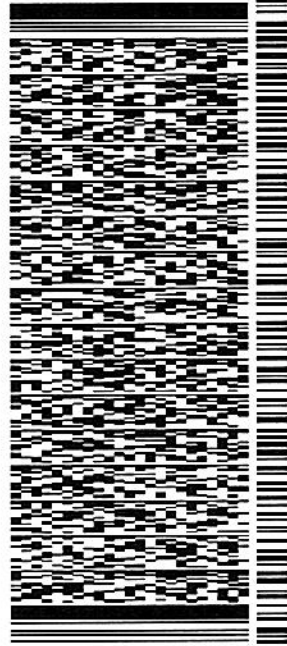
201 S. GRAND AVENUE EAST

PRESCOT BLOOM BUILDING

SPRINGFIELD IL 62763

(312) 829-1424 REF:
INV: (312) 829-1424

DEPT:



J224222101001ov

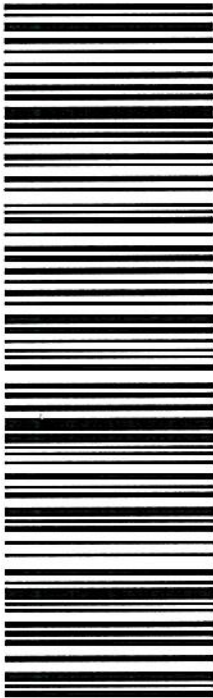
581J4J07F5/FE2D

TRK# 7704 4336 7497
0201

THU - 10 NOV 4:30P
STANDARD OVERNIGHT

XN SPIA

62763
IL-US STL



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

October 29, 2022

Theresa Eagleson, MD
Director
Illinois Department of Healthcare and Family Services
Prescott Bloom Building
201 South Grand Avenue East
Springfield, Illinois 62763

RE: Relocation of Dialysis Facility

Dear Dr. Eagleson,

Circle Medical Management Inc., located at 1426 W. Washington Boulevard, Chicago, IL 60607, is filing a Certificate of Exemption with the Illinois Health Facilities and Services Review Board regarding the facility's proposed discontinuation and relocation of the ESRD facility. Our current facility, which has 27 incenter hemodialysis stations and provides training and support services for both ambulatory peritoneal dialysis and home hemodialysis, will be relocating to 140 South Ashland which is less than 0.5 miles from our current location. We are relocating due to the current landlord's sale of the property. The new facility will have 3 less incenter stations.

If you have any questions or concerns regarding our applications and these changes please contact me in writing or via email at slkorbet@cmmdialysis.com.

Thank you for your attention to this matter.

Sincerely,


Sheri Floramo Korbet
Chief Operating Officer



Attachment 10.6

SCHEDULED DELIVERY DATE

Wednesday

11/9/2022 before 4:30 pm

ON TIME

DELIVERY STATUS

In Transit  Get Status Updates

TRACKING ID

770433326018   

FROM

Patrick Farbo
1426 W. Washington Blvd
Chicago, IL US 60607
3128291424

Label Created

11/8/2022 11:24 AM

PACKAGE RECEIVED BY FEDEX

CHICAGO, IL
11/8/2022 5:23 PM

IN TRANSIT

At FedEx destination facility
CHICAGO, IL
11/9/2022 6:51 AM

OUT FOR DELIVERY

TO



Allison Arwady, MD, Commissioner
CDPH
City Hall 121 N. Lasalle St
CHICAGO, IL US 60602
3128291424

SCHEDULED DELIVERY DATE

11/9/2022 before 4:30 PM

 View travel history

Manage Delivery



Attachment 11 – No Adverse Actions

Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

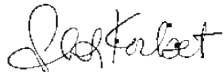
Dear Mr. Kniery,

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 IAC 1130.140 has been taken against any in-center dialysis facility owned or operated by Circle Medical Management, Inc. in the State of Illinois during the three-year period prior to filing this application.

I further certify that:

1. No charges of fraudulent conduct or any act involving moral turpitude of each applicant have been made.
2. No unsatisfied judgements against the applicant or any officer, director, or owner exists.
3. The applicant and its officers, directors, and owners are not in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court.

Sincerely,



Sheri Floramo
Chief Operating Officer

Certification & Authorization

Sanderling Renal Services-USA LLC

In accordance with Section III, A(2) of the Illinois Health Facilities & Services Review Board Application for Exemption for Certificate of Need. I do hereby certify that no adverse actions have been taken against Sanderling Renal Services-USA LLC by either Medicare, 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;

**SIGNATURE**

Jerome S. Tannenbaum, M.D., Ph.D., FACP

PRINTED NAME

Chairman and CEO

PRINTED TITLE

Attachment 11 – List of Facilities

Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

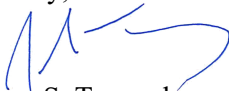
Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Kniery,

I hereby certify that the applicant, SRS-Chicago Circle, LLC, and none of its officers, directors, or owners, own any healthcare facility in Illinois.

Sincerely,



Jerome S. Tannenbaum, M.D., Ph.D., FACP
Chief Executive Officer

Attachment 11 – List of Facilities

Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

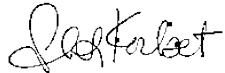
Mr. John Knierly
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Knierly,

I hereby certify that the applicant (Circle Medical Management, Inc), and none of its officers, directors, or owners, own any healthcare facility in Illinois, with the exception of the Dialysis Facility owned by Circle Medical Management, Inc.

Sincerely,



Sheri Floramo
Chief Operating Officer

Attachment 11 – Authorization to Verify

Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Kniery,

Pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board (“HFSRB”) and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Sheri Floramo
Chief Operating Officer

Attachment 11 – Authorization to Verify

Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Kniery,

Pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board (“HFSRB”) and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Tannenbaum', with a stylized flourish extending to the right.

Jerome S. Tannenbaum, M.D., Ph.D, FACP
Chief Executive Officer
SRS-Circle Chicago, LLC

Attachment 11 – No Other Permits

Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

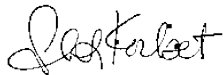
Mr. John Knierly
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Knierly,

I hereby certify that the applicant (Circle Medical Management, Inc), and none of its officers, directors, or owners, have any outstanding applications for permits or ongoing construction subject to a permit in Illinois.

Sincerely,



Sheri Floramo
Chief Operating Officer

Attachment 11 – No Other Permits

Circle Medical Management, Inc.
1426 W. Washington Blvd
Chicago, IL 60607
Tel: (312) 829-1424

October 27, 2022

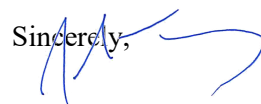
Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Kniery,

I hereby certify that the co-applicant (SRS-Chicago Circle, LLC), and none of its officers, directors, or owners, have any outstanding applications for permits or ongoing construction subject to a permit in Illinois.

Sincerely,



Jerome S. Tannenbaum, MD, PhD, FACP
Chief Executive Officer

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.

Preservation of access to care: 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 the residents of the neighborhood in which the current facility is located, and patients who receive their care at Rush University. The Facility has been in continuous operation since 1988. It serves a diverse group of patients. The diversity is shown in the following table.

Race	%	Age	%	Payer Mix	%
Black	63%	21-44	13%	Medicare/Medicaid	48%
Caucasian	26%	45-64	32.5%	Medicare/Comm	32%
Hispanic	9%	65-74	23%	Commercial	8%
Asian	2%	75+	31%	Medicaid	12%

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 Owners' objective in relocation is to continue to provide care to a diverse mix of patients, and continue to erode the barriers of access for patients who are challenged by the factors causing the disparity and inequity in healthcare that is finally being recognized today.

Utilization: There are 23 adult patient dialysis clinics within 5 miles of the current facility. If all facilities within the 5 mile radius are considered, the existing utilization (excluding pediatric and hospital units) is 55%. This includes facilities which are up to 28 minutes away from the current location.

Facility Name	Street Address	Distance	Drive Time	Census Stations	12/31/20	% Utilization
Circle Medical	1426 W. Washington	0	0	27	135	58
Davita West Side	1600 W. 13th St	1.4 miles	11 min	12	32	51
FMC Polk	557 W. Polk St	1.9 miles	12 min	24	28	35
FMC West Willow	1444 W. Willow	2.6 miles	13 min	12	43	53
Davita Garfield	414 N. Homan Ave	3.0 miles	13 min	24	90	56
FMC Congress Prkwy	3410 W. Van Buren St	2.8 miles	14 min	30	93	52
Davita Little Village	2335 W. Cermak Rd	2.7 miles	15 min	16	70	77
FMC West Metro	1044 N. Mozart	2.9 miles	17 min	12	20	16
FMC Northwestern	710 N. Fairbanks	3.0 miles	17 min	42	135	52
FMC Humboldt Park	3520 W. Grand Ave	3.4 miles	17 min	34	125	61
FMC Prairie	1717 S. Wabash	3.6 miles	19 min	24	100	66
FMC Austin	4800 W. Chicago Ave	4.9 miles	21 min	20	59	50
Davita Lincoln Park	2848 N. Elston Ave	4.1 miles	22 min	25	60	46
Davita Marshall Square	2950 W. 26th St	3.6 miles	23 min	12	3	7
FMC Bridgeport	825 W. 35th St	4.3 miles	23 min	27	104	64
Lawndale Dialysis	3934 W. 24th St	4.2 miles	25 min	16	92	94
FMC Logan Sq	2721 N. Spaulding	4.6 miles	25 min	16	60	67
SAH Dialysis	3059 W. 26th St	3.8 miles	27 min	15	44	47
Davita Logan Square	2838 N. Kimball Ave	4.7 miles	28 min	28	107	68
FMC Hubbard	1806 W. Hubbard Ave	1.0 miles	5 min	24	61	43
University of IL	1859 W. Taylor St	1.3 miles	9 min	26	116	73
FMC Westside	1340 S. Damen Ave	1.6 miles	9 min	31	64	32
Total				497	1641	55%

If the Circle clinic were to close, and not re-open, the area utilization would increase to 58%.

If the Circle clinic re-opens at the new location, but with 24 instead of 28 In-Center stations, the utilization will increase from 54.92% to 55.36%.

The most recent Inventory of dialysis stations (dated September 15, 2022) reveals a need for 25 additional dialysis stations in HSA 6. The proposed re-location will result in a need for 29 additional stations in HSA 6. If the Circle Management facility does not re-open at a new location, the need for additional stations in HSA 6 will increase to 53 stations.

REVISED NEED DETERMINATIONS
9/15/2022
ESRD STATIONS

ESRD SERVICE AREAS	APPROVED EXISTING STATIONS	CALCULATED STATION NEED 2024	ADDITIONAL STATIONS NEEDED 2022	EXCESS ESRD STATIONS 2022
HSA 1	220	215	0	5
HSA 2	194	186	0	8
HSA 3	185	168	0	17
HSA 4	215	215	0	0
HSA 5	188	180	0	8
HSA 6	1,353	1,378	25	0
HSA 7	1,507	1,389	0	118
HSA 8	496	545	49	0
HSA 9	297	374	77	0
HSA 10	96	61	0	35
HSA 11	255	228	0	27
ILLINOIS TOTAL	5,006	4,939	151	218

Based on utilization, the closure of the Circle Clinic, without re-opening, will increase utilization to a point where it could negatively impact the community, whereas closure, with re-opening at a new location will result in a utilization rate which is within 1% of its current level, and will not significantly influence the need for additional stations.

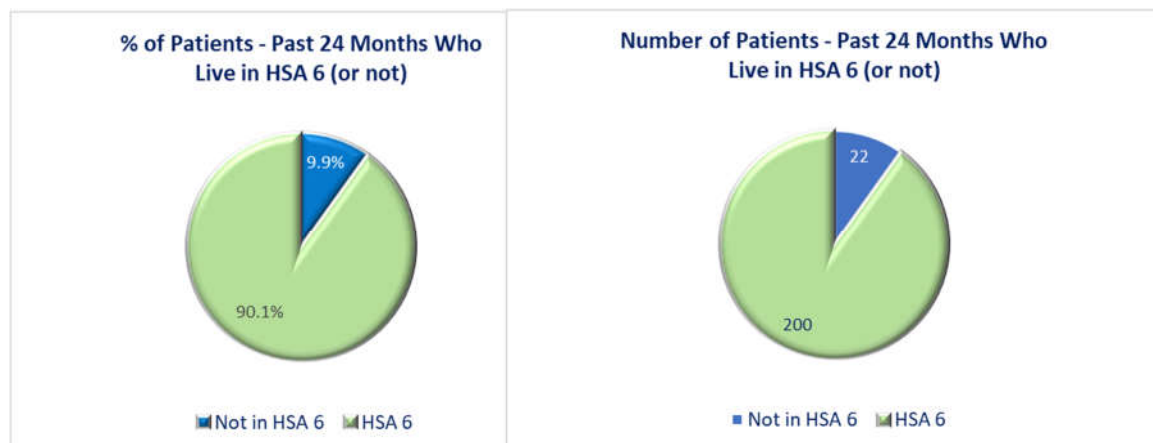
Other Considerations Affecting Patient Care:

Apart from the additional distance some patients may be forced to travel, it is unlikely that the same members of the patients' inter-disciplinary team will be available at other locations, and it is likely that important aspects of the patient's medical history will be missed as a result of the transfer to another facility. The assimilation of almost 100 dialysis patients into one or the six most convenient dialysis facilities is no small undertaking. The interdisciplinary care teams will need to become familiar with each and every medical problem of each patient; some of the medical histories go back more than a decade. This will place a significant burden on the staff, which in many instances, is already stretched because of labor shortages. **Meets Criteria 1110.230 (b) (2).**

Conversely, with approval of this Certificate of Need, the transfer of care to a new location (only 3 minutes away from the current location) will be seamless because the entire staff, including nurses, technicians, social workers, dietitian, and physicians will be continuing at the new location (which is only 3 minutes from the existing facility). Relocation to other facilities will be very disruptive for the patients. It will separate them from the nephrologists who have been caring for them, in some cases for decades, and the facility staff who know them. This will have a very negative psycho-social impact on the patient, and impair clinical care.

2. Define the planning area or market area, or other relevant area, per the applicant's definition.

The market area is Health Service Area (HSA) 6, which is entirely within Cook County, IL. Approximately 90% of the patients at the existing facility live within zip codes located in HSA 6, as shown below. **Criterion 1110.230 (b) (2).**



Zip Code	HSA 6	Zip Code	HSA 6	Zip Code	Not HSA 6
60612	22	60636	4	60016	1
60644	16	60639	4	60056	1
60623	15	60610	3	60130	1
60619	13	60616	3	60153	2
60649	12	60622	3	60164	1
60608	11	60637	3	60302	2
60624	11	60647	3	60304	1
60609	10	60653	3	60402	1
60620	8	60605	2	60406	1
60632	7	60659	2	60428	1
60617	6	60601	1	60438	1
60651	6	60611	1	60443	1
60621	5	60614	1	60445	1
60607	4	60630	1	60453	1
60615	4	60638	1	60458	1
60618	4	60641	1	60466	1
60628	4	60642	1	60501	1
60629	4	60660	1	60707	3

3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.

- (a) **Forced Relocation – Expired Lease.** The applicant was informed by the landlord, that its lease, which has been in effect since 1993, would not be renewed. The landlord intends to sell the building which will be re-purposed by the new owner. The applicant made multiple attempts to purchase the building, in an effort to avoid re-location, but those efforts were un-successful.
- (b) **Continuity of Care:** If the Applicant is unable to reopen at a new location, the continuity of care will be severely disrupted for approximately 100 dialysis patients. End-Stage Kidney Disease (ESKD), by definition, is an irreversible condition. An ESKD patient remains on dialysis until transplantation or death. Care is delivered, on average, three times per week. The 'episode of care' for a dialysis patient lasts for a 'lifetime'. The majority of patients with ESKD have multiple (usually more than 8) serious co-morbid conditions; 50% or more have severe hypertension, either as a cause or consequence of their renal failure, an equal number have diabetes, and 85% have some form of major cardiac disease. The typical dialysis patient is taking more than 12 medications at home. In addition, renal failure is found in a disproportionate number of African-American, Hispanic, and Native American individuals, many of whom are also severely affected by social determinants of health. Dialysis clinics have been on the forefront of providing inter-disciplinary care since the inception of Medicare coverage for patients with ESKD in 1973. The inter-disciplinary team includes a master's level social worker, a renal dietitian, registered nurses with dialysis expertise, nephrologists, transplant surgeons, vascular surgeons, and certified dialysis technicians. The complexity of the illness, and the co-morbidities that are associated with ESKD, make continuity of care of paramount importance in the successful treatment of this group of patients. Any disruption in the continuity of their care is likely to have a significant adverse effect on their mortality and morbidity. The primary objective for this Project is to provide the continuity of care to the patients being served by the Facility. This Facility is being forced to relocate because its lease will expire. The owners of the Facility have worked diligently to find a new location which is in close proximity to its existing facility, which will make the transition for the patients to a new location easy.

4. Cite the sources of the documentation.

- Illinois Health Services and Facilities – Inventory of Health Facilities dated September 15, 2022
- Census Data – Circle Medical Management, Inc. Dialysis Facility
- Illinois Health Services and Facilities – Map defining HSA's.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

The proposed project, to relocate the Circle Medical Management, Inc. dialysis facility to a new location will:

- a. Preserve access to care for patients currently served by the Facility. According to the Health Facility's Inventory, Health Service Area 6 is already in need of additional dialysis stations. Without reopening of the Circle facility, the Service area will be further underserved, which will limit access to care. Dialysis is a life-saving procedure, and limitation of access could result in increased morbidity and mortality to patients with ESKD.
 - b. Continuity of care will be preserved. As reference earlier in this Application, patients with ESKD have a multitude of medical problems and are also often affected by social determinants of health. The health and well-being of these patients is highly dependent on a cohesive team of experts, including nephrologists, dietitians, social workers, nurses, technicians, vascular surgeons, and transplant surgeons and nephrologists. This facility's care coordination is closely aligned with the renal service at Rush University, which is in close proximity to the existing, and the new location. It will be almost impossible to preserve continuity of care if the patients are forced to transition to other facilities as a result of closure of the existing facility, but without re-opening at the new location.
 - c. Relocation is providing an opportunity to modernize the Facility. The existing facility was built 30 years ago. Since that time, there have been many changes in the design and construction of dialysis facilities which have been codified by the Facilities Guideline Institute (FGI) under the direction of the American Institute of Architects (AIA). The new location has been designed to conform to all of the modern-day standards of the FGI. In addition, all of the equipment will be replaced with the latest generation of FDA approved water treatment and dialysis equipment.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.
- a. The new location will open with new equipment, all of which will be in place and fully commissioned prior to closing of the existing facility. As a result, there will be no interruption of service to the patients. Patients will be informed of the new location prior to closure, and will be given a tour of the new facility prior to closure of the existing facility, to insure they are aware of the new location.
 - b. All of the patient's medical records will be available at the new facility upon opening. The patient's dialysis prescription will be pre-loaded into the new equipment and systems prior to opening, to insure continuity of care without any interruption.
 - c. Emergency and Non-Emergency Medical Transport services will be notified of the new location prior to opening.
 - d. Construction is expected to be finished within six months of approval of the Applicant's request for relocation.

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. *Not Applicable. The new facility is being constructed from 'shell space' in an existing building*

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.

Circle Medical Management, Inc.
 SRS-Chicago Circle, LLC
 Exemption and CON Application
 November 1, 2022

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

Attachment 13

ALTERNATIVES

- 1) **Identify ALL the alternatives to the proposed project:** Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost.

The expiration of the lease, and the unwillingness of the landlord to enter into a multi-year extension of the lease, or sell the building to Circle for an affordable price, made it impossible to remain in the current location. *The Landlord's minimum price was in excess of \$15 million, which is more than two times the total FMV of the new lease, including renovations, of \$5.7 million.*

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.

The Facility is not a joint venture at this time, and there is no parties who have expressed an interest in a joint venture at this time. However, even if joint venture partners were involved, the cost of the relocation would not be altered;

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

The Health Facilities' latest Inventory of Facilities documents a shortage of dialysis stations in the Health Service Area where 90% of the existing patients live. Apart from capacity issues, the transfer of patients, en masse, to other facilities would be disruptive to the patients, almost certainly interrupt continuity of care, and would place an undue burden on the existing facilities in the Service Area.

D) Provide the reasons why the chosen alternative was selected.

The expiration of the lease left no alternatives other than to: close the facility permanently (not acceptable for the reasons previously stated in this Application), or to identify a new location for the Facility. A real estate agent was engaged to identify possible locations. There is a shortage of contiguous space of adequate size and accessibility within a short distance from the existing Facility, and close proximity to a major medical center. The new (proposed) location was selected because it met all of the needs of a replacement facility, at an affordable price. In addition, the new location is convenient to a bus line and has covered parking.

- 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**

Alternative	Total Cost	Patient Access	Quality	Financial
Do Nothing	\$0	The Facility would be forced to cease operations permanently because the lease	Quality of Care would suffer because continuity of care would be lost.	No cost to the Facility; however, the disruption to continuity of care might result in a higher rate of

		expires. Patient Access would be severely impaired.		hospitalization during transition, which could double the cost to the payers.
Joint Venture	\$5,731,509	The Facility is not currently a joint venture. Regardless, a JV would not impact the total cost.		
Utilize Area Providers	\$0	The latest Inventory of Facilities shows a shortage of dialysis stations in the Service Area. There are other facilities within 5 miles, but there is a shortage of dialysis stations in HSA 6, based on the Health Facilities latest Inventory.	Quality of Care would suffer because continuity of care would be lost.	No cost to the Facility (other than cessation of its existence). The disruption to continuity of care could result in a higher hospitalization rate, at least in the short term. This could potentially double the cost of care to the Payors.
Relocate the Facility to a New Location	\$5,731,509	Access to the Circle Mgmt Dialysis Facility will be maintained. The new location is only 0.7 miles (3 minutes) from the existing location. It is conveniently located and in close proximity to Rush University Medical Center. Transportation will continue to be available to the patients.	Continuity of care will be maintained, including the close proximity of the clinic to the nephrologist's outpatient office and to Rush; the patients will continue to be treated by members of the Inter-disciplinary Team who are currently following the patients.	The cost is to Circle (and SRS-Chicago Circle, LLC who will be acquiring the facility). Dialysis is not a discretionary procedure. The need for dialysis is based, substantially, on laboratory evidence. The majority of the patients are paid for by Medicare, Medicaid, and Medicare Advantage, based on nationally established rates. The cost of this relocation is being borne by the Owners of the Facility.

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

There is no empirical evidence; however, missing a scheduled dialysis treatment is associated with increased rates of hospitalization, sudden cardiac death, and overall mortality (USRDS 2021). The orderly relocation of the clinic to a new location (in contrast to shutting down the clinic at its present location at the end of its lease) will include the logistics for ensuring transportation and availability of 'chair time' for the existing patients; this will avoid or eliminate the possibility of missed dialysis during the transition to the new location, and consequently, reduce the chance of hospitalization, or accelerated mortality.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM

Attachment 14

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.

The proposed space conforms to the 2021 space requirements described in the 2021 Edition of the Facility Guideline Institutes "Design of Health Care Facilities". These guidelines include ample space for each dialysis station, a waiting room, public toilet, staff toilet, staff shower, staff lockers, staff lounge, a clean room, a soiled utility room, a housekeeping closet for janitorial supplies and mop sink, a work area for the nurse manager, an examination room, a receiving area, ample storage space, a water treatment room (separated and locked), a dialysate mixing room, a room for storage of hazardous waste, and an equipment maintenance room.

Attachment 13

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following: Not applicable. The DGSF is less than the State Standard for a dialysis facility.
 - 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 BGSF/DGSF	State Standard	Difference	Met Standard?
Total 24 Stations	8,307	10,800-15,600 DGSF (Based on 450-650 DGSF/Station)	No Excess	Yes

APPEND DOCUMENTATION AS ATTACHMENT 14, 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****Attachment 15:****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.

UTILIZATION – Based on 6 Shifts					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (TREATMENTS)	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
Current	28 Stations	14,440/25,272	60%	80%	No
YEAR 1	24 Stations	16,224/22,464	76%	80%	No
YEAR 2	24 Stations	17,004/22,464	80%	80%	Yes

Notes:

1. Applying a 3% growth rate to the existing in-center population of 95 patients, the In-center is expected to grow to 98 patients in year 1 and 101 patients in year 2.
2. The facility cares for 20 Home PD patients. National data predict that 40% of these patients (20% per year) will return to Hemodialysis (technique fatigue or membrane failure)
3. Total projected patient census is 103 in year 1 and 109 in year 2.
4. This census translates to an expected treatment utilization of 16,224 and 17,004 in years 1 and 2 respectively.
5. The nephrologists who use the facility have approximately 95 patients with CKD 5 and 250 patients with CKD 4. We believe the natural progression of renal disease will result in no fewer than 30 new patients requiring dialysis from the immediate service area of this facility over the next 3 years. For that reason, we believe the estimate of growth depicted in the Utilization table is conservative.

Attachment 16

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space****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.

Attachment 16

Attachment 17

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space****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.

Attachment 24
Circle Medical Management – Relocation
Section VII, Service Specific Review Criteria
In-Center Hemodialysis

Criterion 1110.230(b), Planning Area Need

1. Planning Area Need

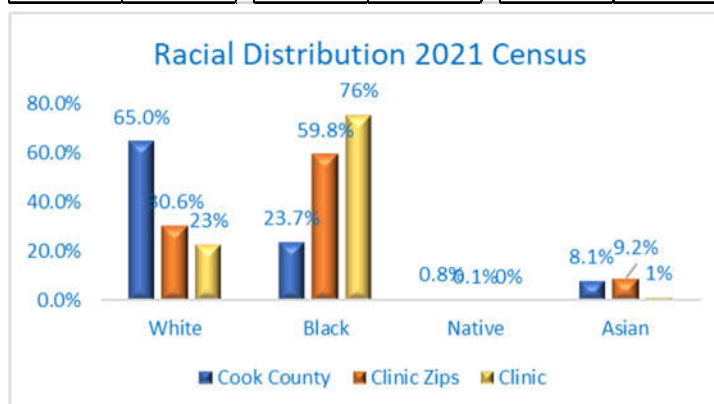
There is a need for 13 dialysis stations in HSA 6, the HSA in which the existing facility, and the new location for the facility, is located. (This is based on the latest Inventory of Healthcare Facilities and Services as of October 26, 2022.)

The purpose of the project is to continue to meet this need and to improve access to life sustaining dialysis services to residents of HSA 6 who currently receive treatment at the dialysis clinic which is currently owned by Circle Medical Management, Inc. The Applicants propose to discontinue the existing 27 Station Facility (approved for 28 stations) at 1426 West Washington Blvd, and establish 24-station Replacement Facility 0.7 miles, or 3 minutes away, at 140 S. Ashland Avenue.

Circle Clinic is in a low-income community located in the Near West side of Chicago. The majority (90%) of the clinic's current population lives in zip codes within HSA 6. The following table shows the percentage

of the Clinic's population by zip code (all within HSA 6). As shown in the accompanying graph, a significant percentage of the residents of these zip codes are Black/African American. In fact, the percentage of Black/African American individuals who reside in the zip codes which comprise the primary service area for the clinic, is more than twice that of Cook County in general. The clinic has an even higher percentage of Black/African-Americans (76% which is more than 3 times the percentage of the Cook County racial distribution). Poverty is prevalent in these zip codes. According to the 2021 Census Data, the average poverty level in these zip codes is 18%, compared with 13% in Cook County. Further, the unemployment rate in these zip codes is 11.5% which is more than double the level of unemployment in Cook County.

Zip Code	% of Pts	Zip Code	% of Pts	Zip Code	% of Pts
60612	10.0%	60632	3.2%	60636	1.8%
60644	7.3%	60617	2.7%	60639	1.8%
60623	6.8%	60651	2.7%	60610	1.4%
60619	5.9%	60621	2.3%	60616	1.4%
60649	5.5%	60607	1.8%	60622	1.4%
60608	5.0%	60615	1.8%	60637	1.4%
60624	5.0%	60618	1.8%	60647	1.4%
60609	4.5%	60628	1.8%	60653	1.4%
60620	3.6%	60629	1.8%	60605	0.9%



This minority population has been repeatedly shown to have a higher incidence and prevalence of CKD than the general population. Patient growth is anticipated to continue to increase for the foreseeable future due to the demographics of the community. The U.S. Centers for Disease Control and Prevention estimates that 15% of American adults suffer from CKD. In recent years there is heightened awareness of CKD. Although early detection, and the use of new drugs have the promise of slowing the progression of renal disease, the number of patients starting (or returning to) dialysis continues to increase. Various initiatives

among payers have recently focused more attention on the treatment of CKD. Although progression of disease may slow down, the earlier detection and enrollment of patients into careful CKD follow-up will probably result in a larger number of patients being referred to dialysis. The general population served by the existing clinic has historically been under-served. The current national focus on CKD identification and management may have an out-sized affect on the population served by this clinic.

Closure, without re-opening in a nearby location, would further limit access to care for the patients served by the existing clinic. The Replacement Facility will have 24 stations which will be able to accommodate the existing patients, and provide room for additional patients by opening additional shifts

2. Service to Planning Area Residents

Both the Existing Facility and the Replacement Facility are located in HSA 6, which is estimated to need an additional 13 stations (according to the most recent Inventory compiled by the State). The replacement facility will not diminish that need. Failure to open the replacement facility will increase the need from 13 stations to 41 stations. Allowing the replacement facility will keep the need at only 17 stations.

3. Service Demand- Establishment of In-Center Hemodialysis Service

The Replacement Facility is needed to serve the existing demand for dialysis services in the area. As of September, 2022, the Existing Facility is serving 92 in-center ESRD patients. Stephen Korbet, M.D., MACP, FASN, the Medical Director for Circle Medical Management's dialysis clinic, anticipates all 92 current patients will transfer to the Replacement Facility. Furthermore, Dr. Korbet and his associates, all of whom are on staff at Rush University Medical Center, are currently treating approximately 250 patients with CKD 4 and 95 patients with CKD 5. A significant percentage of patients with CKD 5 and a measurable number of patients with CKD 4, will progress to ESKD and will require renal replacement therapy (or a transplant). The facility census is expected to grow to at least 109 in-center patients over the next 24 months, which will result in 80% utilization (based on six shifts of patients per station).

Criterion 1110.230(c). Unnecessary Duplication/Maldistribution

1. Unnecessary Duplication

a. The proposed dialysis facility will be located at 140 South Ashland, Avenue, Chicago, Illinois 60607.

b. A list of existing and approved dialysis facilities located within 5 miles of the proposed dialysis facility is shown in the accompanying table. There are 6 other facilities within a 12 minute drive of the new location (excluding the pediatric clinic at TRC Children's). Any drive that is more than 12 minutes, in each direction, would pose an un-necessary burden on the patients. (The aggregate of 12 minutes, each way, a total of 156 times per year, equates to 62 hours of travel time per patient per year). These six facilities are collectively treating 316 in-center hemodialysis patients (2020 data). The addition of 109 in-center hemodialysis patients (projected census of the existing facility at 2 years), would pose an un-necessary burden on

Facility Name	Street Address	Distance	Drive Time (min)	Stations	Census 12/31/20	% Utilization
Circle Medical	1426 W. Washington	0	0	28	135	58
FMC Hubbard	1806 W. hubbard Ave	1.0 miles	5	24	61	43
Stroeger Hosp	1969 W. Ogden Ave	1.0 miles	7	9	15	30
University of IL	1859 W. Taylor St	1.3 miles	9	26	116	73
FMC Westside	1340 S. Damen Ave	1.6 miles	9	31	64	32
Davita West Side	1600 W. 13th St	1.4 miles	11	12	32	51
FMC Polk	557 W. Polk St	1.9 miles	12	24	28	35
TRC Children's Dialysis	1333 N. Kingsbury St	2.2 miles	12	8	14	27
FMC West Willow	1444 W. Willow	2.6 miles	13	12	43	53
Davita Garfield	414 N. Homan Ave	3.0 miles	13	24	90	56
FMC Congress Prkwy	3410 W. Van Buren St	2.8 miles	14	30	93	52
Davita Little Village	2335 W. Cermak Rd	2.7 miles	15	16	70	77
Mount Siani Hosp	1500 S. Fairfield	2.2 miles	17	16	84	82
FMC West Metro	1044 N. Mozart	2.9 miles	17	12	20	16
FMC Northwestern	710 N. Fairbanks	3.0 miles	17	42	135	52
FMC Humboldt Park	3520 W. Grand Ave	3.4 miles	17	34	125	61
FMC Prairie	1717 S. Wabash	3.6 miles	19	24	100	66
FMC Austin	4800 W. Chicago Ave	4.9 miles	21	20	59	50
Davita Lincoln Park	2848 N. Elston Ave	4.1 miles	22	25	60	46
Davita Marshall Square	2950 W. 26th St	3.6 miles	23	12	3	7
FMC Bridgeport	825 W. 35th St	4.3 miles	23	27	104	64
Lawndale Dialysis	3934 W. 24th St	4.2 miles	25	16	92	94
FMC Logan Sq	2721 N. Spaulding	4.6 miles	25	16	60	67
SAH Dialysis	3059 W. 26th St	3.8 miles	27	15	44	47
Davita Logan Square	2838 N. Kimball Ave	4.7 miles	28	28	107	68
			Total	479	1558	

these clinics (a 34% increase in census over and above their normal growth rate).

2. Maldistribution of Services

The proposed dialysis facility will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of facilities, stations, and services characterized by such factors as, but not limited to: (1) ratio of stations to population exceeds one and one-half times the State Average; (2) historical utilization for existing facilities and services is below the State Board's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards.

a. Ratio of Stations to Population

Area	Stations	Population	Ratio(per 1000)	1.5 Times
State	4,976	12,672,900	0.392	0.588
HSA 6	1,365	2,691,100	0.507	N/A

The ratio of Stations per 1000 population multiplied by 1.5 is 0.588 in the State. The ratio in HSA 6 is 0.507. HSA 6 does not have an excessive number of stations, based on this criterion.

b. Historic Utilization of Existing Facilities.

The Circle clinic is experiencing significant growth in the post-COVID-19 environment. In 2020 the clinic treated 135 unique patients. In the 12 months ending September 30, 2022, the Clinic treated 144 unique patients, representing an increase of 6.6% over the prior year. Although the recent utilization of other clinics in the area is below the State standard, based on 2020 data, the impact of COVID must be considered. Recent publications have revealed that racial and income disparities have led to a disproportionately high mortality rate from COVID among ESRD patients. Therefore, the data accumulated during the COVID pandemic, especially in the primary service area of this clinic, and its neighboring clinics, is distorted. If adjusted for the excess mortality rate (assuming national data), the utilization rates would exceed the State standard.

c. Sufficient Population to Achieve Target Utilization

The Applicant proposes to discontinue its existing 28-station facility and establish a 24-station facility. The Existing Facility treated 144 unique patients in the 12 months ending September 30, 2022. To achieve the State Board's 80% utilization standard for a 24-station facility, within the first two years after project completion, the Applicants would need only 17 additional patient referrals. As stated elsewhere in this application, the nephrologists who regularly admit patients to the Circle facility have more than 350 patients in an advance stage of CKD. Assuming an attrition rate of 17 patients during the year (among existing patients), and a conversion of 10% of the CKD patients to ESKD during the year, the clinic census is expected to reach 109 patients in less than 2 years, which would meet the State standard.

3. Impact to Other Providers

- The proposed dialysis facility will not have an adverse impact on existing facilities in the geographic area. All of the identified patients will either transfer from the Existing Facility or will be referrals of pre-ESRD patients by the nephrologists who are currently affiliated with the existing Facility. No patients are expected to transfer from other existing dialysis facilities. The relocation will not affect the referral pattern of other providers.
- The proposed dialysis facility will not lower the utilization of other area providers that are operating below the occupancy standards.

Criterion 1110.1430(e), Staffing

1. The proposed facility will be staffed in accordance with all State and Medicare staffing requirements.
2. Stephen Korbet, M.D., MACP, FASN. is the Medical Director of Circle Medical Management, Inc. Dialysis Facility. A copy of Dr. Korbet's curriculum vitae is included. He will continue as the Medical Director at the new location.
3. As discussed throughout this application, the Applicant seeks authority to discontinue its existing 28-station dialysis facility and establish a 24-station dialysis facility. The Existing Facility is Medicare certified and fully staffed with a medical director, administrator, registered nurses, patient care technicians, social worker, and registered dietitian. Upon discontinuation of the Existing Facility, all current staff will be transferred to the Replacement Facility.
4. All staff will continue to be trained under the direction of the facility's Governing Body, utilizing Circle's comprehensive training program. Circle's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in-depth theory on the structure and function of the kidneys; including homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis; components of hemodialysis system; water treatment; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. The Replacement Facility will maintain an open medical staff.

Criterion 1110.1430(f) – Support Services:

The proposed facility will continue to:

1. Participate in the ESRD Network, CrownWeb, NHSN, and other dialysis data reporting systems.
2. Provide rehabilitation, psychiatric, and social service from a Master's level Social Worker who meets the requirements for such individual in the State of Illinois;
3. Provide nutritional counseling from a Registered Dietitian who meets the requirements for such individual in the State of Illinois;
4. Provide clinical laboratory services and arrange for blood transfusion services as required.
5. Provide training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training provided at the proposed facility

Criterion 1110.230(g) - Minimum Number of Stations

The proposed dialysis facility will be located in the Chicago-Naperville-Joliet metropolitan statistical area ("MSA"). A dialysis facility located inside an MSA must have a minimum of eight dialysis stations. The Applicant proposes to establish a 24-station dialysis facility. Accordingly, this criterion is met.

Criterion 1110.1430(h) - Continuity of Care

Circle. has an agreement with Rush University Hospital to provide inpatient care and other hospital services.

Criterion 1110.1430(i) - Relocation of Facilities

There is a need for 13 dialysis stations in HSA 6, in which both the existing and relocation facilities are located. Discontinuation without re-location would increase the need from 13 stations to 41 stations. The purpose of the project is to meet this need and to ensure that the ESRD patient population in Near West End and immediately surrounding communities have access to life sustaining dialysis.

Criterion 1110.1430(j) – Assurances

1. The Applicant intends to achieve and maintain utilization of no less than 80% of the capacity of the re-located facility by the second year of operation. This is based on the current census, and its anticipated growth based on the number of CKD patients already known to exist in the nephrology practice of the Medical Director and his associated physicians.
2. The applicant has maintained adequate dialysis during the most recent 12 months (ending September 30, 2022) as evidenced by a Kt/V Daugirdas II value of 1.2 in more than 85% of its hemodialysis patients.



October 28, 2022

Mr. John Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street
Springfield, IL 62761
Email: courtney.avery@illinois.gov

My name is Steven Korbet. I am a tenured Professor of Nephrology and former Division Chief of Nephrology at Rush University Medical Center, I am writing in support of the Discontinuation and Relocation of the dialysis facility owned and operated by Circle Medical Management, Inc. to a new location for several reasons:

1. The lease for the existing clinic is expiring, and the owner of the building is selling the building and unwilling to renew the lease. The facility has been in continuous operation in that location since 1988, and serves an inner-city population of patients. The new location is 0.4 miles (3 minutes) away, and will assure continuity of care for the patients who currently receive treatment in the facility.
2. The new facility will provide a spacious and very desirable environment for the patients, with a location that is very accessible. The configuration of the facility will provide more flexibility for patient education and related support services.
3. The in-center capacity of the facility is being reduced from 28 to 24 stations, in recognition of the shift towards home modalities, which has been facilitated by new technology.

The existing facility currently provides in-center dialysis to 92 patients, and home dialysis to 24 patients. Our physician practice cares for approximately 250 CKD 4 and 95 CKD 5 patients, some of whom will require dialysis in the near future. I will continue to serve as the Medical Director of the Facility, and our practice wishes to be able to continue to utilize the facility for its patients.

As with the existing facility, our outpatient medical practice will be located in the same multi-tenant building, which will provide, as in the past, an opportunity for patients to receive modality education while still in the CKD phase of their illness, with the goal of being able to offer patients pre-dialysis transplantation, or home dialysis as a first option to renal replacement therapy.

I respectfully ask the Board to approve our request to approve the Facility's request for Discontinuation and Relocation as proposed in the Certificate of Exemption and Relocation.

Sincerely,



Stephen M. Korbet, M.D., MACP, FASN
The Lester and Muriel Anixter Professor of Nephrology
Rush University Medical Center
Chicago, IL



Nephrology Associates
1426 W. Washington Blvd, Chicago, IL 60607-1878
312-850-8434, 312-766-4603 (fax)

Pravir V. Baxi, M.D.
Casey N. Gashti, M.D.
Stephen M. Korbet, M.D.
Roger A. Rodby, M.D.
William W. Whittier, M.D.

October 28, 2022

Mr. John Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street
Springfield, IL 62761
Email: courtney.avery@illinois.gov

Dear Mr. Kniery,

We are the nephrology practice associated with Circle Medical Management Dialysis (CMM) and Professors of Nephrology at Rush University Medical Center, a tertiary care center and teaching hospital. We are writing in support of the Discontinuation and Relocation of the dialysis facility owned and operated by Circle Medical Management, Inc. CMM's existing lease will terminate 04/30/2024 and will not be renewed as the building is being sold and demolished for a new development.

Circle Medical Management has been the dialysis provider for our patients for nearly 35 years. We are fortunate to have our outpatient office adjacent to the dialysis unit, which has proved to be beneficial not only for us but for our patients and all of our trainees; fellows, residents, medical students, physician assistants and dietitian students. Working so closely with CMM provides our patients and staff with a higher level of interaction with their nephrologist which we believe enhances the quality of their care and their outcomes. It also provides an essential opportunity for our trainees to learn about the unique characteristics and needs of patients with ESRD and in particular the challenges of patients with socioeconomic hardships.

We are very enthusiastic about the relocation. The new space is only 0.4 miles from the current location which will assure continued access and continuity for our current patients who currently receive treatment at the facility. It also improves access by being located directly on a major bus line which is important for many of our patients. There is garage parking and the location is actually several blocks closer to Rush where the majority of our patients go to for their dialysis access and transplant services as well as primary care.

The new space will provide a spacious, modernized and very desirable environment for the patients. The configuration of the facility will provide more flexibility for patient education and related support services.

The existing facility currently provides in-center dialysis to 92 patients, and home dialysis (peritoneal and home hemodialysis) to 24 patients. Our physician practice cares for approximately 300 CKD 4 and 95 CKD 5 patients, some of whom will require dialysis in the near future. It is our hope and intent to continue to have the opportunity to place our patients at CMM.

As with the existing facility, our outpatient medical practice will be located in the same multi-tenant building, which will provide, as in the past, an opportunity for patients to receive modality education while still in the CKD phase of their illness, with the goal of being able to offer patients pre-dialysis transplantation, or home dialysis as a first option to renal replacement therapy. Our incenter hemodialysis patients will continue to have high quality, higher frequency interactions with their nephrologists and our fellows will continue to have an excellent ESRD learning experience.

We respectfully ask the Board to approve our request to approve the Facility's request for Discontinuation and Relocation as proposed in the Certificate of Exemption and Relocation.

Sincerely,



Roger Rodby, M.D.



William Whittier, M.D.



Casey Gashti/M.D.



Pravir Baxi, M.D.



Stephen Korbet, M.D.

Attachment 34

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)

VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document those 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]:

\$2,000,000	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
		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
		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.
\$00.00	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
\$00.00	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.
\$4,368,000	d)	Debt – a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
		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.
		2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate.
		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.
		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.
		5) For any option to lease, a copy of the option, including all

	terms and conditions.
<u>\$00.00</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>\$00.00</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>\$785,697</u>	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. (<i>Accounts Receivable</i>)
	TOTAL FUNDS AVAILABLE

Note: Contemplated use of funds for construction and equipment is \$1,363,509. Cash investment of \$2,000,000 results in surplus cash on hand of \$636,491. Accounts Receivable (Net) of \$785,697 results in total working capital of \$1,422,188.

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Attachment 8 – Financial Commitment
Circle Medical Management, Inc.
Relocation CON

October 27, 2022

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Circle Medical Management, Inc. Dialysis Facility Relocation

Dear Mr. Kniery,

I hereby certify that SRS-Chicago Circle, LLC and Pharos Capital Group, LLC, have committed to invest a minimum of Two Million Dollars (\$2,000,000) in cash, from available funds, for the purpose of the relocating and supporting the future operations of the dialysis clinic owned by Circle Medical Management, Inc., from its current location at 1426 West Washington Blvd, Chicago, IL to the proposed new location at 140 South Ashland Avenue, Chicago, IL.

Pharos Capital Group, LLC is a private equity investor with \$1.2 billion under management. Pharos invests in healthcare companies that will make an impact on the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. Through its investment activities, Pharos works to address at least four of these goals:

No Poverty
Good Health and Well-Being
Reduced Inequalities
Sustainable Cities and Communities

The proposed relocation of the dialysis clinic owned by Circle Medical Management, Inc. addresses each of our primary goals. The clinic has a long-standing history of serving an inner-city population which suffers from many of the social determinants of health. Pharos is supporting this investment from its latest investment fund of \$500 Million through its investment in Sanderling Renal Services, Inc. and its wholly-owned subsidiary, SRS-Chicago Circle, LLC.

Sincerely,



Jerome S. Tannenbaum, M.D., Ph.D., FACP
Chairman and Chief Executive Officer

Attachment 34

Section 7 - Attachment 36

Circle Medical Mangement,Inc
Financial Information 2019-2021
CON Application

Section 7 - Attachment 36

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2023Est</u>
Net Revenue	9,219,912	6,955,373	5,671,202	\$ 5,421,156
Net Income	819,500	1,042,804	250,186	\$ 425,005
Year End Current Assets (Cash + A/R)	1,054,696	956,496	932,128	\$ 1,422,188
Year End Cash in Bank	145,429	177,601	92,004	\$ 636,491
Current Liabilities	554,961	334,749	568,782	\$ 518,848
Total Bank Debt	397,472	200,000	240,000	\$ -
Current Ratio	1.90	2.86	1.64	2.74
Interest	6.0%	23,848.32	12,000.00	14,400.00
Coverage	34.36	86.90	17.37	3.05
Cash/Day	\$ 25,260	\$ 19,056	\$ 15,538	\$ 14,852
Days Cash	5.76	9.32	5.92	42.85
Profit Margin	8.9%	15.0%	4.4%	7.8%

Notes:

Net Income is after add-back for Owner's distributions which are discretionary

Year End Cash means "Opening" Cash in 2023

Current Assets Assumes A/R as of September 30, 2022 plus residual cash after completion of tenant improvements(including investment of \$2.0 Million in cash) (see attchment 34)

Current Liabilities excludes Bank Line of Credit

Interest Charge is imputed at 6% per year based on YE Bank Debt

Coverage: In 2023 there will be no bank debt; however, building rent includes the capitalized value of improvements. The coverage is computed as EBITDAR/Building Rent

Cash On Hand: Based on Revenue/Day.

Tax Returns and Financial Statments for Circle Medical Management are being submitted for confidential review under separate cover.

Attachment 37

CIRCLE Medical Management, Inc. Dialysis Clinic - Relocation**SECTION IX. 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;

The cash required for the project will be funded by SRS-Chicago Circle, LLC, which is acquiring the Facility from Circle Medical Management. The cash will be used, in part, to fund construction, and in part, to fund working capital.

- 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 the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

The portion of the total project which is being funded with debt (leaseholds and moveable equipment financing) will preserve cash on the balance sheet to maintain a current ratio of at least 1.5.

- 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.

The debt for the Tenant improvements is being provided by the landlord in an existing building. This will be less costly than construction of a new building. The equipment is being financed by the Original Equipment Manufacture at a lower rate than would be available from a commercial lender.

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 (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Dialysis Facility	258.78	0	8,000	300	0	0	\$2,149,709	0	\$2,149,709
Contingency	\$19.28	0	8000	300	0	0	\$160,000	0	\$160,000
TOTALS	\$278.06	0	8000	300	0	0	\$2,309,709	0	\$2,309,709

* 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.

Total projected capital cost includes building rent, including landlord improvements) plus equipment lease expense. This is reflected in the Operating Forecast as Building Rent and Equipment Lease. This amount is divided by the number of projected dialysis treatments. The total capital cost is \$26.76 per treatment in 2023 and 23.57 per treatment in 2024. This equates to less than 10% of revenue.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Total Capital Cost: (Excluding FMV of Lease and Equipment Lease): \$2,309,708

SCOPE OF WORK – Construction (TI's)	Amount
Concrete - SOG	\$ 40,000
Finish Carpentry	\$ 5,930
Cabinets / Casework - Install Only	\$ 20,000
Cabinets / Casework - Countertops	\$ 150,000
Insulation	\$ 3,828
Firestopping	\$ 48,000
Sealants and Caulking	\$ 1,000
Doors , Frames Hardware	\$ 78,538
Entrances and Storefronts	\$ 71,405
Metal Stud Framing	\$ 190,000
Drywall	Included
Acoustical Ceilings	\$ 84,000
FRP	\$ 5,150
Concrete Sealing	\$ 5,335
Resilient Flooring	\$ 140,901
Painting	\$ 23,287
Wall and Corner Guards	\$ 1,500
Signage	\$ 1,500
Lockers - Install Only	\$ 1,000
Fire Extinguishers	\$ 950
Toilet Accessories	\$ 3,500
Fire Protection Systems	\$ 38,000
Plumbing	\$ 323,500
HVAC	\$ 251,665
Electrical	\$ 150,000
Fire Alarm System	\$ 32,000
Security Systems	\$ 25,000
Subtotal - Contracts	\$ 1,695,989
GC O&P @ 7%	\$ 118,719

Total Contracts \$ 1,814,709

Contingency	\$ 160,000
Architectural and Engineering Fees	\$ 185,000
Consulting and Licensing Fees	\$ 150,000

	Forecast		PerTreatment	
	2023	2024	2023	2024
2021 Forecast				
ICHD Patients (at Year End)	98	109		
Home PD and HHD (at Year End)	20	25		
Total Patients (at Year End)	118	134		
Treatments	17,488	19,859		
Est Rev/Treatment	\$ 310	\$ 316		
Revenue				
Net Revenue	\$ 5,421,156	\$ 6,279,353	\$ 310	\$ 316
Direct Expenses				
Salaries	\$ 1,640,319	\$ 1,861,762	93.80	93.75
Contract Labor	\$ 82,680	\$ 93,842	4.73	4.73
Benefits	\$ 344,579	\$ 391,097	19.70	19.69
Medical Supplies	\$ 681,983	\$ 774,051	39.00	38.98
Drugs	\$ 666,058	\$ 755,976	38.09	38.07
Patient Lab	\$ 61,192	\$ 69,453	3.50	3.50
Equip Maintenance (incl Water)	\$ 121,447	\$ 121,447	6.94	6.12
Total Direct Patient Care Expense	\$ 3,598,258	\$ 4,067,627	205.76	204.83
Gross Profit	\$ 1,822,898	\$ 2,211,725	104.24	111.37
Occupancy Costs				
Office Supplies	\$ 11,563	\$ 11,563	0.66	0.58
Rent	\$ 290,000	\$ 290,000	16.58	14.60
Rent Storage	\$ 35,810	\$ 35,810	2.05	1.80
Property Taxes	\$ 83,557	\$ 83,557	4.78	4.21
Liability/Property Insurance	\$ 18,705	\$ 18,705	1.07	0.94
Utilities	\$ 30,895	\$ 30,895	1.77	1.56
Telephone	\$ 50,855	\$ 50,855	2.91	2.56
Janitorial Service	\$ 43,144	\$ 43,144	2.47	2.17
Garbage	\$ 8,805	\$ 8,805	0.50	0.44
Hazardous Materials Mgmt	\$ 31,136	\$ 31,136	1.78	1.57
Exterminator	\$ 1,290	\$ 1,290	0.07	0.06
Janitorial Supplies	\$ 9,813	\$ 9,813	0.56	0.49
Equipment Lease	\$ 178,000	\$ 178,000	10.18	8.96
Total Occupancy Costs	\$ 793,574	\$ 793,574	45.38	39.96
Other Expenses				
Medical Director Incenter/PD/SNF	\$ 107,798	\$ 107,798	6.16	5.43
Legal & Accounting	\$ 5,723	\$ 5,723	0.33	0.29
Insurance	\$ 30,000	\$ 30,000	1.72	1.51
Central Business Office (including IT)	\$ 460,798	\$ 533,745	26.35	26.88
Total Other Expenses	\$ 604,319	\$ 677,266	34.56	34.10
Total Overhead	\$ 1,397,893	\$ 1,470,840	79.94	74.06
EBITDA	\$ 425,005	\$ 740,886	24.30	37.31

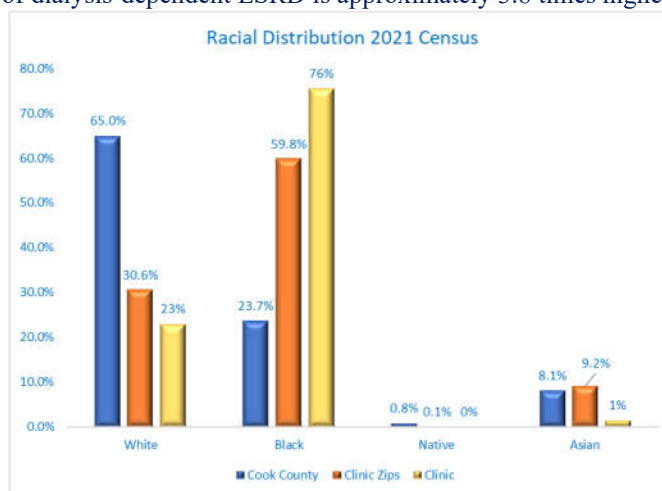
Attachment 37

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, *including the impact on racial and health care disparities in the community*, to the extent that it is feasible for an applicant to have such knowledge.

Discontinuation, if not accompanied by relocation, will have a serious impact on essential safety net services in the community. End-Stage Renal Disease has a disproportionately high incidence among Black, Asian, Native American, and Hispanics. In fact, the incidence of dialysis-dependent ESRD is approximately 3.8 times higher in the black population compared with the white population. The neighborhood served by the existing and proposed clinic has a significantly higher percentage of black residents, compared with the rest of Cook County (58.8% vs 30.6%) according to the 2020 US Census data. The clinic has an even greater percentage of black patients (76%). This is in contrast to the clinics in HSA 6 as a whole, in which 55% of the patients were black. In addition, approximately 25% of the applicant's current patient population is primarily insured by Medicaid, compared with only 9.5% of the patients served by the clinics in HSA 6 as a whole. Failure to approve the relocation of the requested stations could severely limit access to care for the residents in this geographic area in the near- and long-term.



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.
Closure without relocation of the Applicant's facility would result in a higher percentage of Medicaid patients to the other facilities in the area. This could have an unfavorable financial impact on those facilities because of the lower payment rates from Medicaid for the service.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.
Closure without relocation of the Applicant's facility would result in a higher percentage of Medicaid patients to the other facilities in the area. This could have an unfavorable financial impact on those facilities because of the lower payment rates from Medicaid for the service.

Safety Net Impact Statements shall also include all 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.

ESRD patients have many co-morbid conditions. These are exacerbated by missing dialysis. Missed dialysis often is a result of transportation challenges, inconvenient chair times, and lack of home support. Closure without relocation of the Applicants stations will amplify these problems, and will potentially result in a higher rate of hospitalization, or worse yet, mortality, among the patients in the neighborhood.

Charity Care:

Chicago Medical Management, Inc. is a for-profit entity, and is not required to provide charity care by the Internal Revenue Service or the State of Illinois. It does not receive any form of tax deferral or community-based contributions or financial support. The Applicant notes that as a for profit entity, it does pay sales, real estate, and income taxes. It also provides community benefit by supporting various medical education activities and associations, such as the Renal Network and the National Kidney Foundation.

However, Circle Medical Management, Inc. provides care to patients who do not have the means to pay their entire obligation for our services, based on our Indigent Waiver Policy. Our Indigent Waiver Policy assures that we will provide uncompensated care in compliance with the Federal Fraud and Abuse regulations, so such assistance is not construed as an inducement.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# Patients)	2019	2020	2021
Inpatient	N/A	N/A	N/A
Outpatient			
Total			
Charity (cost in dollars)¹	\$294,744	\$209,163	\$155,748
Inpatient	N/A	N/A	N/A
Outpatient	0	0	0
Medicaid			
Medicaid (Patients)			
Inpatient	N/A	N/A	N/A
Outpatient	19	20	23
Total	19	20	23
Medicaid (revenue)			
Inpatient	N/A	N/A	N/A
Outpatient	\$408,247	\$671,569	\$463,725
Total	\$408,247	\$671,569	\$463,725

¹ The Applicant differentiates Bad Debt from Charity Care based on its Indigent Waiver Policy and Collection Policy. Account balances which are written off following a collection action are considered bad debt. Account balances that are written off as result of the Indigent Waiver are considered Charity Care. Collection actions are not initiated unless the Applicant is 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 Applicant.

SECTION X. CHARITY CARE INFORMATION

Chicago Medical Management, Inc. is a for-profit entity, and is not required to provide charity care. However, Circle Medical Management, Inc. provides care to patients who do not have the means to pay their entire obligation for our services, based on our Indigent Waiver Policy.

Indigent Waiver Program

The Applicant 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. 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 more than four (4) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than four (4) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the senior management of the Applicant.

Net Worth: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth more than an amount of thirteen (13) times the Federal Poverty Standard (or such other amount as may be established by the senior management of the Applicant), based on changes in the Consumer Price Index.

The Applicant 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 Applicant 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 the Applicant. An indigent waiver excuses a patient’s obligation to pay for items and services furnished by Applicant (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.

Members of the Applicant’s staff work with Illinois Medicaid to assist patients with Medicaid applications, and will petition Medicaid if patients are denied, and assist undocumented patients through the application process to get them Illinois Medicaid coverage.

Applicant’s Collection policy

Applicant’s collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services. The Applicant does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to Applicant. Patient Accounts are reviewed periodically for consideration of patient liability and to determine if the account meets criteria to be written off. Some write-offs qualify as Medicare Bad Debt, and can be recovered by filing a cost report. Some write-offs will not qualify under Medicare Bad Debt, or any other means of recovery. We consider these un-covered write-offs, if supported by the financial tests of our Indigent Waiver Policy, to represent Charity Care.

The Applicant differentiates Bad Debt from Charity Care based on its Indigent Waiver Policy and Collection Policy. Account balances which are written off following a collection action are considered bad debt. Account balances that are written off as result of the Indigent Waiver are considered Charity Care. Collection actions are not initiated unless the Applicant is 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 Applicant.

	2019	2020	2021
Charity (cost in dollars)¹	\$294,744	\$209,163	\$155,748

¹ The Applicant differentiates Bad Debt from Charity Care based on its Indigent Waiver Policy and Collection Policy. Account balances which are written off following a collection action are considered bad debt. Account balances that are written off as result of the Indigent Waiver are considered Charity Care. Collection actions are not initiated unless the Applicant is 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 Applicant.

**Application for Exemption for Closure and Relocation
Circle Medical Management, Inc.
In-Center Hemodialysis Clinic – HSA 6
November 1, 2022**

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- 06/2022 Edition

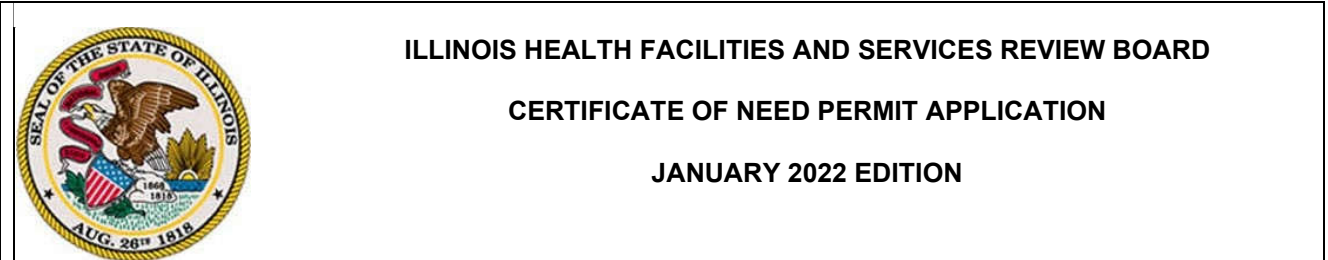


TABLE OF CONTENTS			
SECTION NO.			PAGES
I.		Identification, General Information and Certification	1-9
II.		Discontinuation	10
III.		Project Background, Purpose, and Alternatives	11-12
IV.		Project Scope & Size, Utilization and Unfinished/Shell Space	13-14
V.		Master Design Projects	15-16
VI.		Service Specific Review Criteria	
	F.	In-Center Hemodialysis	24
VII.		Availability of Funds	43-44
VIII.		Financial Viability	45
IX.		Economic Feasibility	46-47
X.		Safety Net Impact Statement	48-49
XI.		Charity Care Information	50
XI.		Flood Plain Information	
		Index of Attachments to the Application	

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 WEST JEFFERSON STREET, 2nd FLOOR
SPRINGFIELD, ILLINOIS 62761
(217) 782-3516**