

Constantino, Mike

From: Beth A. Shaw [bas@renalcareassoc.com]
Sent: Thursday, July 05, 2012 9:24 AM
To: Constantino, Mike
Cc: Lori.Wright@fmc-na.com
Attachments: Patient Letter Support.pdf

Beth A. Shaw

From: Terry <ticktockterry@comcast.net>
Sent: Wednesday, July 04, 2012 2:13 PM
To: Beth A. Shaw
Subject: support

Importance: High

July 3, 2012

Review Committee

Re: FMC North Pekin, II

Dear madame/sir:

It is with great pleasure that I write this letter in support of the proposed kidney dialysis facility by Renal Care Associates in North Pekin. Dr. Robert Sparrow & his associates have a long-standing reputation of providing quality care for patients who have hypertension health issues and find themselves needing dialysis to continue their fight against this disease.

I, myself, have faced kidney failure on three occasions. It was at Pekin Hospital seven years ago that I was in kidney failure and Dr. Sparrow arrived on a Sunday afternoon to consult. I have been a patient of his ever since even though his group is out-of-network for me. I continue to pay the extra insurance costs because of his professionalism and expertise in treating kidney patients. On several occasions when I have had kidney issues, his nurse would call him even though he was on vacation and Dr. Sparrow would remember every detail about my kidney history.

I was also seen by one of his associates when I had a renal failure episode and Dr. Sparrow was unavailable. I was extremely impressed with the care Dr. Sparrow's partner gave me in Dr. Sparrow's absence.

Dr. Sparrow is the most caring and supportive doctor I have ever been treated by. He displays both professionalism and empathy. He is comforting with diagnosis and prognosis. His staff, as well, are truly an asset to his practice.

I am not at the stage of needing dialysis yet, but would look forward to having such a facility close by if that time ever arises.

I am confident that Renal Care Associates has the commendable reputation worthy of starting up a new facility to serve the tri-county area in their dialysis needs. North Pekin is a central location and close to the interstate for accessibility. It is with great anticipation that I recommend Renal Care Associates be given permission and support in their endeavor to establish their new dialysis center in North Pekin!

If you have any further questions, I can be reached at 309 321-8005.

Respectfully,

Beverly D. McClure



Illinois Kidney Disease & Hypertension Center

Nephrology Associates
Frederick Horvath, Jr., M.D.
Phillip J. Olson, M.D., F.A.C.P.
Robert T. Sparrow, M.D.
Benjamin R. Pflederer, M.D.
David C. Rosborough, M.D.
Timothy A. Pflederer, M.D.
Paul T. Dreyer, M.D.
Gordon W. James, M.D.
Andrew C. Bland, M.D., F.A.A.P., F.A.C.P.
Robert Bruha, M.D.
Samer B. Sader, M.D.
Anthony R. Horinek, M.D.
Alexander J. Alonso, M.D.
Robert A. Pflederer, M.D. - Emeritus
R. Kent Bryan, M.D. - Emeritus

Surgery Associates
Beverly L. Ketel, M.D.
Timothy P. O'Connor, M.D., F.A.C.S.

Physician Assistants
Julie A. DeSutter, P.A.-C.
Holly R. Walker, P.A.-C.

Nurse Practitioners
Tonya K. McDougall, M.S.N., F.N.P.
Karen A. Helfers, M.S.N., F.N.P.
Cheryl M. Wiemer, M.S.N., F.N.P.
Judith A. Dansizen, A.P.R.N.-B.C.

Administrator
Beth A. Shaw, MBA

200 E. Pennsylvania Ave., Suite 212
Peoria, IL 61603
Office 309.676.8123
Fax 309.676.8455

1404 Eastland Drive, Suite 103
Bloomington, IL 61701
Office 309.663.4766
Fax 309.663.7238

2355 Broadway Rd.
Pekin, IL 61554

1100 E. Norris Drive
Ottawa, IL 61350

501 E. Grant St.
Macomb, IL 61455

920 West Street
Medical Office Building, Suite 212
Peori, IL 61354

Perry Memorial Hospital
530 Park Avenue East, Suite 306
Princeton, IL 61356

107 Tremont Street
Hopedale, IL 61741

Graham Hospital
210 W. Walnut
1st Floor, Outpatient Clinic
Canton, IL 61520

1315 Memorial Drive
Outpatient Clinic
Mendota, IL 61342

205 South Park
Streator, IL 61364

July 3, 2012

Dale Galassie
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Fresenius North Pekin project # 12-004

Dear Chairman Galassie,

RenalCare Associates would like to submit this additional letter in support of the Fresenius Medical Care application to construct a dialysis facility in North Pekin. At the June 5th HFSRB meeting, this project was opposed by DaVita and Dr. Ahsan Usman. The basis of their opposition was that Pekin patients should be allowed the choice of competing dialysis companies. They spoke of their intention to submit an application for their own Pekin facility. In issuing the "intent to deny" ruling, several board members included in the reason for their decision that they felt competition would be good. We respectfully believe that this is a significant error, and wish to present information in that regard.

We want to state clearly that we believe patients should have options and be able to make choices about their care. However, we believe that some of the supporters of the Tazewell County Dialysis project (Joint venture Usman/DaVita) Project # 12-052, and possibly some board members, have mistakenly viewed injecting competition as the same as ensuring choice. Competition is something entirely different. It is frequently the case that competition in healthcare leads to fragmentation of care, duplication of services, higher costs, and lower quality. In fact, the latter problems associated with competition are the basis for certificate of need laws, like that in Illinois - fragmentation of care among many different, disconnected and competing healthcare providers - be they physicians, hospitals, dialysis companies, nursing homes, or others - can no longer be tolerated. Providers must develop integrated systems of care that have improving patient outcomes at the core of their focus. Patients then deserve the right to make choices about where they receive their care, which physician they see, what testing or treatment they will receive, and what decisions they will make after hearing the recommendations of the healthcare team. For instance, patients who live in areas dominated by large health systems such as Kaiser Permanente or Geisinger or a large Accountable Care Organization (ACO)



RenalCare
Aurora, IL

may not have the practical option of choosing a competing health system. There may be no viable local competitor in a given market. This limitation is never viewed as bad. Indeed these very health systems have been the models used for health care reform because they are getting real results. Time and again, studies have demonstrated that the truly important patient outcomes are improved and costs are contained when care is provided in an integrated manner. This practical limitation in patient choice is acceptable because service, quality, satisfaction and costs are all improved by integration of care.

Pekin patients currently have the ability to choose, and a new Fresenius Pekin facility will increase their options. Patients may choose from 14 nephrologists in two different practices. Patients may choose from 5 different area hospitals to receive inpatient care. Patients may choose from 4 area dialysis facilities for their thrice weekly treatments. If the North Pekin Fresenius unit is approved, patients will be able to choose from a hospital based facility or freestanding facility without deciding to drive outside their community for care. Every dialysis unit is different from the standpoint of facility layout, managers, staff members, numbers of patients, parking – all factors that give unique personality to the facility and which attract (or detract) patients. What does not change from one Fresenius facility to another is a focus on quality and satisfaction. That is evident from these Pekin area units' scores through Medicare's dialysis compare website, The Renal Network, and other quality data. Pekin patients have many choices related to their dialysis and a new Fresenius facility will make that even better. A joint venture dialysis facility owned by Dr. Usman and DaVita will not increase choices (we note in Dr. Usman is free to admit to Fresenius facilities) available to Pekin residents more than a second Fresenius facility, but it will bring competition.

With this in mind – that patients have many options in Pekin related to their dialysis care – one must ask whether purposefully injecting dialysis company competition into our community will also bring benefit. There seems to be an assumption on the part of some that this is the case. We want to suggest that the opposite is true – that indeed, injecting competition will fragment care and lower quality for Pekin patients.

It is clear that the underlying triple aim, promoted by Dr. Donald Berwick former head of CMS, is critical for our country and the priority for healthcare into the future. This triple aim is: 1) Improved patient experience of care, 2) improved health of the population, and 3) lower costs. The foundation of achieving these goals is to transform our healthcare system from one of fragmented competition to one of integrated cooperation. A major and broadly recognized deficiency in American Healthcare is that there is no incentive for competing providers to work together towards keeping people healthy and reduce the need for costly hospital care. Today, each provider is focused on competing with others to provide their own service while being paid on a fee for service basis. There is little incentive for the hospital and dialysis unit and physician to work together to keep patients out of the hospital, prevent readmission when patients are discharged or reduce costs through shared efficiencies. Having another provider in the marketplace doesn't change this dynamic.

For several years, RenalCare Associates has recognized this deficiency in healthcare delivery and anticipated the changes that are now becoming reality. We have always worked to provide high quality care, striving to meet or exceed national benchmarking standards when it comes to CKD and ESRD

patient care. On one hand, we have been proud of the consistently high marks that our practice and dialysis facilities receive for quality care. But on the other hand, like the rest of the country, we have noted that delivering care in this manner has not significantly changed the outcomes that matter most to patients – hospitalization rates remain very high, nearly 50% of patients who start dialysis will die in the first year, and every patient on dialysis faces a 20% annual risk of death. It is these outcomes that lead to the greatest suffering and overall cost. Recognizing this deficiency, we began developing strong cooperative relationships with our local hospitals and dialysis facilities with the goal of improving these outcomes.

It is worth mentioning some specific examples of our cooperation and integration of care. RenalCare Associates, OSF, and Methodist worked together as Midwest Kidney Centers to expand delivery of dialysis services from Peoria to many rural communities in central Illinois. This effort brought dialysis to Pekin and residents of other smaller communities who previously were underserved. When it became apparent that economies of scale were increasingly important if we wanted to continue to provide high quality dialysis, we allowed these units to be sold to larger national dialysis companies – first Renal Care Group and then Fresenius Medical Care. These national chains brought improved facilities and equipment, broader services, and greater ability to support our efforts in providing evidence based clinical care. We engaged with these companies to oversee quality as medical directors of the facilities. Through the 1990's we recognized that increasing transplantation and improving dialysis access fistula surgery is key to ESRD patient care. To that end, we merged with our local transplant surgery physician practice to form a single renal disease practice. That allowed us to work even more closely with OSF St. Francis to grow an outstanding kidney transplant program. It also concentrated fistula surgery and other dialysis access procedures into the hands of a few physicians who are truly committed to this field, expert in these procedures, and who have the best outcomes. We recognized that the leading cause of hospitalization for our patients at that time was complications related to their dialysis access. Much of this had to do with delays inherent in getting surgery or other procedures at the hospital. Again, working with the two hospitals where those surgeries were being done, we jointly petitioned for a certificate of need to build a limited focus ambulatory surgery center dedicated solely to providing dialysis access procedures. We opened this Medicare certified facility in 2003 in Morton so that it was as convenient as possible for all of our central Illinois patients. Designed as it is – a “one-stop-shop” for dialysis access surgery and other procedures which serves predominantly Medicare and Medicaid patients – this Renal Intervention Center struggles to break even as a business venture. However, it continues to serve its purpose – patients get very convenient and rapid service; care is coordinated between dialysis, physician, and hospital; and procedural outcomes are excellent. One of the first of its kind, centers like this now have sprung up all over the country to provide dialysis access procedures.

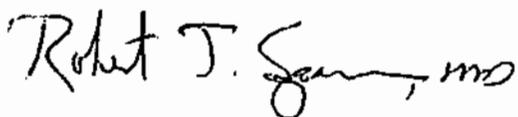
It has now become clear that we must focus on other drivers of patient suffering and healthcare cost that arise in part due to lack of coordination between the hospital and outpatient providers. ESRD patients suffer too many emergency room visits, hospitalizations, readmissions after hospital discharge, hospital acquired infections, and other complications. Recently, we have entered into medical director and co-management agreements with local hospitals to work cooperatively to improve these outcomes. During these years of change, Fresenius has been a ready partner – willing to work closely with our

practice, the hospital and others to ensure that care is integrated. We believe that this close cooperation between our practice, Fresenius and the hospitals is critical for truly making the difference that the CMS triple aim desires, our country needs, and our patients so rightly deserve. We believe that this cooperation has been good for our communities and positioned us for success in today's changing healthcare delivery system.

So what impact will a competing dialysis company have on the situation? Will a competing company improve the cooperation that currently exists? Will it be easier to get everyone to work together towards the same goal? The answer should be very evident that a competing company will not improve cooperation. Will a competing company lower costs? Again, the answer should be clear. Outpatient dialysis providers do not compete by adjusting their prices – for the most part reimbursement is set by the Medicare fee schedules and other policy. Healthcare costs are high not because dialysis prices are high but rather because the providers do not work together to ensure the best patient outcomes. If the Board decides to purposefully inject competition it will be counterproductive to the years of work invested by RenalCare, Fresenius, and our hospitals. If the Board decides to purposefully inject competition, it will be at great risk of reducing the quality of patient care.

In conclusion, RenalCare Associates has worked for many years in partnership with Fresenius and area hospitals to develop an extremely high quality, integrated and cooperative system of care. Patients have many different choices of providers in this market. Bringing in a competing dialysis company will hinder and not help patient care. The Pekin area needs additional dialysis capacity and Fresenius responded to that need with a well-designed plan. Please do not choose to inject competition under the mistaken belief that this is required for patients to have adequate choice. Dr. Usman and his partner are fully credentialed and welcome at all central Illinois Fresenius dialysis facilities where RenalCare Associates serves as Medical Director. Please do not make a decision that prefers one physician practice over another and thereby interferes with years of RenalCare Associates' efforts on behalf of the citizens of central Illinois. We ask that you approve the Fresenius North Pekin project for a second Pekin dialysis facility at your next meeting and deny the pending Tazewell Dialysis project application.

Thank you.



Robert T. Sparrow, MD

President



Timothy A. Pflederer, MD

President - Elect