

Constantino, Mike

From: Moon, Shawn K [skmoon@uhlaw.com]
Sent: Wednesday, July 27, 2011 8:05 AM
To: Constantino, Mike
Subject: U.S. Renal Care Bolingbrook Dialysis Support Letter
Attachments: USRC Bolingbrook ESRD Patient Growth and Utilization.pdf

Good Morning Mike,

Please find the attached letter providing a focused analysis on the service area of the proposed U.S. Renal Care Bolingbrook Dialysis facility, application number 11-025.

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 123% Utilization of Facilities
Surrounding U.S. Renal Care Bolingbrook 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 Bolingbrook 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 ten zip codes comprising the service area of U.S. Renal Care Bolingbrook 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 5.8%. 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 Bolingbrook Dialysis, this model predicts a total ESRD volume of nearly 378 patients in 2015, or 93 patients over the 2010 experienced volume, a dramatic increase in ESRD patients in the immediate future.

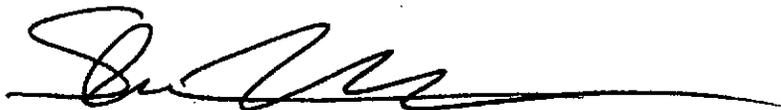
This prediction of the high growth in ESRD patients becomes even more alarming when the number of currently approved dialysis stations is used to project utilization over the next five years. As indicated in Appendix C, Applicant has identified the currently existing or approved stations within the seven mile radius service area of U.S. Renal Care Bolingbrook 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 exceeds total capacity over the next five years, with utilization in 2015 exceeding 123%. 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 Bolingbrook Dialysis.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn K. 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
60446		10 IL	WILL	ROMEDEVILLE	23	32	30	44	37	39	41	44	46	49
60564		10 IL	WILL	NAPERVILLE	9	6	12	16	16	17	18	19	20	21
60540		10 IL	DUPAGE	NAPERVILLE	22	16	25	28	25	26	28	30	31	33
60490		10 IL	WILL	BOLINGBROOK	4	5	3	9	10	11	11	12	13	13
60565		10 IL	DUPAGE	NAPERVILLE	14	11	13	12	18	19	20	21	23	24
60440		10 IL	WILL	BOLINGBROOK	63	56	70	76	84	89	94	99	105	111
60441		10 IL	WILL	LOCKPORT	38	39	32	36	32	34	36	38	40	42
60517		10 IL	DUPAGE	WOODRIDGE	13	17	21	24	25	26	28	30	31	33
60516		10 IL	DUPAGE	DOWNERS GROVE	12	16	16	17	23	24	26	27	29	30
60439		10 IL	COOK	LEMONT	17	13	11	9	15	16	17	18	19	20
					215	211	233	271	285	302	319	338	357	378
							5 year CAGR >>		5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
							Licensed Stations >>	51	51	51	51	51	51	51
							# of Shifts >>	6	6	6	6	6	6	6
							Maximum Capacity >>	306	306	306	306	306	306	306
							Utilization >>	99%	104%	110%	117%	123%		

USRC FACILITY	FACILITY NAME	CHAIN NAME	IDPH ADDRESS	IDPH CITY	MEDICARE ZIP	3-31-2011 STATIONS
US RENAL CARE BOLINGBROOK	BOLINGBROOK DIALYSIS CENTER	FRESNIUS MEDICAL CARE (FMC)	379 REMINGTON BLVD	BOLINGBROOK	60440	24
US RENAL CARE BOLINGBROOK	NAPERVILLE DIALYSIS CENTER	FRESNIUS MEDICAL CARE (FMC)	100 SPALDING DRIVE	NAPERVILLE	60540	15
US RENAL CARE BOLINGBROOK	FRESNIUS MEDICAL CARE LOCKPORT	FRESNIUS MEDICAL CARE (FMC)	1050 THORNTON STREET	LOCKPORT	60441	12
						51