

Constantino, Mike

From: Bhuvan Chawla [B.Chawla@esunhealth.com]
Sent: Friday, November 30, 2012 4:56 AM
To: Constantino, Mike
Cc: Hills, Bonnie
Subject: Coimments on SAR Fresenius Lockport - Project # 12-055
Attachments: Fresenius Lockport post SAR.doc

Mr. Constantino / Ms Hills,

Please find attached my comments after review of the SAR of Fresenius Lockport, Project # 12-055
Please confirm receipt.

Thank you,
Bhuvan Chawla, M.D.

Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 West Jefferson, Second Floor
Springfield, IL 62761
November 30, 2012

**Re: State Agency Report
Project No. 12-055; Fresenius Medical Care Lockport**

Dear Chairman Galassie:

I would urge the Board to review my letter of opposition and to consider the following additional information after review of the SAR.

BOARD STAFF NOTES / BACKGROUND:

The Board staff notes that this project was initially approved as Permit # 09-037 on December 1, 2009.

The Board needs to be aware that this application was resubmitted as Permit # 11-022 in May of 2011, and rejected by the Board on December 6, 2011 by a vote of 8-0-1 absent.

This project has been resubmitted within 7 months at the same location, with the same nonconformance to the same criteria as the previous permit, which was rejected.

ISSUE OF NEED FOR THE PROJECT:

The State Agency Report corroborates my letter of opposition, i.e. that this project is unneeded. The executive summary does not list the issue of duplication and adverse impact on other providers in executive summary, but does identify the issue of unnecessary duplication in the full SAR (page 19). The SAR also finds that service accessibility is adequate.

The SAR states that Sun Health operates 5 shifts a week, and will never reach target occupancy using this schedule. I would like to inform the Board that Sun Health used to operate 6 shifts a week for many years, and had to cut back to 5 shifts because of a drop in occupancy, evidence of duplication and maldistribution. Sun Health would actually prefer to operate 6 shifts. The diversion of patients with insurance seems to be especially severe.

Facilities within 30 minutes: Please refer to my letter of opposition for further analysis, especially with respect to zip codes of origin of proposed patients.

This project will actually worsen access for some of the listed pre-ESRD patients, and will also exacerbate duplication and maldistribution, as it seeks to divert many patients away from their closest facility. This issue been addressed in greater detail in my earlier letter of opposition.

PUBLIC HEARING/COMMENTS:

Sun Health has submitted a letter of opposition

Criterion 1110.230(c) - Alternatives:

The Applicant has chosen to ignore the most logical alternative, which is to use existing facilities with available capacity. Sun Health remains a viable alternative, and would welcome the opportunity for collaboration to serve our community while avoiding duplication and maldistribution. This is a no-cost alternative, worthy of serious consideration. Perhaps the Board should encourage the Applicant to explore this option in good faith.

Criterion 1110.234(b) - Project Services Utilization:

A review of zip codes of origin of proposed patients is available in my letter of opposition, and suggests many of the listed patients might be better served elsewhere.

Criterion 1110.1430(c): Access and Duplication/Maldistribution

The SAR finds that this Application does not improve access, and may cause duplication and maldistribution.

Continuity of Care: The Applicant has provided a transfer agreement with St. Joseph Medical Center. Most patients would likely end up at Silver Cross Hospital, based on distance.

Adverse Impact:

This project will have an adverse impact on various facilities in the area, contrary to the Applicants attempt to minimize this. This Applicant is certainly aware that dialysis facilities can lose up to 15-20% of their patients each year to renal recovery, renal transplant, patient relocation or death. This number could be even higher with the push towards home dialysis, and nursing home based dialysis.

Existing facilities thus do require access to new patients, and the Applicant cannot in good faith sequester new pre-ESRD patients for its own proposed project and then claim that there would be minimal adverse impact on other providers.

Conclusion:

I would like to applaud the Board's decision to issue its Intent to Deny to the same project at the same location 7 months ago. I would humbly urge the Board accept the findings of its own State Agency Report, and to reject this application because it is unneeded, and will result in duplication and maldistribution.

Respectively submitted,

Bhuvan Chawla, M.D

Sun Health, Inc. 2121 Oneida Street Joliet, IL 60435 815.744.9300