

Constantino, Mike

From: Moon, Shawn K [skmoon@uhl.law.com]
Sent: Tuesday, July 26, 2011 7:11 PM
To: Constantino, Mike
Subject: U.S. Renal Care Oak Brook Dialysis Support Letter
Attachments: USRC Oak Brook ESRD Patient Growth and Utilization.pdf

Good Afternoon Mike,
Please find the attached letter providing a focused analysis on the service area of the proposed U.S. Renal Care Oak Brook Dialysis facility, application number 11-024.
Please feel free to contact me with any questions or comments.
Thanks,
Shawn

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July 26, 2011

Mr. Dale Galassie
Chairman
Illinois Health Facility and Service Review Board
525 West Jefferson Street
Springfield, Illinois 62761

**Re: 2015 Projected ESRD Patient Volume Growth and 93% Utilization of Facilities
Surrounding U.S. Renal Care Oak Brook Dialysis**

Dear Mr. Galassie,

According to the rules governing the calculation of end stage renal disease ("ESRD") station need for in-center hemodialysis facility certificate of need applications, the estimated need for ESRD stations is based upon an experienced ESRD rate projected forward using a one-time population estimate for the entire health service area ("HSA"). However, historic trending data by zip code can be used to calculate a more accurate prediction of the growth in ESRD patients residing in the service area of U.S. Renal Care Oak Brook Dialysis. Applicants have consistently defined their service area to be within a seven mile radius around the proposed facility, as provided in Appendix A, projecting that a majority of their patients will reside in this area. Using this seven mile radius around the proposed facility, Applicants have identified the zip codes that will generate the primary patient base of the proposed facility. According to Renal Network data for Network 10 (Illinois), and as indicated in the attached Appendix B, the prevalence of end stage renal disease for patients residing in the twenty-one zip codes comprising the service area of U.S. Renal Care Oak Brook Dialysis has grown steadily in the past five years. By using the experienced growth in ESRD patient volume over the past five years, Applicants have calculated a cumulative aggregate growth rate "Growth Rate" of 4.6%. This historic Growth Rate over the preceding five year period, applied forward for the next five years, can be used to predict the volume of ESRD patients in the service area. As applied to the service area of U.S. Renal Care Oak Brook Dialysis, this model predicts a total ESRD volume of nearly 600 patients in 2015, or 120 patients over the 2010 experienced volume, a dramatic increase in ESRD patients in the immediate future.

This prediction of the high growth in ESRD patients becomes even more alarming when the number of currently approved dialysis stations is used to project utilization over the next five years. As indicated in Appendix C, Applicant has identified the currently existing or approved stations within the seven mile radius service area of U.S. Renal Care Oak Brook Dialysis. As demonstrated in Appendix B, when the maximum capacity of such stations are applied against

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the predicted growth in ESRD patients, the utilization of such stations rapidly reaches total capacity over the next five years, with utilization in 2015 of 93%. At such levels, it is inconceivable that patients requiring dialysis services could obtain timely dialysis treatment upon discharge from a hospital, let alone obtain such treatment at times that promote patient choice and consequently quality care. Furthermore, the realization of such levels of utilization would result in negative patient care issues including longer drive times, patients missing treatments due to the lack of shift availability or drive time issues, and additional shift creation leading to decreased dialysis treatment times or late night dialysis treatments.

The predictions of ESRD patient growth and utilization, calculated using recent historical data and applied in a systematic methodology, clearly demonstrate the need for an additional dialysis provider in the service area. As such, the Illinois Health Facilities and Services Review Board should recognize the dramatic need for additional dialysis stations in this area and approve the certificate of need application for U.S. Renal Care Oak Brook Dialysis.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Moon', with a long horizontal flourish extending to the right.

Shawn K. Moon

APPENDIX B

ZipCode	ESRD Network	State	County Name	City	Actual					Projected				
					Dec-05	Dec-06	Dec-07	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15
60532	10 IL	DUPAGE	USLE		10	12	18	25	25	26	27	29	30	31
60517	10 IL	DUPAGE	WOODRIDGE		13	17	21	24	25	26	27	29	30	31
60515	10 IL	DUPAGE	DOWNERS GROVE		23	26	32	30	31	32	34	35	37	39
60516	10 IL	DUPAGE	DOWNERS GROVE		12	16	16	17	23	24	25	26	27	29
60559	10 IL	DUPAGE	WESTMONT		21	22	18	20	22	23	24	25	26	28
60561	10 IL	DUPAGE	DARIEN		13	12	16	15	17	18	19	19	20	21
60514	10 IL	DUPAGE	CLARENDON HILLS		8	10	5	5	9	9	10	10	11	11
60521	10 IL	DUPAGE	HINSDALE		11	11	11	13	8	8	9	9	10	10
60558	10 IL	COOK	WESTERN SPRINGS		6	6	5	6	4	4	4	5	5	5
60187	10 IL	DUPAGE	WHEATON		31	28	27	24	24	25	26	27	29	30
60189	10 IL	DUPAGE	WHEATON		1	2	3	4	8	8	8	9	10	10
60139	10 IL	DUPAGE	GLENDALE HEIGHTS		18	20	26	36	42	44	46	48	50	53
60137	10 IL	DUPAGE	GLEN ELVYN		24	26	20	24	25	26	27	29	30	31
60148	10 IL	DUPAGE	LOMBARD		40	48	46	41	42	44	46	48	50	53
60101	10 IL	DUPAGE	ADDISON		29	28	43	38	34	36	37	39	41	43
60523	10 IL	DUPAGE	OAK BROOK		10	11	10	11	11	12	12	13	13	14
60181	10 IL	DUPAGE	VILLA PARK		23	25	26	29	30	31	33	34	36	38
60126	10 IL	DUPAGE	ELMHURST		40	41	44	45	40	42	44	46	48	50
60162	10 IL	COOK	HILLSIDE		23	19	22	26	24	25	26	27	29	30
60163	10 IL	COOK	BERKELEY		10	5	7	11	11	12	12	13	13	14
60154	10 IL	COOK	WESTCHESTER		18	22	22	25	25	26	27	29	30	31
					384	407	438	469	480	502	525	549	574	600
							5 year CAGR >>		4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
							Licensed Stations >>		108	108	108	108	108	108
							# of Shifts >>		6	6	6	6	6	6
							Maximum Capacity >>		648	648	648	648	648	648
							Utilization >>		77%	81%	85%	89%	93%	

USRC FACILITY	FACILITY NAME	CHAIN NAME	IDPH ADDRESS	IDPH CITY	MEDICARE ZIP	3-31-2011 STATIONS
US KIDNEY CARE OAK BROOK	DOWNERS GROVE DIALYSIS CENTER	FRESENIUS MEDICAL CARE (FMC)	3825 HIGHLAND AVE., SUITE 102	DOWNERS GROVE	60515	19
US KIDNEY CARE OAK BROOK	FMC DIALYSIS SERVICES OF WILLOWBROOK	FRESENIUS MEDICAL CARE (FMC)	6300 KANGERY HIGHWAY	WILLOWBROOK	60527	16
US KIDNEY CARE OAK BROOK	GLENDALE HEIGHTS DIALYSIS CENTER	FRESENIUS MEDICAL CARE (FMC)	520 EAST NORTH AVENUE	GLENDALE HEIGHTS	60139	17
US KIDNEY CARE OAK BROOK	FRESENIUS MEDICAL CARE -LOMBARD	FRESENIUS MEDICAL CARE (FMC)	1940 SPRINGER DRIVE	LOMBARD	60148	12
US KIDNEY CARE OAK BROOK	RCG VILLA PARK	FRESENIUS MEDICAL CARE (FMC)	200 EAST NORTH AVENUE	VILLA PARK	60181	24
US KIDNEY CARE OAK BROOK	LAGRANGE DIALYSIS CENTER	FRESENIUS MEDICAL CARE (FMC)	2400 WOLF ROAD, STE 101	WESTCHESTER	60154	20