



Fresenius Medical Care

September 30, 2010

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Mr. Dale Galassie
Acting Chair
Illinois Health Facilities & Services Review Board
525 West Jefferson, 2nd Floor
Springfield, IL 62761

Re: Additional Information
Project # 10-039, Fresenius Medical Care Waukegan Harbor

Dear Mr. Galassie:

Enclosed please find additional information for the above mentioned project as well as a support letter from Dr. Ghantous, the supporting physician for this proposed facility.

Thank you for your time and consideration of this information.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Ranalli

Additional information for #10-039, Fresenius Medical Care Waukegan Harbor

The information contained herein is in response to comments sent in from DSI Corporation regarding the State Agency Report (SAR). While the letter appears to be an opposition letter rather than a letter to comment on the SAR, I would like to point out that the comment period for this application ended September 1, 2010. Many of the comments in the letter are not related to the support or opposition of the findings of the SAR, but rather to DSI's opinion of where Dr. Ghantous' patients should be referred.

Criterion 1110.1430(b)(1) – Planning Area Need

The applicant is in agreement that at the time of application submittal, there was only a need for 3 additional stations in HSA 8. According to the September inventory there are now 9 excess stations. However, given the utilization of area providers within the 30 minute travel zone, the overall utilization of 83% of the 30 minute zone, and the number of pre-ESRD patients Dr. Ghantous has identified, the Waukegan Harbor facility is needed to maintain access for dialysis services into the future. It will take approximately 18 months to have the facility fully operational. Utilizations will only be higher at that time.

Criterion 1110.1430(b)(2) – Service to Planning Area Residents

The Applicant meets this criterion, as stated in the original SAR, in that 100% of the patients identified for this facility reside in Lake County. This facility will serve the residents of HSA 8.

While it is a fact that as of the June 30th Renal Network Data report, only one of the four facilities within 30 minutes travel time was over 80%, the remaining four were only a few patients away from reaching 80% at 71%, 76%, and 78%, (Fresenius Gurnee was at 100%). The deficit from reaching 80% for these facilities amounts to only 18 patients and Dr. Ghantous is only one of many nephrologists practicing in Lake County.

Name	Miles	Travel Time	Adjusted Time	Stations	1st Qtr Util	1st Qtr Patients	2nd Qtr Util	2nd Qtr Patients	2nd Qtr Patients Needed to reach 80%	3rd Qtr Fresenius Util	3rd Qtr Fresenius Patients
DSI Waukegan	1.18	3	3	22	73%	96	71%	94	12	Unknown*	Unknown
Fresenius Gurnee	3.62	9	10	14	96%	81	100%	84	0	108%	91
Fresenius Lake Bluff	9.41	18	21	16	77%	74	78%	75	2	82%	79
DaVita Lake County	11.82	24	28	16	75%	72	76%	73	4	Unknown*	Unknown
TOTALS				68	79%	323	80%	326	18		

* DSI Waukegan and DaVita Lake County 3rd Qtr utilization will be reflected in the 3rd Qtr Renal Network data.

As seen in the chart above, the two Fresenius facilities, Gurnee and Lake Bluff, as of September 30th, are now operating at 108% and 82% respectively. This data will be reflected in the 3rd Quarter Renal Network Report (3rd quarter data will also be available

for DSI Waukegan and DaVita Lake County on the same report). Just adding the current utilization for the Fresenius facilities into the utilization factor brings the overall utilization within 30 minutes to 83% with the patient count going up by eleven patients. This leaves 2 facilities within 30 minutes just under 80% utilization, pending 3rd Qtr results.

If the **DSI Waukegan** facility (at 71% 2nd Qtr) took the 36 patients that they said in their letter they could take, they would at 98% utilization (only 12 more patients would put this facility at 80%). This would not leave access to services for the pre-ESRD patients of the DSI physicians who currently admit there. It is not in the best interest of the patients or physicians to operate a facility near or at capacity. Operating at high utilizations restricts patients as far as shift choice is concerned. The favored shifts are in the daytime hours so these shifts fill up first. That leaves the third shift for new, more ill patients, who will complete treatment into the evening hours. There may be transportation issues for some patients who require County/Township transportation services due to the fact that these services stop transporting patients at 4pm. Also, as a dialysis facility reaches capacity, it is forced to operate a fourth shift; such is the case at Fresenius Gurnee. These patients dialyze at night and finish treatment around midnight. This creates a definite hardship on these patients who are generally elderly and ill.

Dr. Ghantous does admit patients to DSI Waukegan per patient request and as such he has 5 hemodialysis patients dialyzing there. At the Gurnee facility he is treating 41 hemodialysis patients who reside in Waukegan. While, the DSI Waukegan facility certainly could not accommodate all of these patients, Dr. Ghantous generally does not refer his patients to this facility because of clinical practice differences. The DSI Waukegan facility operates under the clinical practice policies of the Medical Director there. Dr. Ghantous does not have the freedom to order certain labs and medications as he see fit for his patients there. He also does not have the choice to change the treatment prescription based on his evaluation of lab values.

The **Fresenius Lake Bluff** facility is at 82% as of the 3rd Qtr. If this facility took the 20 patients DSI said they could take they would be operating at 103% utilization. Again, this is not an optimal way to operate a dialysis facility. Even with some patient attrition, the facility would still be far over the 80% mark. This too would not leave room for pre-ESRD patients of the physicians who currently admit to that facility.

DaVita Lake County is nearly 30 minutes away and at 76% (according to the 2nd Qtr data). If they took the 23 patients DSI said they could take they would be at 100% creating the same situations as mentioned above. This facility only needs 4 more patients before reaching 80%. This facility is not in the market area where Dr. Ghantous sees his patients and is not near where the patients live. In fact for most of the pre-ESRD patients it would be well over a thirty minute drive. If Dr. Ghantous patients were referred to this facility, they would likely have to change physicians and thus loose continuity of care. Dr. Ghantous currently admits patients to Fresenius

Gurnee, Antioch, Round Lake and DSI Waukegan. He does not serve the area as far south as Libertyville.

DSI, in their letter also mentioned sending patients to **DaVita Lake Villa**, which is outside of the 30 minute travel zone for the Waukegan Harbor facility and over thirty minutes drive time for the majority of patients as well. However, if like DSI stated, the DaVita Lake Villa facility took 40 patients it too would be well over capacity creating the same gridlocked situation with no where else for the patients of the physicians who currently admit there to go.

DSI Arlington Heights and **DSI Buffalo Grove** were mentioned as resources for Dr. Ghantous' patients, but they are both far outside of the 30 minute travel zone and outside the market area for the identified patients as well as for Dr. Ghantous practice. Patients would have to switch physicians and travel long distances for dialysis.

Criterion 1110.1430(b)(4) – Service Demand

Page 43 of application states that approximately 12% of the current patients would no longer require dialysis, per the Board's rules requesting numbers of patients who would no longer require dialysis due to death or transplant be reported. Even if the attrition rate were higher, given area utilization, Dr. Ghantous pre-ESRD patients, pre-ESRD of other are nephrologists, and those unaccounted for pre-ESRD who present in the emergency room in kidney failure, the numbers are high enough to support the 21 station Fresenius Waukegan Harbor facility.

Criterion 1110.1430(b)(5) – Service Accessibility – Service Restrictions

As stated on page 50 of the application and in the SAR, the ratio of stations to population within 30 minutes travel time is 1/6,553, more than one and one half times the State average of 1/3,776 demonstrating need.

Page 51 of application states that there are access limitations due to restrictive schedule times due to the high utilization of area providers. The Fresenius Gurnee facility is above capacity, severely restricting access to that area of Lake County. The other four providers are at or just below 80%. As mentioned above, the daytime shifts generally fill up first leaving the evening shift for new patients. This creates a hardship with transportation options since County/Township services do not operate after 4pm.

Aside, from this, there are service restrictions placed on Dr. Ghantous, in regards to the DSI Waukegan facility. When he refers patients to DSI Waukegan, he is restricted in his ability to treat his patients according to his preferred clinical practice as mentioned previously.

The SAR did correctly report each facility utilization according to Board rules, however, also appropriately considered the overall utilization of the 30 minute travel zone and the low ratio of stations to population in determining need.

In closing, it appears DSI is not taking into account the many nephrologists who are practicing in the same area as is Dr. Ghantous. With Fresenius Gurnee at 108% and Fresenius Lake Bluff at 82%, this just leaves two facilities within 30 minutes that are operating just under the 80% mark. If Fresenius Medical Care waits until these two other facilities reach 80% to apply for a permit to establish the Waukegan Harbor facility, the service restrictions would be even greater for the ESRD patients of Lake County. This will impede access to dialysis services. It is proper and responsible healthcare planning to prepare for the needs of the patients now that will begin dialysis in the next two to three years.

NORTH SUBURBAN NEPHROLOGY

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September 29, 2010

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L. ROBERTS, M.S., PA-C

Mr. Dale Galassie
Acting Chair
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

Dear Mr. Galassie:

I am a nephrologist practicing in Lake County and serve as Medical Director of the Fresenius Medical Care Gurnee and Round Lake dialysis centers. I currently refer patients to Fresenius Medical Care Gurnee, Round Lake, Antioch and to DSI Waukegan. I am the physician supporting the Fresenius Medical Care Waukegan Harbor dialysis facility.

The Gurnee facility is currently operating above capacity, which has necessitated a fourth shift, which concludes around midnight. It is clearly not in the best interest of my patients to have them dialyzing at this time. The other facility, of which I am the Medical Director of, Fresenius Round Lake, is nearing capacity. With the other facilities in the Waukegan area operating near 80% utilization, I am concerned about keeping access to dialysis available in this area of Lake County, where ESRD prevalence is continually rising.

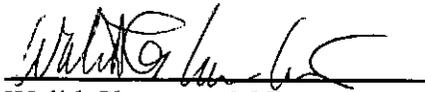
In response to the DSI comment letter submitted to the Board on September 10, 2010, I have two concerns. The first one is that my preferred clinical practice for delivering optimal dialysis treatment does not coincide with the practices of the Medical Director of the DSI Waukegan facility. With respect to treating my patients at this facility I must adhere to the practices of that Medical Director. This hinders my ability to treat my patients as I would prefer. I cannot order additional labs, medications or specific dialysis treatments that I deem necessary. In the other facilities that I refer to, I do not have this problem. It is for this reason, that while I will refer to DSI Waukegan if the patient so chooses, I generally will not refer my patients there.

Secondly, in the letter from DSI, they suggested that I could refer my pre-ESRD patients identified for Waukegan Harbor all over Lake County and into Cook County as well. I currently see patients at Fresenius Round Lake, Fresenius Antioch, Fresenius Gurnee and DSI Waukegan. I cannot realistically refer my patients out over all six other facilities that DSI claims I could. I would not be able to effectively see and treat all my patients on a weekly basis if I were to round at 8 facilities spread out by long distances. Many of the facilities they

listed are long distances from where my patients live. It is better for my patients to have dialysis treatment near their home due to the transportation impediments dialysis patients experience receiving treatment three times a week for life. Aside from that, referring all my patients to the area facilities as DSI outlined in their letter would put those facilities above capacity and leave no access for the other nephrologists' patients. My interest is in sustaining access to treatment rather than hindering it.

I respectfully ask you to consider this information and approve the Waukegan Harbor facility to provide continued access for life saving dialysis treatments for my patients and the residents of Lake County.

Sincerely,

A handwritten signature in black ink, appearing to read 'Walid Ghantous', written over a horizontal line.

Walid Ghantous, M.D.