

Constantino, Mike

From: Lori Wright [Lori.Wright@fmc-na.com]
Sent: Thursday, May 17, 2012 10:01 AM
To: Constantino, Mike
Cc: Roate, George; clare.ranalli@hklaw.com
Subject: #11-099
Attachments: #11-099 Response to ITD.pdf

Mike,

Attached please find our response to the Intent to Deny given this project at the April 17th meeting.

Thank you,
Lori Wright
Senior CON Specialist

Phone: 708-498-9121
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Fresenius Medical Care
One Westbrook Corporate Center
Tower One, Suite 1000
Westchester, IL 60154



Fresenius Medical Care

May 17, 2012

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

Re: Supplemental Information
Project: #11-099, Fresenius Medical Care Prairie Meadows

Dear Ms. Avery,

The enclosed pages contain supplemental information in response to the Intent to Deny given to the above mentioned project at the April 17, 2012 meeting.

Thank you for your time and consideration of this information.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Ranalli

**SUPPLEMENTAL INFORMATION FOR
#11-099 Fresenius Medical Care Prairie Meadows**

In response to the Intent to Deny issued to project number 11-099, at the April 17, 2012 meeting, Fresenius Medical Care is submitting this additional information for the Board's consideration. The applicant requests the Board reconsider its Intent to Deny based on the following points.

1. Clinics serving the Libertyville area are operating at high utilizations.
2. Pre-ESRD patients identified for this project, the DaVita Lake County relocation and Fresenius Mundelein total 247.
3. Area's four closest facilities serving Libertyville cannot accommodate these patients.
4. High growth in Lake County of:
 - General Population including:
 - Hispanic Population and,
 - Elderly Population, leading to high rate of growth of
 - ESRD Prevalence

The majority of facilities within 30 minutes travel time of Fresenius Prairie Meadows in Libertyville are operating at high utilizations. Those that serve the Libertyville residents are DaVita Lake County at 83%, Fresenius Round Lake at 79%, Lake Bluff at 95% and Gurnee at 98%. There is one other facility that serves Libertyville and that is the Fresenius Mundelein facility that just received Medicare certification in April. Due to the high utilization in the area and the identified patient referrals in the application for the Mundelein facility, it is expected to fill up quickly. Those patients identified to go to Mundelein, according to their stage of kidney disease, will have begun dialysis before the Prairie Meadows facility is operating. It takes anywhere from 18-24 months to get a facility fully operational after CON approval. The DaVita Waukegan and Lake Villa facilities, although within 30 minutes, do not serve the patients who live in the Libertyville/Grayslake area.

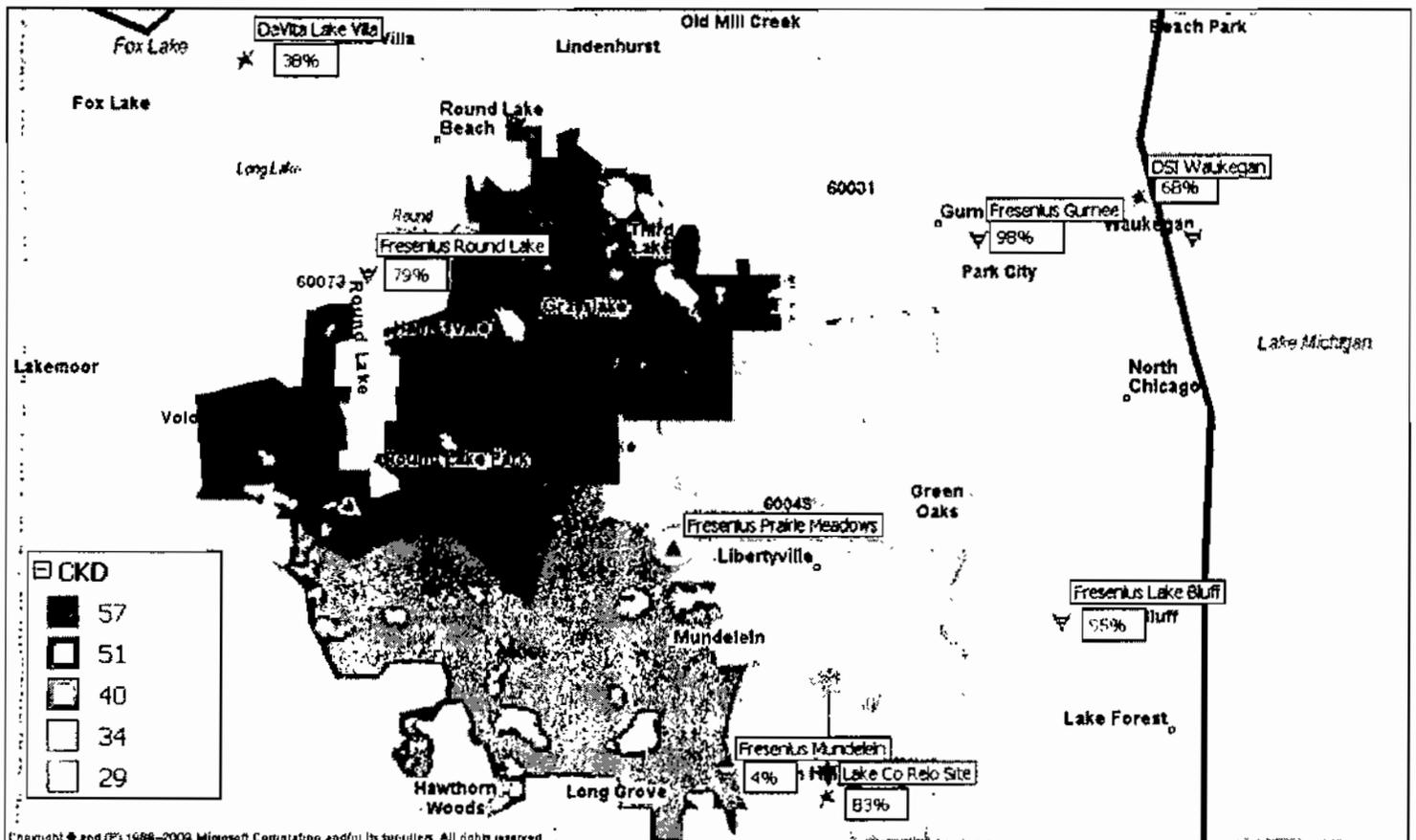
Facilities Within 30 Minutes Travel Time of Fresenius Prairie Meadows

Name	Address	City	Zip Code	MapQuest		Adjusted Time	Independent Travel Study	Stations	Mar-12 Utilization
				Miles	Time				
DaVita Lake County	918 S Milwaukee Ave	Libertyville	60048	4.7	10	11.5	11.3	16	83.33%
DaVita Lake County*	565 Lakeview Parkway	Vernon Hills	60061	7.49	14	16.1	N/A	16	-
Fresenius Mundelein	1400 Townline Road	Mundelein	60060	5.22	12	13.8	13.7	12	4.17%
Fresenius Round Lake	401 Nippersink Ave	Round Lake	60073	7.42	14	16.1	16.3	16	79.17%
Fresenius Lake Bluff	101 Waukegan Rd	Lake Bluff	60044	9.37	15	17.25	18	16	94.79%
Fresenius Gurnee	101 N Greenleaf Ave	Gurnee	60031	9.41	14	16.1	19	14	97.62%
DaVita Waukegan	1616 Grand Ave	Waukegan	60085	12.57	21	24.15	23.7	22	68.18%
DaVita Lake Villa	37809 SR-59	Lake Villa	60046	13.14	22	25.3	26.3	12	37.50%

*Currently #11-114, DaVita Lake County Relocation is pending approval June 5, 2012. It is included due to its likelihood of approval.

The DaVita Lake County facility currently in Libertyville is proposing to move further south of Libertyville to Vernon Hills (see map below). This facility is at 83% and has identified patients from a separate practice who will be referred to that facility, further increasing its already high utilization. This move will result in an approximate 70 square mile area of Lake County that is without access to dialysis services. Fresenius Prairie Meadows will provide that access.

Libertyville Area Clinics and Dr. Trob's Pre-ESRD Patients



As mentioned previously in supplemental information sent in to the Board, Lake County has experienced excessive growth. According to U.S. Census Bureau data, Lake County grew 9% vs. the State's 3% growth rate in the past decade. Along with this population growth, the residents over age 65 have tripled to 20% of total population. Another growth trend is the Hispanic population, which now make up 20% of Lake County's population. All three of these growth factors lead to higher rates of kidney disease resulting in kidney failure. ESRD increase in Lake County in 2010 was 6% and 5% in 2011.

The Libertyville/Grayslake area is not an underserved area, however area Fresenius clinics are treating a significant number of Medicaid patients. The Lake Bluff facility of which Dr. Trob is the Medical Director is 12% Medicaid, Round Lake 17% and Gurnee 21%. It is expected that the Prairie Meadows facility will also treat a similar number of Medicaid recipients.

At the April 17th meeting there was concern on the part of the Board that the physician who will be the Medical Director of this facility, Dr. Trob, take all patients including public aid patients. As does Fresenius Medical Care, Dr. Trob does not discriminate due to ability to pay for treatment. His letter addressing this is attached.

In closing, Fresenius Medical Care asks the Board to consider the factors including the growth in Lake County, high utilization of area clinics, areas where the patients are coming from, the elderly age of the patients and the loss of services in Libertyville when DaVita Lake County relocates. The Fresenius Prairie Meadows facility will address these issues and will provide access to area residents.

May 16, 2012

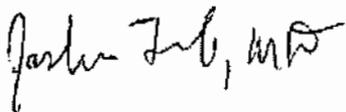
Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I am writing in response to Board concerns from the April 17th Board meeting regarding the proposed Fresenius Prairie Meadows dialysis facility to be located in Libertyville, specifically the acceptance of Medicaid patients by myself and Fresenius Medical Care.

I want to confirm for the Board that I currently accept and treat Medicaid patients; the Fresenius Medical Care facilities that I admit my patients to do also.

Sincerely,



Joshua Trob, M.D.