Original

12-077

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
AUG 29 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: Resurrection Medical Center Outpatient Dialysis Center		
Street Address: 7435 West Talcott Avenue		
City and Zip Code: Chicago, Illinois 60631		
County: Cook	Health Service Area 006	Health Planning Area: 006

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

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

Type of Ownership of Applicant/Co-Applicant

- ☐ 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.

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

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

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

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

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

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County: Cook	Health Service Area 006	Health Planning Area: 006

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

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

Type of Ownership of Applicant/Co-Applicant

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Title: Regional Operations Director
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Street Address: 7435 West Talcott Avenue		
City and Zip Code: Chicago, Illinois 60631		
County: Cook	Health Service Area 006	Health Planning Area: 006

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Provena-Resurrection Health Network d/b/a Presence Health
Address: 7435 West Talcott Avenue, Chicago, Illinois 60631
Name of Registered Agent: Kendra M Allaband
Name of Chief Executive Officer: Sandra B. Bruce
CEO Address: 7435 West Talcott Avenue, Chicago, Illinois 60631
Telephone Number: 773-792-5555

Type of Ownership of Applicant/Co-Applicant

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
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Fax Number:

Additional Contact
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Name: Kelly Ladd
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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
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This Section must be completed for all projects.

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Street Address: 7435 West Talcott Avenue		
City and Zip Code: Chicago, Illinois 60631		
County: Cook	Health Service Area 006	Health Planning Area: 006

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Resurrection Medical Center
Address: 7435 West Talcott Avenue, Chicago, Illinois 60631
Name of Registered Agent: Sandra B. Bruce
Name of Chief Executive Officer: Sister Donna Marie Wolowicki
CEO Address: 7435 West Talcott Avenue, Chicago, Illinois 60631
Telephone Number: 773-792-5153

Type of Ownership of Applicant/Co-Applicant

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
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Telephone Number: 815-459-4694
E-mail Address: kelly.ladd @davita.com
Fax Number: 866-366-1681

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

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Resurrection Medical Center
Address of Site Owner: 7447 West Talcott Avenue Chicago, IL 60631
Street Address or Legal Description of Site: 7435 West Talcott Avenue Chicago, IL 60631 **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: Total Renal Care, Inc.
Address: 1551 Wewatta Street, Denver, CO 80202

☐ 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.]

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.]

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.

The proposed project contemplates a change in ownership of Resurrection Medical Center Outpatient Dialysis Center ("RMC Dialysis Center"). Total Renal Care, Inc., a subsidiary of DaVita Inc., will acquire substantially all of the assets of RMC Dialysis Center from Resurrection Medical Center for $6 million.

RMC Dialysis Center is a 14 station in-center hemodialysis facility located at 7435 West Talcott Avenue Chicago, Illinois 60631. The new operating entity will be Total Renal Care, Inc., and the new facility name will be Norwood Park Dialysis.

The acquisition is projected to be complete by January 1, 2013 with an outside date of April 1, 2013.

This project has been classified as non-substantive because it proposes a change of ownership, which constitutes a facility conversion under 77 Ill. Admin. Code 1110.40(b).

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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	$6,000,000		$6,000,000
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$6,000,000		$6,000,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	$6,000,000		$6,000,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	$6,000,000		$6,000,000

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 target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ _____.

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): April 1, 2013

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 **NOT APPLICABLE**
☐ APORS **NOT APPLICABLE**
☒ 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							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
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.

Facility Bed Capacity and Utilization NOT APPLICABLE

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the inventory will result in the application being deemed **incomplete**.

FACILITY NAME:			CITY:		
REPORTING PERIOD DATES:		From:		to:	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other (identify)					
TOTALS:					

Page 11

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 manager 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 DaVita 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	SIGNATURE
James K. Hilger	Martha Ha
PRINTED NAME	PRINTED NAME
Chief Accounting Officer	Assistant Secretary
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 12th day of June, 2012	Notarization: Subscribed and sworn to before me this 13th day of June, 2012
Signature of Notary	Signature of Notary
Seal: LINDA N. O'CONNELL NOTARY PUBLIC STATE OF COLORADO MY COMMISSION EXPIRES 06-08-2015	Seal: LINDA N. O'CONNELL NOTARY PUBLIC STATE OF COLORADO MY COMMISSION EXPIRES 06-08-2015

*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:

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- 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 __ Total Renal Care, 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	SIGNATURE
James K. Hilger	Martha Ha
PRINTED NAME	PRINTED NAME
Chief Accounting Officer	Assistant Secretary
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 12th day of June, 2012	Notarization: Subscribed and sworn to before me this 13th day of June, 2012
Signature of Notary	Signature of Notary
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- 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 Provena-Resurrection Health Network d/b/a Presence Health* 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	SIGNATURE
Sandra Bruce	Jeannie C. Frey
PRINTED NAME	PRINTED NAME
President & CEO, Presence Health	Secretary, Presence Health
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 27 day of Aug 2012	Notarization: Subscribed and sworn to before me this 28 day of August
Signature of Notary	Signature of Notary
Seal OFFICIAL SEAL LINDA M NOYOLA NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES:06/08/13	Seal OFFICIAL SEAL LINDA M NOYOLA NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES:06/08/13

*Insert EXACT legal name of the applicant

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- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Resurrection Medical Center * 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	SIGNATURE
John Baird	Jeannie C. Frey
PRINTED NAME	PRINTED NAME
Executive Vice President & CEO, Resurrection Medical Center	Secretary
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 23rd day of August, 2012	Notarization: Subscribed and sworn to before me this 22 day of May 2012
Signature of Notary	Signature of Notary
Seal	Seal

OFFICIAL SEAL
CHRISTINE J PAWLIK
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/02/16

OFFICIAL SEAL
LINDA M NOYOLA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:06/08/13

*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 VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
   a. the location (town and street address);
   b. the number of beds;
   c. a list of services; and
   d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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:**

$6,000,000	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;
_____	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.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	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.
_____	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;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$6,000,000	**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				
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

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)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

150048.5

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.

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.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for the applicants are attached at Attachment – 1. Total Renal Care, Inc., a subsidiary of DaVita Inc., will acquire substantially all of the assets of Resurrection Medical Center Outpatient Dialysis Center ("RMC Dialysis Center") from Resurrection Medical Center. As the person with final control over the operator, DaVita Inc. is named as an applicant for this CON application. DaVita Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita Inc. from Delaware, the state of its incorporation, is attached.

Attachment – 1

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE ELEVENTH DAY OF APRIL, A.D. 2012.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA INC." WAS INCORPORATED ON THE FOURTH DAY OF APRIL, A.D. 1994.

Jeffrey W. Bullock, Secretary of State

2391269 8300

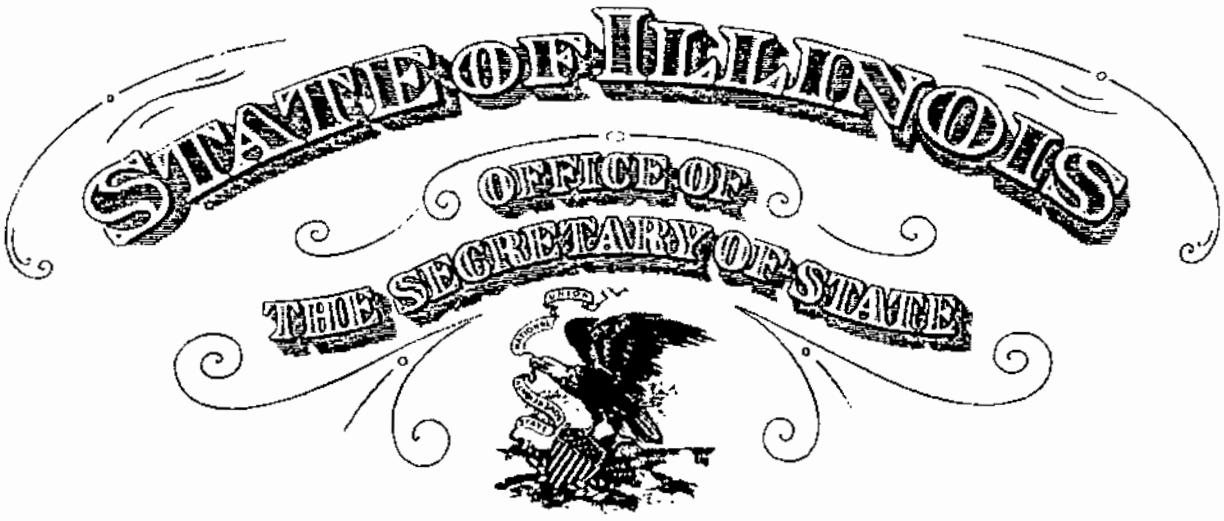
AUTHENTICATION: 9495256

120417324

DATE: 04-11-12

You may verify this certificate online at corp.delaware.gov/authver.shtml

File Number 5823-002-2



To all to whom these Presents Shall Come, Greeting:

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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

Authentication # 1210102744

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

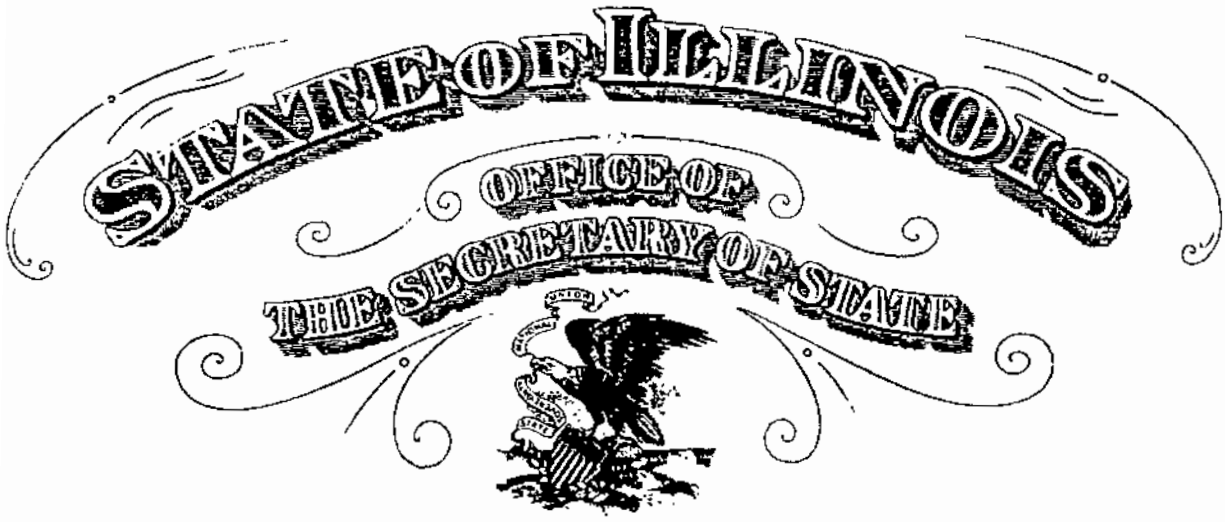
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 10TH *day of* APRIL *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Attachment – 1

File Number 2595-936-1



To all to whom these Presents Shall Come, Greeting:

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

PROVENA-RESURRECTION HEALTH NETWORK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 05, 1939, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 1222101910

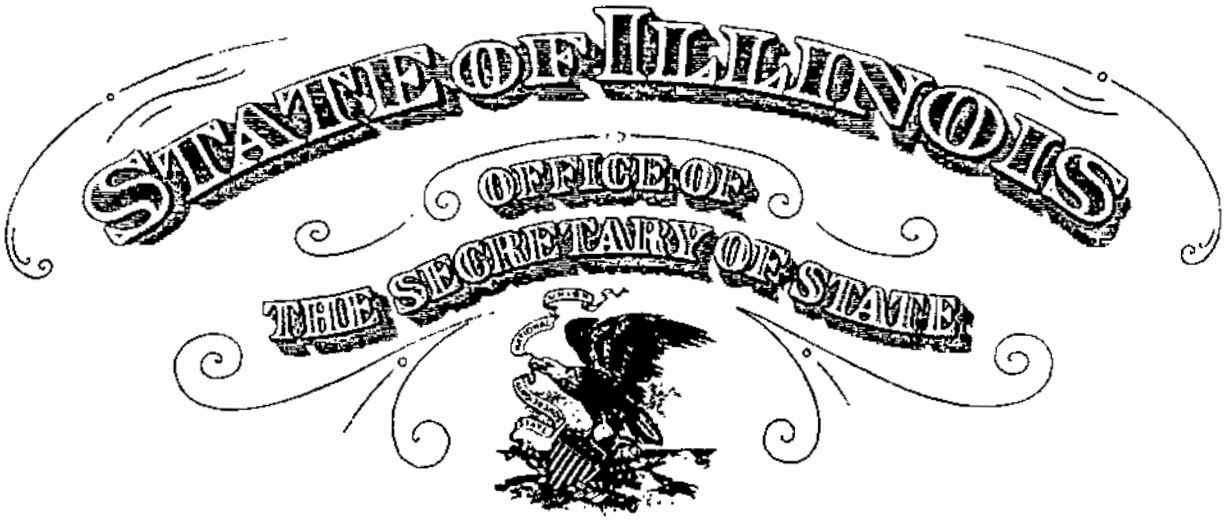
Authenticate at: http://www.cyberdriveillinois.com

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* AUGUST *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

File Number 5366-580-2



To all to whom these Presents Shall Come, Greeting:

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

RESURRECTION MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 30, 1984, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 1222101904

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

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* AUGUST *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Attachment – 1

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the title insurance for RMC Dialysis Center is attached at Attachment – 2.

Attachment – 2

KMC (title held by RHCC)

CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY (2006)

SCHEDULE A

POLICY NUMBER: 1401-008278308-D2

DATE OF POLICY: ~~PRO FORMA POLICY~~ date of recording - Danielle

AMOUNT OF INSURANCE: $49,900,000.00

LOAN NUMBER:

YOUR LOAN REFERENCE: RESURRECTION HOSPITAL

1. NAME OF INSURED:
   THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., A NATIONAL BANKING ASSOCIATION, AS MASTER TRUSTEE

2. THE ESTATE OR INTEREST IN THE LAND THAT IS ENCUMBERED BY THE INSURED MORTGAGE IS: FEE SIMPLE, UNLESS OTHERWISE NOTED.

3. TITLE IS VESTED IN:
   RESURRECTION HEALTH CARE CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION

4. THE INSURED MORTGAGE, AND ITS ASSIGNMENTS, IF ANY, ARE DESCRIBED AS FOLLOWS:
   MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING DATED AS OF DECEMBER 1, 2009 AND RECORDED - AS DOCUMENT - MADE BY RESURRECTION HEALTH CARE CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION, TO THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., A NATIONAL BANKING ASSOCIATION, AS MASTER TRUSTEE, TO SECURE INDEBTEDNESS NOT TO EXCEED $750,000,000.00.

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

LPAR WW DCC VGG 12/22/09 11:52:33

ATTACHMENT 2

CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY (2006)

SCHEDULE A (CONTINUED) POLICY NUMBER: 1401-008278303-D2

5. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE SOUTHERLY LINE OF WEST TALCOTT AVENUE, AS NOW LOCATED AND OCCUPIED AND LYING NORTH OF A LINE 540 FEET NORTH FROM AND PARALLEL WITH THE NORTH LINE OF A TRACT OF LAND CONVEYED TO MARTHA R. TAYLOR BY DEED DATED JULY 7, 1859, AND RECORDED JULY 16, 1859, IN BOOK 177 OF DEEDS, PAGE 330, SAID NORTH LINE OF THE TAYLOR TRACT, BEING A LINE 16.57 CHAINS OR 1093.62 FEET NORTH FROM AND PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER; EXCEPTING FROM THE ABOVE DESCRIBED TRACT, THE WEST 10 FEET AND THE EAST 33 FEET THEREOF. ALSO, THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 1 LYING SOUTH OF SAID SOUTHERLY LINE OF WEST TALCOTT AVENUE; EXCEPTING THEREFROM THE WEST 33 FEET THEREOF, ALSO EXCEPTING THE FOLLOWING DESCRIBED TRACT: COMMENCING AT THE INTERSECTION OF THE SOUTHERLY LINE OF WEST TALCOTT AVENUE AND A LINE 33 FEET EAST OF THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 1; THENCE SOUTH 56°17'42" EAST ALONG THE SOUTHERLY LINE OF WEST TALCOTT AVENUE 871.31 FEET; THENCE SOUTH 33°42'18" WEST 275.04 TO THE POINT OF BEGINNING; THENCE SOUTH 63°38'33" WEST, 180.45 FEET; THENCE NORTH 03°52'53" WEST, 17.72 FEET; THENCE NORTH 71°06'12" EAST, 27.49 FEET; THENCE NORTH 25°36'25" WEST, 6.58 FEET; THENCE NORTH 62°06'49" WEST, 21.28 FEET; THENCE SOUTH 86°05'40" WEST, 38.83 FEET; THENCE SOUTH 44°11'07" WEST, 21.23 FEET; THENCE SOUTH 17°18'44" WEST, 6.62 FEET; THENCE SOUTH 79°02'39" EAST, 27.49 FEET; THENCE SOUTH 03°55'44" EAST, 17.46 FEET; THENCE NORTH 71°23'07" WEST, 131.12 FEET; THENCE SOUTH 18°36'53" WEST, 36.39 FEET; THENCE NORTH 71°23'07" WEST, 4.70 FEET; THENCE SOUTH 18°36'53" WEST, 19.22 FEET; THENCE SOUTH 71°23'07" EAST, 4.70 FEET; THENCE SOUTH 18°36'53" WEST, 24.00 FEET; THENCE SOUTH 71°23'07" EAST, 95.96 FEET; THENCE SOUTH 18°36'53" WEST, 97.70 FEET; THENCE SOUTH 85°32'49" WEST, 14.38 FEET; THENCE NORTH 32°39'19" WEST, 24.94 FEET; THENCE SOUTH 39°00'32" WEST, 25.86 FEET; THENCE SOUTH 03°48'05" EAST, 39.50 FEET; THENCE SOUTH 47°27'39" EAST, 25.77 FEET; THENCE NORTH 25°18'32" EAST, 24.92 FEET; THENCE NORTH 85°32'49" EAST, 14.49 FEET; THENCE SOUTH 26°28'39" EAST, 145.35 FEET; THENCE SOUTH 71°20'26" EAST, 28.93 FEET; THENCE NORTH 18°39'34" EAST, 30.98 FEET; THENCE NORTH 63°04'59" EAST, 18.33 FEET; THENCE NORTH 18°34'43" EAST, 41.49 FEET; THENCE NORTH 26°28'39" WEST, 84.91 FEET; THENCE NORTH 18°36'17" EAST, 90.23 FEET; THENCE NORTH 63°38'33" EAST, 209.89 FEET; THENCE NORTH 26°44'22" WEST, 26.13 FEET; THENCE NORTH 63°15'38" EAST, 9.57 FEET; THENCE NORTH 26°44'22" WEST, 33.30 FEET; THENCE SOUTH 63°15'38" WEST, 9.30 FEET; THENCE NORTH 26°44'22" WEST, 19.10 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2: EASEMENT FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN DECLARATION OF EASEMENTS AND COVENANTS MADE BY RESURRECTION HEALTH CARE CORPORATION AND RECORDED - AS DOCUMENT -, FOR INGRESS AND EGRESS OVER LAND DESCRIBED THEREIN.

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

LPLON R/M DOC VGG 12/22/09 11:52:33

ATTACHMENT 2

CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY (2006)

SCHEDULE B - PART I

POLICY NUMBER: 1401 - 008278308 - D2

EXCEPTIONS FROM COVERAGE

EXCEPT AS PROVIDED IN SCHEDULE B - PART II, THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEYS' FEES OR EXPENSES) THAT ARISE BY REASON OF:

1. NOTE: THIS IS A PRO FORMA POLICY FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REPRESENT THE PRESENT STATE OF TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

I 2. EASEMENT FOR UNDERGROUND CABLES CREATED BY GRANT FROM THE RESSURECTION SISTERS, A CORPORATION OF ILLINOIS, TO THE ILLINOIS BELL TELEPHONE COMPANY DATED AUGUST 27, 1951 AND RECORDED JUNE 16, 1952 AS DOCUMENT 15365409 WITHIN A STRIP OF GROUND 5 FEET WIDE NORTH OF AND PARALLEL TO CENTER LINE OF PETERSON AVENUE STARTING AT THE PROPERTY LINE OF TALCOTT AVENUE 1,118.8 FEET SOUTHEASTERLY OF INTERSECTION OF ORIOLE AND TALCOTT AVENUE AND EXTENDING 931.8 FEET TO THE WEST PROPERTY LINE OF ORIOLE AVENUE APPROXIMATELY 601 FEET SOUTH OF THE INTERSECTION OF ORIOLE AND TALCOTT AVENUE.

(AFFECTS PARCEL 1)

J 3. RIGHTS OF THE PUBLIC, THE MUNICIPALITY AND THE STATE OF ILLINOIS IN AND TO SO MUCH OF THE LAND TAKEN FOR TALCOTT AVENUE AND ORIOLE AVENUE.

(AFFECTS PARCEL 1)

M 4. TERMS, PROVISIONS OF THE NO FURTHER REMEDIATION LETTER RECORDED OCTOBER 22, 1997 AS DOCUMENT 97786534.

AB 5. EASEMENTS, COVENANTS AND RESTRICTIONS (BUT OMITTING ANY SUCH COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS), RELATING TO INGRESS AND EGRESS, CONTAINED IN THE DECLARATION OF EASEMENTS AND COVENANTS MADE BY RESURRECTION HEALTH CARE CORPORATION, RECORDED - AS DOCUMENT NO. -, WHICH DOES NOT CONTAIN A REVERSIONARY OR FORFEITURE CLAUSE.

AI 6. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL, TO BE FURNISHED AFTER SEPTEMBER 30, 2009, BEING THE DATE OF THE SWORN GENERAL CONTRACTOR'S STATEMENT COMPLETED BY POWER CONSTRUCTION COMPANY, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS.

LPB10 11/08 DCG VGG 12/22/09 11:52:33

ATTACHMENT 2

CHICAGO TITLE INSURANCE COMPANY

OWNERS/LOAN POLICY

PROFORMA ADD EXCEPTIONS

POLICY NUMBER: 1401 - 003278308 - D2

IN ADDITION TO THE MATTERS SET FORTH IN SCHEDULE B, THE TITLE TO THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN SCHEDULE A IS ALSO SUBJECT TO THE FOLLOWING MATTERS:

AD 1. 1. TAXES FOR THE YEAR 2009
2009 TAXES ARE NOT YET DUE OR PAYABLE.

PERM TAX#	PCL
12-01-217-003-0000	1 OF 2
THIS TAX NUMBER PART OF PARCEL IN QUESTION AND OTHER PROPERTY. PART PARCEL 1	
12-01-400-007-0000	2 OF 2
THIS TAX NUMBER PART OF PARCEL IN QUESTION AND OTHER PROPERTY. PART PARCEL 1	

PROADDXB 11/06 DCC VGG 12/22/09 11:52:33

ATTACHMENT 2

CHICAGO TITLE INSURANCE COMPANY

POLICY SIGNATURE PAGE

POLICY NUMBER: 1401 - 008278308 - D2

THIS POLICY SHALL NOT BE VALID OR BINDING UNTIL SIGNED BY AN AUTHORIZED SIGNATORY.

CHICAGO TITLE INSURANCE COMPANY

BY [signature]
AUTHORIZED SIGNATORY

POLSIGN 4/98 DOC VGG 12/22/09 11:52:34

ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF

POLICY NUMBER: 1401 - 008278308 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

COMPREHENSIVE ENDORSEMENT 1

THE COMPANY INSURES THE OWNER OF THE INDEBTEDNESS SECURED BY THE INSURED MORTGAGE AGAINST LOSS OR DAMAGE SUSTAINED BY REASON OF:

1. THE EXISTENCE, AT DATE OF POLICY, OF ANY OF THE FOLLOWING: (A) COVENANTS, CONDITIONS OR RESTRICTIONS UNDER WHICH THE LIEN OF THE MORTGAGE REFERRED TO IN SCHEDULE A CAN BE DIVESTED, SUBORDINATED OR EXTINGUISHED, OR ITS VALIDITY, PRIORITY OR ENFORCEABILITY IMPAIRED. (B) UNLESS EXPRESSLY EXCEPTED IN SCHEDULE B: (1) PRESENT VIOLATIONS ON THE LAND OF ANY ENFORCEABLE COVENANTS, CONDITIONS OR RESTRICTIONS, AND ANY EXISTING IMPROVEMENTS ON THE LAND WHICH VIOLATE ANY BUILDING SETBACK LINES SHOWN ON A PLAT OF SUBDIVISION RECORDED OR FILED IN THE PUBLIC RECORDS. (2) ANY INSTRUMENT REFERRED TO IN SCHEDULE B AS CONTAINING COVENANTS, CONDITIONS OR RESTRICTIONS ON THE LAND WHICH, IN ADDITION, (I) ESTABLISHES AN EASEMENT ON THE LAND; (II) PROVIDES A LIEN FOR LIQUIDATED DAMAGES; (III) PROVIDES FOR A PRIVATE CHARGE OR ASSESSMENT; (IV) PROVIDES FOR AN OPTION TO PURCHASE, A RIGHT OF FIRST REFUSAL OR THE PRIOR APPROVAL OF A FUTURE PURCHASER OR OCCUPANT. (3) ANY ENCROACHMENT OF EXISTING IMPROVEMENTS LOCATED ON THE LAND ONTO ADJOINING LAND, OR ANY ENCROACHMENT ONTO THE LAND OF EXISTING IMPROVEMENTS LOCATED ON ADJOINING LAND. (4) ANY ENCROACHMENT OF EXISTING IMPROVEMENTS LOCATED ON THE LAND ONTO THAT PORTION OF THE LAND SUBJECT TO ANY EASEMENT EXCEPTED IN SCHEDULE B. (5) ANY NOTICES OF VIOLATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RELATING TO ENVIRONMENTAL PROTECTION RECORDED OR FILED IN THE PUBLIC RECORDS.

2. ANY FUTURE VIOLATION ON THE LAND OF ANY EXISTING COVENANTS, CONDITIONS OR RESTRICTIONS OCCURRING PRIOR TO THE ACQUISITION OF TITLE TO THE ESTATE OR INTEREST IN THE LAND BY THE INSURED, PROVIDED THE VIOLATION RESULTS IN: (A) INVALIDITY, LOSS OF PRIORITY, OR UNENFORCEABILITY OF THE LIEN OF THE INSURED MORTGAGE; OR (B) LOSS OF TITLE TO THE ESTATE OR INTEREST IN THE LAND IF THE INSURED SHALL ACQUIRE TITLE IN SATISFACTION OF THE INDEBTEDNESS SECURED BY THE INSURED MORTGAGE.

3. ANY FINAL COURT ORDER OR JUDGMENT REQUIRING THE REMOVAL FROM ANY LAND ADJOINING THE LAND OF ANY ENCROACHMENT EXCEPTED IN SCHEDULE B.

4. ANY FINAL COURT ORDER OR JUDGMENT DENYING THE RIGHT TO MAINTAIN ANY EXISTING IMPROVEMENTS ON THE LAND BECAUSE OF ANY VIOLATION OF COVENANTS, CONDITIONS OR RESTRICTIONS OR BUILDING SETBACK LINES SHOWN ON A PLAT OF SUBDIVISION RECORDED OR FILED IN THE PUBLIC RECORDS.

WHEREVER IN THIS ENDORSEMENT THE WORDS "COVENANTS, CONDITIONS OR RESTRICTIONS" APPEAR, THEY SHALL NOT BE DEEMED TO REFER TO OR INCLUDE THE TERMS, COVENANTS, CONDITIONS OR LIMITATIONS CONTAINED IN AN INSTRUMENT CREATING A LEASE. AS USED IN PARAGRAPHS 1, 2 AND 4, THE WORDS "COVENANTS, CONDITIONS OR RESTRICTIONS" SHALL NOT BE DEEMED TO REFER TO OR INCLUDE ANY COVENANTS, CONDITIONS OR RESTRICTIONS RELATING TO ENVIRONMENTAL PROTECTION.

THIS ENDORSEMENT IS MADE A PART OF THE POLICY AND IS SUBJECT TO ALL THE TERMS AND

(CONTINUED)

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ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF
POLICY NUMBER: 1401 - 008278308 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

PROVISIONS THEREOF AND ANY PRIOR ENDORSEMENTS THERETO. EXCEPT TO THE EXTENT EXPRESSLY STATED, IT NEITHER MODIFIES ANY OF THE TERMS AND PROVISIONS OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT EXTEND THE EFFECTIVE DATE OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT INCREASE THE FACE AMOUNT THEREOF.

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ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF
POLICY NUMBER: 1401 - 008278308 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

ALTA ENDORSEMENT FORM 3.1-06

1. THE COMPANY INSURES AGAINST LOSS OR DAMAGE SUSTAINED BY THE INSURED IN THE EVENT THAT, AT DATE OF POLICY,

   A. ACCORDING TO APPLICABLE ZONING ORDINANCES AND AMENDMENTS, THE LAND IS NOT CLASSIFIED AS INSTITUTIONAL PLANNED DEVELOPMENT NUMBER 72;

   B. THE FOLLOWING USE OR USES ARE NOT ALLOWED UNDER THAT CLASSIFICATION:

      HOSPITAL AND RELATED MEDICAL USES
      RESEARCH, EDUCATION AND ACADEMIC USES
      RESEARCH AND MEDICAL FACILITIES
      DAY CARE CENTERS (ADULT AND CHILE)
      PROFESSIONAL OFFICES
      HOSPITAL-RELATED RESIDENTIAL USES
      PARKING
      HEALTH, FITNESS AND WELLNESS CENTER
      EMERGENCY HELIPORT
      RELATED USES

   C. THERE SHALL BE NO LIABILITY UNDER THIS PARAGRAPH 1.B. IF THE USE OR USES ARE NOT ALLOWED AS THE RESULT OF ANY LACK OF COMPLIANCE WITH ANY CONDITIONS, RESTRICTIONS, OR REQUIREMENTS CONTAINED IN THE ZONING ORDINANCES AND AMENDMENTS, INCLUDING BUT NOT LIMITED TO THE FAILURE TO SECURE NECESSARY CONSENTS OR AUTHORIZATIONS AS A PREREQUISITE TO THE USE OR USES. THIS PARAGRAPH 1.C. DOES NOT MODIFY OR LIMIT THE COVERAGE PROVIDED IN COVERED RISK 5.

2. THE COMPANY FURTHER INSURES AGAINST LOSS OR DAMAGE SUSTAINED BY THE INSURED BY REASON OF A FINAL DECREE OF A COURT OF COMPETENT JURISDICTION

   A. PROHIBITING THE USE OF THE LAND, WITH ANY EXISTING STRUCTURE, AS INSURED IN PARAGRAPH 1.B.; OR

   B. REQUIRING THE REMOVAL OR ALTERATION OF THE STRUCTURE ON THE BASIS THAT, AT DATE OF POLICY, THE ZONING ORDINANCES AND AMENDMENTS HAVE BEEN VIOLATED WITH RESPECT TO ANY OF THE FOLLOWING MATTERS:

      I. AREA, WIDTH, OR DEPTH OF THE LAND AS A BUILDING SITE

(CONTINUED)

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ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF

POLICY NUMBER: 1401 - 008278308 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

FOR THE STRUCTURE
II. FLOOR SPACE AREA OF THE STRUCTURE
III. SETBACK OF THE STRUCTURE FROM THE PROPERTY LINES OF THE LAND
IV. HEIGHT OF THE STRUCTURE, OR
V. NUMBER OF PARKING SPACES.
VI. NUMBER OF LOADING DOCKS.

3. THERE SHALL BE NO LIABILITY UNDER THIS ENDORSEMENT BASED ON

A. THE INVALIDITY OF THE ZONING ORDINANCES AND AMENDMENTS UNTIL AFTER A FINAL DECREE OF A COURT OF COMPETENT JURISDICTION ADJUDICATING THE INVALIDITY, THE EFFECT OF WHICH IS TO PROHIBIT THE USE OR USES;

B. THE REFUSAL OF ANY PERSON TO PURCHASE, LEASE OR LEND MONEY ON THE ESTATE OR INTEREST COVERED BY THIS POLICY.

THIS ENDORSEMENT IS ISSUED AS PART OF THE POLICY. EXCEPT AS IT EXPRESSLY STATES, IT DOES NOT (I) MODIFY ANY OF THE TERMS AND PROVISIONS OF THE POLICY, (II) MODIFY ANY PRIOR ENDORSEMENTS, (III) EXTEND THE DATE OF POLICY, OR (IV) INCREASE THE AMOUNT OF INSURANCE. TO THE EXTENT A PROVISION OF THE POLICY OR A PREVIOUS ENDORSEMENT IS INCONSISTENT WITH AN EXPRESS PROVISION OF THIS ENDORSEMENT, THIS ENDORSEMENT CONTROLS. OTHERWISE, THIS ENDORSEMENT IS SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THE POLICY AND OF ANY PRIOR ENDORSEMENTS.

ENDCONT

ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF
POLICY NUMBER: 1401 - 00827808 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

LOCATION ENDORSEMENT 5 - SURVEY

THE COMPANY HEREBY INSURES THE INSURED AGAINST LOSS OR DAMAGE WHICH THE INSURED SHALL SUSTAIN IN THE EVENT THAT:

THE PLAT OF SURVEY MADE BY CHICAGO GUARANTY SURVEY COMPANY, NUMBER 2009-13337-001, DATED NOVEMBER 20, 2009, DOES NOT ACCURATELY DEPICT THE LOCATIONS OF THE EXTERIOR BOUNDARIES OF THE LAND DESCRIBED IN SCHEDULE A, DOES NOT SHOW THE PROPER DIMENSIONS OF SAID BOUNDARIES, AND DOES NOT CORRECTLY REFLECT THE ABSENCE AS OF THE DATE OF SAID SURVEY OF ANY ENCROACHMENTS OR EASEMENTS NOT OTHERWISE EXPRESSLY SET FORTH IN SCHEDULE B.

THIS ENDORSEMENT IS MADE A PART OF THE POLICY AND IS SUBJECT TO ALL OF THE TERMS AND PROVISIONS THEREOF AND OF ANY PRIOR ENDORSEMENTS THERETO. EXCEPT TO THE EXTENT EXPRESSLY STATED, IT NEITHER MODIFIES ANY OF THE TERMS AND PROVISIONS OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT EXTEND THE EFFECTIVE DATE OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT INCREASE THE FACE AMOUNT THEREOF.

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ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF

POLICY NUMBER: 1401 - 008278308 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

LOCATION ENDORSEMENT 6 - CONTIGUITY TO STREET

THE COMPANY HEREBY INSURES THE INSURED AGAINST LOSS OR DAMAGE WHICH THE INSURED SHALL SUSTAIN IN THE EVENT THAT, AT DATE OF POLICY:

THE COMPANY INSURES AGAINST LOSS OR DAMAGE SUSTAINED BY THE INSURED IF, AT DATE OF POLICY (I) THE LAND DOES NOT ABUT AND HAVE BOTH ACTUAL VEHICULAR AND PEDESTRIAN ACCESS TO AND FROM TALCOTT AVENUE AND ORIOLE AVENUE (THE "STREETS"), (II) THE STREETS ARE NOT PHYSICALLY OPEN AND PUBLICLY MAINTAINED, OR (III) THE INSURED HAS NO RIGHT TO USE EXISTING CURB CUTS OR ENTRIES ALONG THAT PORTION OF THE STREETS ABUTTING THE LAND.

THIS ENDORSEMENT IS MADE A PART OF THE POLICY AND IS SUBJECT TO ALL OF THE TERMS AND PROVISIONS THEREOF AND OF ANY PRIOR ENDORSEMENTS THERETO. EXCEPT TO THE EXTENT EXPRESSLY STATED, IT NEITHER MODIFIES ANY OF THE TERMS AND PROVISIONS OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT EXTEND THE EFFECTIVE DATE OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT INCREASE THE FACE AMOUNT THEREOF.

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ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF

POLICY NUMBER: 1401-008278308-D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

P.I.N. ENDORSEMENT 2A

THE COMPANY HEREBY INSURES THE INSURED AGAINST LOSS OR DAMAGE WHICH THE INSURED SHALL SUSTAIN BY REASON OF ANY INACCURACIES IN THE FOLLOWING ASSURANCES:

(1) AT DATE OF POLICY, THE LAND DESCRIBED IN SCHEDULE A, TAKEN TOGETHER AS A TRACT WITH OTHER LAND NOT INSURED HEREIN, CONSTITUTES 2 PARCELS FOR REAL ESTATE TAX PURPOSES; AND

(2) AT DATE OF POLICY, THE LAND DESCRIBED IN SCHEDULE A, TOGETHER WITH OTHER LAND NOT INSURED HEREIN, IS ASSESSED FOR REAL ESTATE TAX PURPOSES UNDER THE FOLLOWING PERMANENT INDEX NUMBERS:

12-01-217-003-0000 AND 12-01-400-007-0000.

THIS ENDORSEMENT IS MADE A PART OF THE POLICY AND IS SUBJECT TO ALL OF THE TERMS AND PROVISIONS THEREOF AND OF ANY PRIOR ENDORSEMENTS THERETO. EXCEPT TO THE EXTENT EXPRESSLY STATED, IT NEITHER MODIFIES ANY OF THE TERMS AND PROVISIONS OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT EXTEND THE EFFECTIVE DATE OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT INCREASE THE FACE AMOUNT THEREOF.

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ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF

POLICY NUMBER: 1401 - 000278308 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

DOING BUSINESS ENDORSEMENT

THE COMPANY HEREBY INSURES THE NAMED INSURED AT DATE OF POLICY AGAINST LOSS OR DAMAGE WHICH THE INSURED SHALL SUSTAIN BY REASON OF THE ENTRY OF ANY COURT ORDER OR JUDGMENT WHICH CONSTITUTES A FINAL DETERMINATION AND DENIES THE RIGHT TO ENFORCE THE LIEN OF THE MORTGAGE REFERRED TO IN SCHEDULE A ON THE GROUND THAT MAKING THE LOAN SECURED THEREBY CONSTITUTED A VIOLATION OF THE "DOING BUSINESS" LAWS OF THE STATE OF ILLINOIS.

THIS ENDORSEMENT IS MADE A PART OF THE POLICY AND IS SUBJECT TO ALL OF THE TERMS AND PROVISIONS THEREOF AND OF ANY PRIOR ENDORSEMENTS THERETO. EXCEPT TO THE EXTENT EXPRESSLY STATED, IT NEITHER MODIFIES ANY OF THE TERMS AND PROVISIONS OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT EXTEND THE EFFECTIVE DATE OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT INCREASE THE FACE AMOUNT THEREOF.

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ATTACHMENT 2

ENDORSEMENT

ATTACHED TO AND FORMING A PART OF

POLICY NUMBER: 1401 - 008278308 - D2

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

USURY (ILLINOIS LONGFORM) ENDORSEMENT

THE COMPANY HEREBY INSURES THE INSURED AGAINST LOSS OR DAMAGE WHICH THE INSURED SHALL SUSTAIN BY REASON OF THE ENTRY OF ANY COURT ORDER OR JUDGMENT WHICH CONSTITUTES A FINAL DETERMINATION AND ADJUDGES:

1. THAT THE LIEN OF THE MORTGAGE DESCRIBED IN SCHEDULE A IS INVALID OR UNENFORCEABLE AS TO THE PRINCIPAL AND INTEREST DUE ON THE NOTE SECURED THEREBY, SAID INTEREST BEING COMPUTED IN ACCORDANCE WITH THE PROVISIONS OF SAID MORTGAGE AND NOTE, ON THE GROUND THAT THE LOAN EVIDENCED BY THE NOTE SECURED THEREBY IS USURIOUS IN WHOLE OR IN PART; AND

2. THAT ANY PART OF THE PRINCIPAL AND INTEREST, SAID INTEREST HAVING BEEN COMPUTED IN ACCORDANCE WITH THE PROVISIONS OF SUCH MORTGAGE AND NOTE, WHICH HAS BEEN PAID TO THE INSURED MUST BE REPAID, AS WELL AS ANY ADDITIONAL SUMS WHICH MUST BE PAID TO THE PERSON ENTITLED TO SUCH REPAYMENT ON THE GROUND THAT THE AMOUNT OF INTEREST SO PAID OR CONTRACTED FOR VIOLATED THE USURY LAWS OF THE STATE OF ILLINOIS.

THE INSURANCE AGAINST USURY RISKS AFFORDED BY THIS ENDORSEMENT AND ITS EFFECT ON THE TITLE INSURANCE UNDER THE POLICY TO WHICH IT IS ATTACHED SHALL SURVIVE THE SATISFACTION OF THE MORTGAGE OR TRUST DEED, THE LIEN OF WHICH IS THUS INSURED.

THIS ENDORSEMENT IS MADE A PART OF THE POLICY AND IS SUBJECT TO ALL OF THE TERMS AND PROVISIONS THEREOF AND OF ANY PRIOR ENDORSEMENTS THERETO. EXCEPT TO THE EXTENT EXPRESSLY STATED, IT NEITHER MODIFIES ANY OF THE TERMS AND PROVISIONS OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT EXTEND THE EFFECTIVE DATE OF THE POLICY AND ANY PRIOR ENDORSEMENTS, NOR DOES IT INCREASE THE FACE AMOUNT THEREOF.

ENDNPC VGG

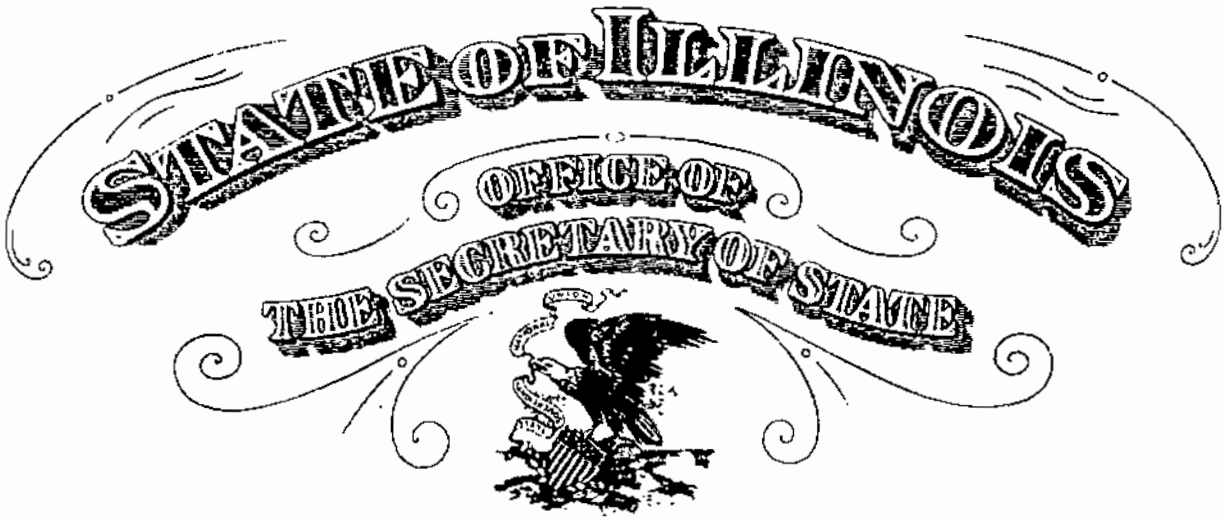
ATTACHMENT 2

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

The Illinois Certificate of Good Standing for Total Renal Care, Inc. is attached at Attachment – 3.

Attachment – 3

File Number 5823-002-2



To all to whom these Presents Shall Come, Greeting:

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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

Authentication #: 1210102744

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

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 10TH *day of* APRIL *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

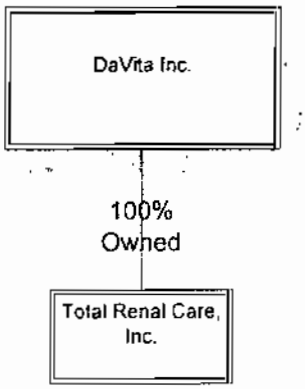
Attachment – 3

Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart for DaVita Inc. and Total Renal Care, Inc. is attached at Attachment – 4.

Attachment – 4

DaVita, Inc.
Organizational Structure



Attachment - 4

Section I, Identification, General Information, and Certification
Flood Plain Requirements

The Applicants propose a change of ownership of RMC Dialysis Center. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Applicants propose a change of ownership of RMC Dialysis Center. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ESRD	$6,000,000	2,003				2,003	
Total Clinical	$6,000,000	2,003	0	0	0	2,003	0
NON CLINICAL	$0	0	0	0	0	0	0
Total Non-clinical	$0	0	0	0	0	0	0
TOTAL	$6,000,000	2,003	0	0	0	2,003	0

Attachment –9

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Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230, Project Purpose, Background and Alternatives

Background of the Applicant

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2010 Community Care report, some of which is outlined below, details DaVita's commitment to quality, patient centric focus and community outreach, was previously submitted on January 25, 2012 as part of Applicants' application for Proj. No. 12-008. The proposed project involves the acquisition of RMC Dialysis Center.

DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and end stage renal disease ("ESRD"). These programs include the EMPOWER, IMPACT, CathAway, and transplant assistance programs. Information on the EMPOWER, IMPACT and CathAway programs are attached at Attachment – 11A.

There are over 26 million patients with CKD and that number is expected to rise. Current data reveals two troubling trends, which help explain the growing need for dialysis services:

- The prevalence of identified CKD stages 1 to 4 has increased from 10% to 15.1% between 1988 and 2008[1]
- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD[2]
  - 35.7% of U.S. adults are obese and this number is expected to grow to 42% by 2030.
  - 8.3%, or 25.8 million, people in the U.S. suffer from diabetes and another 79 million are pre-diabetic.
  - One third of U.S. adults have high blood pressure and another 30% have pre-hypertension.[3]

Additionally, DaVita's EMPOWER program helps to improve intervention and education for pre-ESRD patients. Approximately 65-75% of CKD Medicare patients have never been evaluated by a nephrologist.[4] Timely CKD care is imperative for patient morbidity and mortality. Adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may result in improved patient outcomes and reduce ESRD:

---

[1] US Renal Data System, USRDS 2011 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2011.

[2] Int'l Diabetes Found., *One Adult in Ten will have Diabetes by 2030* (Nov. 14, 2011), *available at* http://www.idf.org/media-events/press-releases/2011/diabetes-atlas-5th-edition.

[3] National Center for Chronic Disease Prevention and Health Promotion, Division for Heart Disease and Stroke Prevention.

[4] US Renal Data System, USRDS 2011 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2011.

- Reduced GFR is an independent risk factor for morbidity and mortality,
- A reduction in the rate of decline in kidney function upon nephrologists referrals has been associated with prolonged survival of CKD patients,
- Late referral to a nephrologist has been correlated with lower survival during the first 90 days of dialysis, and
- Timely referral of CKD patients to a multidisciplinary clinical team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the EMPOWER program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's EMPOWER program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. In fact, since piloting in October 2007, the program has not only shown to reduce mortality rates by 8 percent but has also resulted in improved patient outcomes.

DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII") to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NAVII through patient education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. DaVita is an industry leader in the rate of fistula use and had the lowest day-90 catheter rates among large dialysis providers in 2010.

In an effort to reduce the length of hospital inpatient stays and readmissions, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement through its Patient Pathways program. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, who specializes in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provide information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

DaVita currently partners with over 280 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. The program has resulted in a 0.5 day reduction in average length of stay for both new admissions and readmissions and an 11% reduction in average acute dialysis treatments per patient. Moreover, patients are better educated and arrive at the dialysis center more prepared and less stressed. They have a better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis facility. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

DaVita's transplant referral and tracking program ensures every dialysis patient is informed of transplant as a modality option and promotes access to transplantation for every patient who is interested and eligible for transplant. The social worker or designee obtains transplant center guidelines and criteria for

selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/ financial factors related to post-transplant functioning.

DaVita's commitment to improving the quality of life in the communities it serves goes beyond providing high quality dialysis care to patients diagnoses with ESRD, but to improve access to high quality, affordable health care to patients and employers. Through its subsidiary, Paladina Health, DaVita offers employers a convenient, quality-driven, and cost-effective care model to maintain a healthy workforce. Paladina Health relies on an innovative membership-based payment model that compensates physicians for patient outcomes and satisfaction rather than volumes. Hospital and specialists' utilization rates typically decrease by an average of 10%, under the Paladina Health model, and many experience a first-year cost savings of up to 30%. Paladina recently bolstered its primary care footprint through the acquisition of ModernMed, bringing Paladina's primary care model to 26 physician practices and clinics.

To extend DaVita's CDK education and awareness programs to the Spanish-speaking population, DaVita launched its Spanish-language website (DaVita.com/Espanol) in November 2011. Similar to DaVita's English-language website, DaVita.com/Espanol provides easy-to-access information for Spanish-speaking kidney care patients and their families, including educational information on kidney disease, treatment options, and recipes

In April 2012, DaVita launched the Kidney Smart website, which provides educational information for individuals affected by CKD at no cost. It is recommended for potential patients, caregivers, or anyone looking to learn more about CKD and its risk factors. The Kidney Smart website is designed to complement DaVita's in-person classes that are offered in community venues across the country at no charge.

In an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which is $509 million in savings to the health care system and the American taxpayer in 2010.

DaVita is also committed to sustainability and reducing its carbon footprint. In fact, it is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In 2010, DaVita opened the first LEED-certified dialysis center in the U.S. Furthermore, it saves approximately 8.5 million pounds of medical waste through dialyzer reuse and it also diverts 95% of its waste through composting and recycling programs. It has also undertaken a number of similar initiatives at its offices and is seeking LEED Gold certification for its corporate headquarters.

DaVita consistently raises awareness to community needs and makes cash contributions to organizations aimed at improving access to kidney care. In 2010, DaVita donated more than $2 million to kidney disease- awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. Its own employees, or members of the "DaVita Village," assisted in these initiatives by raising more than $3.4 million through Tour DaVita and DaVita Kidney Awareness Run/Walks.

DaVita does not limit its community engagement to the U.S. alone. It founded Bridge of Life, a 501(c)(3) nonprofit organization that operates on donations to bring care to those for whom it is out of reach. In addition to contributing Dialysis equipment to DaVita Medical Missions, Bridge of Life has accomplished 18 Missions since 2006, with more than 75 participating teammates spending more than 650 days abroad. It provided these desperately needed services in Cameroon, India, Ecuador, Guatemala, and the Philippines, and trained many health care professionals there as well.

Attachment – 11

Neither the Centers for Medicare and Medicaid Services or the Illinois Department of Public Health has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application.

1. Health care facilities owned or operated by the Applicants:

   A list of health care facilities owned or operated by DaVita in Illinois is attached at Attachment – 11B.

   Dialysis facilities are not subject to State Licensure.

2. Certification that no adverse action has been taken against any of the Applicants, or against any health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application is attached at Attachment – 11C.

3. An authorization permitting the Illinois Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11C.

OCMO

Office of the Chief
Medical Officer (OCMO)
Allen R. Nissenson, MD
Chief Medical Officer
Meredith Mathews, MD
Robert Provenzano, MD
John Petersen, MD
David B. Van Wyck, MD

April 30, 2009

Dear Physicians:

As your partner, DaVita® and OCMO are committed to helping you achieve unprecedented clinical outcomes with your patients. As part of OCMO's Relentless Pursuit of Quality™, DaVita will be launching our top two clinical initiatives; IMPACT and CathAway™, at our annual 2009 Nationwide Meeting. Your facility administrators will be orienting you on both programs upon their return from the meeting in early May.

IMPACT: The goal of IMPACT is to reduce incident patient mortality. IMPACT stands for Incident Management of Patients Actions Centered on Treatment. The program focuses on three components: patient intake, education and management and reporting. IMPACT has been piloting since October 2007 and has demonstrated a reduction in mortality. The study recently presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN. In addition to lower mortality rates, patient outcomes improved - confirming this vulnerable patient population is healthier under DaVita's relentless pursuit of quality care.

CathAway: Higher catheter use is associated with increased infection, morbidity, mortality and hospitalizations [1][2].The 7-step Cathaway Program supports reducing the number of patients with central venous catheters (CVCs). The program begins with patient education outlining the benefits of fistula placement. The remaining steps support the patient through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. For general information about the CathAway program, see the November 2008 issue of QUEST, DaVita's Nephrology Journal.

Here is how you can support both initiatives in your facilities:

- **Assess incident patients regularly in their first 90 days:** Discuss patients individually and regularly. Use the IMPACT scorecard to prompt these discussions.
- **Adopt "Facility Specific Orders":** Create new facility specific orders using the form that will be provided to you.
- **Minimize the "catheter-removal" cycle time:** Review each of your catheter patients with your facility teammates and identify obstacles causing delays in catheter removal. Work with the team and patients to develop action plans for catheter removal.
- **Plan fistula and graft placements:** Start AV placement plans early by scheduling vessel mapping and surgery evaluation appointments for Stage 4 CKD patients. Schedule fistula placement surgery for those patients where ESRD is imminent in the next 3-6 months.

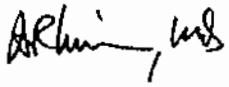
DaVita.

Launch Kits:

In May, Launch Kits containing materials and tools to support both initiatives will be arriving at your facilities. IMPACT kits will include a physician introduction to the program, step by step implementation plan and a full set of educational resources. FAs and Vascular Access Leaders will begin training on a new tool to help identify root-causes for catheter removal delays.

Your support of these efforts is crucial. As always, I welcome your feedback, questions and ideas. Together with you, our physician partners, we will drive catheter use to all-time lows and help give our incident patients the quality and length of life they deserve.

Sincerely,



Allen R. Nissenson, MD, FACP
Chief Medical Officer, DaVita

(1) Dialysis Outcomes and Practice Patterns Study (DOPPS): 2 yrs/7 Countries / 10,000 pts
(2) Pastan et al: Vascular access and increased risk of death among hemodialysis patients.

DaVita.

Knowledge is power.

EMPOWER® is an educational program by DaVita®. The program includes a series of free community based classes for patients with chronic kidney disease (CKD). These classes encourage you to take control of your kidney disease and prepare for dialysis by making healthy choices about your kidney care

Taking Control Of Kidney Disease

Learn how to slow the progression of kidney disease.

- Kidney disease and related conditions
- Behavior modification
- Dietary guidelines
- Common medications
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

Making Healthy Choices

Learn how to prepare for dialysis.

- Kidney disease and related conditions
- Behavior modification
- Dietary guidelines
- Common medications
- Treatments that allow you to stay active and continue to work
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

Treatment Choices

An in-depth look at all of your treatment choices.

- Kidney disease and related conditions
- Treatments that allow you to stay active and continue to work
- Insurance choices
- Ways to cope with CKD
- Questions to ask your health care team

To register for a class, call 1-888-MyKidney (695-4363).

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IMPACT stands for Incident Management of Patients, Actions Centered on Treatment. It's a comprehensive patient management program designed to focus on incident patients throughout their first three months of dialysis. The first days of dialysis are particularly challenging for patients, families and health care teams.

These patients require more education and closer management than patients who have been receiving dialysis for a longer period because of their compromised conditions and high mortality risk. IMPACT is focused on easing the process for patients transitioning to dialysis.

The desired goal of this program are to provide comprehensive patient education, target key monitoring points in the first 90 days for better adherence to treatment, improved outcomes and reduced mortality.

Achieve Top Two Status in 2010

What's the significance of achieving Top Two status?

Reducing both incident patient mortality and the number of catheter patients are DaVita's top two clinical goals for 2010. Medical Directors, FAs and RODs who achieve both program goals in 2010 will achieve Top Two status for the year.

These initiatives are tied to strong clinical outcomes and improved quality of life. Reaching the Top Two goals means a high level of care for your patients, and special recognition and honors.

To reach your 2010 IMPACT Goal:
Achieve a graduate grade of 75% or better by December 31 for September new admits

To reach your 2010 CathAway Goal:
Achieve Day-90 catheter percentage of 18% or lower by December 31

TEAM IMPACT
FIRST
90
DAYS
INCIDENT MANAGEMENT OF PATIENTS ACTIONS CENTERED ON TREATMENT

DaVita.

OCMO
Relentless pursuit of quality

Dear Physician Partners:

IMPACT™ is an initiative focused on reducing incident patient mortality. The program provides a comprehensive onboarding process for incident patients, with program materials centered on four key clinical indicators—access, albumin, anemia, and adequacy.

Medical Directors: How can you support IMPACT in your facilities?

- Customize the new Standard Admission Order template into facility-specific orders. Drive use of the standard order with your attending physicians
- Review your facility IMPACT scorecard at your monthly QIFMM meeting
- Talk about IMPACT regularly with your attending physicians

Attending Physicians: How can you support IMPACT in your facilities?

- Use the IMPACT scorecard to assess incident patients
- Educate teammates about the risk incident patients face and how IMPACT can help

How was IMPACT developed? What are the initial results?
From October 2007 to April 2009, IMPACT was piloted in DaVita® centers. Early results, presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN this April, showed an 8% reduction in annualized mortality. In addition to lower mortality, IMPACT patients showed improvements in fistula placement rates and serum albumin levels. The results are so impressive that we are implementing this program throughout the Village.

Your support of this effort is crucial.
If you have not seen the IMPACT order template and scorecard by the end of June, or if you have additional questions about the program, email impact@davita.com. Together we can give our incident patients the quality and length of life they deserve.

Sincerely,

Dennis Kogod
Cheif Operating Officer

Allen R. Nissenson, MD, FACP
Chief Medical Officer

DaVita. Corporate Office | 601 Nevada Street, El Segundo, CA 90245 | 1-800-313-4272 | DaVita.com/physicians

DaVita.

FOR IMMEDIATE RELEASE

DaVita's IMPACT Program Reduces Mortality for New Dialysis Patients

Study Shows New Patient Care Model Significantly Improves Patient Outcomes

El Segundo, Calif., (March, 29, 2009) DaVita Inc., a leading provider of kidney care services for those diagnosed with chronic kidney disease (CKD), today released the findings of a study revealing DaVita's IMPACT™ (Incident Management of Patients, Actions Centered on Treatment) pilot program can significantly reduce mortality rates for new dialysis patients. The study presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN details how the IMPACT patient care model educates and manages dialysis patients within the first 90 days of treatment, when they are most unstable and are at highest risk. In addition to lower mortality rates, patient outcomes improved - confirming the health of this vulnerable patient population is better supported under DaVita's *Relentless Pursuit of Quality*™ care.

The pilot program was implemented with 606 patients completing the IMPACT program over a 12 month period in 44 DaVita centers around the nation. IMPACT focuses on patient education and important clinical outcomes - such as the measurement of adequate dialysis, access placement, anemia, and albumin levels - monitoring the patient's overall health in the first 90 days on dialysis. Data reflects a reduction in annualized mortality rates by eight percent for IMPACT patients compared with non-IMPACT patients in the DaVita network. Given that DaVita has roughly 28,000 new patients starting dialysis every year, this reduction affects a significant number of lives.

In addition, a higher number of IMPACT patients versus non-IMPACT patients had an arteriovenous fistula (AVF) in place. Research show that fistulas - the surgical connection of an artery to a vein - last longer and are associated with lower rates of infection, hospitalization and death compared to all other access choices.

Allen R. Nissenson, MD, Chief Medical Officer at DaVita says, "The IMPACT program is about quality patient care starting in the first 90 days and extending beyond. Improved outcomes in new dialysis patients translates to better long term results and healthier patients overall."

Researchers applaud the IMPACT program's inclusion of all patients starting dialysis, regardless of their cognitive ability or health status. Enrolling all patients at this early stage in their treatment allows them to better understand their disease and care needs while healthcare providers work to improve their outcomes. Through this program, DaVita mandates reporting on this particular population to better track and manage patients through their incident period.

Dennis Kogod, Chief Operating Officer of DaVita says, "We are thrilled by the promising results IMPACT has had on our new dialysis patients. DaVita continues to be the leader in the kidney care community, and we look forward to rolling out this program to all facilities later this year, to improve the health of all new dialysis patients."

DaVita, IMPACT and *Relentless Pursuit of Quality* are trademarks or registered trademarks of DaVita Inc. All other trademarks are the properties of their respective owners.

Poster Presentation
NKF Spring Clinical Meeting
Nashville, TN
March 26-28, 2009

Incident Management of Hemodialysis Patients: Managing the First 90 Days

John Robertson[1], Pooja Goel[1], Grace Chen[1], Ronald Levine[1], Debbie Benner[1], and Amy Burdan[1]
[1]DaVita Inc., El Segundo, CA, USA

IMPACT (Incident Management of Patients, Actions Centered on Treatment) is a program to reduce mortality and morbidity in new patients during the first 3 months of dialysis, when these patients are most vulnerable. IMPACT was designed to standardize the onboarding process of incident patients from their 0 to 90-day period. We report on an observational (non-randomized), un-blinded study of 606 incident patients evaluated over 12 months (Oct77-Oct08) at 44 US DaVita facilities.

The study focused on 4 key predictive indicators associated with lower mortality and morbidity —anemia, albumin, adequacy and access (4As). IMPACT consisted of:

(1) Structured New Patient Intake Process with a standardized admission order, referral fax, and an intake checklist;
(2) 90-day Patient Education Program with an education manual and tracking checklist;
(3) Tools for 90-day Patient Management Pathway including QOL; and
(4) Data Monitoring Reports.

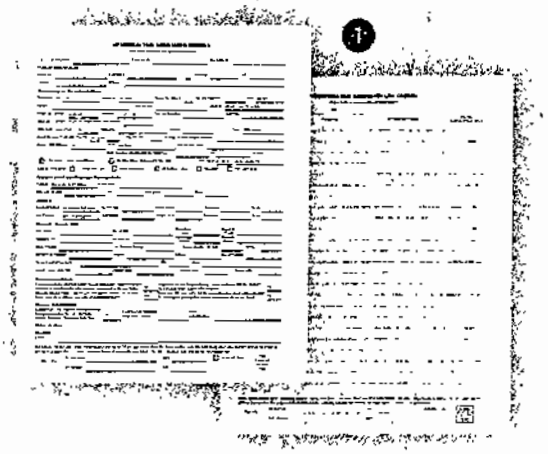
Data as of July, 2008 is reported. Patients in the IMPACT group were 60.6 3 15.1 years old (mean3SD), 42.8% Caucasian, 61% male with 25% having a fistula. Results showed a reduction in 90-day mortality almost 2 percentage points lower (6.14% vs. 7.98%; $p<0.10$) among IMPACT versus nonIMPACT patients. Changes among the 4As showed higher albumin levels from 3.5 to 3.6 g/dL (note that some IMPACT patients were on protein supplementation during this period) and patients achieving fistula access during their first 90-days was 25% vs. 21.4%, IMPACT and nonIMPACT, respectively ($p\leq0.05$). However, only 20.6% of IMPACT patients achieved Hct targets ($33\leq3xHb\leq36$) vs. 23.4% for controls ($p<0.10$); some IMPACT patients may still have >36-level Hcts. Mean calculated Kt/V was 1.54 for IMPACT patients vs. 1.58 for nonIMPACT patients ($p\leq0.05$).

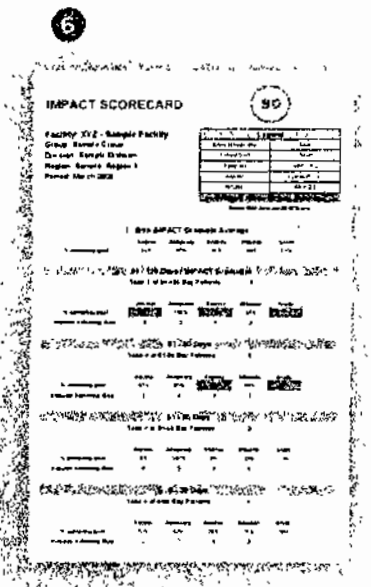
IMPACT is a first step toward a comprehensive approach to reduce mortality of incident patients. We believe this focus may help us to better manage CKD as a continuum of care. Long-term mortality measures will help determine if this process really impacts patients in the intended way, resulting in longer lives and better outcomes.

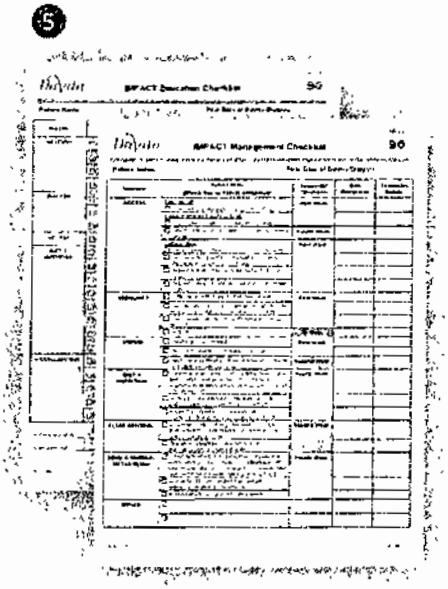
IMPACT Tools

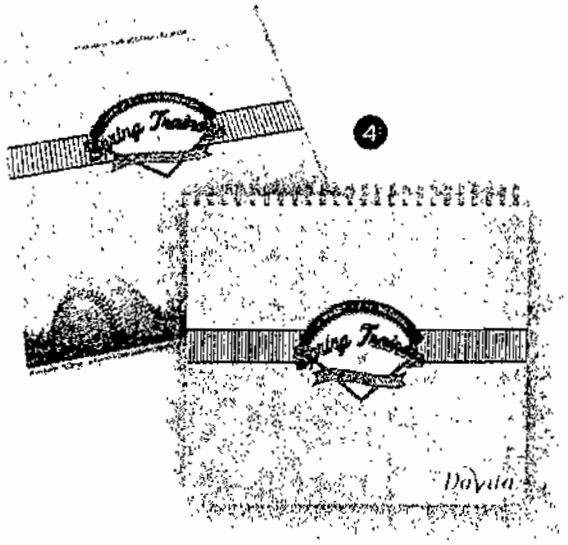
Here's how the IMPACT program will help the team record data, educate patients and monitor their progress in your facilities.

1. Standard Order Template, a two-page form with drop-down menus that can be customized into a center-specific template
2. Intake Checklist to gather registration and clinical data prior to admission
3. Patient Announcement to alert teammates about new incident patients
4. Patient Education Book and Flip Chart to teach patients about dialysis
5. Tracking Checklist for the team to monitor progress over the first 90 days
6. IMPACT Scorecard to track monthly center summary and patient level detail for four clinical indictors: access, albumin, adequacy, anemia









DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Barrington Creek	28160 W. Northwest Highway		Lake Barrington	Lake	IL	60010	
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	142599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
DSI Arlington Heights Renal Center	17 West Golf Road		Arlington Heights	COOK	IL	60005-3905	14-2628
DSI Buffalo Grove Renal Center	1291 W. Dundee Road		Buffalo Grove	COOK	IL	60089-4009	14-2650
DSI Evanston Renal Center	1715 Central Street		Evanston	COOK	IL	60201-1507	14-2511
DSI Hazel Crest Renal Center	3470 West 183rd Street		Hazel Crest	COOK	IL	60429-2428	14-2622
DSI Loop Renal Center	1101 South Canal Street		Chicago	COOK	IL	60607-4901	14-2505
DSI Markham Renal Center	3053-3055 West 159th Street		Markham	COOK	IL	60428-4026	14-2575
DSI Schaumburg Renal Center	1156 S Roselle Rd		Schaumburg	COOK	IL	60193-4072	14-2654
DSI Scottsdale Renal Center	4651 West 79th Street	Suite 100	Chicago	COOK	IL	60652-1779	14-2518
DSI South Holland Renal Center	16136 South Park Avenue		South Holland	COOK	IL	60473-1511	14-2544
DSI Waukegan Renal Center	1616 North Grand Avenue	STE C	Waukegan	COOK	IL	60085-3676	14-2577
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580

DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Lake County Dialysis Services	918 S MILWAUKEE AVE		LIBERTYVILLE	LAKE	IL	60048-3229	14-2552
Lake Park Dialysis	1531 E HYDE PARK BLVD		CHICAGO	COOK	IL	60615-3039	14-2717
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD		IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2659 N MILWAUKEE AVE	1ST FL	CHICAGO	COOK	IL	60647-1643	14-2534
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 Development Drive		Charleston	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674

DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Olympia Fields Dialysis Center	4557B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Silver Cross Renal Center - New Lenox	1890 Silver Cross Boulevard		NEW LENOX	WILL	IL	60451	
Silver Cross Renal Center - West	1051 Essington Road		Joliet	WILL	IL	60435	
Silver Cross Renal Center - Morris	1551 Creek Drive		MORRIS	GRUNDY	IL	60450	
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 South 6th Street		Springfield	SANGAMON	IL	62703	
Stonecrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639

DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648

DaVita.

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Tel: (303) 405-2100
www.davita.com

June 12, 2012

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

Dear Chairman Galassie:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by DaVita Inc., and Total Renal Care, Inc. during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

James K. Hilger
Chief Accounting Officer
DaVita Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This 12th day of June, 2012

Linda N. O'Connell
Notary Public

LINDA N. O'CONNELL
NOTARY PUBLIC
STATE OF COLORADO
MY COMMISSION EXPIRES 06-08-2015

Service Excellence • Integrity • Team • Continuous Improvement • Accountability • Fulfillment • Fun

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(b), Project Purpose, Background and Alternatives

Purpose of the Project

1. The purpose of the proposed acquisition of the RMC Dialysis Center is to ensure ESRD patients in Cook County, Illinois have continued access to life sustaining dialysis services. The acquisition will create economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and allow the systems to share the resources and benefits of DaVita's infrastructure and processes and quality initiatives. Given recent trends in the delivery of dialysis services including the demands the revised federal payment policies place on dialysis operations, many hospitals in Illinois, including the University of Chicago Sherman Hospital, and Silver Cross Hospital have reviewed options for this service line and have decided it can be best managed by a strategic partner, like DaVita, which is better positioned to serve the growing needs of patients suffering from end stage renal disease ("ESRD") and to preserve the services in the community.

   As part of the acquisition of the RMC Dialysis Center, DaVita will relocate and expand the existing facility within two years of acquisition and will seek HFSRB approval for such relocation and expansion. As DaVita is an independent provider, separate from Resurrection Medical Center, the existing physical plant, which is part of the hospital's operations, is suboptimal DaVita has access to capital to invest in new dialysis centers whereas Resurrection Medical Center needs to focus its capital more on its other core service lines. Therefore, DaVita's acquisition of the RMC Dialysis Center will ensure patients have continued access to dialysis services now and in the future.

   Further, large dialysis companies, have advantages over smaller providers. Because they purchase supplies and equipment in huge volume, they can provide dialysis services at a lower cost. The government needs to provide dialysis services at a lower cost particularly with the increased incidence and prevalence of CKD in recent years. To thrive in the new reimbursement environment, providers will need to provide dialysis in the most cost effective manner and DaVita is one of the best positioned providers to meet that challenge.

2. A map of the market area for RMC Dialysis Center is attached at Attachment – 12. The market area encompasses approximately a 14 mile radius around the proposed facility. The boundaries of the market area of are as follows:

   - North approximately 30 minutes normal travel time to Deerfield
   - Northwest approximately 30 minutes normal travel time to Palatine
   - West approximately 30 minutes normal travel time to Itasca
   - Southwest approximately 30 minutes normal travel time to Villa Park
   - South approximately 30 minutes normal travel time to Berwyn
   - Southeast approximately 30 minutes normal travel time to Chicago South Loop
   - East approximately 23 minutes to Lake Michigan
   - Northeast approximately 30 minutes to Wilmette

3. RMC Dialysis Center is located in HSA 6. Based upon the May 17, 2012 Update to Inventory of Other Health Services, there is currently a need for 92 stations in HSA 6. The proposed change of ownership will ensure ESRD patients residing in HSA 6 retain access to life sustaining dialysis.

4. Reference

   Illinois Health Facilities and Services Review Board, Update to Inventory of Other Health Services 4 (May 17, 2012) *available at* http://www.hfsrb.illinois.gov/pdf/Other%20Services%20Update%205-17-12.pdf (last visited Jun 6, 2012).

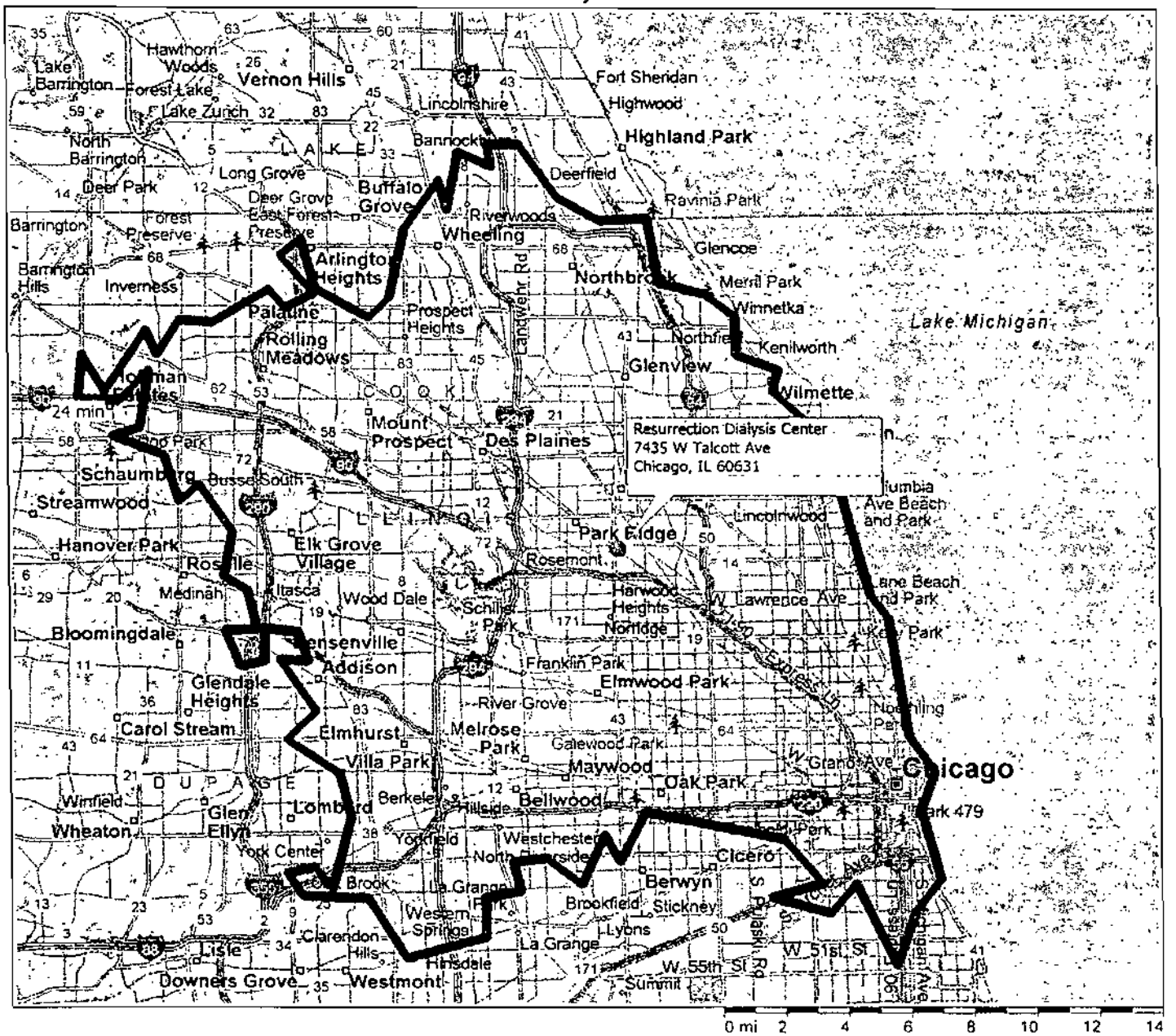
Attachment – 12

5. The integration of RMC Dialysis Center into DaVita will allow DaVita improve the unit's operational efficiency, improve quality and ensure dialysis patients have continued access to life sustaining dialysis services.

6. The acquired facilities will be integrated into DaVita's normal operational processes, including DaVita's quality outcomes programs, and, thus, are anticipated to have outcomes comparable to other DaVita facilities.

   Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which was $509M in hospitalization savings to the health care system and the American taxpayer in 2010.

Resurrection Dialysis Center GSA



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Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(c), Project Purpose, Background and Alternatives

Alternatives

1. Do Nothing

   Resurrection Medical Center operates one dialysis facility in Illinois, which is located in HSA 6. Given recent trends in the delivery of dialysis services including the demands the revised federal payment policies place on dialysis operations as well as hospital operations, Resurrection Medical Center, has decided to focus its scarce resources on its core service lines. Dialysis is not a core service line and Resurrection Medical Center decided to divest its dialysis facility. DaVita is better positioned to serve the growing needs of dialysis patients and their families. DaVita can provide access to a broad array of kidney disease health and wellness programs that are not currently available to RMC patients, such as EMPOWER, IMPACT, CathAway, the Kidney Smart website, and Spanish language kidney disease education materials on its Spanish language website. Further, DaVita has greater economies of scale and can integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and share the resources and benefits of DaVita's infrastructure and processes and quality initiatives. Without an acquisition, these objectives cannot be achieved and, therefore, this option was rejected.

   There is no cost associated with this alternative.

2. Joint Venture With Resurrection Medical Center

   DaVita is open to joint venture relationships; however, this option was not desirable to Resurrection Medical Center. Resurrection Medical Center operates one dialysis facility in Illinois. Given recent trends in the delivery of dialysis services including demands the revised federal payment policies place on dialysis operations as well as hospital operations, Resurrection Medical Center has decided to focus its scarce resources on its core service lines. Dialysis is not a core service line and Resurrection Medical Center decided to divest its dialysis facility.

   Additionally, Resurrection Medical Center felt a joint venture would increase costs as it would require formation of a new corporate entity, new legal and accounting functions, contracting for management services, and regulatory and other business and administrative action. DaVita has greater economies of scale and can integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and share the resources and benefits of DaVita's infrastructure and processes and quality initiatives Because of Resurrection Medical Center's desire to divest its dialysis facility, this option was rejected.

   This alternative was rejected. Therefore, the cost of a potential joint venture was not determined. However, the cost of a potential joint venture would be the fair market value of DaVita's ownership interest in RMC Dialysis Center.

3 Acquire RMC Dialysis Center.

   DaVita carefully considered whether to acquire the RMC Dialysis Center. Acquisition of this facility will allow DaVita to reach a new patient base and will improve operational efficiencies of the RMC Dialysis Center. Through the acquisition, DaVita will be able to bring the broader line of chronic kidney disease services to the currently operated RMC Dialysis Center patients with the goal to improve operational efficiencies and broaden the service options for the existing and future patients. These services will be beneficial for patients, physicians, payors, and taxpayers in providing more effective care and helping to reduce costs to the health care system. Accordingly, DaVita decided the acquisition of the RMC Dialysis Center was the most feasible option.

The cost of this alternative is $6,000,000.

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(b), Impact Statement

1 Transactional Documents

The executed letter of intent between DaVita and Resurrection Medical Center for the acquisition of the RMC Dialysis Center and the Purchase Price Valuation are attached at Attachments 19-A and 19-B.

2. Change in Services Currently Offered

No change in the number of ESRD stations is anticipated as a result of the proposed acquisition. The Applicants may decide to add stations under the Health Facilities Planning Act at a later date, should the need arise based upon capacity and utilization trends.

3. Operating Entity

Total Renal Care, Inc. will be the operating entity of RMC Dialysis Center. The facility will be fully integrated with DaVita, the parent of Total Renal Care, Inc.

4. Reason for the Transaction

As set forth in Criterion 1110.230(b), the purpose for the transaction is to ensure ESRD patients have continued access to dialysis services. Given recent trends in the delivery of dialysis services including the demands the revised federal payment policies place on dialysis operations, many hospitals in the State, including Resurrection Medical Center, have decided their dialysis service line would be better managed by a strategic partner who is better positioned to serve the growing needs of patients suffering from ESRD and have opted to divest this service. Acquisition of the RMC Dialysis Center will permit Resurrection Medical Center to divest its dialysis facility while allowing DaVita to create greater economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and allow the systems to share the resources and benefits of DaVita's infrastructure and processes and quality initiatives.

5. Anticipated Additions or Reductions of Employees

No significant additions or reductions in employees are anticipated now or for the next two years as a result of the proposed acquisition. All current employees at RMC Dialysis Center, who pass DaVita's new employee intake screening will have the opportunity to continue their employment with DaVita after the acquisition. DaVita determines its staffing needs according to treatment needs. Going forward, staffing hours and/or positions will be added or reduced according to patient census and care needs. The Applicants anticipate no reduction in employees.

6. Cost-Benefit Analysis

As set forth throughout this application, the proposed transaction contemplates a change of ownership of RMC Dialysis Center. Total Renal Care, Inc. will acquire substantially all of the assets of the RMC Dialysis Center for $6 million. While DaVita will incur costs inherent in operating the RMC Dialysis Center, the facility will likely achieve cost savings due to economies of scale and shared resources

Corporate Development
1350 Old Bayshore Hwy., Ste 777
Burlingame, CA 94010
Tel: (650) 696-8954 Fax (877) 551-8537

DaVita.

May 23, 2012

Resurrection Medical Center
7435 West Talcott Avenue
Chicago, IL 60631
Attention: Mr. John J. Short, FACHE, SVP Operations

Dear Mr. Short:

This non-binding letter of intent (this "**Letter of Intent**") will serve to express our mutual understandings with respect to the proposed acquisition by DaVita Inc. or one of its subsidiaries ("**DaVita**") of substantially all of the assets (the "**Assets**") relating to the outpatient hemodialysis program (the "**Hemodialysis Program**") and outpatient peritoneal dialysis program (the "**PD Program**") of Resurrection Medical Center, an Illinois not-for-profit corporation (the "**Seller**") located at 7435 West Talcott Avenue, Chicago, Illinois 60631. The Hemodialysis Program and the PD Program shall be referred to collectively herein as the "**Outpatient Dialysis Center**".

The intention to consummate the transaction described herein (the "**Transaction**") is subject to the following terms and conditions:

1. Purchase Price. Subject to further due diligence, the purchase price (the "**Purchase Price**") for the Assets shall be Six Million Dollars ($6,000,000.00), which shall be payable in cash at the closing (the "**Closing**") of the Transaction. In addition, payment of the Purchase Price will be subject to usual and customary adjustments for any payments to third parties triggered by or upon the consummation of the Transaction and usual and customary indemnity and escrow provisions.

2. Assets. The Assets to be acquired by DaVita at Closing will include all of the tangible and intangible assets which comprise or are used or are held for use in connection with or are necessary to the operation of the business at the Outpatient Dialysis Center (the "**Dialysis Business**"), including, without limitation, improvements, furniture, fixtures, equipment, supplies, inventory, claims and rights under contracts and equipment leases to be assigned to DaVita as set forth below, patient lists, copies of patient files and records for those patients of the Outpatient Dialysis Center as of the Closing Date, telephone numbers (to the extent not part of Seller's network telephone system or otherwise severable from Seller's network telephone system), trade secrets, other proprietary rights or intellectual property (but only to the extent applicable solely to the Outpatient Dialysis Center), goodwill, Medicare and Medicaid provider numbers and agreements (if DaVita shall elect, in its sole discretion, to accept them), and, to the extent permitted by law, specific to the Outpatient Dialysis Center and transferrable, all permits, licenses and other rights held by the Seller with respect to the ownership or operation of any or all of the Dialysis Business, and all of the Seller's books and records to the extent relating to the

foregoing, in each case, regardless of whether they are on the Seller's or a related party's books. All of the Assets shall be transferred to DaVita free and clear of all liens, claims and encumbrances. At or prior to the Closing, the Seller shall acquire all right, title and interest in and to any leased equipment that is used in connection with the Dialysis Business, and such acquired equipment shall constitute part of the Assets. Notwithstanding the foregoing, the Assets will not include cash, accounts receivable, contracts and leases that are not to be assigned to DaVita as set forth below, inventory and supplies disposed of from the date hereof until Closing in the ordinary course of business consistent with past practice, confidential and/or proprietary information of Seller to the extent not related solely to the Outpatient Dialysis Business, any religious artifacts located within the Outpatient Dialysis Center, any rights to the name, logos or other marks of "Resurrection Medical Center", "Resurrection Health Care", "Resurrection Health Care Corporation", "Presence Health Care" or "Presence Health", and any such other excluded Assets as may be set forth in the Purchase Agreement. In the event that the telephone numbers related to the Outpatient Dialysis Business are not transferred, Seller agrees to direct or otherwise forward patients and other callers to DaVita's new telephone number for the Outpatient Dialysis Center for a period of ninety (90) days after Closing.

3. **Liabilities.** Except for obligations arising on or after the Closing Date under contracts assigned to DaVita, DaVita will not assume any of the Seller's Liabilities (as defined below), including, without limitation, any Liabilities arising out of the operation of the Dialysis Business (or any part thereof) or the ownership or use of any of the Assets prior to the Closing Date. **"Liability"** means any claim, lawsuit, liability, obligation or debt of any kind or nature whatsoever, including without limitation, (a) any malpractice, tort or breach of contract claim asserted by any patient, former patient, employee or any other party that is based on acts or omissions or events occurring before the Closing Date; (b) any amount (including, if applicable, any penalty or interest) due or that may become due to Medicare or Medicaid or Blue Cross/Blue Shield or any other health care reimbursement or payment intermediary or other person or entity on account of any overpayment or duplicate payment or otherwise attributable to any period prior to the Closing Date (**"Reimbursement Liabilities"**); (c) any obligation or liability attributable to any period prior to the Closing Date that arises out of any contract, whether or not such contract is assigned to DaVita; and (d) any account payable of the Seller for sums due for services or products received prior to the Closing Date.

4. **Purchase Agreement.** DaVita and the Seller shall execute an asset purchase agreement for the Transaction (the **"Purchase Agreement"**), which shall provide for the purchase and sale of the Assets and assumption of the Liabilities as specified in Paragraphs 2 and 3, above, as may be modified by the mutual agreement of the parties, and contain such representations, warranties and other terms as are customary for a transaction of this nature.

5. **Contracts.**

(a) Contract Review and Assignment. Prior to the execution of the Purchase Agreement, the Seller shall provide DaVita with copies of all contracts and leases of the Seller relating to the Outpatient Dialysis Center, including, without limitation, employment agreements, and vendor agreements to the extent specific to the Outpatient Dialysis Center, but specifically excluding managed care contracts. Upon execution of the Purchase Agreement, DaVita shall designate which of the listed contracts and leases it shall assume at the Closing (it being anticipated that DaVita will designate relatively few, if any, of said contracts and leases). The Seller shall be responsible for obtaining and delivering any necessary consents for the assignment of such designated contracts and leases to DaVita at the Closing, provided DaVita has provided at least sixty (60) days prior notice of the contracts for which it is accepting assignment.

(b) Outpatient Dialysis Center Real Property Lease. DaVita will enter into a lease with the Seller, as landlord, for the Outpatient Dialysis Center (the "Lease") for premises comprised of 2,100 square feet of space located at 7435 West Talcott Avenue, Chicago, Illinois 60631. Seller acknowledges that it is DaVita's intention to relocate the Outpatient Dialysis Center to a new location within eighteen (18) to twenty-four (24) months after the Closing; provided that prior to entering into a lease for a new location, DaVita will discuss and consult with Seller regarding such new location and the potential to relocate to space available through Seller and/or its affiliates. To ensure the availability of needed dialysis care in the community served by Seller and DaVita, DaVita agrees to use commercially reasonable efforts to relocate the Outpatient Dialysis Center to a location within the Seller's primary or secondary service areas. The Lease shall, among other terms mutually acceptable to the parties, have a term of twenty-four (24) months from the Closing Date; provided, that DaVita shall have the right to terminate the Lease at anytime on or after the date which is eighteen (18) months after the Closing Date upon sixty (60) days prior written notice. The rental rate for the Outpatient Dialysis Center under the Lease will be as agreed upon by the parties, commercially reasonable and consistent with fair market value and will be supported by a broker's opinion of value.

6. Employees.

(a) Hiring of Dialysis Employees. On or before the Closing, DaVita will offer to hire, in its sole discretion, substantially all of the Seller's employees (other than physicians) who are employed principally in the Dialysis Business as of the Closing and who DaVita desires to employ for the Dialysis Business ("**Dialysis Employees**") on such terms and conditions generally offered to its employees and under such other terms and conditions as may be specified in the Purchase Agreement.

(b) Disqualifying Factors for Employment With DaVita. Notwithstanding the generality of the foregoing, DaVita will not to offer to hire those of Seller's employees who do not have the unrestricted ability to provide federally reimbursed services, who do not release their personnel files to DaVita prior to Closing, who do not pass a pre-employment drug test, background check and physical exam, or who do not otherwise meet such other standards or conditions as set forth in the Purchase Agreement.

(c) Minimum Transition Period. Subject to the disqualifying factors set forth in Section 6(b) above and DaVita's ability to terminate for cause in accordance with its employment policies for its own employees, DaVita agrees to hire the Dialysis Employees for an initial employment period of not less than ninety (90) days after Closing (the "**Employee Transition Period**").

(d) PTO and Benefits. At Closing, DaVita will assume up to eighty (80) hours of vacation and other payable time off ("**PTO**") plus an amount of paid time off included in each Dialysis Employee's Extended Illness Bank ("**EIB Time**") to be set forth in the Purchase Agreement (collectively, PTO and EIB Time shall be referred to as the "**Accrued PTO**") accrued as of the Closing Date by each Dialysis Employee who accepts employment with DaVita, and the Seller shall pay to DaVita an amount equal to such Accrued PTO or, alternatively, shall apply a credit to DaVita against the Purchase Price hereunder for such amount. The Seller will be responsible for paying any accrued PTO in excess of eighty (80) hours, or any EIB Time in excess of the amount set forth in the Purchase Agreement, as applicable, to each Dialysis Employee in the next Seller disbursed payroll at or following the Closing. DaVita shall additionally give all hired Dialysis Employees credit for their years of service with the Seller for purposes of determining eligibility to participate and vesting percentages in DaVita's employee pension and other benefit plans, as applicable. Following the completion of DaVita's due diligence process, the parties will discuss whether DaVita will provide severance to any Dialysis Employee who is not retained by DaVita following the Employee Transition Period. Any agreement between the parties with respect to severance will be set forth in the Purchase Agreement.

(e) Post-Closing Transition Contingency. If DaVita is unable to process the transition of the Dialysis Employees who accept the offers from DaVita to DaVita's payroll and benefit plans by the Closing, then the Seller will maintain such Dialysis Employees on its payroll and in its benefit plans until such transition is completed, in each case, solely at the cost and expense of DaVita pursuant to a signed written employee lease agreement by and between the Parties.

7. Medical Director Agreement. As a condition to the Closing of the Transaction, DaVita shall have entered into an agreement (the "**Medical Director Agreement**") with a medical practice acceptable to DaVita (the "**Medical Practice**"), who shall designate a board-certified, licensed nephrologist, acceptable to DaVita, to serve as the medical director for DaVita's operation of the Outpatient Dialysis Center post-closing (the "**Medical Director**") on such terms and under such conditions as shall be acceptable to DaVita, the Medical Practice and the Medical Director.

8. Non-Competition and Non-Solicitation Covenant. Pursuant to the Purchase Agreement, the Seller shall agree not to compete with the business of the Outpatient Dialysis Center, directly or indirectly, or otherwise take any action that may result in owning any interest in, leasing, operating, managing, extending credit to, or otherwise participating (*e.g.*, as a medical director, contractor, consultant, or employee) in a competitor of DaVita or the Outpatient Dialysis Center, anywhere within a radius of five (5) miles of the Outpatient Dialysis Center, for a period of five (5) years following the

Closing Date (the "**Period**"); provided, however, that Seller may continue to provide acute services and in-patient peritoneal dialysis at facilities that it owns in whole or in part. The Seller shall further agree that it will not, during the Period, take any affirmative action intended to encourage any patient, customer, employee or vendor of the Outpatient Dialysis Center as of the Closing Date (either individually or in the aggregate) to discontinue his, her or its affiliation with the Outpatient Dialysis Center; provided that the foregoing is not intended to prohibit any physician employed or contracted by the Seller from engaging in the professional practice of nephrology or exercising such person's independent medical judgment, without consideration for any pecuniary interests of said physician, nor to require the referral of any patients for any dialysis service provided by, or to any dialysis center owned by, DaVita or any of DaVita's affiliates. Five percent (5%) of the Purchase Price will be allocated to the covenant not to compete.

9. Closing. Subject to the satisfaction of the Closing conditions below and/or as set forth in the Purchase Agreement, the Closing shall take place at 12:01 a.m. on October 1, 2012 (the "**Closing Date**"), or on such other date as the parties may agree to in writing.

10. Conditions to Closing. DaVita's obligation to close the Transaction shall be subject to the satisfaction of the following conditions:

(a) Due Diligence. DaVita shall have completed to its satisfaction its due diligence review of the Dialysis Business, including, without limitation, the assets and liabilities relating thereto, and the Seller shall have furnished to DaVita and its representatives such information and access to such books and records and personnel as DaVita may reasonably request for such purpose, including, without limitation, with respect to financial matters, litigation and loss contingencies, employee matters, tax and ERISA matters, vendors and patient information, legal and healthcare regulatory compliance, licenses, insurance, contracts, and other matters as DaVita may reasonably request.

(b) Documentation. The parties shall have completed the negotiation, execution, and delivery of the Purchase Agreement, Medical Director Agreement, Lease and related documents, setting forth the terms and conditions of the Transaction and containing such customary provisions, representations, warranties, covenants, and indemnifications, and providing for the receipt by the parties of such ancillary documents, as shall be reasonably acceptable to the parties and their respective counsel.

(c) Regulatory Matters. DaVita shall have received and reviewed to its satisfaction copies of all licenses, permits, and other regulatory materials and approval requirements pertaining to the Dialysis Business. The Seller shall be in material compliance with all standards of licensure and other applicable legal requirements, including, without limitation, all building, zoning, occupational safety and health, environmental, and health care laws, ordinances, and regulations relating to the Dialysis Business, its assets, its personnel and its operations. In addition, DaVita shall have been issued all necessary licenses, permits and approvals for its operation of the Dialysis

Business after the change of control contemplated hereunder, including but not limited to the Certificate of Need issued by the Illinois Health Facilities and Services Review Board. Furthermore, the sale of the Assets to DaVita shall be in compliance with all applicable federal and state laws.

(d) **Board and Lender Approvals**. Each party shall have received prior to the Closing all necessary committee, board of director, and other applicable governance approvals and all required lender approvals.

(e) **Personnel**. Substantially all of the Dialysis Employees shall have accepted employment with DaVita as set forth in Paragraph 6 hereof, and each of such employees shall have all licenses and permits required to carry out his or her obligations and none of them shall be on the OIG List of Excluded Individuals/Entities.

(f) **Inventory**. The Assets shall include that quantity of useable inventories and supplies, including, without limitation, EPO and other drugs and supplies used for dialysis treatments, as shall be sufficient to operate the Outpatient Dialysis Center for a period of eighteen (18) days in a manner consistent with prior operation.

(g) **Material Adverse Change**. There shall not have been any material adverse change in the condition (financial or otherwise) of the assets, properties or operations of the Dialysis Business or the Assets, as more specifically set forth in the Purchase Agreement.

11. **Indemnification**. The Purchase Agreement will provide that the Seller will indemnify and hold harmless DaVita with respect to all losses arising out of any breach of any representation, warranty or covenant of the Seller made pursuant to the Purchase Agreement, or arising out of any Liabilities, including without limitation, Reimbursement Liabilities. The Purchase Agreement will also provide that DaVita will indemnify and hold harmless the Seller with respect to all losses arising out of any breach of any representation, warranty or covenant of DaVita made pursuant to the Purchase Agreement and any liabilities arising out of or related to periods on and after the Closing Date. Any claim for indemnification shall be asserted as set forth in the Purchase Agreement.

12. **Maintenance of Business**. Between the date of this letter and the Closing Date or the termination of the exclusivity period referred to in Paragraph 16 below, whichever occurs first, the Seller (a) shall continue to operate the Dialysis Business and maintain the Assets in the usual and customary manner consistent with past operations, (b) shall use its reasonable efforts to preserve the business operations of the Dialysis Business intact, to keep available the services of its current personnel, and to preserve the good will and relationships of its suppliers, patients and others having business relations with the Dialysis Business, (c) shall notify DaVita in writing of any event involving the Dialysis Business or Assets that has had or may be reasonably expected to have a material adverse effect on the business or financial condition of the Dialysis Business or the Assets, and (d) shall not sell, encumber, or otherwise dispose of any assets, without DaVita's consent, except in the ordinary course of business consistent with past operations.

13. Transition Period. From the date hereof, through the Closing Date and thereafter for a reasonable period of time, the parties will work cooperatively with each other to develop specific transition and integration plans to assure continued quality of care and operating effectiveness following the Closing, including but not limited to a plan to ensure that DaVita does not experience an interruption in reimbursement from Medicare after the Closing Date and that Seller receives all reimbursement for periods prior to the Closing Date.

14. Public Announcements. Subject to requirements of law, any news releases or other announcements prior to Closing by DaVita, the Seller, or any of their respective affiliates or agents pertaining to this letter or the Transaction, including employee communications, shall be approved in writing by all parties prior to release. DaVita and the Seller agree that, prior to Closing, they shall keep the existence of this letter and its contents confidential, except as may be necessary to comply with applicable law.

15. Confidentiality. DaVita and the Seller hereby reaffirm their respective obligations under that certain Confidentiality Agreement, effective as of March 1, 2012, which agreement remains in full force and effect.

16. Exclusivity. Until September 1, 2012, or such earlier date on which a party provides written notice to the other party that it has ended its active efforts to consummate the Transaction (the "Exclusivity Period"), neither the Seller nor any of its affiliates or agents or representatives, shall, directly or indirectly, enter into any agreement, commitment or understanding with respect to, or engage in any discussions or negotiations with, or encourage or respond to any solicitations from, any other party with respect to the direct or indirect (including, without limitation by way of stock sale, merger, consolidation or otherwise) sale, lease or management of the Outpatient Dialysis Center or any material portion of the Assets. The Exclusivity Period will renew automatically for one (1) successive thirty (30) day period unless either party gives the other party written notice of non-renewal at least ten (10) days prior to the end of the original Exclusivity Period.

17. Procedure. As soon as possible after execution and delivery of this letter, the parties will cooperate in the negotiation and preparation of the Purchase Agreement and other necessary documentation and will use all reasonable efforts to satisfy the conditions set forth in Paragraph 10 which are in their respective control.

18. Expenses. Each party shall bear its own expenses arising out of this letter and the Transaction, with no liability for such expenses to the other party, whether or not the Transaction or any part thereof shall close.

19. Non-Binding Effect. It is understood that this letter merely constitutes a statement of the mutual intentions of the parties with respect to the proposed Transaction, does not contain all matters upon which agreement must be reached in order for the proposed transactions to be consummated and, except in respect of Paragraphs 12, 14, 15, 16 and 18, above, and this Paragraph 19, creates no binding rights in favor of any party. A

binding commitment with respect to the Transaction will result only if definitive agreements are executed and delivered, and then, only subject to the terms and conditions contained therein. This letter may be executed in counterparts, each of which shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same letter of intent. Signatures sent by facsimile transmission shall be deemed to be original signatures.

[SIGNATURES ON NEXT PAGE]

This letter will be void and the terms contained herein revoked unless accepted and returned by 5:00 p.m. (Pacific Daylight Time) on May 25, 2012. If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned.

Very truly yours,

DAVITA INC.

By: _____
Jason M. Higgins
Director, Corporate Development

ACCEPTED AND AGREED TO

RESURRECTION MEDICAL CENTER

By: _____
Name: John D. Baird
Title: Executive Vice President/CEO

Corporate Development
1350 Old Bayshore Hwy., Ste 777
Burlingame, CA 94010
Tel: (650) 696-8954 | Fax (877) 551-8537
www.davita.com

DaVita.

June 13, 2012

Mr. Dale Galassie
Illinois Health Facilities and Services Review Board
525 W. Jefferson, 2nd Floor
Springfield, IL 62761

Re: DaVita Inc. Purchase Price Valuation for Resurrection Medical Centers Dialysis Facilities

Dear Mr. Galassie:

This letter provides additional information in support of the Certificate of Need applications filed in connection with the planned acquisition of the Resurrection Medical Center ("Resurrection") dialysis facility by DaVita Inc. The purchase price of the facility is $6 million. DaVita participated in a competitive bidding process and the purchase price is the result of a negotiated transaction with Resurrection. In assessing an offer price to initiate the negotiations, DaVita relied on its standard valuation methods including discounted cash flow ("DCF") analysis to provide this valuation. DCF projects the future cash flows of a business, and discounts these cash flows at a discount rate which reflects the riskiness associated with achieving these cash flows. Since the projections were for a limited period of time, all future cash flows beyond the projection period are assumed to be worth a certain multiple of the terminal year's cash flow, reflecting the discount rate and a perpetual growth assumption. Individual center valuations reflect the cash flows at the respective center.

Thank you for your time and attention to this matter. We appreciate all of staff's efforts to keep these applications on track for prompt consideration by the Illinois Health Facilities and Services Review Board.

Very truly yours,

David R. Finn
Vice President, Mergers & Acquisitions

Attachment – 19B

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(c), Access

1. Current Admissions Policy

   A copy of the current admissions policy and financial assistance policy for RMC Dialysis Center is attached as Attachment 19-C.

2. Proposed Admissions Policy

   A copy of the admissions policy and financial assistance policy for DaVita, Inc. is attached as Attachment 19-D. DaVita accept patients for dialysis treatment at the its outpatient dialysis facilities as long as those patients are appropriate for admission to an outpatient hemodialysis center.

3. Admission Policy Certification

   A letter from James K. Hilger, certifying the admissions policies of RMC Dialysis Center will not become more restrictive after acquisition by DaVita is attached as Attachment 19-E.

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(d), Health Care System

1. Impact on Other Area Providers

   There will be no change in the scope of services as a result of the acquisition of the RMC Dialysis Center. DaVita intends to continue to provide dialysis services to patients in Cook County and surrounding areas through the existing facilities. All anticipated changes will be operational to align the RMC Dialysis Center with the operations and resources available within DaVita and which are customary for all DaVita facilities. The merger will not impact other unaffiliated area dialysis facilities as the transaction consists of a change of control of the operating entity

2. Facilities within Applicant's Health Care System

   A list of all DaVita facilities in Illinois is attached at Attachment – 19E. The list includes the name, address, number of stations, list of services, and utilization for the most recent 12 month period.

3. Present and Proposed Referral Agreements

   There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

4 Time and Distance for Proposed Referrals

   There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

5. Use of Care System Providers

   The change of ownership of RMC Dialysis Center will have no impact on area in-center hemodialysis facilities The change of control will not restrict the use of other area health care providers and the DaVita facilities, including the integrated RMC Dialysis Center, will have open medical staffs and admit patients pursuant to a non-discriminatory admission policy.

6. Duplication of Services

   As set forth throughout this application, the proposed transaction contemplates a change of ownership of RMC Dialysis Center. Total Renal Care, Inc. will acquire substantially all of the assets of the RMC Dialysis Center. Because the proposed transaction involves the acquisition of an existing in-center hemodialysis facility, there will be no duplication of services.

7. Services Not Available to the Community

   DaVita will continue to provide dialysis services currently provided in the RMC Dialysis Center. No new services are planned for the acquired facility; however, as new treatment options and technology evolve, DaVita will implement new treatment modalities as warranted.

SYSTEM POLICY

Section: Finance

Page: 1 of 12

Subject: Provision for Financial Assistance –Hospitals

Approval Date: 4/1/2012
Effective Date: 4/1/2012
Last Review Date:
Revised Date:
Supersedes:

Executive Owner: Executive Leadership-Finance

I. POLICY STATEMENT

A. To promote the health and well-being of our communities, community residents with limited financial resources, and with no or insufficient insurance coverage shall be eligible for free or discounted hospital services as set forth in this Policy.

B. Adoption of this Policy reflects the commitment of Presence Health hospitals to assure that patients with limited financial means have access to needed hospital services in a fair and equitable basis.

C. This Policy is designed to be fully compliant with applicable law, including the Illinois Hospital Uninsured Patient Discount Act, the Illinois Fair Patient Billing Act, and Section 501 (r) of the Internal Revenue Code (instituted by the Patient Protection and Affordable Care Act). In many respects, this Policy exceeds such legal requirements, reflecting our commitment to assuring that the poor and underserved have access to needed heath care.

II. PURPOSE

A. This Policy sets forth the standards for providing Financial Assistance/Charity Care to hospital patients who lack ability to pay for medically necessary hospital services.

B. This Policy applies to hospital charges and not independent physicians or independent company billings.

III. MISSION / VALUES RATIONALE

A. Our Mission and Values call us to service those in need. Our hospitals have a long tradition of serving the poor and underserved members of our community. This Policy continues that tradition, while reflecting an appropriate stewardship of resources.

B. This Policy is one aspect of the many ways in which our hospitals promote the health care needs of the underserved. In addition to providing financial assistance in accordance with the Policy, each Presence Health hospital will continue to play a leadership role in identifying and responding to community health needs, in coordination and partnership with government and private organizations.

IV. SPECIAL INSTRUCTIONS

This Policy is applicable to all Presence Health hospital ministries.

V. DEFINITIONS

A. **Automatic Uninsured Self-Pay Discount:** A discount of 40% of gross charges, provided to all uninsured patients without requiring evidence of inability to pay. This discount is designed to assure that patients are charged at a rate generally comparable to that applied to insured patients.
   1. There is no application process for the patient to receive the uninsured discount. The discount is applied based on the account's self-pay/uninsured status.
   2. Patients receiving pre-negotiated discounts (package pricing) for hospital services will not be eligible for this uninsured discount.
   3. If a patient is subsequently approved for financial assistance/charity care the automatic uninsured discount will be reversed so that the full amount can be recognized as a charity allowance.

B. **Catastrophic Discount:** A discount provided when the patient responsibility specific to medical care at Provena Health – Resurrection Health Care Hospitals, even after payment by third-party payers, exceed a designated percentage of the patient's family annual gross income.

C. **Charity Care:** Term often used to refer to the value (at cost) of free or discounted health care services provided to individuals who have been determined eligible for financial assistance based on financial need.

D. **Exempt Assets:** The following assets are considered "Exempt Assets" for purposes of this Policy, such that the value of such assets will not considered in determining a patient's ability to pay or financial need: the patient's primary residence; personal property exempt from judgment under Section 12-1001 of the Code of Civil Procedure; or any amounts held in pension or retirement plan (however, distribution and payments from pension or retirement plans will be included as income).

E. **Family:** The patient, his/her spouse (including a legal common law spouse) and his/her legal dependents according to the Internal Revenue Service rules. For example, if the patient claims someone as a dependent on his/her income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

F. **Family Income:** The sum of a family's gross annual earnings and cash benefits from all sources before taxes, less payment made for child support. Sources of income include but are not limited to: Gross wages, salaries, dividends, interest, Social Security benefits, workers compensation, training stipends , regular support from family members not living in the household, government pensions, private pensions, insurance and annuity payments, income from rents, royalties, estates and trusts.

G. **Financial Assistance Committee**: A team of hospital leaders that meets monthly to review data relating to financial assistance applications and determinations. The committee will consist of the hospital Chief Executive Officer, Chief Financial Officer, VP Mission Services, Revenue Integrity Director (or designee), Director of Case/Care Management, Patient Financial Counselor, or a similar mix of responsible hospital leaders.

H. **Financial Assistance Guidelines and Eligibility Criteria**

1. General. The Financial Assistance Guidelines and Eligibility Criteria below are designed to assure that patients with financial need are charged at a rate substantially less than insured patients, including the opportunity to receive 100% free care. The table below is used to determine the financial assistance discounts by tier for uninsured patients.

Eligibility Criteria		
Percentage of Poverty Guidelines	**Discount Percentage**	**Catastrophic Cap**
Up to 200%	100%	15%
201 - 300%	90%	15%
301 - 400%	80%	15%
401 - 600%	75%	15%
Over 600%	Determined on an exception basis	15%

2. Annual Updates of Criteria Levels. The Federal Poverty Guideline calculations will also be updated annually in conjunction with the published updates by the United States Department of Health and Human Services. The Eligibility Criteria discount percentage will be updated annually based on the calculation set forth by the Illinois Uninsured Patient Discount Act and Section 501(r) of the Internal Revenue Code (instituted by the Patient Protection and Affordable Care Act).

3. Financial Assistance to Certain Crime Victims. Individuals who are deemed eligible by the State of Illinois to receive assistance under the Violent Crime Victims Compensation Act or the Sexual Assault Victims Compensation Act shall first be evaluated for eligibility for financial assistance based on the Financial Assistance Guidelines and Eligibility Criteria. Applications for reimbursement under such Crime Victims Funds will be made only to the extent of any remaining patient liability after the financial assistance eligibility determination is made.

4. Financial Assistance for Insured Patients. Financial assistance/charity care in the form of 100% discounts (free care) is available for patient-liability amounts remaining after insurance payments, for insured patients who are Illinois residents with family gross income less than 200% of the Federal Poverty guidelines and after satisfying related co-payments/coinsurances up to $300 per encounter.

I. **Illinois resident:** A person who currently lives in Illinois and who intends to remain living in Illinois indefinitely. Relocation to Illinois for the sole purpose of receiving health care benefits does not satisfy the residency requirement. Acceptable verification of Illinois residency shall include any one (1) of the following:

1. Any of the documents listed in Paragraph (H);
2. A valid state-issued identification card;
3. A recent residential utility bill;
4. A lease agreement;
5. A vehicle registration card;
6. A voter registration card;
7. Mail addressed to the uninsured patient at an Illinois address from a government or other credible source;
8. A statement from a family member of the uninsured patient who resides at the same address and presents verification of residency; or
9. A letter from a homeless shelter, transitional house or other similar facility verifying that the uninsured patient resides at the facility.

All non-IL resident applications will be reviewed by the ministry Financial Assistance Committee.

J. **Income Documentation:** Acceptable family income documentation shall include any one (1) of the following:

1. a copy of the most recent tax return;
2. a copy of the most recent W-2 form and 1099 forms, or similar forms issued to members of partnerships, limited liability companies or other entities;
3. copies of the two (2) most recent pay stubs;
4. written income verification from an employer if paid in cash; or
5. one (1) other reasonable form of third party income verification deemed acceptable to the hospital.

K. **Medically Necessary Service:** Any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by a hospital to a patient, covered under Title XVIII of the federal Social Security Act for beneficiaries with the same clinical presentation as the uninsured patient. A "medically necessary" service does not include any of the following: (1) non-medical services such as social and vocational services; or (2) elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness or congenital defect or deformity.

L. **Presumptive Financial Assistance/Charity Care Eligibility:** Presumptive eligibility for financial assistance/charity care may be determined on the basis of individual life circumstances that indicate financial need. In these situations, a patient is deemed to have family income of 200% or less of the Federal Poverty Level, and therefore eligible for a 100% reduction from charges (i.e., full charity write-off). A patient therefore does not need to complete a financial assistance application when sufficient evidence is provided that they meet one of the following presumed eligibility criteria:

1. Participation in state-funded prescription programs.
2. Participation in Women's Infants, and Children's Programs (WIC)
3. Food stamp eligibility (LINK Card)
4. Subsidized school lunch program eligibility.
5. Low income/subsidized housing is provided as a valid address (Section 8 certificate holder)
6. Patient is deceased with no known estate.
7. Patient receiving or qualifying for free care from a community clinic affiliated with the hospital or known to have eligibility standards substantially equivalent to that of the hospital under this Policy, and the community clinic refers the patient to the hospital Ministry for treatment or for a procedure.
8. Patient is or states that he/she is homeless, and such status is determined to be accurate after appropriate review of the available facts.
9. Patient is mentally or physically incapacitated and has no one to act on his/her behalf.
10. Patient is currently eligible for Medicaid, but was not eligible on a prior date of service; in such case, instead of making the patient duplicate the required paperwork, the hospital Ministry will rely on the financial assistance determination process from Medicaid and apply a 100% discount for such prior service.
11. Patient receives a MANG denial due to asset availability.

M. **Uninsured Patient:**

1. A patient of a hospital who is not covered under any commercial health insurance Policy (including third party liability coverage) and is not a beneficiary or eligible to be covered by any governmental or other coverage program, including Medicare, Medicaid, TriCare, high deductible insurance, or other coverage arrangements.\

2. If an insured patient's coverage is exhausted, or the patient's insurance does not cover the Medically Necessary hospital service provided to the patient, the patient will be considered uninsured for purposes of financial assistance and the uninsured discount will also apply to these cases.

VI. PROCEDURE

A. Identification of Potentially Eligible Patients

1. Prior to Admission. When possible prior to the admission or pre-registration of the patient, the hospital will conduct an appropriate pre-admission/pre-registration interview with the patient, the guarantor, and/or his/her legal representative. If a pre-admission/pre-registration interview is not possible, this interview should be conducted upon admission or registration or as soon as possible thereafter. In case of patients who have come to the hospital's Emergency Department, the hospital's evaluation of payment ability should not take place until an appropriate medical screening has been provided, and in the case of patients determined to have an emergency medical condition, until after such condition has been stabilized.

2. Patient Interview. At the time of the initial patient interview, the following information should be gathered: (a) Routine and comprehensive demographic data and employment information: (b) Complete information regarding all existing third party coverage.

3. Patients Potentially Eligible for Public Programs. Patients who are identified as potentially eligible for healthcare coverage from a governmental program or other source will be referred to a Financial Counselor and expected to cooperate with efforts to determine their eligibility for coverage (e.g. Medicaid), prior to consideration for financial assistance. Such coverage eligibility efforts will be made at the hospital's expense, and will promote such public Policy goals by assuring eligible patients are covered by available health coverage programs.

4. Timing of Financial Assistance/Charity Care Application. A patient may apply for financial assistance at any time during the billing and collection process.

B. Determination of Eligibility

1. Provision of Financial Assistance Applications. All patients identified as uninsured will be provided a Financial Assistance application prior to discharge or at point of service (for outpatient services) and offered the opportunity to apply for financial assistance. If uninsured status is not determined until after the patient leaves the hospital, a Patient Financial Services representative will mail a financial assistance application to the uninsured patient upon request.

2. Expectations of Patient Cooperation. It is expected that patients will cooperate with the information gathering and assessment process in order to determine eligibility for financial assistance.

3. Application of Catastrophic Discount. The Catastrophic Discount will be available to patients who have medical expenses over a 12 month period for Medically Necessary Services from a Presence Health hospital that exceed 15% of the patient's family annual gross income, even after payment by third-party payers. Any patient responsibility in excess of the 15% will be written off to charity. Services that are not Medically Necessary will not be eligible for this discount.

4. Financial Assistance Committee Reviews of Special Circumstances. The Financial Assistance Committee will review patient accounts identified by a Financial Counselor that involve unique circumstances affecting financial need beyond the standard eligibility criteria.

    a. The Committee may recommend to the System Chief Revenue Cycle Officer or his/her designee, specific exceptions to this Policy based on unusual or uncommon circumstances relating to financial need. All exception decisions must have the rationale clearly and formally documented by the Committee and maintained in the account file and must be made consistently across the System.

    b. Special circumstances approvals of financial assistance for any person affiliated with the Hospital or System, such as employees, medical staff, board members, etc. or family member of such person, shall be subject to the approval of the Chief Legal Officer for Presence Health.

5. Assets Consideration. Assets will be used in the determination of the maximum collectible amount in a 12-month period. Assets will not be used for initial financial assistance eligibility, except to the extent of assets, other than Exempt Assets, that indicate the existence of unreported additional sources of income. (Patient may be excluded if patient has substantial assets, other than Exempt Assets defined as having a value in excess of 600% Federal Poverty Level). Distributions and payments from pension or retirement plans may be included as income.

    a. Acceptable documentation of assets include:

        i. Statements from financial institutions or some other third party verification of an asset's value.
        ii. If no other third party exists the patient shall certify as to the estimated value of the asset.

6. Approval Authorities. The Business Office Financial Counselor may approve financial assistance for amounts up to $25,000. The System Financial Assistance Manager may approve amounts greater than $25,000 but lower than $100,000. Amounts greater than $100,000 will be approved by the hospital's CFO. Approval amounts must be in compliance with the Financial Assistance/Charity Care eligibility criteria.

C. **Notification of Eligibility Determination**

1. Normal Processing Period. Clear expectations as to the length of time required to review the application and provide a decision to the patient should be provided at the time of application. A prompt turn-around and written decision, providing a reason(s) for denial (if appropriate) will be provided, generally within 45 days of the hospital's receipt of completed application. Patients will be notified in the denial letter that they may appeal this decision and will be provided contact information to do so.

2. Suspension of Collection Activity. If a patient disagrees with the Financial Assistance eligibility determination, including regarding the extent of discount for which a patient is eligible, the patient may appeal in writing within 45 days of the denial. The Ministry's Chief Financial Officer will review the appeal, and make a recommendation to the Financial Assistance Committee. Decisions reached will normally be communicated to the patient within 45 days, and reflect the Committee's final review.

3. Suspension of Collection Activities Pending Eligibility Determination. Collection activity will be suspended during the consideration of a completed financial assistance application or an application for any governmental or other available healthcare coverage (i.e. Medicare, or Medicaid, etc.). A note will be entered into the patient's account to suspend collection activity until the financial assistance process is completed. If the account has been placed with a collection agency, the agency will be notified by telephone to suspend collection efforts until a determination is made. This notification will be documented in the account notes. The patient will also be notified verbally that the collection activity will be suspended during consideration.

4. Other Determinations of Financial Need Based on Objective Data. When a patient has not completed a financial assistance application but there is adequate objective information to support a determination of the patient's likely inability to pay, the patient's case will be submitted for review to the Ministry's CFO, who will make a recommendation to the Financial Assistance Committee. If approved for assistance, a 100% write off to financial assistance/charity care will be granted for all open accounts. Eligibility for financial assistance discounts for future dates of service will be determined at the dates such services are provided.

5. Refunding Patient Payments. No refunds will be given for payments made prior to the first date the patient applies for financial assistance, except in cases approved by the Financial Assistance Committee or Chief Legal Officer involving lack of effective communication with the patient or other extenuating circumstances.

6. Change in Status Notifications. If the patient with an outstanding bill or payment obligation has a change in his/her financial status, the patient should promptly notify the Central Billing Office (CBO) or hospital designee. The patient may request his/her and apply for financial assistance or a change in their payment plan terms.

7. Payment Arrangements. After the financial assistance/charity care discount has been applied, any remaining patient balances will eligible for payment arrangements in accordance with Patient Financial Services policies. If a patient is unable to meet the payment arrangement guidelines due to special patient or family circumstances limiting the patient's payment ability, the Financial Counselor or similar representative may review and recommend additional financial assistance/charity care to the Ministry Financial Assistance Committee for the Committee's review and recommendation.

8. Application of Financial Assistance Discounts to Patient Accounts. Once a financial assistance eligibility determination is made, the applicable discount will be applied to all of the patient's open or bad debt accounts for services prior to the approval date. For subsequent applications made within six (6) months of an eligibility determination, patients may be asked to verify information that was provided during the initial application process.

D. **Collection Practices**

1. Pre-Litigation Review. Prior to an account being authorized for the filing of suit for non-payment of a patient bill, a final review of the account will be conducted and approved by the Financial Counseling Representative (or designee) to make sure that no application of financial assistance was ever received and that there exists objective evidence that the patient does have sufficient financial means to pay all or part of his/her bill. Prior to a collections suit being filed, the Self-pay Collections Director must review and approve.

2. Residential Liens. No hospital will place a lien on the primary residence of a patient who has been determined to be eligible for Financial Assistance/Charity Care, for payment of the patient's undiscounted balance due. Further, in no case will any hospital execute a lien by forcing the sale or foreclosure of the primary residence of any patient to pay for any outstanding medical bill.

3. No Use of Body Attachments. No hospital will use body attachment to require any person, whether receiving Financial Assistance/Charity Care discounts or not, to appear in court.

4. Collection Agency Referrals. Each hospital Finance accounting will ensure that all collection agencies used to collect patient bills promptly refer any patient who indicates financial need, or otherwise appears to qualify for Financial Assistance/Charity Care discounts, to a financial counselor to determine if the patient is eligible for such a charitable discount.

E. **Patient Awareness of Policy and Availability of Assistance**

1. Signage. Signs, placards or similar written notices regarding the availability of Financial Assistance Charity Care will be visible in all hospitals at points of registration and other patient intake areas, to create awareness of the Financial Assistance program. At a minimum, signage will be posted in the emergency department, and the admission/patient registration area. All public information and/or forms regarding the provision of Financial Assistance will use languages that are appropriate for the Ministry's service area in accordance with the state's Language Assistance Services Act. This Policy will be translated to and made available in Spanish and other languages appropriate for each hospital.

2. Hospital Bill/Invoice. Patient bills, invoices or other summary of charges shall include a prominent statement that patients who meets certain income requirements may qualify for financial assistance and information regarding how a patient may apply for consideration under the hospital's financial assistance Policy.

3. Policy Availability. Upon request, any member of the public or state governmental body will be provided with a copy of this Financial Assistance/Charity Care Policy. A summary of the financial assistance is available pursuant to this Policy and will be available on the Presence Health website.

4. Application Forms. Forms used to determine a patient's eligibility for financial assistance will be made available at each hospital, ministry, and provided at registration to all patients who are identified as uninsured or at other appropriate times or locations if the patient's uninsured status is determined after registration.

F. **Monitoring and Reporting**

1. Maintenance of Financial Assistance/Charity Care Logs. A financial assistance log from which periodic reports can be developed shall be maintained. Financial assistance logs will be maintained for a period of ten (10) years. At a minimum, the financial assistance logs are to include:
    a. Account number
    b. Date of Service
    c. Application returned
    d. Application completed
    e. Total charges
    f. Self-pay balances
    g. Amount of Financial Assistance approved
    h. Date financial assistance was approved or rejected

2. Review of Financial Assistance/Charity Care Logs. The Financial Assistance log for each hospital will be printed monthly for review at the hospital Financial Assistance Committee meeting.

3. Financial Assistance Authorization Record Retention. A record, paper or electronic, should be maintained reflecting authorization of financial assistance. These documents shall be kept for a period of ten (10) years.

4. Annual Reports to Governmental Bodies. The cost of financial assistance will be reported annually in the Community Benefit Report to the Community, IRS 990 schedule H and in compliance with the IL Community Benefit Act. Charity Care will be reported as the cost of care provided (not charges) using the documented criteria for the reporting requirements.

FORMS AND OTHER DOCUMENTS

Eligibility Criteria for the Financial Assistance Program
Hospital Financial Assistance Program Cover Letter and Application
Room and Board Statement

REFERENCES

Section 12-1001 Illinois Code of Civil Procedure
Title XVIII Federal Social Security Act
Illinois Uninsured Patient Discount Act
Illinois Fair Patient Billing Act
Illinois Violent Crime Victims Compensation Act
Illinois Sexual Crime Victims Compensation Act
Women's, Infant, Children Program (WIC)
IL Community Benefit Act
Internal Revenue Service (IRS) 990 Schedule H
Section 501(r) of the Internal Revenue Code (instituted by the Patient Protection and Affordable Care Act)
Ethical and Religious Directives for Catholic Health Services, Part 1
System Policy – Payment Arrangement

TITLE: ACCEPTING END STAGE RENAL DISEASE PATIENTS FOR TREATMENT

PURPOSE: To establish requirements for admitting End Stage Renal Disease (ESRD) patients to a DaVita dialysis facility and to allow DaVita to obtain necessary information from the patient/personal representative and to enter the correct information into the appropriate information system prior to providing dialysis treatment to a patient at a DaVita dialysis facility.

DEFINITION(S):

Guest patient: A patient who is visiting a facility and plans to return to his/her home facility within 30 days. A guest patient refers to patients visiting from a non-DaVita facility to a DaVita facility as well as visiting from a DaVita facility to another DaVita facility.

Medical Evidence Report Form (CMS 2728): Required by Medicare to determine if an individual is medically entitled to Medicare under the ESRD provisions of the law and to register patients with the United States Renal Data System. The 2728 form is used as the primary source in determining the COB for patients insurance. Physicians have a 45 day grace period to sign the 2728 form when the patients are new to dialysis. Patients are only required to complete the 2728 form once, not for every facility visit or transfer.

Medicare Secondary Payor Form (MSP): Determines if a commercial Employer Group Health Plan (EGHP) (or other insurance carrier) will be primary payor. This form is completed online in the Registration System and must be completed for all patients who have Medicare coverage when they start treatment at DaVita.

Patient Authorization and Financial Responsibility Form (PAFR): Document that informs patients of their financial obligations regarding services provided to them by DaVita. The form must be signed and witnessed prior to the start of the first dialysis treatment By signing the PAFR, the patient/personal representative is assigning the payment for services provided by DaVita, directly to DaVita from insurance companies. The PAFR form must be signed each year at each DaVita facility where the patient treats.

Note: California facilities for all Medi Cal (Medicaid program for California) patients a new form must be signed the first full week in January regardless of dialysis start date. Example: First date of DaVita Dialysis 12-31-2011, need PAFR for December and one for January 2012.

Permanent patient: A patient who has selected a DaVita dialysis facility as his/her home facility.

Personal Representative: An individual who is legally appointed, designated and/or authorized pursuant to state law to: (a) make health care decisions on behalf of a patient, or (b) act on behalf

of a deceased individual or a deceased individual's estate. Reference *Personal Representatives of Patients* (available on the HIPAA website on the VillageWeb).

Transfer patient: An existing dialysis patient who is permanently relocating from any dialysis facility to a DaVita dialysis facility. Once the transfer is complete, the patient will become a "permanent patient."

POLICY:

1. DaVita will accept and dialyze patients with renal failure needing a regular course of dialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, or disability if:

    a. The patient's care can be managed in an outpatient dialysis facility according to individual modality;

    b. The patient is under the care of a nephrologist who is credentialed in the DaVita facility;

    c. There is adequate treatment space, equipment and appropriately trained staff available to provide appropriate care to the patient;

    d. The patient (a) has been verified as Medicare or Medicaid eligible and/or has private insurance coverage issued by an Insurance Provider licensed and operating in the United States or United States Territories which has been verified, and from which an authorization for treatment has been received by DaVita as required, (b) accepts financial responsibility for care by signing the *Patient Authorization & Financial Responsibility* (PAFR) Form.

        i. Patients who are uninsured must be authorized at the facility level with written approval by the facility's Divisional Vice President (DVP), or their designee, prior to treatment. (*Cash Payment Fee Schedule for Patients with no Insurance Coverage Policy (available on the ROPS website on the VillageWeb)*).

        ii. Patients who have an out-of-state Medicaid plan that will not pay for treatment must be authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.

        iii. Patients who are out-of-network and have no out of network benefits must be authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.

2. Patients without adequate medical insurance coverage will be responsible to pay their portion of the cost of providing treatment prior to actual treatment.

3. All visiting patients, including patients visiting a non-contracted facility, will be responsible to sign a new PAFR Form specific to the visiting facility.

4. A Purchase Order for services and treatments outside of their area is required prior to treatment for patients who have Indian Health Services coverage.

5. Any new patient who is uninsured must be approved for treatment by the facility's DVP, or their designee, prior to treatment.

6. DaVita dialysis facility will transmit the required information to the corresponding Corporate Business Office (CBO) ROPS registration teammate upon notification of a new or visiting patient.

7. ROPS registration teammate will verify all insurances and obtain authorization if needed to complete the registration process.

8. Guest patients must make payment for non-covered, and out of network (including out of state Medicaid plans that do not pay for treatment) services in the form of cashiers check, money order, travelers check, American Express, Visa, Discover or MasterCard prior to treatment. Please see *Money Received at Centers Policy* and *Credit Card Process Policy (available on the ROPS website on the VillageWeb).*

9. DaVita will bill using the name and number as it appears on the beneficiary Medicare card or other document confirming the patient's health care coverage through a third party, and as the patient's name is confirmed by two (2) additional forms of identification which has the patient's current legal name listed on it. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the Team Quest website of the VillageWeb) for acceptable forms of personal identification.. Reference DaVita's *Entering Patient's Name Policy* (available on the ROPS website on the VillageWeb) for guidance on entering patient name into DaVita systems.

10. If any information on the beneficiary Medicare card is incorrect, DaVita will advise the beneficiary to contact their local servicing Social Security Office to obtain a new Medicare card.

11. If information contained on the insurance card is incorrect, DaVita will advise the policyholder to contact their insurance company to obtain a new insurance card. All insurance cards should match the patient's identification. The patient must produce evidence that a change was initiated with the appropriate insurance carrier within 90 days of the noted discrepancy.

12. There are three (3) mandatory data elements for any patient to be registered in Registration System. These fields must be completed accurately prior to treatment. Required Registration System fields are:

a. First and last name;

b. DOB (date of birth), and

c. Anticipated start date at DaVita.

13. Unless otherwise provided for under this policy, prior to the admission to the facility, all patients, including Transfer, Guest, and Permanent Patients will be given the following documents to read and sign:

    a. Patient's Rights;

    b. Patient's Responsibilities;

    c. Patient Authorization and Financial Responsibility Form (PAFR);

    d. Patient's Standards of Conduct;

    e. Patient Grievance Procedure;

    f. Authorization for and Verification of Consent to Hemodialysis/Peritoneal Dialysis;

    g. Reuse Information Consent form;

    h. Caretaker Authorization form;

    i. HIPAA Notice Acknowledgement form; and

    j. Affidavit of Patient Identification form (Note: This form is only given if the patient or Personal Representative on behalf of the patient is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence upon admission or within seven (7) days of admission).

14. The patient/personal representative will agree to follow the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure*. (Refer to *Patient's Standards of Conduct; Patient Grievance Procedure; Patient Rights and Responsibilities* available on the Clinical P&P website in Volume 3 on the VillageWeb.)

15. Guest Patients are only required to sign the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure* one time for each DaVita facility they visit, as long as these forms are visibly posted at the facility, unless there are changes made to any of those forms/policies, or state specifications require otherwise.

16. Listed below are the following documents that are required for in-center dialysis patients and home dialysis patients prior to admission to a DaVita Dialysis facility:

    a. Two (2) forms of personal identification, in addition to the patient's insurance card, verifying the patient's legal name and current legal residence, one of which is a picture ID. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the Team Quest website of the VillageWeb) for acceptable forms of personal identification.

a. All copies of patient's current insurance cards-front and back;

b. Copy of History and Physical (within the last year – must be legible);

c. For Hepatitis and TB testing requirements, refer to policies: *Hepatitis Surveillance, Vaccination and Infection Control Measures* and *Tuberculosis Infection Control Policy* (available on the Clinical P&P website in Volume I on the VillageWeb); Note: Hepatitis C testing is recommended, but not required.

d. If patient is a new ESRD patient, pre dialysis labs including hematocrit or hemoglobin, albumin, BUN, creatinine, and, if available, creatinine clearance and/or urea clearance drawn within 45 days prior to first day of dialysis;

e. Monthly labs within 30 days prior to first treatment date including hematocrit, hemoglobin, URR and electrolytes;

f. Copies of three (3) flowsheets within two (2) weeks of requested treatment(s) for patients who have previously dialyzed;

g. Copy of current hemodialysis orders for treatment;

h. EKG, if available, OR if patient has known heart condition;

i. Patient demographics;

j. Copies of most recent Plan of Care , Nursing, Dietary and Social Work Assessments and most recent progress notes for patients who have previously dialyzed;

k. Current list of medications being administered to patient in-center and at home;

l. Advance Directives, if applicable;

m. Initiation of CMS 2728. Once completed, within the 45-day guideline, it should include the patient's and nephrologist's signature and date. This is the official

document of the patient's first date of dialysis ever, first dialysis modality, and provides transplant information, if applicable;

n. *Patient Authorization & Financial Responsibility Form* (PAFR). Must be signed and witnessed prior to the start of the first dialysis treatment. This form allows DaVita to receive payment from insurance companies and informs the patient of the financial responsibilities regarding treatment provided to them. Without a signed PAFR Form, we may not be reimbursed for services provided to the patient;

o. Medicare Secondary Payor Form (MSP). Determines if a commercial Employer Group Health Plan (EGHP) will be primary payor. Must be completed for all patients who have Medicare coverage when they start treatment at DaVita;

p. DaVita's *Notice of Privacy Practices*. Each patient/personal representative will be provided with the notice.

17. If the patient, or Personal Representative on behalf of the patient, is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence, the teammate admitting the patient should follow the procedures set forth in the *Patient Identification and Verification Policy* (available on the Clinical P&P website in Volume 3 on the VillageWeb), and any other relevant policies based on the situation at hand.

18. Any conflict with the criteria established or refusal to sign appropriate consents and authorization to bill would constitute a need for prior written authorization by the facility's DVP or designee.

19. A permanent DaVita patient may be treated at a DaVita facility other than his /her home facility without completing the required documentation, excluding the PAFR, when:

    a. The attending nephrologist has privileges at both the facilities in question (the patient's home facility and the anticipated visiting facility);

    b. A visiting record is generated by the home facility at least one hour before the scheduled treatment;

    c. The Facility Administrator (FA) at the visiting facility agrees to treat the patient; and

    d. The visiting facility has the space and resources to treat the patient.

    e. PAFR is always required.

20. All other exceptions to this policy are subject to approval by the DVP for the region/division.

ATTACHMENTS:

Attachment A: Procedures for Accepting Patients for Treatment

Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager, to the Corporate Compliance Hotline (1-888-458-5848 or DaVitaComplianceHotline.com) or to DaVita's Corporate Compliance Department (1-888-200-1041 x156037). DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality. Questions regarding this policy should be directed to the QUESTionline@davita.com.

TITLE: PROCEDURES FOR ACCEPTING END STAGE RENAL DISEASE PATIENTS FOR TREATMENT

PURPOSE: To establish procedures for accepting patients for treatment in accordance with the *Accepting End Stage Renal Disease Patients for Treatment* policy.

DEFINTIONS:

Personal Representative: An individual who is legally appointed, designated and/or authorized pursuant to state law to: (a) make health care decisions on behalf of a patient, or (b) act on behalf of a deceased individual or a deceased individual's estate. Reference the *Personal Representatives of Patients* (available on the HIPAA website on the VillageWeb).

POLICY:

1. DaVita dialysis facility will gather all the required documents and patient information (for new patients) to properly register the patient into the Registration System and Snappy information systems.

PROCEDURE(S):

A. Patient Registration Procedures for all New or Visiting patients:

1. The facility's Social Worker (SW) or designee will interview all new patients to determine whether a patient has adequate medical insurance coverage.

2. If patient is an established DaVita patient, the patient's current Patient Financial Evaluation (PFE) will follow the patient to the DaVita facility they are visiting.

3. Prior to scheduling the patient for treatment, the following fields must be completed:

    a. First and last name;

    b. Date of birth; and

    c. Anticipated start date at DaVita.

4. Insurance information is required on all patients regardless of insurance type or coverage. The insurance information must include:

    a. Insurance Company/Companies and phone number(s) (patient may have more than one type of insurance); and

    b. Insurance Policy ID number (for each insurance).

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5. The facility will then transmit the initial key information to the appropriate CBO/Registration Teammate as soon as notified of intent to treat a patient at a DaVita dialysis facility. The transmission of the additional information listed below will help complete the registration process.

    a. Demographics;

    b. Address, permanent and billing;

    c. Social Security number;

    d. Ethnicity;

    e. Emergency numbers;

    f. Provider information;

    g. Credentialed nephrologist:

    h. Clinical Information;

    i. First Date of Dialysis (FDOD);

    j. Modality type;

    k. Primary diagnosis for dialysis;

    l. Primary cause for ESRD from CMS 2728 form;

    m. Method (home patient supplies);

    n. Employed Status (required on patient, spouse, guardian or child) if there is an Employer Group Health Plan (EGHP). A Registration Teammate can unlock the Insurance Change Request (ICR) so the facility may complete this information. If the insurance subscriber is someone other than the patient, Registration Teammate will require the DOB of the subscriber;

    o. Date(s) of previous transplant(s), if applicable; and

    p. MSP Form completed online in Registration System (if patient is Medicare eligible).

6. If the patient does not have a Social Security Number (SSN); please call Palms Customer Support at DaVita Laboratories @ 1-800-944-5227 to obtain a Reflab number. The Reflab number will be used by DaVita Laboratories and populated into Registration System.

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7. Prior to the start of the first dialysis treatment, the patient or the patient's Personal Representative must sign, and have witnessed by a Registered Nurse, the Authorization for and Verification of Consent to Hemodialysis Procedure Form or the Authorization for and Verification of Consent to Peritoneal Dialysis Procedure Form.

8. The *Patient Authorization & Financial Responsibility* (PAFR) *Form* must be signed and dated by the patient or the patient's Personal Representative annually at each DaVita facility the patient is treated, and witnessed, prior to the start of the first dialysis treatment.

9. The facility will give the patient or the patient's Personal Representative DaVita's *Notice of Privacy Practices* (available on the HIPAA website on the VillageWeb). The HIPAA Notice Acknowledgement Form must be signed by the patient or the patient's Personal Representative or by a teammate prior to the start of the first dialysis treatment.

10. The patient/Personal Representative or a DaVita teammate must sign the Notice of Acknowledgement Form attesting that the patient received DaVita's *Notice of Privacy Practices.*

11. All additional forms, specific to the patient's modality, are to be signed prior to, or within 30 days of the first treatment.

12. The following documents must be scanned into Registration System prior to or within seven (7) days of the first treatment:

    a. An insurance card for each insurance;

    b. Insurance letter for Authorization/Referral if the insurance carrier requires an authorization; and

    c. Two (2) forms of personal identification, in addition to the patient's insurance card, verifying the patient's legal name and current legal residence, one of which is a picture ID. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the Team Quest website of the VillageWeb) for acceptable forms of personal identification.

13. If the patient, or Personal Representative on behalf of the patient, is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence, the teammate admitting the patient will follow the procedures set forth in the *Patient Identification and Verification Policy* (available on the Clinical P&P website in Volume 3 on the VillageWeb).

14. A signed CMS 2728 form must be completed, signed and scanned into Registration System within 45 days of the first treatment date. This is scanned into Registration System one (1) time only.

15. The dialysis facility will fax the following required documents to 1-888-720-4008 for electronic imaging:

    a. Patient Authorization & Financial Responsibility Form (PAFR);

    b. Authorization for and Verification of Consent to Hemodialysis Procedure Form (if applicable);

    c. Authorization for and Verification of Consent to Peritoneal Dialysis Procedure Form (if applicable);

    d. Reuse Information Consent Form (if applicable);

    e. Patient's Rights;

    f. Patient's Responsibilities;

    g. Patient's Standards of Conduct;

    h. Patient Grievance Procedure;

    i. Dialysis Emergency Form/Emergency Evacuation Acknowledgement (Hemodialysis patients);

    j. Patient's Choice of Transportation; and/or

    k. Caretaker Authorization.

16. The facility will file all original documents in the patient's medical record.

B. Visiting DaVita Patient Procedures:

1. The facility will verify that the documents and patient information for existing patients are current within the Registration System.

2. PAFR must be signed specific to the clinic being visited.

3. The home facility must setup a transfer record for a returning DaVita patient. This may be entered up to 30 days in advance.

4. The facility will transmit the required information to the corresponding CBO/Registration Teammate as soon as possible upon notification of a returning visiting patient.

5. ROPS registration teammate will verify all insurances and obtain authorization if needed to complete the registration process.

C. Registration Teammate Procedures:

1. Registration teammate will complete the system driven tasks generated from Registration System for the new patient to continue the patient intake process within 48 hours of receipt of patient information.

    a. Registration teammate will complete one Benefits Verification Form (BVF) for each insurance.

    Registration teammate will obtain authorization if required by the insurance carrier. If no authorization can be obtained, the Registration teammate Representative will update Registration System Notes and notify the Facility Administrator with the information as described in ROPS *Patient Limited Benefit Alert process.*

    b. Contact the facility for any additional information required to register the patient into Registration System.

    c. Registration Teammate will respond to inquires made by the dialysis facility within a 24-hour period.

D. Exceptions to these Procedures:

1. The documentation requirement for visiting DaVita to DaVita patients may be waived by the facility administrator under specific conditions described here:

    a. The referring physician has privileges at both the home and the visiting facility;

    b. A transfer record has been created at least one hour before the patient arrives for treatment; and

    c. The visiting facility has the resources and space to accept the patient for dialysis.

2. Under this exception, the visiting facility must have the patient sign:

    a. *Patient Authorization & Financial Responsibility Form* (PAFR); and

    b. *Authorization and Consent for Treatment (Hemodialysis / Peritoneal Dialysis)*

Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager, to the Corporate Compliance Hotline (1-888-458-5848 or DaVitaComplianceHotline.com) or to DaVita's Corporate Compliance Department (1-888-200-1041 x156037). DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality. Questions regarding this policy should be directed to the QUESTionline@davita.com.

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TITLE: FINANCIAL RESPONSIBILITIES: PATIENTS

PURPOSE: To outline the financial responsibilities and rules for patients treated in dialysis facilities owned or managed by DaVita Inc. Each of these facilities will be referred to as a DaVita facility.

POLICY:

1. DaVita will accept for treatment at each DaVita facility, from a physician with admitting privileges to the facility, all patients who (a) require dialysis services; (b) comply with the patient financial responsibilities as set forth in this policy; (c) meet all other patient responsibilities required by DaVita policies; and (d) either permanently reside in the community served by the DaVita facility or satisfy DaVita's visiting patient criteria. Acceptance for treatment shall be without regard to age, national origin, disability, race, creed, religion or other factors unrelated to the provision of appropriate medical care per DaVita policies: *Accepting Patients for Treatment* and *Patient Discharge*.

   - "Referring physician" means any physician who has been granted admitting privileges to a DaVita facility in accordance with the DaVita Medical Staff Bylaws/Rules and Regulations.

2. Exceptions to the above can only be made with the advance approval of the responsible DaVita Regional Director. Such exceptions will be done on a case-by case basis only.

3. DaVita's goal is to obtain compliance with this policy and other DaVita policies governing patient responsibilities, not to discharge patients. However, if all efforts to encourage and ensure cooperation fail, non-compliant patients may be discharged from the DaVita facility.

4. Visiting patients are addressed in this policy/procedure and the DaVita policy for *Financial Responsibility: Visiting Patients*. Visiting patients do not live within the facility service area; therefore, DaVita will not accept responsibility to treat these patients unless they comply with all applicable policies and procedures related to visiting patients.

Responsibility for Payment:

1. The patient (or guardian/guarantor, if applicable) is responsible for full payment of all services provided by DaVita.

2. Any deductibles, co-insurance, co-pays and uninsured amounts are the responsibility of the patient and should be paid in full within 30 days of receipt of the billing statement by the patient unless other arrangements have been made.

3. If during the course of ascertaining the appropriate patient demographic and/or third party insurance information, it is suspected that the patient is providing false information to obtain DaVita's services, the teammate will notify the Facility Administrator immediately, who will then conduct further activity in accordance with the *Potential Misuse of Public and Private Health Care Program Benefits to Obtain Health Care Services from DaVita* policy.

4. DaVita will not knowingly submit claims for payment based on false information.

5. Patients who do not have insurance coverage for 100% of their financial liability will be offered financial counseling by a DaVita Social Worker or other appropriate teammate to determine if any other programs or benefits may be available to the patient to assist in full payment for the patient's medical services and needs.

6. The patient or the guardian/guarantor is expected to pay the full amount due within 30 days of receipt of the statement. Patients who fail to pay their liabilities may be offered an option of payment terms. Payment terms and liability will be based on a patient's ability to pay as determined by the Patient Financial Report. The patient will be required to provide DaVita with full, verifiable financial disclosure. If a satisfactory payment schedule is not agreed upon or a Patient Financial Report is not completed, DaVita will pursue and expect full payment from the patient or legal guardian/guarantor.

7. If the patient receives insurance monies from the insurance company to pay a specified claim due DaVita and refuses to turn said money over to DaVita, the patient will be added to the Patient Liability Report and may be referred to an external collection agency.

8. Financial liabilities for deceased patients will be billed to the patient's estate or legal guardian/guarantor.

Patient Assistance:

1. After counseling with a DaVita Social Worker or other appropriate teammate, patients may be eligible to submit a request for financial assistance per DaVita's Patient Financial Evaluation Policy, the policy for the American Kidney Fund Health Insurance Premium Program and other assistance programs as are made available to patients.

Patient Compliance:

1. Patients are expected to cooperate fully with DaVita efforts to secure appropriate reimbursement for treatment. Cooperation includes, but is not limited to:

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- Supplying DaVita with true, correct, accurate, and valid identification, demographic and insurance coverage information in a timely manner.
- Applying for any and all available health care program benefits and other sources of financial aid or subsidy available to the patient that would improve the individual patient's health care coverage, including but not limited to Medicare, state Medicaid Assistance or state renal programs where applicable.
- Paying insurance coverage premiums on time; and/or requesting assistance from the facility's Social Worker or other appropriate teammate for seeking aid from other sources, including but not limited to, the American Kidney Fund Health Insurance Premium Program.
- Supplying true, correct, accurate, and valid information in response to all requests for information made by third party payers.
- Notifying the facility Social Worker or other appropriate teammate of changes in insurance, demographic or financial status that may affect healthcare.
- Providing required documentation of all home care treatments.

2. When a patient refuses to cooperate with DaVita financial policies and/or other DaVita policies governing patient responsibilities, discharge from the facility may result per this policy and the policy for *Patient Discharge*.

Other:

1. To the extent that this policy may not be in compliance with the terms and provisions of any agreement between DaVita and a third party payer, the provisions of the third party payer agreement will prevail with respect to patients served by the DaVita facilities to which the third party agreement applies.

2. To the extent that this policy may be in conflict with local, state or federal law(s), the provisions of such law(s), if any, prevail with respect to patients served by the DaVita facility.

Patient Overpayments:

1. DaVita will make every effort to refund overpayments made by patients in a timely manner.

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DaVita.

1551 Wewatta Street
Denver, CO 80202
Tel: (303) 405-2100
www.davita.com

June 12, 2012

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

Re: Admission Policies

Dear Chairman Galassie:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that the admissions policy for Resurrection Medical Center will not become more restrictive as a result of the proposed change of ownership.

Sincerely,

James K. Hilger
Chief Accounting Officer
DaVita Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This 12th day of June, 2012

Linda N. O'Connell
Notary Public

LINDA N. O'CONNELL
NOTARY PUBLIC
STATE OF COLORADO
MY COMMISSION EXPIRES 06-08-2015

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(d), Health Care System

1. Impact on Other Area Providers

   There will be no change in the scope of services as a result of the acquisition of the RMC Dialysis Center. DaVita intends to continue to provide dialysis services to patients in Cook County and surrounding areas through the existing facilities. All anticipated changes will be operational to align the RMC Dialysis Center with the operations and resources available within DaVita and which are customary for all DaVita facilities. The merger will not impact other unaffiliated area dialysis facilities as the transaction consists of a change of control of the operating entity.

2. Facilities within Applicant's Health Care System

   A list of all DaVita facilities in Illinois is attached at Attachment – 19F. The list includes the name, address, number of stations, list of services, and utilization for the most recent 12 month period.

3. Present and Proposed Referral Agreements

   There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

4. Time and Distance for Proposed Referrals

   There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

5. Use of Care System Providers

   The change of ownership of RMC Dialysis Center will have no impact on area in-center hemodialysis facilities. The change of control will not restrict the use of other area health care providers and the DaVita facilities, including the integrated RMC Dialysis Center, will have open medical staffs and admit patients pursuant to a non-discriminatory admission policy.

6. Duplication of Services

   As set forth throughout this application, the proposed transaction contemplates a change of ownership of RMC Dialysis Center. Total Renal Care, Inc. will acquire substantially all of the assets of the RMC Dialysis Center. Because the proposed transaction involves the acquisition of an existing in-center hemodialysis facility, there will be no duplication of services.

7. Services Not Available to the Community

   DaVita will continue to provide dialysis services currently provided in the RMC Dialysis Center. No new services are planned for the acquired facility; however, as new treatment options and technology evolve, DaVita will implement new treatment modalities as warranted.

DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Barrington Creek	28160 W. Northwest Highway		Lake Barrington	Lake	IL	60010	
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	142599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
DSI Arlington Heights Renal Center	17 West Golf Road		Arlington Heights	COOK	IL	60005-3905	14-2628
DSI Buffalo Grove Renal Center	1291 W. Dundee Road		Buffalo Grove	COOK	IL	60089-4009	14-2650
DSI Evanston Renal Center	1715 Central Street		Evanston	COOK	IL	60201-1507	14-2511
DSI Hazel Crest Renal Center	3470 West 183rd Street		Hazel Crest	COOK	IL	60429-2428	14-2622
DSI Loop Renal Center	1101 South Canal Street		Chicago	COOK	IL	60607-4901	14-2505
DSI Markham Renal Center	3053-3055 West 159th Street		Markham	COOK	IL	60428-4026	14-2575
DSI Schaumburg Renal Center	1156 S Roselle Rd		Schaumburg	COOK	IL	60193-4072	14-2654
DSI Scottsdale Renal Center	4651 West 79th Street	Suite 100	Chicago	COOK	IL	60652-1779	14-2518
DSI South Holland Renal Center	16136 South Park Avenue		South Holland	COOK	IL	60473-1511	14-2544
DSI Waukegan Renal Center	1616 North Grand Avenue	STE C	Waukegan	COOK	IL	60085-3676	14-2577
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580

DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Lake County Dialysis Services	918 S MILWAUKEE AVE		LIBERTYVILLE	LAKE	IL	60048-3229	14-2552
Lake Park Dialysis	1531 E HYDE PARK BLVD		CHICAGO	COOK	IL	60615-3039	14-2717
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD		IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2659 N MILWAUKEE AVE	1ST FL	CHICAGO	COOK	IL	60647-1643	14-2534
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 Development Drive		Charleston	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674

DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Olympia Fields Dialysis Center	4557B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Silver Cross Renal Center - New Lenox	1890 Silver Cross Boulevard		NEW LENOX	WILL	IL	60451	
Silver Cross Renal Center - West	1051 Essington Road		Joliet	WILL	IL	60435	
Silver Cross Renal Center - Morris	1551 Creek Drive		MORRIS	GRUNDY	IL	60450	
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 South 6th Street		Springfield	SANGAMON	IL	62703	
Stonecrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639

DaVita, Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

The project will be funded entirely with cash and cash equivalents. A copy of DaVita's 2011 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the application for Project No. 12-034.

Section IX, Financial Feasibility
Criterion 1120.130 – Financial Viability Waiver

The project will be funded entirely with cash. A copy of DaVita's 2011 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the application for Project No 12-034.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment 42-A is a letter from James K. Hilger, Chief Accounting Officer of DaVita, Inc. attesting the total estimated project costs will be funded in total with cash.

Attachment – 42A

DaVita.

1551 Wewatta Street
Denver, CO 80202
Tel: (303) 405-2100
www.davita.com

June 12, 2012

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

Re: Reasonableness of Financing Arrangements

Dear Chairman Galassie:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents.

Sincerely,

James K. Hilger
Chief Accounting Officer
DaVita Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This 12th day of June, 2012

Linda N. O'Connell
Notary Public

LINDA N. O'CONNELL
NOTARY PUBLIC
STATE OF COLORADO
MY COMMISSION EXPIRES 06-08-2015

Service Excellence • Integrity • Team • Continuous Improvement • Accountability • Fulfillm

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

The project will be funded entirely with cash. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(c), Reasonableness of Project and Related Costs

The Applicants propose a change of ownership of RMC Dialysis Center. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: $2,211,309

Treatments: 9,107

Operating Expense per Treatment: $242.81

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs: $51,988

Treatments: 9,107

Capital Costs per Treatment: $5.71

Attachment – 42E

Section XI, Safety Net Impact Statement

The Applicants propose a change of ownership of RMC Dialysis Center. A change of ownership constitutes a non-substantive project. Accordingly, this criterion is not applicable.

Section XII, Charity Care Information

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by the Applicants.

CHARITY CARE			
	2008	2009	2010
Net Patient Revenue	$138,964,396	$149,370,292	$161,884,078
Amount of Charity Care (charges)	$297,508	$597,263	$957,867
Cost of Charity Care	$297,508	$597,263	$957,867

Attachment – 44

150179.7

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