

## Constantino, Mike

---

**From:** Anne Cooper [ACooper@Polsinelli.com]  
**Sent:** Tuesday, March 20, 2012 9:28 AM  
**To:** Constantino, Mike  
**Cc:** Penny Davis; Kara Friedman  
**Subject:** Lake County Dialysis (Proj. No. 11-114)  
**Attachments:** Lake County Dialysis Project Modification (03-20-2012).pdf

Mike,

Attached please find information regarding the modification of the Lake County Dialysis CON application (Proj. No. 11-114). Please let me know if you have any questions or need any additional information.

Anne



**Anne M. Cooper** 161 N. Clark Street  
*Attorney* Suite 4200  
Chicago, IL 60601

tel: 312.873.3606  
fax: 312.873.2957

acooper@polsinelli.com  
*Add me to your address book.*



please consider the environment before printing this email.

-----

This electronic mail message contains CONFIDENTIAL information which is (a) ATTORNEY - CLIENT PRIVILEGED COMMUNICATION, WORK PRODUCT, PROPRIETARY IN NATURE, OR OTHERWISE PROTECTED BY LAW FROM DISCLOSURE, and (b) intended only for the use of the Addressee(s) named herein. If you are not an Addressee, or the person responsible for delivering this to an Addressee, you are hereby notified that reading, copying, or distributing this message is prohibited. If you have received this electronic mail message in error, please reply to the sender and take the steps necessary to delete the message completely from your computer system.

IRS CIRCULAR 230 DISCLOSURE: Unless expressly stated otherwise, any U.S. federal tax advice contained in this e-mail, including attachments, is not intended or written by Polsinelli Shughart PC (in California, Polsinelli Shughart LLP) to be used, and any such tax advice cannot be used, for the purpose of avoiding penalties that may be imposed by the Internal Revenue Service.



Anne M. Cooper  
(312) 873-3606  
acooper@polsinelli.com

161 N. Clark Street, Suite 4200  
Chicago, IL 60601  
(312) 819-1900  
Fax: (312) 819-1910  
www.polsinelli.com

March 20, 2012

**ELECTRONIC MAIL**

Mike Constantino  
Supervisor, Project Review Section  
Illinois Health Facilities and Services Review  
Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

**Re: Lake County Dialysis (Proj. No. 11-114) Project Modification**

Dear Mr. Constantino:

This office represents DaVita Inc. and Total Renal Care, Inc. (collectively, the "Applicants"). In this capacity, we are writing in response to the Illinois Health Facilities and Services Review Board's (the "Board") issuance of an intent to deny the Applicants' proposal to discontinue their existing 16-station dialysis facility located at 918 South Milwaukee Avenue, Libertyville, Illinois 60048 and to establish a 20 station in-center hemodialysis facility to be located at 565 Lakeview Parkway, Vernon Hills, Illinois (the "Proposed Project"). Pursuant Section 1130.650 of the Board's Procedural Rules, the Applicants are modifying the Proposed Project to consist of the relocation of their existing facility to a 16-station in-center hemodialysis facility. There will be no stations added to the relocated facility. The pages of the certificate of need application associated with this change are enclosed for your review.

Although half of the members of the Board present at the meeting were in favor of the Applicants' original proposal, we are taking a more conservative approach to ensure uninterrupted dialysis services for Lake County patients because the lease at the existing facility expires on September 30, 2013. As noted throughout the certificate of need application, the replacement facility is needed to continue to meet demand for dialysis services in Lake County. Notably, Advocate Condell, the nearest hospital, which does not have a stake in this project, has recently gone on record regarding the need for enhanced dialysis services in the area in its letter to this Board dated December 5, 2011.

Chicago Dallas Denver Edwardsville Jefferson City Kansas City Los Angeles New York  
Overland Park Phoenix St. Joseph St. Louis Springfield Topeka Washington, DC Wilmington

In California, Polsinelli Shughart LLP.



Mr. Mike Constantino  
March 20, 2012  
Page 2

The Applicants must relocate the existing facility to ensure that patients receive access to modern, high quality dialysis treatment. Additionally, the facility is pinned into the corner of the largest auto dealership in Lake County. There is no dedicated parking for patients, visitors, or staff, and dealership traffic makes it very difficult for patients to park. The facility suite flooring is uneven and the lay-out does not allow the sight-lines that we desire from our staff work area to our patient treatment area.

Thus, we respectfully request ask that the Board approve the Proposed Project. Thank you for your time and consideration of our request. If you need any additional information regarding the Proposed Project, feel free to contact me at 312-873-3606 or [acooper@polsinelli.com](mailto:acooper@polsinelli.com).

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

Anne M. Cooper

cc: Penny D. Davis, DaVita  
Kara Friedman

Enclosure

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

**Facility/Project Identification**

Facility Name: Lake County Dialysis			
Street Address: 565 Lakeview Parkway			
City and Zip Code: Vernon Hills, IL 60061			
County: Lake	Health Service Area	008	Health Planning Area:

**Applicant /Co-Applicant Identification**

**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: Total Renal Care, Inc.	
Address: 1551 Wewatta Street, Denver, CO 80202	
Name of Registered Agent: Illinois Corporation Service Company	
Name of Chief Executive Officer: Kent Thiry	
CEO Address: 1551 Wewatta Street, Denver, CO 80202	
Telephone Number: (303) 405-2100	

**Type of Ownership of Applicant/Co-Applicant**

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership	
<input checked="" type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> Other

Corporations and limited liability companies must provide an **Illinois certificate of good standing**.  
 Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Primary Contact**

[Person to receive all correspondence or inquiries during the review period]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli Shughart PC
Address: 161 North Clark Street, Suite 4200, Chicago, Illinois 60601
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

**Additional Contact**

[Person who is also authorized to discuss the application for permit]

Name: Kelly Ladd
Title: Regional Operations Director
Company Name: DaVita Inc.
Address: 2659 N. Milwaukee Ave., 2 <sup>nd</sup> Floor, Chicago, Illinois 60647
Telephone Number: 815-459-4694
E-mail Address: kelly.ladd@davita.com
Fax Number: 866-366-1681

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

**Facility/Project Identification**

Facility Name: Lake County Dialysis			
Street Address: 565 Lakeview Parkway			
City and Zip Code: Vernon Hills, IL 60061			
County: Lake	Health Service Area	008	Health Planning Area:

**Applicant /Co-Applicant Identification**

**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: DaVita Inc.	
Address: 1551 Wewatta Street, Denver, CO 80202	
Name of Registered Agent: Illinois Corporation Service Company	
Name of Chief Executive Officer: Kent Thiry	
CEO Address: 1551 Wewatta Street, Denver, CO 80202	
Telephone Number: (303) 405-2100	

**Type of Ownership of Applicant/Co-Applicant**

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership	
<input checked="" type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> Other

Corporations and limited liability companies must provide an **Illinois certificate of good standing**.  
 Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Primary Contact**

[Person to receive all correspondence or inquiries during the review period]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli Shughart PC
Address: 161 North Clark Street, Suite 4200, Chicago, Illinois 60601
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

**Additional Contact**

[Person who is also authorized to discuss the application for permit]

Name: Kelly Ladd
Title: Regional Operations Director
Company Name: DaVita Inc.
Address: 2659 N. Milwaukee Ave., 2 <sup>nd</sup> Floor, Chicago, Illinois 60647
Telephone Number: 815-459-4694
E-mail Address: kelly.ladd@davita.com
Fax Number: 866-366-1681

**2. Narrative Description**

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Based on operational limitations at the current site, DaVita Inc. and Total Renal Care, Inc. (the "Applicants") seek authority from the Illinois Health Facilities and Services Review Board (the "Board") to discontinue their existing 16-station dialysis facility located at 918 South Milwaukee Avenue, Libertyville, Illinois 60048 and to establish a 16-station dialysis facility at 565 Lakeview Parkway, Vernon Hills, IL 60061 (the "Replacement Facility"). The proposed dialysis facility will include approximately 7,946 gross square feet.

This project has been classified as substantive because it involves the establishment of a health care facility.

**G. Criterion 1110.1430 - In-Center Hemodialysis**

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	16	16

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

**APPEND DOCUMENTATION AS ATTACHMENT 26 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

4. Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(a), Size of the Project**

The Applicants propose to relocate an existing dialysis facility. Pursuant to Section 1110, Appendix B of the HFSRB's rules, the State standard is 360-520 gross square feet per dialysis station for a total of 7,200 to 10,400 gross square feet for 16 dialysis stations. The total gross square footage of the proposed dialysis facility is 7,946 gross square feet. Accordingly, the proposed facility meets the State standard.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD	7,946	5,760 – 8,320	0	Yes