



Fresenius Medical Care

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

November 11, 2011

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

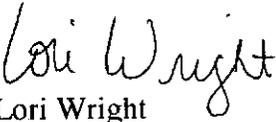
Re: Additional Information
Project: #11-038, Fresenius Medical Care Naperville

Dear Ms. Avery,

The enclosed pages contain additional information in response to the Intent to Deny given to the above mentioned project at the October 13, 2011 meeting.

Thank you for your time and consideration of this information.

Sincerely,


Lori Wright
Senior CON Specialist

cc: Clare Ranalli

APPLICANTS SUBMISSION OF

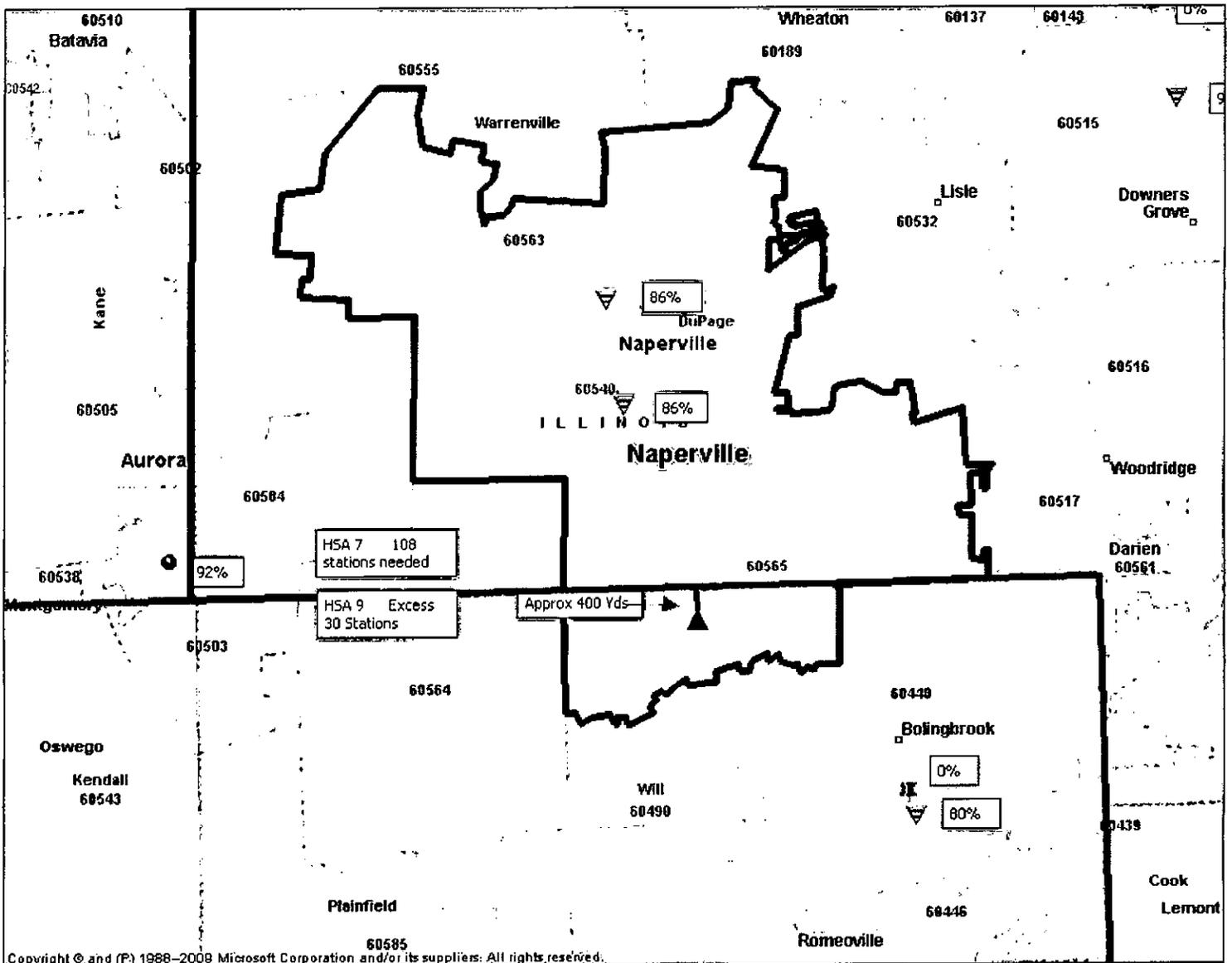
SUPPLEMENTAL INFORMATION FOR #11-038

Fresenius Medical Care Naperville

In response to the Intent to Deny issued to project number 11-038, at the October 13, 2011 meeting, Fresenius Medical Care Naperville is submitting this information for the Board's consideration. The applicant requests the Board reconsider its Intent to Deny based on the following points.

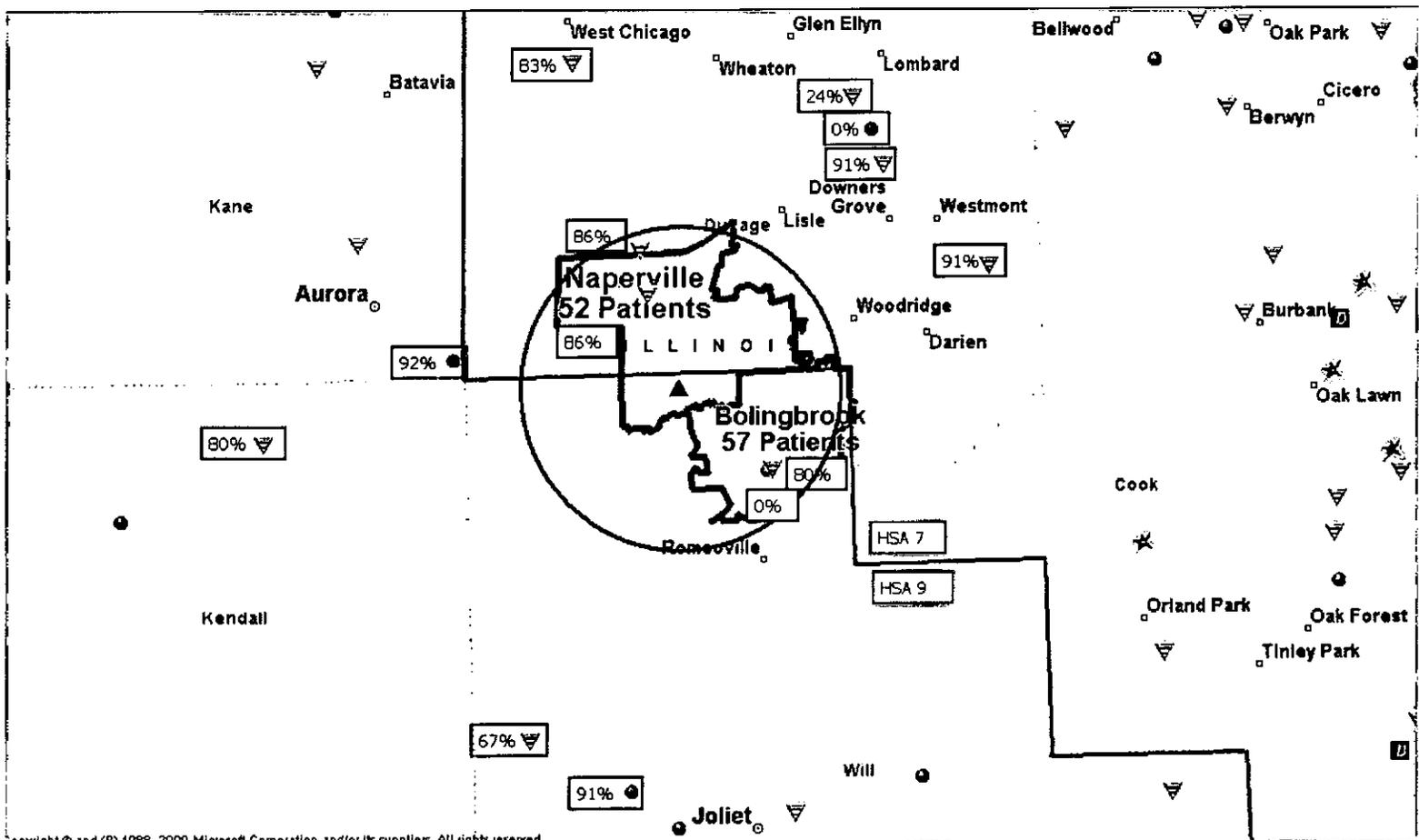
- This facility is needed to serve residents of Naperville which lies mostly in DuPage County (HSA 7) where there is a need for 108 additional stations. However, the ideal site in Naperville that we found lies just 400 yards over the border into Will County, placing it in HSA 9 where there is an excess of stations.

Fresenius Naperville in relation to HSA 7 & HSA 9



- As seen on the map below the majority of clinics are operating at high utilizations. There are only two clinics in operation that have any capacity and they are:
 - Fresenius Plainfield at 67% only because after reaching 92% utilization in less than two years of operation, they were recently approved to add 4 stations for identified patients from a separate physician practice. These are patients who live in the immediate Plainfield area. This facility does not serve Naperville and is 14 miles away.
 - The second facility is Fresenius Lombard, which is also 14 miles away. This facility was recently certified in May 2011 and is already at 24% with patients identified to bring that facility to 80% utilization from a physician practice group located in Downers Grove. This facility also, does not serve the residents of Naperville.
 - Two new clinics were approved within the 30-minute travel zone on October 12, 2011. They are US Renal Bolingbrook (#11-025) and US Renal Oak Brook (#11-024). These facilities each have 13 stations and can each accommodate 62 patients at 80% utilization for a total of 124 patients. US Renal and Drs. Rauf and Ahmed certified that they have 253 patients they plan on referring to these two facilities. It is evident that these two facilities will not be able to accommodate the expected patient referrals from Dr. Schlieben as certified to in this application.

Fresenius Naperbrook pre-ESRD patients, area utilization and HSA's



- That leaves us questioning, if the Naperbrook facility is not approved, where are the pre-ESRD patients residing in Naperville and the surrounding area to go for dialysis treatment? The Naperbrook facility is the best option for these patients for many reasons:
 - Ideal location – the facility is in Naperville but is situated midway between the heavily utilized Naperville and Bolingbrook facilities.
 - Ideal site – after evaluating many sites on the HSA 7 side of Naperville, this site was found to be best suited for a dialysis center for the following reasons:
 - Medical Zoning
 - Newer Building
 - 1st Floor – ease of patient access
 - Ample patient and staff parking
 - Easy road access
 - Easily accessible patient drop off area for transported patients
 - Room for future expansion if necessary

- An option for Fresenius Medical Care, if this project is not approved is to move the site search for this facility 400 yards north into HSA 7, where there is a determined need for 108 stations. While this would be possible, it would delay the operation of this much needed facility, could cause Fresenius Naperville to operate a 4th shift, which it has had to do in the past, increase the expense of the project by losing all costs associated with the submittal of this application i.e. time, legal fees, submission fees, realty fees and would increase the likelihood that the facility would be located at a less than ideal site.

- Area historical high utilizations along with patient growth in the 30 minute drive time zone around the Naperbrook facility attests to station need regardless of the HSA. In the facilities within 30 minutes travel time of Naperbrook there has been a 5% growth of ESRD patients since January 1, 2011. The State of Illinois as a whole saw a total 2% growth for 2010.

Patients at facilities within 30-minutes

	1st Qtr 2011 Patients	2nd Qtr 2011 Patients	3rd Qtr 2011 Patients
Totals	920	949	968

Station Need/Health Service Areas 7 and 9

As previously mentioned there is a need for 108 stations in HSA 7, which is contiguous to HSA 9 where there is an excess of stations. The proposed site for the Naperbrook facility is literally the distance of a couple of football fields off the border of HSA 7 and in the more populated area of HSA 9.

We note that Service Areas where the population is high have a need for more stations, such as HSA 6 & 7. This certainly makes sense. However, some of the Service Areas have pockets of highly populated areas along with areas that are more rural and some Service Areas are generally all rural in nature. We have previously noted that applying a formula for need to the entire state of Illinois is somewhat counter intuitive given the densely and sparsely populated areas within Illinois. The need formula does generally account for this by looking at the population, incidence of ESRD within the population, and anticipated population growth. However, it does not accurately take into account the historical increase in prevalence of ESRD in the general population over the past decade. It also does not take into account the operations of clinics in rural areas. The need formula, in part, calculates station need based on all clinics running three shifts a day six days a week. Many rural clinics run only two shifts a day, six days a week. Fresenius is not the only entity to point this out as DaVita has done so on occasion as well. Thus, the station need is skewed downward in Service Areas that are generally or partially rural. This does not mean, however, that there is not a need for dialysis services in these areas.

- HSA 9, Will, Kankakee, Grundy and Kane counties all a higher percentage of rural areas within their boundaries. A recent poll of all rural facilities in Illinois showed that the average number of shifts these facilities operate is 2 per day or a total of 4, not 6.

Facility	Shifts in Operation			Utilization Sep-11
	M-W-F	T-TH-S	Total Shifts	
Antioch	3	2	5	65%
Carbondale	3	2	5	67%
Du Quoin	2	2	4	53%
East Decatur	2	2	4	56%
Kewanee	2	2	4	64%
Macomb	2	2	4	63%
McHenry	2	2	4	52%
Metropolis	2	2	4	54%
Morris	3	2	5	76%
Ottawa	2	1	3	49%
Pekin	3	3	6	64%
Pontiac	3	1	4	59%
Randolph County	2	2	4	64%
Saline County	2	2	4	39%
Sandwich	3	0	3	38%
Spoon River	3	2	5	71%
Spring Valley	3	2	5	70%
Streator	2	1	3	46%
Williamson County	2	2	4	62%
Totals	46	34	80	
Avg # shifts/utilization	2.4	1.8	4.2	59%

Rural clinics typically operate only two shifts a day for various reasons. The patient population trends more toward the elderly and there is little transportation available other than the patient's family or friends. It is difficult for people to travel on country roads in the evening and many are adamantly against doing so and will skip treatments, particularly in the winter months. Some of the rural facility's Medical Directors will not open up the last shift of the day for the same reasons and because they often cover several rural faculties with long distances in between. Finally, the population generally may require stations, as people need dialysis in rural areas, but there are not enough patients to warrant a third shift. This does not mean however that the first and second shifts are not generally "full". It does mean that given the number of patients in rural areas and using a three shift a day six day a week multiplier in the need formula skews the need downward in Service Areas that are rural. This negatively impacts areas like HSA 9 that contains densely populated areas, but is mostly rural.

This is one reason the HFSRB has always looked not only at need, but at maldistribution of services. For example, in HSA 7 there is a need for stations, but the HFSRB still reviews the location of a chosen site for a dialysis clinic to see if it makes sense in serving the residents of the Service Area, as the stations should not all be located in clusters serving only certain geographic areas. Likewise, in HSA 9 there is clearly a need in Naperville given the high utilization of clinics within thirty minutes and historical high utilization of the Fresenius Naperville facilities. We also note that this need cannot be met by the two newly approved US Renal Clinics (approved by the HFSRB when there was no need in Service Areas 7 or 9) because the physicians who supported the clinics stated they had their own patient population (of 253 patients) they would refer to the clinics. The physicians supporting the Naperbrook clinic are from the Nephrology Associates of Northern Illinois (NANI) practice group. They did not accept the US Renal physicians into their group some time ago and thus while they could refer to the proposed Naperbrook facility, it is safe to assume they will refer to their own facilities and the NANI physicians will refer to the Naperbrook facility due in part to medical practice differences. NANI already practices at the Fresenius Naperville, Naperville North and Bolingbrook facilities, which are consistently full. The Fresenius Naperville facility occasionally runs a 4th shift.

Given the excessive need for stations just 400 yards from the Naperbrook site and the high utilization of the three area facilities that NANI serves, Fresenius Naperville, Naperville North and Bolingbrook, we respectfully ask the Board to address this need by approving the Naperbrook facility to serve the residents of Naperville who reside in both HSA 7 & 9.