Original

12-072

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

RECEIVED

AUG 07 2012

HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: *Fresenius Medical Care Merrionette Park*				
Street Address: *11630 S. Kedzie Avenue*				
City and Zip Code: *Merrionette Park 60803*				
County: *Cook*	Health Service Area	6	Health Planning Area:	

Applicant Identification

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

Exact Legal Name: *Renal Care Group Chicago Southside, LLC., d/b/a Fresenius Medical Care Merrionette Park*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Rice Powell*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of Applicant

☐	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
	Limited Liability Company	☐	Sole Proprietorship	☐	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.

Co-Applicant Identification

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

Exact Legal Name: *Fresenius Medical Care Holdings, Inc.*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Rice Powell*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of Co-Applicant

☐ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
☐ Limited Liability Company ☐ Sole Proprietorship ☐ 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

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Medical Care*
Address: *One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154*
Telephone Number: *708-498-9121*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *708-498-9334*

Additional Contact

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

Name: *Coleen Muldoon*
Title: Regional *Vice President*
Company Name: *Fresenius Medical Care*
Address: *One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154*
Telephone Number: *708-498-9118*
E-mail Address: *colleen.muldoon@fmc-na.com*
Fax Number: *708-498-9283*

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Medical Care*
Address: *One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154*
Telephone Number: *708-498-9121*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *708-498-9334*

Additional Contact

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

Name: *Clare Ranalli*
Title: *Attorney*
Company Name: *Holland & Knight, LLP*
Address: *131 S. Dearborn, 30th Floor, Chicago, IL 60603*
Telephone Number: *312-578-6567*
E-mail Address: *clare.ranalli@hklaw.com*
Fax Number: *312-578-6666*

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *RSA Properties, LLC*
Address of Site Owner: *11600 South Kedzie Avenue*
Street Address or Legal Description of Site: *11630 S. Kedzie Avenue* **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: *Renal Care Group Chicago Southside, LLC, d/b/a Fresenius Medical Care Merrionette Park*

Address: *920 Winter Street, Waltham, MA 02451*

☐ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
Limited Liability Company ☐ Sole Proprietorship ☐ 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.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.] ***NOT APPLICABLE – NOT NEW CONSTRUCTION***

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.hfsrb.illinois.gov)**.

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.] ***NOT APPLICABLE – FOR ADDITION OF DIALYSIS STATIONS TO EXISTING***

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:	Part 1120 Applicability or Classification: [Check one only.]
☐ Substantive	☐ Part 1120 Not Applicable
Non-substantive	☐ Category A Project
	■ Category B Project
	☐ DHS or DVA Project

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.

Renal Care Group Chicago Southside, LLC proposes to expand its Fresenius Medical Care Merrionette Park in-center hemodialysis facility by 6 stations. The facility is located at 11630 South Kedzie Avenue, Merrionette Park, IL, in leased space and consists of 18 stations. The result of the expansion will be a 24 station facility.

Fresenius Medical Care Merrionette Park is in HSA 6. According to the July 2012 station inventory there is a need for 82 additional stations in this HSA.

This project is "non-substantive" under Planning Board rule 1110.10(b) as it entails the expansion of a health care facility that will provide in-center chronic renal dialysis services.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	403,500	N/A	403,500
Contingencies	40,350	N/A	40,350
Architectural/Engineering Fees	44,000	N/A	44,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	262,550	N/A	262,550
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	N/A	N/A	N/A
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	750,400		750,400
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	750,400	N/A	750,400
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	N/A	N/A	N/A
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	**750,400**	N/A	**750,400**

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ■ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes ■ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the targe utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ N/A.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

■ None or not applicable ☐ Preliminary
☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): 04/30/2014

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
■ Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

☐ Cancer Registry
☐ APORS
☐ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
■ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Renal Care Group Chicago Southside, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

ESTEBAN OBAGI

PRINTED NAME

MANAGER

PRINTED TITLE

Notarization:
Subscribed and sworn to before me

this 26th day of July 2012

Signature of Notary

Seal

OFFICIAL SEAL
KIMBERLY MCCARTHY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/26/13

SIGNATURE

Coleen Muldoon

PRINTED NAME

Regional Vice President

PRINTED TITLE

Notarization:
Subscribed and sworn to before me

this 31ST day of JULY 2012

Signature of Notary

Seal

OFFICIAL SEAL
CYNTHIA S TURGEON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/13

*Insert EXACT legal name of the applicant

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of *Fresenius Medical Care Holdings, Inc.** **in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.**

SIGNATURE

PRINTED NAME Mark Fawcett

PRINTED TITLE Vice President & Asst. Treasurer

Notarization:
Subscribed and sworn to before me
this 18 day of July 2012

Signature of Notary

Seal

SIGNATURE

PRINTED NAME Bryan Mello

PRINTED TITLE Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 17 day of July 2012

Signature of Notary

Seal

C. WYNELLE SCENNA
MY COMM. EXPIRES AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::

   a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;

   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;

   c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	**HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MET STANDARD?**
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE: ***NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE***

Provide the following information:

1. Total gross square footage of the proposed shell space;

2. The anticipated use of the shell space, specifying the proposed GSF tot be allocated to each department, area or function;

3. Evidence that the shell space is being constructed due to
   a. Requirements of governmental or certification agencies; or
   b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:
   a. Historical utilization for the area for the latest five-year period for which data are available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES: ***NOT APPLICABLE – THERE IS NO UNFINISHED SHELL SPACE***

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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
■ In-Center Hemodialysis	18	24

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	N/A	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	N/A		X
1110.1430(d)(2) - Documentation	N/A		X
1110.1430(d)(3) - Documentation Related to Cited Problems	N/A		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".

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

750,400	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
N/A	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
N/A	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
N/A	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
N/A	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
N/A	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
N/A	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
750,400	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT-39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. **All of the projects capital expenditures are completely funded through internal sources**
2. **The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent**
3. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	**Category A or Category B (last three years)**			**Category B (Projected)**
Enter Historical and/or Projected Years:				
Current Ratio	***APPLICANT MEETS THE FINANCIAL VIABILITY WAVER CRITERIA IN THAT ALL OF THE PROJECTS CAPITAL EXPENDITURES ARE COMPLETELY FUNDED THROUGH INTERNAL SOURCES, THEREFORE NO RATIOS ARE PROVIDED.***			
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance ***NOT APPLICABLE***

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. **Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
ESRD									
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaidpatients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			

Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	24
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File Number 0164343-6

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

RENAL CARE GROUP CHICAGO SOUTHSIDE, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON OCTOBER 05, 2005, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 5TH *day of* JULY *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Authentication #: 1218701000

Authenticate at: http://www.cyberdriveillinois.com

Certificate of Good Standing
ATTACHMENT – 1

Co-Applicant Identification

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

Exact Legal Name: *Fresenius Medical Care Holdings, Inc.*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Rice Powell*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of Applicant/Co-Applicant

☐ Non-profit Corporation
☐ For-profit Corporation
☐ Limited Liability Company
☐ Partnership
☐ Governmental
☐ Sole Proprietorship
☐ 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.

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *RSA Properties, LLC*
Address of Site Owner: *11600 S. Kedzie Ave,Merrionette Park, IL 60803*
Street Address or Legal Description of Site: *4943 West Belmont, Chicago, IL 60641* **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Site Owner Identification
ATTACHMENT – 2

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: *Renal Care Group Chicago Southside LLC, d/b/a Fresenius Medical Care Merrionette Park*

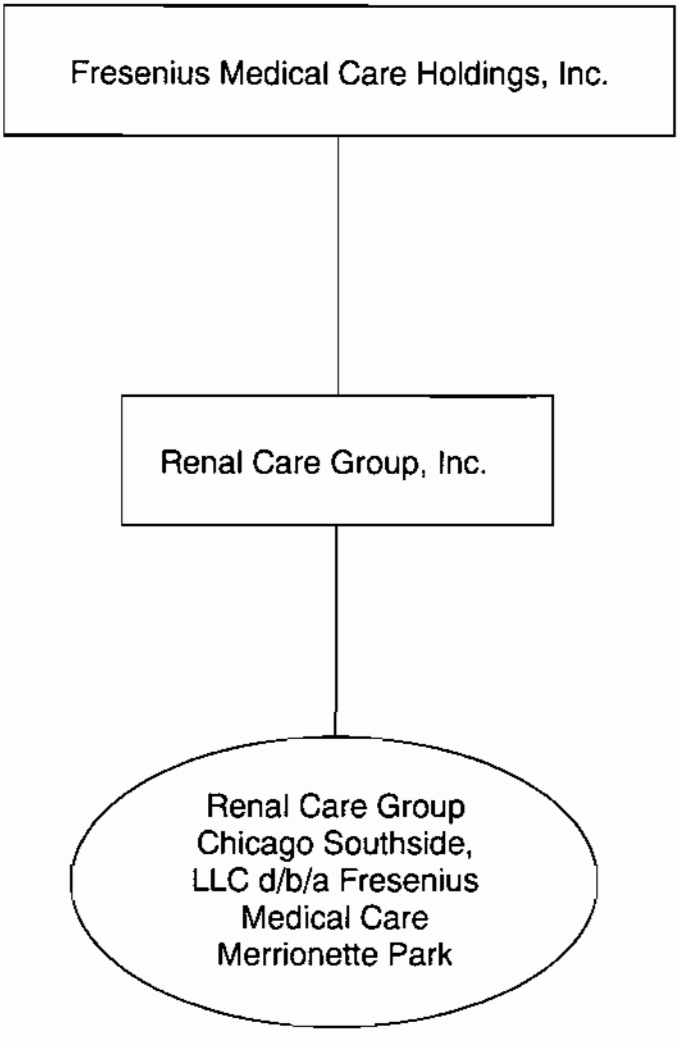
Address: *920 Winter Street, Waltham, MA 02451*

☐	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
	Limited Liability Company	☐	Sole Proprietorship	☐	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.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

Certificate of Good Standing at Attachment – 1.

Renal Care Group Chicago Southside, LLC = 20%
Dialysis Centers of America – Illinois, Inc. = 80%



Organizational Chart
ATTACHMENT - 4

SUMMARY OF PROJECT COSTS

Modernization Contracts

Carpentry	75,000
Walls, Ceilings, Floors, Painting	48,000
Plumbing	180,500
Wiring	75,000
Miscelleanous Construction Costs	25,000
Total	**403,500**

Contingencies

Contingencies **$40,350**

Architectural/Engineering

Architecture/Engineering Fees **$44,000**

Movable or Other Equipment

Dialysis Chairs	$9,000
Dialysis Machines	80,550
Clinical Furniture & Equipment	21,000
TVs & Accessories	18,000
Water Treatment	150,000
Total	**$262,550**

ATTACHMENT - 7

Project obligation will occur after permit issuance.

Cost Space Requirements

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
In-Center Hemodialysis	750,400	3,000			3,000		
Total Clinical	750,400	3,000			3,000		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL	750,400	**3,000**			3,000		

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Fresenius Medical Care

Fresenius Medical Care is the leading provider of dialysis products and services in the world and as such has a long-standing commitment to adhere to quality standards that are higher than required by regulatory bodies, to provide compassionate patient centered care, educate patients to become in charge of their health decisions, implement programs to improve clinical outcomes while reducing mortality & hospitalizations and to stay on the cutting edge of technology in development of dialysis related products.

The size of the company and range of services provides healthcare partners/employees and patients with an expansive range of resources from which to draw experience, knowledge and best practices.

Quality Measures – Fresenius Medical Care continually tracks five quality measures on all patients. These are:

- eKdrt/V – tells us if the patient is getting an adequate treatment
- Hemoglobin – monitors patients for anemia
- Albumin – monitors the patient's nutrition intake
- Phosphorus – monitors patient's bone health and mineral metabolism
- Catheters – tracks patients access for treatment, the goal is no catheters which leads to better outcomes

The above measures as well as other clinic operations are discussed each month with the Medical Directors, Clinic Managers, Social Workers, Dietitians, Area Managers and referring nephrologists at each clinic's Quality Assessment Performance Improvement (QAI) meeting to ensure the provision of high quality care, patient safety, and regulatory compliance.

Some of the initiatives that Fresenius has implemented to bring about better outcomes and increase the patient's quality of life are the TOPS program, Right Start Program and The Catheter Reduction Program.

TOPs Program (Treatment Options) – This is a company-wide program designed to reach the pre-ESRD patient (also known as CKD – Chronic Kidney Disease) to educate them about available treatment options when they enter end stage renal disease. TOPs programs are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, home hemodialysis, peritoneal dialysis and nocturnal dialysis.

Right Start Program – This is an intensive 90-day intervention program for the new dialysis patient centering on education, anemia management, adequate dialysis dose, nutrition, reduction of catheter use, review of medications and logistical and psychosocial support. The Right Start Program results in improved morbidity and mortality in the long term but also notably in the first 90 days of the start of dialysis.

Catheter Reduction Program – This is a key strategic clinical initiative to support nephrologists and clinical staff with increasing the number of patients dialyzed with a permanent access, preferably a venous fistula (AVF) versus a central venous catheter (CVC) venous fistula). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates. Overall adequacy of dialysis treatment also increases with the use of the AVF.

FRESENIUS MEDICAL CARE CASE MANAGEMENT PROGRAM

Wins National Award

Fresenius Medical Care's Renal Inpatient Care Management (RICM) program received the 2012 Case In Point Platinum award for the best provider-based case management program in Washington D.C. on May 9th. The Case in Point Platinum Awards program recognizes the most successful case management and care coordination programs and individuals working to make the healthcare delivery system safer, more productive and more cost-effective.

Entry criteria for this award required submission of how the program demonstrated stellar achievements over the past year in the areas of creativity, innovation, leadership, behavioral change, cost containment and patient education, empowerment and engagement. Also required was measurable data and supporting materials, such as outcomes and statistical evidence.

FMCNA's RICM program partners with acute care hospitals to improve patient outcomes and reduce length of stay while optimizing care coordination and providing a smooth transition from inpatient to outpatient care. Through the RICM program, the Company provides the services of a dedicated Renal Inpatient Care Manager, who is a registered nurse with significant dialysis experience, to acute care hospitals to help ensure a comprehensive plan of care for renal patients. The scope of services includes patient assessment, care coordination, patient education services, discharge planning and continuous quality improvement. This program has achieved some tremendous outcomes due to the collaborative case management interventions. **Fern Parlier** and her Case Management Department would like to acknowledge all Fresenius Medical Care employees who have contributed to this program's development and success. ■

Renal Inpatient Care Management is one of the Case Management programs overseen by VP of UltraCare Customer Connection **Fern Parlier** (left), and managed by Director of Hospital Case Management **Debra Marshall** (right)

(From left) **Teresa Bottoms**, **Debra Marshall**, **Fern Parlier**, **Donna Garcia**, **Barbara Williams** and **Patrick Henry** were on hand to accept the Case in Point Platinum Award.

Fresenius Medical Care Holdings, Inc. In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip	Fac >10% Medicaid Treatments*
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803	
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002	10.2%
Aurora	14-2515	455 Mercy Lane	Aurora	60506	
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651	26.5%
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402	16.7%
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406	11.6%
Bolingbrook	14-2605	538 E. Boughton Road	Bolingbrook	60440	
Breese		160 N. Main Street	Breese	62230	
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609	30.4%
Burbank	14-2641	4811 W. 77th Street	Burbank	60459	13.3%
Carbondale	14-2514	725 South Lewis Lane	Carbondale	62901	
Champaign	14-2588	1405 W. Park Street	Champaign	61801	
Chatham		333 W. 87th Street	Chicago	60620	
Chicago Dialysis	14-2506	820 West Jackson Blvd.	Chicago	60607	45.2%
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608	45.1%
Cicero		3030 S. Cicero	Chicago	60804	
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624	29.9%
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445	
Decatur East	14-2503	1830 S. 44th St.	Decatur	62521	
Deerfield	14-2710	405 Lake Cook Road	Deefield	60015	
Des Plaines		1625 Oakton Place	Des Plaines	60018	
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515	
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185	17.4%
DuQuoin	14-2595	#4 West Main Street	DuQuoin	62832	
East Peoria	14-2562	3300 North Main Street	East Peoria	61611	
Elgin	14-2726	2130 Point Boulevard	Elgin	60123	
Elk Grove	14-2507	901 Biesterfield Road, Ste. 400	Elk Grove	60007	10.4%
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126	
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201	16.4%
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805	
Fairview Heights		821 Lincoln Highway	Fairview Heights	62208	
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609	20.8%
Glendale Heights	14-2617	520 E. North Avenue	Glendale Heights	60139	17.6%
Glenview	14-2551	4248 Commercial Way	Glenview	60025	
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619	16.7%
Gurnee	14-2549	101 Greenleaf	Gurnee	60031	20.9%
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429	
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195	18.8%
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649	29.8%
Joliet		721 E. Jackson Street	Joliet	60432	
Kewanee	14-2578	230 W. South Street	Kewanee	61443	
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044	11.6%
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613	22.0%
Lincolnland		1112 Centre West Drive	Springfield	62704	
Logan Square		2734 N. Milwaukee Avenue	Chicago	60647	
Lombard	14-2722	1940 Springer Drive	Lombard	60148	
Macomb	14-2591	523 E. Grant Street	Macomb	61455	
Marquette Park	14-2566	6515 S. Western	Chicago	60636	18.1%
McHenry	14-2672	4312 W. Elm St.	McHenry	60050	
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704	
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160	16.7%
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803	
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960	
Midway	14-2713	6201 W. 63rd Street	Chicago	60638	
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448	
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450	
Mundelein	14-2731	1400 Townline Road	Mundelein	60060	
Naperbrook		2451 S Washington	Naperville	60565	
Naperville	14-2543	100 Spalding Drive Ste. 108	Naperville	60566	
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563	
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714	10.8%
Norridge	14-2521	4701 N. Cumberland	Norridge	60656	11.2%

Facility List
ATTACHMENT - 11

North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160	
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630	20.8%
Northcenter	14-2531	2620 W. Addison	Chicago	60618	19.6%
Northfield		480 Central Avenue	Northfield	60093	
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611	11.6%
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302	
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462	
Oswego	14-2677	1051 Station Drive	Oswego	60543	
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350	
Palatine	14-2723	691 E. Dundee Road	Palatine	60074	
Pekin	14-2571	600 S. 13th Street	Pekin	61554	
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605	
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615	
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544	
Polk	14-2502	557 W. Polk St.	Chicago	60607	19.9%
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764	
Prairie	14-2569	1717 S. Wabash	Chicago	60616	13.1%
Randolph County	14-2589	102 Memorial Drive	Chester	62233	
River Forest		103 Forest Avenue	River Forest	60305	
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645	19.2%
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008	11.3%
Roseland	14-2690	135 W. 111th Street	Chicago	60628	19.1%
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621	17.6%
Round Lake	14-2616	401 Nippersink	Round Lake	60073	16.8%
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946	
Sandwich	14-2700	1310 Main Street	Sandwich	60548	
Skokie	14-2618	9801 Wood Dr.	Skokie	60077	
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617	20.4%
South Deering		10559 S. Torrence Ave.	Chicago	60617	
South Holland	14-2542	17225 S. Paxton	South Holland	60473	12.2%
South Shore	14-2572	2420 E. 79th Street	Chicago	60649	16.8%
South Side	14-2508	3134 W. 76th St.	Chicago	60652	21.8%
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461	
Southwestern Illinois	14-2535	Illinois Rts 3&143, #7 Eastgate Plz.	East Alton	62024	
Spoon River	14-2565	210 W. Walnut Street	Canton	61520	
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362	
Steger	14-2725	219 E. 34th Street	Steger	60475	
Streator	14-2695	2356 N. Bloomington Street	Streator	61364	
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640	16.9%
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085	
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510	
West Belmont	14-2523	4943 W. Belmont	Chicago	60641	42.3%
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185	13.1%
West Metro	14-2536	1044 North Mozart Street	Chicago	60622	24.6%
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302	15.6%
West Willow	14-2730	1444 W. Willow	Chicago	60620	
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154	
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959	
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527	

*Medicaid percentages are reflected in treatments, not patients. Any patient can have more than one type of coverage in any given year, therefore treatment numbers reflects more accurately the clinic's % of coverage. Only clinics above 10% Medicaid are reported here to show those facilities with significant Medicaid numbers.

All Illinois Clinics are Medicare certified, and do not discriminate against patients based on their ability to pay or payor source.

All clinics are open to all physicians who meet credentialing requirements.

Certification & Authorization

Renal Care Group Chicago Southside, LLC

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Renal Care Group Chicago Southside, LLC by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: _____

ITS: Manager

Notarization:
Subscribed and sworn to before me
this 26th day of July, 2012

Kimberly McCarthy
Signature of Notary

Seal

OFFICIAL SEAL
KIMBERLY MCCARTHY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/26/13

By: _____

ITS: Regional Vice President

Notarization:
Subscribed and sworn to before me
this 31st day of July, 2012

Cynthia S. Turgeon
Signature of Notary

Seal

OFFICIAL SEAL
CYNTHIA S TURGEON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/13

ATTACHMENT - 11

Certification & Authorization

Fresenius Medical Care Holdings, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Holdings, Inc. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By:_____

ITS: ~~Mark Fawcett~~
Vice President & Asst. Treasurer

By:_____

ITS: **Bryan Mello**
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2012

_____
Signature of Notary

Seal

Notarization:
Subscribed and sworn to before me
this 18 day of July, 2012

C Wynelle Scenna
Signature of Notary

C. WYNELLE SCENNA
MY COMM. EXPIRES
AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

ATTACHMENT - 11

Criterion 1110.230 – Purpose of Project

1. The purpose of this project is to maintain access to dialysis services in the near southwest suburbs in HSA 6 and to alleviate the continued high utilization at the Fresenius Medical Care Merrionette Park dialysis facility. The facility has been operating at an average of 86% utilization over the past two years, thereby meeting Board requirements for expansion, despite adding 2 stations in 2008 and again in 2011.

2. The market area that Fresenius Medical Care Merrionette Park serves is southwest Chicago and the near southwest suburbs of HSA 6.

3. The extra stations are needed to alleviate continued historic high utilization. This facility last added stations in 2011 and remained at 89% utilization despite the addition. The facility was at 94% utilization as of the 1st quarter 2012 and is now at capacity. Southwest Nephrology Associates, who support this facility, are no longer able to admit patients here. The site has ample room to expand, which is less costly than other options. There is a need for 82 more stations in HSA 6 and this 6-station addition will address a portion of this need.

4. Clinic utilization is obtained from the Renal Network and pre-ESRD patients for the market area were obtained from Southwest Nephrology Associates.

5. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population as we continue to monitor the growth and provide responsible healthcare planning. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications.

6. It is expected that this facility would have and maintain the same quality outcomes as it has historically as listed below.

    - 94% of patients had a URR $\geq$ 65%
    - 95% of patients had a Kt/V $\geq$ 1.2

Alternatives

1) All Alternatives

A. Proposing a project of greater or lesser scope and cost.
There are no alternatives feasible that would entail a lesser scope and cost than the project proposed in this application. Doing nothing will simply result in loss of access for patients. Doing nothing would have immediate and long term repercussions making dialysis treatment in the immediate Merrionette Park area, completely inaccessible. There is no monetary cost associated with this alternative.

B. Pursuing a joint venture.
The Merrionette Park facility is operating as joint venture.

C. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project
The option of sending Merrionette Park is already being acted upon by the physicians who admit here. This is problematic in that those facilities closest are either also operating at high utilizations or are just under 80% and are now filling up with the overflow of patients. These is creating a ripple effect of pushing clinics over utilization standards and reducing access for area patients. Patients will eventually have to go outside of their healthcare market area for treatment contributing to a loss of continuity of care. There is not cost associated with this alternative.

D. The most desirable alternative is to address the need for more stations in the most timely and cost effective manner and to keep access to dialysis services available by addressing current high utilization and planning for known future ESRD patients in the market area by adding the 6 stations to Fresenius Medical Care Merrionette Park, near where the majority of the patients reside. The cost of this project is $750,400.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Maintain Status Quo	$0	There would be a continual decline in access in the Merrionette Park market until there was literally no access to dialysis services.	Patients would have to travel outside their market for services. Loss of continuity of care would result. 4th shift would have to be operated causing transportation problems and missed treatments.	For patient - higher transportation costs due to 4th shift when there is no available county transportation and due to travelling outside of market for care.
Utilize Area Providers	$0	Loss of access to treatment schedule times would result in transportation problems as transportation services do not operate after 4pm. Would create ripple effect of raising utilization of area providers which are already over utilized above capacity	Loss of continuity of care which would lead to lower patient outcomes Unavailability to choose treatment schedule shift could cause transportation problems which leads to missed treatments and lower quality	No financial cost to Fresenius Medical Care Cost of patient's transportation would increase with higher travel times
Add 6 stations to Fresenius Medical Care Merrionette Park	$750,400	Continued access to dialysis treatment as patient numbers continue to grow. Improved access to favored treatment schedule times.	Patient clinical quality would remain above standards	This is an expense to Fresenius Medical Care only and is a minimal cost compared with other CON projects.

3. Empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. Fresenius Medical Care Merrionette Park has had the following quality outcomes:

94% of patients had a URR $\geq$ 65%
95% of patients had a Kt/V $\geq$ 1.2

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	3,000 (6 Stations)	360-520 DGSF	0	No

As seen in the chart above, the State Standard for ESRD is between 360-520 DGSF per station. This project is being accomplished in existing leased space with office area to be renovated to house the 6 additional stations, therefore the standard being applied is expressed in departmental gross square feet. The proposed 3,000 DGSF that will be renovated amounts to 500 DGSF per station and is within the State Standards.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	**HISTORICAL UTILIZATION**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MET STANDARD?**
	IN-CENTER HEMODIALYSIS	102%		80%	Yes
YEAR 1	IN-CENTER HEMODIALYSIS	N/A	91%	80%	Yes
YEAR 2	IN-CENTER HEMODIALYSIS	N/A	111%	80%	Yes

This facility is experiencing a 102% utilization rate with 18 stations and can no longer admit new patients. Bringing the facility to 24 stations will bring that utilization down to 76% immediately. With the 104 pre-ESRD patients that Dr. Obasi expects to be referred to Merrionette Park facility in the first two years of operation of the new stations, the facility will exceed State target utilization.

Dr. Obasi has identified a total149 pre-ESRD patients who would likely be referred to the Merrionette Park facility by the end of the second year of operation however, approximately 30% will no longer require dialysis services due to death, transplant or moving out of the area. As well approximately 12% of ESRD patients will no longer require dialysis services.

While the above projections appear the facility will rise above capacity, the current pre-ESRD patients support these numbers. However, calculating when a patient will require dialysis treatment two years out is not an exact science. Each patient is unique and clinical indications can vary greatly. It is likely also, that a number of these patients will choose home dialysis for treatment.

Planning Area Need – Service To Planning Area Residents:

A. The primary purpose of this project is to provide in-center hemodialysis services to the residents of southwest Chicago and the near west suburbs in HSA 6. 100% of the pre-ESRD patients reside in HSA 6 and 100% of the current patients also reside in HSA 6.

B. Admissions for past twelve Months for Merrionette Park

Zip Code	Patients
60620	4
60643	6
60628	7
60655	2
60652	2
60629	1
60463	2
60453	1
60633	1
60472	1
60803	2
60465	1
60419	1
60805	1
Total	**32**

Pre-ESRD for Merrionette Park

Zip Code	Patients
60406	3
60409	2
60419	3
60453	30
60620	23
60621	2
60628	14
60636	6
60643	22
60652	14
60655	6
60803	12
60805	10
60827	2
Total	149

100% of patient admissions for the past 12 months, current patients and pre-ESRD patients are residents of HSA 6

Current Merrionette Park Patients

Zip Code	Patients
60406	4
60409	1
60419	3
60436	1
60453	6
60463	2
60465	2
60472	1
60601	1
60617	1
60620	13
60621	1
60625	1
60628	18
60629	2
60633	2
60643	21
60644	1
60646	1
60649	1
60652	7
60655	6
60803	5
60805	7
60827	2
Total	**110**

SOUTHWEST NEPHROLOGY ASSOCIATES, S.C.

9125 S. Pulaski Road – Evergreen Park, Illinois 60805
Tel (708) 422-7715 – Fax (708) 422-7816
16605 South 107th Court – Orland Park, Illinois 60467
Tel (708) 226-9860 – Fax (708) 226-9864

Ronald K. Hamburger, M.D.
Ejikeme O. Obasi, M.D., FACP
Kelly E. Guglielmi, M.D.
Abraham Thomas, M.D., MPH, FACP
Akash Ahuja, M.D.
Jeanette S. McLaughlin, M.D.
Amishi Patel, M.D.
Hani Alsharif, M.D
Natalie M. Selk, M.D..

July 25, 2012

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

Dear Ms. Avery,

I am a nephrologist with Southwest Nephrology Associates, SC (SWNA) in the southwest suburbs and I am writing to support the addition of 6 stations to Fresenius Medical Care Merrionette Park, of which I am the Medical Director.

This facility has experienced constant growth despite the addition of stations in the last few years and is now at capacity. I currently am not able to admit more patients to this facility.

SWNA had 450 in-center hemodialysis patients at the end of 2009, 468 at the end of 2010 and 507 at the end of 2011 as reported to The Renal Network. As of the 2nd quarter, 2012 SWNA was treating 532 in-center hemodialysis patients. This represents an 8% growth rate for 2011 and 18% overall from 2009 to 2nd quarter in 2012. Over the past twelve months, the 9 physicians who comprise SWNA have collectively referred 175 patients for dialysis services to Fresenius Alsip, Crestwood, Mokena, Orland Park, Merrionette Park, Southside, DaVita Beverly, West Lawn and Newco Scottsdale. SWNA currently has 149 pre ESRD patients that they expect to refer to the Merrionette Park facility within 24 months of the stations becoming operational. Due to death, transplant, moving or other reasons I expect that approximately 104 of these patients to actually begin dialysis at this facility. SWNA also has approximately 42 home dialysis patients, and 6 nursing home patients.

Thank you for your review and consideration of this project and I respectfully ask that you approve the 6-station expansion to allow continued access to dialysis services in Merrionette Park.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

Sincerely,

Ejikeme Obasi, M.D.

Notarization:
Subscribed and sworn to before me
this 26th day of July, 2012

Signature of Notary

Seal

OFFICIAL SEAL
KIMBERLY MCCARTHY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/26/13

PRE ESRD PATIENTS SWNA EXPECTS TO REFER TO FRESENIUS MEDICAL CARE MERRIONETTE PARK IN THE 1ST 2 YEARS OF OPERATION OF THE 4 ADDITIONAL STATIONS

Zip Code	Patients
60406	3
60409	2
60419	3
60453	30
60620	23
60621	2
60628	14
60636	6
60643	22
60652	14
60655	6
60803	12
60805	10
60827	2
Total	149

NEW REFERRALS OF SWNA FOR THE PAST TWELVE MONTHS

Zip	Fresenius Medical Care						DaVita		Newco	
Code	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside	Beverly	West Lawn	Scottsdale	Total
60406		2	1							3
60409		1	1							2
60415		3								3
60419			1							1
60423				2						2
60426		1								1
60428		2								2
60430		1								1
60439					1					1
60443			1	1						2
60445	1	7			1					9
60446					1					1
60448				3						3
60449				1						1
60451				3						3
60452		3		1	4					8
60453	1	3	1			1			5	11
60455		1							2	3
60456		1							1	2
60457		3	1						1	5
60458									1	1
60459		1							1	2
60461									1	1
60462					9					9
60463		3	1		1				1	6
60464		1			1					2
60465		2	2		1					5
60467				1	1					2
60472		1	1							2
60477				3						3
60478					1					1
60482		3			1					4
60487		1		2	1					4
60491				1						1
60534									1	1
60617		1				1	1			3
60619							1			1
60620			3			3	3		2	11
60621									1	1
60628		1	5			1				7
60629			1			3	1	1	2	8
60633			1							1
60636		3				1			2	6
60638									2	2
60643			5							5
60644						1				1
60652			2						3	5
60655	1	1	3						1	6
60803		3	1							4
60804									1	1
60805		1	1							2
60827		1								1
62846										
64831									1	1

PATIENTS OF SWNA AT YEAR END 2009

Zip	Fresenius Medical Care						DSI	DaVita	
Code	Merrionette Park	Crestwood	Orland Park	Southside	Mokena	Alsip	Scottsdale	Mt. Greenwood	Total
60153	1								1
60406	2	7							9
60409	1								1
60411		1							1
60415	1	4					1		6
60416					1				1
60419	3								3
60422		1							1
60423			1		7				8
60425		1					1		2
60426		4							4
60428		1							1
60429	1								1
60431		1							1
60438		1					1		2
60441		1	2		1				4
60445	1	10							11
60446			1						1
60447		1							1
60448			1		6				7
60449					1				1
60451					1				1
60452		8	1			1	1		11
60453	5	8				1	13	2	29
60455	1	1					4		6
60456							3		3
60457		1					3		4
60459	2						9		11
60462		2	19		1				22
60463	2	4	4				1		11
60464		1							1
60465	1	7	2				1		11
60467			5						5
60469		1							1
60471					1				1
60472		3							3
60473							1		1
60477		3	12		7				22
60482	1	5	1						7
60487			1		1				2
60491			3						3
60609		1							1
60616		1							1
60617	1	1					3		5
60619	2						7	1	10
60620	10	2		1			34	2	49
60621	1			2			2		5
60627		1							1
60628	10	4					4		18
60629	1			3			17	1	22
60632							6		6
60636	1			3			6	1	11
60638							8		8
60639							1		1
60643	14	3					6	1	24
60647							1		1
60649		1					1		2
60652	2	5					15		22
60653				1					1
60655	9	2						1	12
60803	4	5							9
60804			1				1		2
60805	7	1		1			3		12
60827	2	3							5
Total	86	107	64	11	27	2	154	9	450

PATIENTS OF SWNA AT YEAR END 2010

Zip	Fresenius Medical Care					DSI	DaVita	
Code	Merrionette Park	Crestwood	Orland Park	Southside	Mokena	Scottsdale	Mt. Greenwood	Total
46375					1			1
60406	3	7						10
60409	1							1
60411		1						1
60415		6				1		7
60416					1			1
60419	3							3
60422		1						1
60423					6			6
60425						1		1
60426		3						3
60428		1						1
60429		1						1
60430		1						1
60431		1						1
60438		1				1		2
60439			1					1
60441		1	3		1			5
60445	1	13						14
60448			1		5			6
60449			1		1			2
60451					3			3
60452		6	1					7
60453	7	7				12	1	27
60455		1				8		9
60456						3		3
60457		1	1			3		5
60458						1		1
60459	2					11		13
60462		2	20		1			23
60463	1	5	3			1	2	12
60464	1	1	1					3
60465	1	6	1					8
60466	1							1
60467			6		2			8
60469		2						2
60471					1			1
60472		3						3
60477		3	7		7			17
60478		1						1
60482	1	5	1					7
60487			1		3			4
60491			1					1
60609		1						1
60617	1	1				3		5
60619	1					7		8
60620	7	2		6		33	2	50
60621	1			2	1	2		6
60627		1						1
60628	13	4				4	1	22
60629	1			3		19	1	24
60632						4		4
60636				3		7	1	11
60638						7		7
60639						1		1
60643	18	6				6	1	31
60647						1		1
60649		1						1
60652	1	4				16		21
60653		1		1				2
60655	7	2			1		1	11
60803	5	3			1		1	10
60804			1			1		2
60805	10			1		3		14
60827	4	2				1		7
Total	91	108	50	16	35	157	11	468

Service Demand – Physician Referral Letter
ATTACHMENT – 26b - 4

PATIENTS OF SWNA AT YEAR END 2011

Zip	Fresenius Medical Care						DaVita		DSI	
Code	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside	Beverly	Mount Greenwood	Scottsdale	Total
60406		3	6							9
60409			2							2
60411		1								1
60415		3	1						2	6
60419			2							2
60422		1								1
60423				5	1					6
60425									1	1
60426		2								2
60428		1								1
60429		1								1
60431		1								1
60438		1							1	2
60439					1					1
60441					3					3
60445		15						1	3	19
60446				1						1
60448				9	1					10
60449				2	1					3
60451				2						2
60452	1	5	1		3					10
60453	2	7	5	1				1	14	30
60455		1							5	6
60456									3	3
60457		2			1				3	6
60459									9	9
60462		1		3	27					31
60463		5	1		4			1	2	13
60464		3			1					4
60465		6	1		1					8
60466				1						1
60467				4	6					10
60469		2								2
60471		1		1						2
60472		2								2
60477		1	1	5	5					12
60482		10		1						11
60487		1		3	1					5
60491					1					1
60586			1							1
60609		1	1							2
60615						1				1
60617		1	1			1	1		2	6
60619						3		1	7	11
60620		1	8			8		3	26	46
60621			2	1					1	4
60625			1							1
60627		1								1
60628		6	15				1	1	8	31
60629			1			3	1		25	30
60631					1					1
60632									4	4
60634			1							1
60636		2	2			3		1	7	15
60638									9	9
60639									1	1
60643		4	18						6	28
60649		1							1	2
60652		3	3			1	1		24	32
60653		1								1
60655		2	8	1				1		12
60803		5	4							9
60804									2	2
60805			11			1			2	14
60827		3	2	1					1	7
Total	3	107	99	41	58	21	4	10	169	512

PATIENTS OF SWNA AT END OF 2ND QUARTER 2012

Zip	Fresenius Medical Care						Direct	DaVita			Newco	
Code	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside	Dialysis	Beverly	West Lawn	Mt Greenwood	Scottsdale	Total
60406		2	4									6
60409		1	1		1							3
60415		5									2	7
60419			3									3
60423				4	1							5
60426		3										3
60428		1										1
60429		1										1
60430		1										1
60435		1			1							2
60438		1									1	2
60439					2							2
60441				1	4							5
60443				1								1
60445	1	13	1		2					1		18
60446				1	1							2
60448				9	1							10
60449				1								1
60450											1	1
60451				2								2
60452		7	1	1	4						2	15
60453	1	8	7			1					13	30
60455		2									3	5
60456		1									2	3
60457		1	1		1						4	7
60458											1	1
60459		1									7	8
60461											1	1
60462					24							24
60463		4	1	1	3							9
60464		4			3							7
60465		6	2		2							10
60466				1								1
60467				6	4							10
60469		2										2
60471		1		1								2
60472		4	1									5
60477				6	7							13
60478					1							1
60482		9			1							10
60487				3								3
60491					1							1
60543			1									1
60609			1									1
60617		2	1					1			2	6
60619						2		1			8	11
60620			12			10		3		3	27	55
60621			2	1							2	5
60625			1									1
60628		6	16			1		1		1	7	32
60629		1	1			6			1		25	34
60632											3	3
60633			1									1
60636		1	2			3				1	7	14
60638											11	11
60639											1	1
60643		1	23							1	6	31
60649		1									1	2
60652		2	5		1	1					25	34
60653		2										2
60655		1	6	1			1			1	1	11
60803	1	6	5									12
60804											1	1
60805			8			1					3	12
60827		2	2	1							1	6
62846											1	1
Total	3	104	109	41	65	25	1	6	1	8	169	532

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Ejikeme O. Obasi is currently the Medical Director for Fresenius Medical Care Merrionette Park and will continue to be the Medical Director. Attached is his curriculum vitae.

B. All Other Personnel

The Merrionette Park facility currently employs the following staff:

- Clinic Manager who is a Registered Nurse
- 4 Full-time Registered Nurses
- 8 Full-time Patient Care Technicians
- 1 Full-time Registered Dietitian
- 1 Full-time Social Worker
- 1 Full-time Equipment Technician
- 1 Full-time Secretary

2 additional Patient Care Technicians will be hired for the 6-station expansion.

3) All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing a 9 week orientation training program through the Fresenius Medical Care staff education department.

Annually all clinical staff must complete OSHA training, Compliance training, CPR Certification, Skills Competency, CVC Competency, Water Quality training and pass the Competency Exam.

4) The above staffing model is required to maintain a 4 to 1 patient-staff ratio at all times on the treatment floor. A RN will be on duty at all times when the facility is in operation.

CURRICULUM VITAE

Name: Ejikeme Obiechina Obasi, MBBS

Business Address: 3650 W. 95th Street
Evergreen Park, Illinois 60805
(708) 422-7715

EDUCATION:

MEDICAL SCHOOL: University of Nigeria
(Six-Year Program)
Degree: MB.BS, June 1980

INTERNSHIP: University of Nigeria Teaching Hospital
Rotational Internship, July 1980 – June 1981

Cook County Hospital, Chicago, IL
Categorical, July 1988 – June 1989
(Internal Medicine)

RESIDENCY: University of Nigeria Teaching Hospital
July 1982 – June 1988

Cook County Hospital, Chicago, IL
July 1989 – June 1991

FELLOWSHIP: Rush Presbyterian St. Luke's Medical Center, Chicago, IL
Nephrology, July 1991 – June 1993

BOARD CERTIFICATION:

INTERNAL MEDICINE: September 1991
Re-certified January 2002

NEPHROLOGY: September 1994
Re-certified January 2002

STAFF PRIVILEGES:

Little Company of Mary Hospital
2800 West 95th Street
Evergreen Park, IL 60805
Active Staff

Holy Cross Hospital
2701 West 68th Street
Chicago, IL 60629
Consulting Staff

Advocate Christ Medical Center
4440 West 95th Street
Oak Lawn, IL 60453
Active Staff

South Suburban Hospital
17800 South Kedzie Avenue
Hazel Crest, IL 60429
Consulting Staff

Palos Community Hospital
12251 S. 80th Avenue
Palos Heights, IL 60463
Consulting Staff

PRESENT ACADEMIC RANK AND POSITION:

Clinical Assistant Professor of Medicine
University of Illinois, Chicago Illinois

ADMINISTRATIVE RESPONSIBILITIES:

Director of Dialysis Services, Little Company of Mary Hospital
Member, ICU Committee Little Company of Mary Hospital
Member, Utilization Review, Holy Cross Hospital
Fresenius Central Business Unit, Medical Advisory Board Member

PROFESSIONAL MEMBERSHIPS:

Illinois State Medical Association
American College of Physicians
Natinal Kidney Foundation
American Society of Internal Medicine
American Society of Nephrology

COMMUNITY ACTIVITIES:

Chairman, Board of Trustees, Okigbo-Okpara Trust Fund – Chairman, Dominican University Elder's Council.

BIBLIOGRAPHY:

Severe Crescentic Glomerulonephritis with Occasional Immune Complex Deposits: One Disease or Two. Haas M, Obasi E., Am J Kid Dis, 31, 1998: 550-554

Immunotactoid Glomerulopathy (Book Chapter) Current Therapy in Nephrology and Hypertension. 4th Edition, Glassrock, RS. Editor: BC Decker, Philadelphia, PA 1998. 220-222

Dialysis and the Chronic Renal Failure Patient. (Book Chapter) Cardiac Surgery in Chronic Renal Failure: Clinical Management and Outcomes. Slaughter, M; Futura Publishing Co. 2007

Criterion 1110.1430 (f) – Support Services

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

- Fresenius Medical Care utilizes the Proton patient data tracking system in all of its facilities.

- These support services are available at Fresenius Medical Care Merrionette Park during all six shifts:
  - Nutritional Counseling
  - Psychiatric/Social Services
  - Home/self training
  - Clinical Laboratory Services – provided by Spectra Laboratories

- The following services will be provided via referral to Christ Hospital, Oak Lawn, Chicago:

  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services

Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 31ST day of JULY, 2012

Signature of Notary

Seal

OFFICIAL SEAL
CYNTHIA S TURGEON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/13

Criterion 1110.1430 (g) – Minimum Number of Stations

Fresenius Medical Care Merrionette Park is located in the Chicago-Joliet-Naperville, IL-IN-WI Metropolitan Statistical Area (MSA). A minimum of eight dialysis stations is required to establish an in-center hemodialysis center in an MSA. Fresenius Medical Care Merrionette Park will have a total of 24 dialysis stations thereby meeting this requirement.

ADVOCATE CHRIST MEDICAL CENTER
AND
DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. d/b/a RENAL CARE GROUP MIDAMERICA
TRANSFERS AGREEMENT

This Agreement, made and entered into this 1st day of August, 2001, by and between ADVOCATE CHRIST MEDICAL CENTER (hereinafter referred to as "ACMC") and DIALYSIS CENTERS OF AMERICA-ILINOIS, INC. d/b/a RENAL CARE GROUP MIDAMERICA (hereinafter referred to as "RCG").

WHEREAS, ACMC is a medical center capable of providing and which does provide general hospital care and treatment for patients with end-stage renal disease, and which is approved to deliver end-stage disease service under the Medicare Program; and

WHEREAS, RCG is a free-standing facility providing equipment and services for end-stage renal disease patients who need chronic dialysis; and

WHEREAS, under the provisions of Regulation 405.2160 of Part 405 of Title 20 of the Code of Federal Regulations which implements Section 2991 of Public Law 92-603, RCG must be affiliated with a participating hospital which is approved to deliver end-stage renal disease service under the Medicare Program; and

WHEREAS, ACMC and RCG desire to cooperate to provide an efficient health care delivery system for end-stage disease patients according to the highest medical standards.

NOW, THEREFORE, in consideration with the mutual covenants and promises hereinafter contained, the parties hereby agree as follows:

SECTION I - DEFINITIONS

A. "End-Stage Renal Disease" ("ESRD"): That stage of renal impairment which cannot be favorably influenced by conservative management alone and requires dialysis and/or kidney transplantation to maintain life or health.

B. "Chronic Dialysis Treatment": The generally accepted periodic dialysis treatment which is prescribed for patients who are diagnosed as ESRD patients in order to sustain life of those patients and ameliorate uremic symptoms.

SECTION II - SERVICES

A. ACMC agrees that, consistent with accepted medical practices and the rules

Continuity of Care
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and regulations of the Renal Division of Hospital, and the Hospital's Medical Staff by-laws, it shall provide treatment to appropriate patients whose initial treatment began at the Hospital Unit or who have been transferred to RCG for such ESRD treatment. A patient who is offered such treatment shall, in the opinion of his or her attending staff physician, be determined as qualified to receive chronic dialysis treatment. The nature and purpose of the treatment and the attendant risks and benefits of the various treatment alternatives, shall be explained to the patient by the attending physician.

The decision as to whether or not a patient is qualified for chronic dialysis treatment shall be made by the physician or physicians attending that patient.

B. ACMC hereby agrees to make ESRD services under the Medicare Program available to patients from RCG for all the ordinary and specialized medical and surgical consultation services which are not available at RCG and which are required for the care of ESRD patients.

SECTION 111 - TRANSFER OF PATIENTS

A patient electing to transfer to RCG from ACMC for chronic dialysis treatment shall be formally discharged from Hospital and shall be admitted to RCG. A copy of the medical record, including the long-term program and patient care plan(s), of the patient who has elected to transfer shall be forwarded with the patient, or within one (1) working day, to the appropriate records retention authority at RCG. The transfer of patients shall be coordinated by the Medical Directors of RCG and the Renal Division of ACMC.

SECTION IV – TRANSPORTATION

Transportation of patients to and from the dialysis unit will be the responsibility of the individual patient with regard to arrangement and payments. RCG may assist patients in making arrangements for transportation.

SECTION V - READMISSION TO HOSPITAL

In the event that patients who have transferred pursuant to the Agreement with RCG for chronic dialysis treatment suffer any illness whatsoever requiring hospitalization, whether or not such illness is associated with ESRD, such patient may be admitted to Hospital for treatment according to admission policies of the Renal Division of Hospital and in the event of readmission shall be discharged from RCG. The need for hospitalization shall be determined by the attending physician of RCG. The readmission shall be coordinated by the Medical Director of RCG and the Medical Director of the Renal Division of ACMC.

SECTION VI - OTHER INSTITUTIONS

In the event that the patient had received initial ESRD treatment at a third institution, other than ACMC and subsequent thereto and was admitted to ACMC for ESRD treatment, and subsequently elected to transfer to RCG, the patient may elect to return to the third institution directly from RCG.

SECTION VII - PHYSICIAN'S FEES

Any qualified staff physician of ACMC may treat patients for ESRD at RCG, pursuant to the provisions of this Agreement, and shall be entitled to all physician's fees for such treatment given the patient at RCG.

SECTION VIII - STANDARD OF CARE

Patients shall be cared for by each institution in accordance with respective institutional policies and procedures and in accordance with regulations promulgated by the Bureau of Health Insurance implementing the End-Stage Renal Disease Program under Section 2991 of the 1972 Social Security Amendments, and any amendments thereto.

SECTION IX - HOME DIALYSIS

Nothing contained herein shall preclude the use of home dialysis as an alternative form of treatment in those situations in which home treatment is, in the opinion of the attending physician, medically, psychologically, and economically appropriate, and is so desired by the patient.

SECTION X- HOLD HARMLESS

A. RCG shall hold ACMC, and its agents, employees and officers, forever harmless from any and all claims, demands, and liabilities arising from any and all negligence, acts, omissions, or events of or caused by RCG, and its agents, employees and officers, and for such purposes shall indemnify ACMC, and its agents, employees and officers for all costs arising from any claim asserted by any person as a result of such negligence, acts, omissions or events of or caused by RCG, and its agents, employees and officers.

B. ACMC shall hold RCG, and its agents, employees and officers, forever harmless from any and all claims, demands, and liabilities arising from any and all negligence, acts, omissions, or events of or caused by ACMC, and its agents, employees and officers, and for such purposes shall indemnify RCG, and its agents, employees and officers for all costs arising from any claim asserted by any person as a result of such negligence, acts, omissions or events of or caused by Advocate Christ Medical Center, and its agents, employees and officers.

SECTION XI - RESPONSIBILITY OF PATIENT CARE

A. Each patient's primary physician will have the responsibility to ensure continuity of medical care throughout all specific phases of patient care.

B. Patients who are considered to be medically unstable or chronic maintenance dialysis patients will be dialyzed in the facility deemed to be acceptable to both the patient and the primary physician.

C. ACMC agrees to provide back-up treatment as necessary for home dialysis patients admitted to the Hospital.

SECTION XII - PATIENT SECURITY

Advocate Christ Medical Center has a policy of non-responsibility of personal effects of their patients once admitted to the hospital. Each patient admitted is apprised of this policy and accepts accountability for their own belongings.

SECTION XIII - NON-EXCLUSIVITY

Nothing herein shall be interpreted to create an exclusive arrangement between the parties. ACMC and RCG shall be entitled to accept and transfer its patients to other facilities as deemed appropriate by the attending physician.

SECTION XIV - EMERGENCY SERVICES

ACMC shall provide Emergency Services in its Emergency Center to RCG's outpatients on the same basis as ACMC provides said services to the general public.

SECTION XV - EFFECTIVE DATE AND TERMINATION

This Agreement shall be effective for a period of five (5) years commencing with the date of execution hereof (the "anniversary date") and shall be renewable at the option of the parties. Either may terminate this Agreement upon ninety (90) days prior to written notice to the other party.

ACCEPTED BY:

ADVOCATE CHRIST MEDICAL CENTER	DIALYSIS CENTERS OF AMERICA-ILLINOIS, INC. d/b/a RENAL CARE GROUP MIDAMERICA
BY: Carl Sen	BY: Janet L Wagner
TITLE: Chief Executive	TITLE: Senior Market Manager

Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Merrionette Park, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Merrionette Park in the first two years after the addition of the 6 stations, the facility is expected to achieve and maintain the utilization standard, specified in 77 Ill. Adm. Code 1100, of 80% and;

2. Fresenius Medical Care hemodialysis patients at Fresenius Medical Care Merrionette Park have achieved adequacy outcomes of:

    - 94% of patients had a URR $\geq$ 65%
    - 95% of patients had a Kt/V $\geq$ 1.2

    These are expected to remain the same or higher as Fresenius Medical Care strives to continually raise quality measures through initiatives such as its TOPs, Right Start and Catheter Reduction Programs as listed at attachment 11.

Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 2ND day of AUGUST, 2012

Cynthia S. Turgeon
Signature of Notary

Seal

OFFICIAL SEAL
CYNTHIA S TURGEON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/13

Criterion 1120.310 Financial Viability

Financial Viability Waiver

This project is being funded entirely through cash and securities thereby meeting the criteria for the financial waiver.

2011 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #12-056, RAI Lincoln Highway, Fairview Heights and are the same financials that pertain to this application. In order to reduce bulk these financials can be referred to if necessary.

Criterion 1120.310 (c) Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
ESRD		134.50			3,000			403,500	
Contingency		13.45			3,000			40,350	
TOTALS		147.95			3,000			443,850	
* Include the percentage (%) of space for circulation									

Criterion 1120.310 (d) – Projected Operating Costs

Year 2015

Salaries	$957,112
Benefits	239,278
Supplies	232,714
Total	$1,429,104

Annual Treatments 17,971

Cost Per Treatment $79.52

Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs

Year 2015

Depreciation/Amortization	$146,363
Interest	0
CAPITAL COSTS	$146,363
Treatments:	17,971
Capital Cost per treatment	$8.14

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Renal Care Group Chicago Southside, LLC

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By: _____

Title: manager

Notarization:
Subscribed and sworn to before me
this 26th day of July, 2012

Kimberly McCarthy
Signature of Notary

Seal

OFFICIAL SEAL
KIMBERLY MCCARTHY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/26/13

By: _____

Title: Regional Vice President

Notarization:
Subscribed and sworn to before me
this 31ST day of JULY, 2012

Cynthia S. Turgeon
Signature of Notary

Seal

OFFICIAL SEAL
CYNTHIA S TURGEON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/13

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Holdings, Inc.

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By:_____

Title: Mark Fawcett
Vice President & Asst. Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2012

_____
Signature of Notary

Seal

By:_____

Title: **Bryan Mello**
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 18 day of July, 2012

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
MY COMM. EXPIRES
AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

Criterion 1120.310(b) Conditions of Debt Financing

Renal Care Group Chicago Southside, LLC

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need: I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements: and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: _____

ITS: Manager

Notarization:
Subscribed and sworn to before me
this 26th day of July, 2012

Kimberly McCarthy
Signature of Notary

Seal

OFFICIAL SEAL
KIMBERLY MCCARTHY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/26/13

By: _____

ITS: Regional Vice President

Notarization:
Subscribed and sworn to before me
this 31st day of JULY, 2012

Cynthia S. Turgeon
Signature of Notary

Seal

OFFICIAL SEAL
CYNTHIA S TURGEON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/13

Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Holdings, Inc.

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By:_____

ITS: ~~Mark Fawcett~~
Vice President & Asst. Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2012

_____
Signature of Notary

Seal

By:_____

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 18 day of July, 2012

_____
Signature of Notary

Seal

C. WYNELLE SCENNA
MY COMM. EXPIRES AUG. 1, 2014
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

Safety Net Impact Statement

The expansion of the Fresenius Medical Care Merrionette Park dialysis facility will not have any impact on safety net services in the southwest Chicago/suburbs. Outpatient dialysis services are not typically considered "safety net" services, to the best of our knowledge. However, we do provide care for patients in the community who are economically challenged and/or who are undocumented aliens, who do not qualify for Medicare/Medicaid. We assist patients who do not have insurance in enrolling when possible in Medicaid and/or Medicaid as applicable, and also our social services department assists patients who have issues regarding transportation and/or who are wheel chair bound or have other disabilities which require assistance with respect to dialysis services and transport to and from the unit.

This particular application will not have an impact on any other safety net provider in the area, as no hospital within the area provides dialysis services on an outpatient basis.

Fresenius Medical Care is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the Board's definition. However, Fresenius Medical Care provides care to all patients regardless of their ability to pay. There are patients treated by Fresenius who either do not qualify for or will not seek any type of coverage for dialysis services. These patients are considered "self-pay" patients. These patients are invoiced as all patients are invoiced, however payment is not expected and Fresenius does not initiate any collections activity on these accounts. These unpaid invoices are written off as bad debt. Fresenius notes that as a for profit entity, it does pay sales, real estate and income taxes. It also does provide community benefit by supporting various medical education activities and associations, such as the Renal Network and National Kidney Foundation.

The table on the following page shows the amount of "self-pay" care and Medicaid services provided for the 3 fiscal years prior to submission of the application for all Fresenius Medical Care facilities in Illinois.

Safety Net Information Fresenius Medical Care Facilities in Illinois			
NET REVENUE	**$364,295,636**	**$397,467,778**	**$353,355,908**
CHARITY CARE			
	2009	**2010**	**2011**
Charity Care (# of self-pay patients)	260	146	93
Charity (self-pay) Cost	$3,642,751	$1,307,966	632,154
% of Charity Care to Net Rev.	1.00%	.33%	0.2%
MEDICAID			
	2009	**2010**	**2011**
Medicaid (# of patients)	1,783	1,828	1,865
Medicaid (revenue)	$40,401,403	$44,001,539	$42,367,328
% of Medicaid to Net Revenue	11.9%	11.07%	12%

2011 data accounts for in-center hemodialysis patients only. 2009 & 2010 included some home dialysis patients and we were unable to remove them from the above numbers. Going forward data on in-center patients only will be submitted

Uncompensated care #'s listed in the previous chart have gone down substantially over the past three years. This is due to an aggressive effort on our clinics part to obtain coverage for every patient. All ESRD patients can qualify for some type of coverage as is explained in Attachment 44.

While it may appear that the uncompensated numbers went down at a much higher rate than the rate the Medicaid numbers rose, one has to look at the percentage of the total number of patients/treatments for accurate comparison because the volume of Medicaid patients is significantly higher than that of uncompensated patients. For example in 2011 vs 2010 the percentage of the total for Medicaid was 12% and 11.7% respectively. In the same comparison for uncompensated care there was .2% vs .33% of the total. The Medicaid numbers increased .5% and the uncompensated care numbers decreased .1% as they relate to the total.

(See attachment 44 for Uncompensated and Medicaid Care by facility)

Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition. They do provide uncompensated care. The applicant(s) are for profit corporations and do not receive the benefits of not for profit entities, such as sales tax and/or real estate exemptions, or charitable donations. The applicants are not required, by any State or Federal law, including the Illinois Healthcare Facilities Planning Act, to provide charity care. The applicant(s) are prohibited by Federal law from advising patients that they will not be invoiced for care, as this type of representation could be an inducement for patients to seek care prior to qualifying for Medicaid, Medicare or other available benefits.

The applicants do provide access to care at all of its clinics regardless of payer source or whether a patient is likely to receive treatments for which the applicants are not compensated. Uncompensated care occurs when a patient is not eligible for any type of insurance coverage (whether private or governmental) and receives treatment at our facilities. It is rare in Illinois for patients to have no coverage as patients who are not Medicare eligible are Medicaid eligible. This represents a small number of patients, as Medicare covers all dialysis services as long as an individual is entitled to receive Medicare benefits (i.e. has worked and paid into the social security system as a result) regardless of age. In addition, in Illinois Medicaid covers patients who are undocumented and/or who do not qualify for Medicare, and who otherwise qualify for public assistance. Also, the American Kidney Fund provides low cost insurance coverage for patients who meet the AKF's financial parameters and who suffer from end stage renal disease (see uncompensated care attachment). The applicants work with patients to procure coverage for them as possible whether it be Medicaid, Medicare and/or coverage through the AKF. The applicants donate to the AKF to support its initiatives.

If a patient has no available insurance coverage, they are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants

It is noted in the above charts on the following pages, that the number of patients receiving uncompensated care has declined. This is not because of any policy or admissions changes at Fresenius Medical Care. We still accept any patient regardless of ability to pay. The reduction is due to an aggressive approach within our facilities to obtain insurance coverage for all patients, thus the rise in Medicaid treatments/costs. Nearly all dialysis patients in Illinois will qualify for some type of coverage. Our Financial Coordinators work with patients to assist in finding the right coverage for each patient's particular situation. This coverage applies not only to dialysis services, but all health care services this chronically ill patient population may receive. Therefore, while assisting the patient to obtain coverage benefits the patient and Fresenius, it also assists other health care providers. Mainly though, it relieves patients of the stress of not having coverage or affordable coverage for health care.

Uncompensated Care By Facility

Facility		Uncompensated Treatments			Uncompensated Costs		
		2009	2010	2011	2009	2010	2011
Fresenius	Alsip	0	0	0	0	0	0
Fresenius	Antioch	102	0	0	27,356	0	0
Fresenius	Aurora	83	87	13	18,102	20,475	3,008
Fresenius	Austin Community	140	0	0	38,748	0	0
Fresenius	Berwyn	715	228	102	159,825	50,216	21,728
Fresenius	Blue Island	174	80	0	47,787	22,092	0
Fresenius	Bolingbrook	48	21	0	12,190	4,945	0
Fresenius	Bridgeport	528	45	150	116,096	9,767	35,073
Fresenius	Burbank	721	49	40	174,834	11,589	9,742
Fresenius	Carbondale	79	42	0	21,053	11,058	0
Fresenius	Chicago	328	45	1	87,584	13,006	294
Fresenius	Chicago Westside	146	0	43	47,296	0	12,683
Fresenius	Congress Parkway	176	14	0	45,015	3,555	0
Fresenius	Crestwood	67	320	69	16,604	81,301	17,203
Fresenius	Decatur	0	0	0	0	0	0
Fresenius	Deerfield	0	0	0	0	0	0
Fresenius	Downers Grove	20	233	0	4,604	55,040	0
Fresenius	Du Page West	76	34	0	17,683	8,106	0
Fresenius	Du Quoin	37	10	0	10,153	2,664	0
Fresenius	East Peoria	52	0	0	11,791	0	0
Fresenius	Elgin	0	0	0	0	0	0
Fresenius	Elk Grove	127	53	51	28,162	11,934	12,501
Fresenius	Evanston	194	215	90	48,763	55,760	22,969
Fresenius	Evergreen Park	510	197	12	135,802	51,112	3,113
Fresenius	Garfield	177	54	171	45,571	13,562	38,597
Fresenius	Glendale Heights	159	15	9	34,921	3,565	2,023
Fresenius	Glenview	87	46	169	19,416	9,809	37,965
Fresenius	Greenwood	251	179	26	60,119	42,049	6,103
Fresenius	Gurnee	122	35	25	28,363	7,609	5,350
Fresenius	Hazel Crest	34	22	83	8,927	5,874	20,550
Fresenius	Hoffman Estates	33	17	19	7,219	3,783	4,173
Fresenius	Jackson Park	528	3	0	121,478	637	0
Fresenius	Kewanee	0	72	0	0	20,269	0
Fresenius	Lake Bluff	65	5	21	16,903	1,052	4,824
Fresenius	Lakeview	27	13	11	7,284	3,026	2,712
Fresenius	Lombard	0	0	0	0	0	0
Fresenius	Macomb	0	0	0	0	0	0
Fresenius	Marquette Park	362	0	0	90,374	0	0
Fresenius	McHenry	186	5	1	53,929	1,240	265
Fresenius	McLean County	67	19	23	16,821	4,012	5,111
Fresenius	Melrose Park	19	0	2	5,048	0	479
Fresenius	Merrionette Park	105	41	46	27,067	9,535	10,728
Fresenius	Midway	0	0	0	0	0	0
Fresenius	Mokena	44	3	0	15,784	976	0
Fresenius	Morris	42	104	0	11,078	27,519	0
Fresenius	Naperville	301	100	0	62,828	21,795	0
Fresenius	Naperville North	183	0	18	45,371	0	3,887

Continued...

Continued Uncompensated Care by Facility

Facility		Uncompensated Treatments			Uncompensated Costs		
		2009	2010	2011	2009	2010	2011
Fresenius	Niles	152	26	10	36,586	5,912	2,274
Fresenius	Norridge	6	3	0	1,433	718	0
Fresenius	North Avenue	94	74	0	23,140	17,785	0
Fresenius	North Kilpatrick	0	64	0	0	14,161	0
Fresenius	Northcenter	121	78	0	33,725	19,191	0
Fresenius	Northwestern	226	77	160	54,801	20,482	43,652
Fresenius	Oak Park	126	6	0	29,782	1,370	0
Fresenius	Orland Park	121	0	12	29,308	0	3,072
Fresenius	Oswego	12	1	0	3,294	277	0
Fresenius	Ottawa	8	2	3	2,377	443	844
Fresenius	Palatine	0	0	0	0	0	0
Fresenius	Pekin	0	20	100	0	4,582	22,951
Fresenius	Peoria Downtown	46	45	24	10,787	10,650	5,674
Fresenius	Peoria North	54	13	0	12,693	3,116	0
Fresenius	Plainfield	0	8	7	0	4,776	1,803
Fresenius	Polk	231	104	102	57,903	25,023	25,642
Fresenius	Pontiac	19	0	0	4,664	0	0
Fresenius	Prairie	114	54	215	29,278	13,918	50,109
Fresenius	Randolph County	4	32	0	1,200	8,794	0
Fresenius	Rockford	74	24	0	23,729	6,932	0
Fresenius	Rodgers Park	328	224	48	85,308	55,507	11,633
Fresenius	Rolling Meadows	0	204	215	0	50,445	52,184
Fresenius	Roseland	164	99	9	60,432	29,927	2,593
Fresenius	Ross Dialysis Englewood	184	8	12	51,398	2,031	3,151
Fresenius	Round Lake	182	1	54	42,228	231	12,274
Fresenius	Saline County	21	11	0	5,679	2,892	0
Fresenius	Sandwich	18	3	0	8,054	966	0
Fresenius	Skokie	18	10	25	4,418	2,606	6,609
Fresenius	South Chicago	747	278	135	196,277	67,614	31,622
Fresenius	South Holland	127	104	0	29,620	24,321	0
Fresenius	South Shore	110	8	0	29,182	1,943	0
Fresenius	South Suburban	566	241	41	139,684	57,649	9,809
Fresenius	Southside	483	137	27	120,241	32,823	6,263
Fresenius	Southwestern Illinois	0	0	0	0	0	0
Fresenius	Spoon River	38	35	0	8,910	8,633	0
Fresenius	Spring Valley	1	31	9	221	6,446	1,952
Fresenius	Streator	0	0	34	0	0	11,545
Fresenius	Uptown	134	110	2	43,063	32,398	533
Fresenius	Villa Park	369	27	0	91,054	6,488	0
Fresenius	West Belmont	191	70	76	51,405	17,653	18,057
Fresenius	West Chicago	44	0	0	23,875	0	0
Fresenius	West Metro	880	237	143	178,477	47,199	29,431
Fresenius	West Suburban	273	146	37	60,862	32,995	8,190
Fresenius	Westchester	0	0	0	0	0	0
Fresenius	Williamson County	0	28	0	0	7,360	0
Fresenius	Willowbrook	45	0	0	10,771	0	0
	Totals	**13,448**	**5,037**	**2,695**	**3,343,810**	**1,235,189**	**642,947**

Medicaid Treatments/Costs By Facility

Facility	Medicaid Treatments			Medicaid Costs		
	2009	2010	2011	2009	2010	2011
Alsip	624	749	732	188,014	212,319	202,715
Antioch	148	937	763	39,693	228,932	187,329
Aurora	1,230	1,521	1,464	267,289	356,763	338,760
Austin Community	1,574	2,111	2,405	435,633	514,900	631,509
Berwyn	3,618	4,102	3,792	808,338	903,204	807,772
Blue Island	1,901	1,937	2,043	521,183	537,714	525,668
Bolingbrook	1,246	1,628	1,721	316,437	382,502	403,285
Bridgeport	4,570	5,610	6,674	1,004,278	1,223,924	1,560,507
Burbank	2,142	2,046	2,274	519,411	488,784	553,829
Carbondale	1,214	1,650	885	323,528	434,440	208,033
Chicago	5,466	5,279	4,898	1,459,549	1,525,782	1,439,559
Chicago Westside	3,509	3,807	4,690	1,136,730	1,095,994	1,383,369
Congress Parkway	3,685	4,197	4,713	942,506	1,065,797	1,136,642
Crestwood	1,166	1,072	1,090	288,958	272,784	271,757
Decatur	1	136	221	234	35,461	57,763
Deerfield	0	100	156	0	43,140	50,046
Downers Grove	1,010	995	1,166	232,543	234,923	271,484
Du Page West	2,086	2,725	2,097	484,530	645,664	501,321
Du Quoin	318	203	99	87,259	54,088	24,270
East Peoria	607	1,083	548	137,256	245,724	128,413
Elgin	0	0	90	0	0	73,782
Elk Grove	1,414	1,996	2,207	313,551	453,597	541,081
Evanston	1,513	1,535	1,592	380,303	397,971	406,302
Evergreen Park	2,284	3,231	2,730	608,498	836,493	708,304
Garfield	2,684	3,299	3,238	691,027	828,310	730,863
Glendale Heights	2,085	2,332	2,290	457,922	554,123	514,638
Glenview	984	992	1,055	219,602	213,744	236,999
Greenwood	3,349	3,712	3,894	802,189	872,008	914,042
Gurnee	1,859	2,143	2,688	432,191	472,662	575,243
Hazel Crest	979	657	585	257,041	179,494	144,844
Hoffman Estates	1,726	2,513	3,112	377,555	559,184	683,470
Jackson Park	5,444	5,972	5,101	1,252,508	1,521,259	1,210,846
Kewanee	182	146	220	50,299	41,100	61,426
Lake Bluff	1,541	1,354	1,402	400,725	316,621	322,029
Lakeview	1,398	1,516	1,811	377,127	352,907	446,470
Lombard	0	0	44	0	0	21,595
Macomb	212	116	145	55,286	29,952	40,553
Marquette Park	2,339	2,473	2,126	583,937	678,627	541,896
McHenry	457	546	406	132,590	150,364	107,459
McLean County	1,225	1,044	711	307,556	220,456	157,995
Melrose Park	1,015	1,390	1,573	269,659	346,195	376,797
Merrionette Park	1,001	749	526	258,043	176,214	122,674
Midway	0	28	304	0	35,664	105,702
Mokena	0	125	295	0	40,676	82,346
Morris	119	200	324	31,388	52,788	78,235
Naperville	512	544	536	106,931	119,021	118,367
Naperville North	494	654	719	122,478	149,538	155,271

Continued...

Continued Medicaid Treatments/Costs By Facility

Facility	Medicaid Treatments			Medicaid Costs		
	2009	2010	2011	2009	2010	2011
Niles	1,675	1,914	2,129	403,072	443,720	484,136
Norridge	858	1,037	1,079	204,977	248,143	254,192
North Avenue	1,818	1,854	1,472	447,539	445,567	320,511
North Kilpatrick	2,323	2,504	3,856	507,261	553,942	820,684
Northcenter	1,603	1,981	2,015	446,783	490,534	479,942
Northwestern	3,103	2,954	3,322	752,429	789,266	906,323
Oak Park	1,972	2,142	1,836	466,108	488,856	428,507
Orland Park	734	774	606	177,784	205,942	155,116
Oswego	454	482	239	124,620	133,606	63,061
Ottawa	141	70	118	41,889	20,685	33,187
Palatine	0	0	15	0	0	12,802
Pekin	24	136	168	5,392	31,957	38,557
Peoria Downtown	1,238	1,283	856	290,322	306,923	202,385
Peoria North	374	265	229	87,495	63,487	54,170
Plainfield	0	390	695	0	124,618	178,985
Polk	3,151	3,509	3,042	791,176	845,905	764,725
Pontiac	185	284	261	45,411	67,468	61,369
Prairie	1,067	1,108	1,994	274,030	288,116	464,734
Randolph County	190	251	157	57,007	68,980	41,764
Rockford	540	747	0	174,124	215,743	0
Rodgers Park	1,433	1,756	2,268	372,702	435,136	549,669
Rolling Meadows	1,543	2,100	1,629	358,921	519,165	395,386
Roseland	641	1,506	1,702	236,200	455,105	490,393
Ross Dialysis Englewood	814	1,936	2,153	227,382	491,305	565,256
Round Lake	1,909	2,661	2,007	442,931	615,524	456,196
Saline County	676	441	189	182,823	121,425	54,160
Sandwich	60	145	212	32,813	46,687	65,769
Skokie	850	1,096	443	208,691	285,530	117,111
South Chicago	3,995	5,002	5,628	1,049,703	1,216,563	1,318,286
South Holland	1,304	1,603	1,366	304,132	374,873	344,529
South Shore	2,143	1,900	1,858	568,522	492,073	480,279
South Suburban	1,392	1,804	1,917	343,534	431,533	458,639
Southside	5,249	6,248	5,999	1,306,722	1,502,272	1,391,565
Southwestern Illinois	296	428	425	73,467	111,204	113,186
Spoon River	11	30	26	2,579	7,400	6,120
Spring Valley	39	267	356	8,607	56,430	77,209
Streator	7	34	30	2,692	11,273	10,187
Uptown	701	1,037	1,427	225,278	306,675	380,027
Villa Park	922	1,037	988	227,334	249,280	218,544
West Belmont	2,495	3,388	3,950	671,493	860,433	938,469
West Chicago	8	429	579	4,341	146,150	176,609
West Metro	6,331	7,147	5,727	1,283,292	1,422,379	1,178,679
West Suburban	5,951	5,841	5,234	1,326,700	1,324,430	1,158,568
Westchester	669	429	246	167,778	112,477	65,140
Williamson County	363	435	420	88,017	116,421	103,203
Willowbrook	474	1,065	1,087	113,458	250,894	254,937
Totals	**134,666**	**156,600**	**156,121**	**32,811,313**	**37,899,912**	**37,298,532**

(see following page for patient coverage options)

Fresenius Medical Care North America
Community Care

Fresenius Medical Care North America (FMCNA) assists all of our patients in securing and maintaining insurance coverage when possible. However, even if for whatever reason insurance (governmental or otherwise) is not available FMCNA does not deny admission for treatment due to lack of insurance coverage.

American Kidney Fund

FMCNA works with the American Kidney Fund (AKF) to help patients with insurance premiums at no cost to the patient.

Applicants must be dialyzed in the US or its territories and referred to AKF by a renal professional and/or nephrologist The Health Insurance Premium Program is a "last resort" program. It is restricted to patients who have no means of paying health insurance premiums and who would forego coverage without the benefit of HIPP. Alternative programs that pay for primary or secondary health coverage, and for which the patient is eligible, such as Medicaid, state renal programs, etc. must be utilized. Applicants must demonstrate to the AKF that they cannot afford health coverage and related expenses (deductible etc.).

Our team of Financial Coordinators and Social Workers connect patients who cannot afford to pay their insurance premiums, with AKF, which provides financial assistance to the patients for this purpose. FMCNA's North Division currently has 2986 patients with primary insurance coverage and 7469 patients with secondary insurance coverage for a total of 10,455 patients receiving AKF assistance. For the state of Illinois we have 632 primary and 1503 secondary patients receiving AKF assistance. The benefit of working with the AKF is the insurance coverage which AKF facilities applies to all of the patient's insurance needs, not just coverage for dialysis services.

Indigent Waiver Program

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services. In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

Annual Income: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have an annual income in excess of two (2) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (2) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the Office of Business Practices and Corporate Compliance.

Net Worth: A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth in excess of $75,000 (or such other amount as may be established by the Office of Business Practices and Corporate Compliance based on changes in the Consumer Price Index

The Company recognizes the financial burdens associated with ESRD and wishes to ensure that patients are not denied access to medically necessary care for financial reasons. At the same time, the Company also recognizes the limitations imposed by federal law on offering "free" or "discounted" medical items or services to Medicare and other government supported patients for the purpose of inducing such patients to receive ESRD-related items and services from FMCNA. An indigent waiver excuses a patient's obligation to pay for items and services furnished by FMCNA. Patients may have dual coverage of AKF assistance and an Indigent Waiver if their financial status qualifies them for both programs.

FMCNA North Division currently has 718 active Indigent Waivers. 21 cover primary balances which means the patient has no insurance coverage, and 697 cover patient balances where there is no supplemental insurance.

Illinois currently has 5 active Indigent Waivers that cover the supplemental balances after the primary insurance pays. There isn't a high volume of Indigent Waivers issued in Illinois because patients are entitled to Medicaid coverage in Illinois.

IL Medicaid and Undocumented Patients

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical emergency.

The Regional Insurance Coordinator will petition Medicaid if patients are denied and assist undocumented patients through the application process to get them Illinois Medicaid coverage. This role is actively involved with the Medicaid offices and attends appeals to help patients secure and maintain their Medicaid coverage for all of their healthcare needs, including transportation to their appointments.

FMCNA Collection Policy

FMCNA's collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services.

FMCNA does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to FMCNA.

Medicare and Medicaid Eligibility

Medicare: Patients are eligible for Medicare when they meet the following criteria: age 65 or older, under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

There are three insurance programs offered by Medicare, Part A for hospital coverage, Part B for medical coverage and Part D for pharmacy coverage. Most people don't have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary doesn't get premium-free Part A, they may be able to buy it if they (or their spouse) aren't entitled to Social Security, because they didn't work or didn't pay enough Medicare taxes while working, are age 65 or older, or are disabled but no longer get free Part A because they returned to work. Part B and Part D both have monthly premiums. Patients must have Part B coverage for dialysis services.

Medicare does allow members to enroll in Health Plans for supplemental coverage. Supplemental coverage (secondary) is any policy that pays balances after the primary pays reducing any out of pocket expenses incurred by the member.

Medicare will pay 80% of what is allowed by a set fee schedule. The patient would be responsible for the remaining 20% not paid by Medicare. The supplemental (secondary) policy covers the cost of co-pays, deductibles and the remaining 20% of charges.

Medicaid: Low-income Illinois residents who can't afford health insurance may be eligible for Medicaid. In addition to meeting federal guidelines, individuals must also meet the state criteria to qualify for Medicaid coverage in Illinois.

Self-Pay

A self-pay patient would not have any type of insurance coverage (un-insured). They may be un-insured because they do not meet the eligibility requirements for Medicare or Medicaid and can not afford a commercial insurance policy.

In addition, a patient balance becomes self-pay after their primary insurance pays, but the patient does not have a supplemental insurance policy to cover the remaining balance. The AKF assistance referenced earlier may or may not be available to these patients, dependent on whether or not they meet AKF eligibility requirements.

SOUTHWEST NEPHROLOGY ASSOCIATES, S.C.

9125 S. Pulaski Road – Evergreen Park, Illinois 60805
Tel (708) 422-7715 – Fax (708) 422-7816
16605 South 107th Court – Orland Park, Illinois 60467
Tel (708) 226-9860 – Fax (708) 226-9864

Ronald K. Hamburger, M.D.
Ejikeme O. Obasi, M.D., FACP
Kelly E. Guglielmi, M.D.
Abraham Thomas, M.D., MPH, FACP
Akash Ahuja, M.D.
Jeanette S. McLaughlin, M.D.
Amishi Patel, M.D.
Hani Alsharif, M.D
Natalie M. Selk, M.D..

July 25, 2012

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

Dear Ms. Avery,

I am a nephrologist with Southwest Nephrology Associates, SC (SWNA) in the southwest suburbs and I am writing to support the addition of 6 stations to Fresenius Medical Care Merrionette Park, of which I am the Medical Director.

This facility has experienced constant growth despite the addition of stations in the last few years and is now at capacity. I currently am not able to admit more patients to this facility.

SWNA had 450 in-center hemodialysis patients at the end of 2009, 468 at the end of 2010 and 507 at the end of 2011 as reported to The Renal Network. As of the 2nd quarter, 2012 SWNA was treating 532 in-center hemodialysis patients. This represents an 8% growth rate for 2011 and 18% overall from 2009 to 2nd quarter in 2012. Over the past twelve months, the 9 physicians who comprise SWNA have collectively referred 175 patients for dialysis services to Fresenius Alsip, Crestwood, Mokena, Orland Park, Merrionette Park, Southside, DaVita Beverly, West Lawn and Newco Scottsdale. SWNA currently has 149 pre ESRD patients that they expect to refer to the Merrionette Park facility within 24 months of the stations becoming operational. Due to death, transplant, moving or other reasons I expect that approximately 104 of these patients to actually begin dialysis at this facility. SWNA also has approximately 42 home dialysis patients, and 6 nursing home patients.

Thank you for your review and consideration of this project and I respectfully ask that you approve the 6-station expansion to allow continued access to dialysis services in Merrionette Park.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

Sincerely,

Ejikeme Obasi, M.D.

Notarization:
Subscribed and sworn to before me
this 26th day of July, 2012

Kimberly McCarthy
Signature of Notary

Seal

OFFICIAL SEAL
KIMBERLY MCCARTHY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/26/13

PRE ESRD PATIENTS SWNA EXPECTS TO REFER TO FRESENIUS MEDICAL CARE MERRIONETTE PARK IN THE 1ST 2 YEARS OF OPERATION OF THE 4 ADDITIONAL STATIONS

Zip Code	Patients
60406	3
60409	2
60419	3
60453	30
60620	23
60621	2
60628	14
60636	6
60643	22
60652	14
60655	6
60803	12
60805	10
60827	2
Total	149

NEW REFERRALS OF SWNA FOR THE PAST TWELVE MONTHS

Zip	Fresenius Medical Care						DaVita		Newco	
Code	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside	Beverly	West Lawn	Scottsdale	Total
60406		2	1							3
60409		1	1							2
60415		3								3
60419			1							1
60423				2						2
60426		1								1
60428		2								2
60430		1								1
60439					1					1
60443			1	1						2
60445	1	7			1					9
60446					1					1
60448				3						3
60449				1						1
60451				3						3
60452		3		1	4					8
60453	1	3	1			1			5	11
60455		1							2	3
60456		1							1	2
60457		3	1						1	5
60458									1	1
60459		1							1	2
60461									1	1
60462					9					9
60463		3	1		1				1	6
60464		1			1					2
60465		2	2		1					5
60467				1	1					2
60472		1	1							2
60477				3						3
60478					1					1
60482		3			1					4
60487		1		2	1					4
60491				1						1
60534									1	1
60617		1				1	1			3
60619							1			1
60620			3			3	3		2	11
60621									1	1
60628		1	5			1				7
60629			1			3	1	1	2	8
60633			1							1
60636		3				1			2	6
60638									2	2
60643			5							5
60644						1				1
60652			2						3	5
60655	1	1	3						1	6
60803		3	1							4
60804									1	1
60805		1	1							2
60827		1								1
62846									1	1

PATIENTS OF SWNA AT YEAR END 2009

Zip	Fresenius Medical Care						DSI	DaVita	
Code	Morrionette Park	Crestwood	Orland Park	Southside	Mokena	Alsip	Scottsdale	Mt. Greenwood	Total
60153	1								1
60406	2	7							9
60409	1								1
60411		1							1
60415	1	4					1		6
60416					1				1
60419	3								3
60422		1							1
60423			1		7				8
60425		1					1		2
60426		4							4
60428		1							1
60429	1								1
60431		1							1
60438		1					1		2
60441		1	2		1				4
60445	1	10							11
60446			1						1
60447		1							1
60448			1		6				7
60449					1				1
60451					1				1
60452		8	1			1	1		11
60453	5	8				1	13	2	29
60455	1	1					4		6
60456							3		3
60457		1					3		4
60459	2						9		11
60462		2	19		1				22
60463	2	4	4				1		11
60464		1							1
60465	1	7	2				1		11
60467			5						5
60469		1							1
60471					1				1
60472		3							3
60473							1		1
60477		3	12		7				22
60482	1	5	1						7
60487			1		1				2
60491			3						3
60609		1							1
60616		1							1
60617	1	1					3		5
60619	2						7	1	10
60620	10	2		1			34	2	49
60621	1			2			2		5
60627		1							1
60628	10	4					4		18
60629	1			3			17	1	22
60632							6		6
60636	1			3			6	1	11
60638							8		8
60639							1		1
60643	14	3					6	1	24
60647							1		1
60649		1					1		2
60652	2	5					15		22
60653				1					1
60655	9	2						1	12
60803	4	5							9
60804			1				1		2
60805	7	1		1			3		12
60827	2	3							5
Total	86	107	54	11	27	2	154	9	450

PATIENTS OF SWNA AT YEAR END 2010

Zip	Fresenius Medical Care					DSI	DaVita	
Code	Merrionette Park	Crestwood	Orland Park	Southside	Mokena	Scottsdale	Mt. Greenwood	Total
46375					1			1
60406	3	7						10
60409	1							1
60411		1						1
60415		6				1		7
60416					1			1
60419	3							3
60422		1						1
60423					6			6
60425						1		1
60426		3						3
60428		1						1
60429		1						1
60430		1						1
60431		1						1
60438		1				1		2
60439			1					1
60441		1	3		1			5
60445	1	13						14
60448			1		5			6
60449			1		1			2
60451					3			3
60452		6	1					7
60453	7	7				12	1	27
60455		1				8		9
60456						3		3
60457		1	1			3		5
60458						1		1
60459	2					11		13
60462		2	20		1			23
60463	1	5	3			1	2	12
60464	1	1	1					3
60465	1	6	1					8
60466	1							1
60467			6		2			8
60469		2						2
60471					1			1
60472		3						3
60477		3	7		7			17
60478		1						1
60482	1	5	1					7
60487			1		3			4
60491			1					1
60609		1						1
60617	1	1				3		5
60619	1					7		8
60620	7	2		6		33	2	50
60621	1			2	1	2		6
60627		1						1
60628	13	4				4	1	22
60629	1			3		19	1	24
60632						4		4
60636				3		7	1	11
60638						7		7
60639						1		1
60643	18	6				6	1	31
60647						1		1
60649		1						1
60652	1	4				16		21
60653		1		1				2
60655	7	2			1		1	11
60803	5	3			1		1	10
60804			1			1		2
60805	10			1		3		14
60827	4	2				1		7
Total	91	108	60	16	35	157	11	468

Physician Referral Letter
APPENDIX - I

PATIENTS OF SWNA AT YEAR END 2011

Zip	Fresenius Medical Care						DaVita		DSI	
Code	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside	Beverly	Mount Greenwood	Scottsdale	Total
60406		3	6							9
60409			2							2
60411		1								1
60415		3	1						2	6
60419			2							2
60422		1								1
60423				5	1					6
60425									1	1
60426		2								2
60428		1								1
60429		1								1
60431		1								1
60438		1							1	2
60439					1					1
60441					3					3
60445		15						1	3	19
60446				1						1
60448				9	1					10
60449				2	1					3
60451				2						2
60452	1	5	1		3					10
60453	2	7	5	1				1	14	30
60455		1							5	6
60456									3	3
60457		2			1				3	6
60459									9	9
60462		1		3	27					31
60463		5	1		4			1	2	13
60464		3			1					4
60465		6	1		1					8
60466				1						1
60467				4	6					10
60469		2								2
60471		1		1						2
60472		2								2
60477		1	1	5	5					12
60482		10		1						11
60487		1		3	1					5
60491					1					1
60586			1							1
60609		1	1							2
60615						1				1
60617		1	1			1	1		2	6
60619						3		1	7	11
60620		1	8			8		3	26	46
60621			2	1					1	4
60625			1							1
60627		1								1
60628		6	15				1	1	8	31
60629			1			3	1		25	30
60631					1					1
60632									4	4
60634			1							1
60636		2	2			3		1	7	15
60638									9	9
60639									1	1
60643		4	18						6	28
60649		1							1	2
60652		3	3			1	1		24	32
60653		1								1
60655		2	8	1				1		12
60803		5	4							9
60804									2	2
60805			11			1			2	14
60827		3	2	1					1	7
Total	3	107	99	41	58	21	4	10	169	512

PATIENTS OF SWNA AT END OF 2ND QUARTER 2012

Zip	Fresenius Medical Care						Direct	DaVita			Newco	
Code	Alsip	Crestwood	Merrionette Park	Mokena	Orland Park	Southside	Dialysis	Beverly	West Lawn	Mt Greenwood	Scottsdale	Total
60406		2	4									6
60409		1	1		1							3
60415		5									2	7
60419			3									3
60423				4	1							5
60426		3										3
60428		1										1
60429		1										1
60430		1										1
60435		1			1							2
60438		1									1	2
60439					2							2
60441				1	4							5
60443				1								1
60445	1	13	1		2					1		18
60446				1	1							2
60448				9	1							10
60449				1								1
60450											1	1
60451				2								2
60452		7	1	1	4						2	15
60453	1	8	7			1					13	30
60455		2									3	5
60456		1									2	3
60457		1	1		1						4	7
60458											1	1
60459		1									7	8
60461											1	1
60462					24							24
60463		4	1	1	3							9
60464		4			3							7
60465		6	2		2							10
60466				1								1
60467				6	4							10
60469		2										2
60471		1		1								2
60472		4	1									5
60477				6	7							13
60478					1							1
60482		9			1							10
60487				3								3
60491					1							1
60543			1									1
60609			1									1
60617		2	1					1			2	6
60619						2		1			8	11
60620			12			10		3		3	27	55
60621			2	1							2	5
60625			1									1
60628		6	16			1		1		1	7	32
60629		1	1			6			1		25	34
60632											3	3
60633			1									1
60636		1	2			3				1	7	14
60638											11	11
60639											1	1
60643		1	23							1	6	31
60649		1									1	2
60652		2	5		1	1					25	34
60653		2										2
60655		1	6	1			1			1	1	11
60803	1	6	5									12
60804											1	1
60805			8			1					3	12
60827		2	2	1							1	6
62846											1	1
Total	3	104	109	41	65	25	1	6	1	8	169	532