



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: N/A	BOARD MEETING: N/A	PROJECT NO: 23-048	PROJECT COST:
FACILITY NAME: DaVita Manteno Dialysis		CITY: Manteno	Original: \$0
TYPE OF PROJECT: Substantive			HSA: IX

PROJECT DESCRIPTION: The Applicants (DaVita, Inc. and Renal Treatment Centers-Illinois, Inc.) propose to discontinue the End Stage Renal Dialysis (ESRD) facility in Manteno. There is no cost to this project and the expected completion date is May 31, 2024.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION

- The Applicants (DaVita Inc. and Renal Treatment Centers-Illinois Inc.) propose to discontinue their 15-station ESRD facility in Manteno. There is no cost to this project and the expected completion date is May 31, 2024.
- The ESRD facility is located at 1 East Division Street, Manteno, and is in HSA IX.
- The Applicants note discontinuation of the facility is the result of low utilization based on a growing trend for home dialysis, staffing shortages resulting from the COVID-19 Pandemic, and the expiration of the building lease.

SUMMARY

- The Applicants are requesting the State Board approve the discontinuation of their 15-station ESRD facility in Manteno. The discontinuation is the result of declining utilization and staffing shortages at the facility. Also, the discontinuation will increase utilization at other ESRD facilities in the 17-mile geographical service area (GSA), and Health Service Area (HSA) IX.
- Table One illustrates that the facility has operated below the State Board standard (80%) in three of the last five years. The Applicants note the facility is experiencing declining utilization, significant staffing shortages, and a building lease that expired on December 31, 2023, which they opted not to renew.

TABLE ONE						
Historical Utilization DaVita Manteno Dialysis						
Year	2019	2020	2021	2022	2023	Average
Utilization	44.4%	180%	128%	77.7%	30%	92.0%
Patients	40	162	115	70	27	82.8%
1. Information from facility surveys. State Standard for ESRD: 80%						

- There are two other ESRD facilities within 17-miles of DaVita Manteno Dialysis Center and 18 ESRD facilities in HSA IX. This project is in response to declining utilization at the Applicants' facility, staffing shortages at this and other area facilities, and the decision to consolidate services in an effort to improve utilization at existing facilities in the service area.
- The October 2023 ESRD Inventory Update calculates a need for 77 additional ESRD stations in HSA IX. If approved, the proposed project would increase this need to 92 stations.
- The Applicants have met the State Board's requirements for the discontinuation of this 15-station ESRD facility.

STATE BOARD STAFF REPORT
Project #23-048
DaVita Manteno Dialysis, Manteno

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	DaVita, Inc., and Renal Treatment Centers-Illinois, Inc.
Facility Name	DaVita Manteno Dialysis
Location	1 East Division Street, Manteno, Illinois
Permit Holder	DaVita, Inc
Operating Entity	Renal Treatment Centers-Illinois, Inc. d/b/a Manteno Dialysis
Owner of Site	Jerry Curwick VI, LLC
Application Received	November 29, 2023
Application Deemed Complete	December 4, 2023
Review Period Ends	April 3, 2024
Financial Commitment Date	N/A
Project Completion Date	May 31, 2024
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicants (DaVita, Inc. and Renal Treatment Centers-Illinois, Inc.) propose to discontinue a 15-station ESRD facility located at 1 East Division Street, Manteno. There is no cost to this project and the expected completion date is May 31, 2024.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is in conformance with the provisions of 77 Ill. Adm. Code 1110 (Part 1110).
- B. Since there is no cost associated with this project, the provisions of 77 Ill. Adm. Code 1120 (Part 1120) are not applicable.

III. General Information

The Applicants are DaVita Inc. and Renal Treatment Centers-Illinois, Inc. d/b/a DaVita Manteno Dialysis. Renal Treatment Centers-Illinois, Inc. is the operator and a subsidiary of DaVita Inc., which is the parent company. This is a substantive project. DaVita Manteno Dialysis is in the HSA IX ESRD Planning Area, which includes the Illinois counties of Grundy, Kankakee, Kendall, and Will.

IV. Background of the Applicants

The Applicants are DaVita Inc. and Renal Treatment Centers-Illinois, Inc. Both Applicants are Delaware-based entities, licensed to conduct business in Illinois. The Applicants own 109 facilities in Illinois (see application, p. 58), and attest that no adverse actions have been taken against a DaVita facility in the three years prior to the filing of this application (see application, p. 62).

V. Purpose of the Project

The Applicants state the purpose of this project is to discontinue the 15-station ESRD in Manteno. This facility has experienced underutilization as a result of the Pandemic (which resulted in more patients electing to utilize home modalities), increased clinical staffing shortages at DaVita facilities in the service area, and an expiring lease at the Manteno facility that the Applicants did not renew. In addition, the Applicants report underutilized DaVita facilities in the service area/health service area in which the existing client base can transfer to, increasing utilization at facilities in the travel radius (17 miles), and the Health Service Area (HSA) (see Tables Two and Three).

TABLE TWO				
ESRD facilities in the 17-Mile Service Area				
ESRD Name	City	Stations	Patients	Utilization
DaVita Kankakee River Dialysis	Kankakee	25	53	35.3%
DaVita Kankakee County Dialysis	Bourbonnais	14	67	79.7%
Utilization data taken from September 2023 ESRD Profile Update				

TABLE THREE					
ESRD Facilities in HSA-IX					
Facility	City	Distance (miles)	Stations	Patients	Utilization
Kankakee County Dialysis	Bourbonnais	7.8	14	67	79.7%
Kankakee River Dialysis	Kankakee	13.1	25	53	35.3%
Renal Center New Lenox	New Lenox	27.4	19	100	87.7%
FKC New Lenox	New Lenox	27.8	12	33	45.8%
FMC Joliet	Joliet	28	18	62	57.4%
FMC Mokena	Mokena	28.8	14	48	57.1%
DaVita Sun Health	Joliet	31.5	17	48	47%
Renal Center West Joliet	Joliet	33.1	29	81	46.5%
DaVita Morris Dialysis	Morris	38.9	9	35	64.8%
Morris Community Dialysis	Morris	39.2	10	23	38.3%
FMC Plainfield	Plainfield	40.2	16	76	79.2%
USRC Bolingbrook	Bolingbrook	42.1	13	62	79.5%
FMC Plainfield North	Plainfield	43.9	11	56	84.9%
Bolingbrook Dialysis Ctr.	Bolingbrook	51.3	24	67	46.5%
FMC Naperville	Naperville	56.6	24	86	59.7%
FMC Oswego	Oswego	58.3	19	59	51.8%
Yorkville Dialysis Ctr.	Yorkville	58.5	8	28	58.3%
TOTAL/Average			282	984	59.97%
Data from September 2023 DPH ESRD Update					

VI. Discontinuation

The Applicants propose to discontinue their 15-station ESRD facility located in Manteno. The proposed discontinuation is in response to staffing shortages, decreased utilization at dialysis facilities in the area based on the trend for at-home dialysis, and an expiring building lease.

The Applicants stated that, as of September 30, 2023, only 27 patients dialyzed at the facility, resulting in a 30% utilization (see Table One). Additionally, nationwide clinical staffing shortages have created challenges for DaVita to adequately staff its clinics. These issues, combined with an expiring lease on the Manteno facility that the Applicants do not wish to renew, resulted in the decision to better allocate its resources in HSA IX, and transfer the entirety of its patient base to neighboring DaVita dialysis facilities located in the service area (see Table Two).

The Applicants do not believe there will be an impact on access with the discontinuation of this facility. There are 18 ESRD facilities within the HSA IX planning area, containing 282 stations, with an average operational capacity of 59.9%. Of the 17 facilities identified in Table Three, only two are operating in excess of the State standard (80%). The Applicants believe the relocation of its patient base to other ESRD facilities in the planning area will increase the utilization rate for these facilities (see Tables Two and Three).

VII. Charity Care/Medicaid Information

According to the Applicants, this proposed discontinuation will not have any impact on the essential safety net services in the community, nor will it impact the ability for other health care providers or systems to cross-subsidize safety net services. All patients will transition to home dialysis or receive treatment at other DaVita facilities (see Table Four).

TABLE FOUR			
Net Patient Revenue/Charity Care/Medicaid Information			
	2020	2021	2022
CHARITY CARE			
Net Patient Revenue	\$409,210,320	\$414,744,253	\$398,035,885
Amount of Charity Care (charges)	\$2,635,936	\$1,247,774	\$1,151,514
Cost of Charity Care	\$2,635,936	\$1,247,774	\$1,151,514
% to Net Patient Revenue	.06%	.03%	.02%