ORIGINAL

12-091

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
NOV 13 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: *BMA Carbondale**
Street Address: *1425 East Main Street*
City and Zip Code: *Carbondale 62901*
County: *Jackson* Health Service Area 5 Health Planning Area:

**Clinic name will be changed to Fresenius Medical Care Carbondale after relocation*

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

Exact Legal Name: *Bio-Medical Applications of Illinois, Inc. d/b/a BMA Carbondale*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Rice Powell*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of Applicant/Co-Applicant

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

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

Name: *Richard Alderson*
Title: *Regional Vice President*
Company Name: *Fresenius Medical Care*
Address: *One Cityplace Drive, Suite 160, St. Louis, MO 63141*
Telephone Number: *314-872-1714 Ext. 11*
E-mail Address: *richard.alderson@fmc-na.com*
Fax Number: *314-872-7012*

Post Permit Contact

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

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

Additional Contact

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

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

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *MCB Development Group*
Address of Site Owner: *3010 LBJ Freeway, Suite 1400, Dallas, Texas 75234*
Street Address or Legal Description of Site: *1425 East Main Street, Carbondale, IL* **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.**
5-9 **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: *Bio-Medical Applications of Illinois, Inc. d/b/a BMA Carbondale*

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

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

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

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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.

Bio-Medical Applications of Illinois, Inc. proposes to discontinue its 24-station ESRD facility located at 725 South Lewis Lane, Carbondale, IL. In conjunction with this discontinuation we will establish a replacement 24-station ESRD facility at 1425 East Main Street, Carbondale. This is essentially a relocation of the existing facility. The relocated facility will be in leased space with the interior to be built out by the applicant.

Both locations are in HSA 5.

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

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,848,561	N/A	1,848,561
Contingencies	183,951	N/A	183,951
Architectural/Engineering Fees	189,837	N/A	189,837
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	341,625	N/A	341,625
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space 2,511,783 or Equipment 357,050	2,868,833	N/A	2,866,833
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	5,432,807		5,432,807
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	2,563,974	N/A	2,563,974
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	2,868,833	N/A	2,868,833
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	5,432,807	N/A	5,432,807

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

Related Project Costs

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

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

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

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

Estimated start-up costs and operating deficit cost is $ 236,837.

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): 12/31/2014

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

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

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

State Agency Submittals

Are the following submittals up to date as applicable:

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

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

Cost Space Requirements

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

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

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

CERTIFICATION

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

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

This Application for Permit is filed on the behalf of *Bio-Medical Applications of Illinois, 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
PRINTED NAME **Bryan Mello**	PRINTED NAME Mark Fawcett
PRINTED TITLE **Assistant Treasurer**	PRINTED TITLE Vice President & Treasurer
Notarization: Subscribed and sworn to before me	Notarization: Subscribed and sworn to before me
this _____ day of _____ 2012	this 18 day of July 2012
Signature of Notary	Signature of Notary
Seal	Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

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

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

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

SIGNATURE	SIGNATURE
PRINTED NAME: Bryan Mello	PRINTED NAME: Mark Fawcett
PRINTED TITLE: Assistant Treasurer	PRINTED TITLE: Vice President & Asst. Treasurer
Notarization: Subscribed and sworn to before me this _____ day of _____ 2012	Notarization: Subscribed and sworn to before me this 18 day of July 2012
Signature of Notary	Signature of Notary
Seal	Seal

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

*Insert EXACT legal name of the applicant

SECTION II. DISCONTINUATION

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PURPOSE OF PROJECT

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

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

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

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

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

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

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

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

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

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

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

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

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

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

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

Provide the following information:

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

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

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

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

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

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

Submit the following:

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

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

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

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

G. Criterion 1110.1430 - In-Center Hemodialysis

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:

2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
■ In-Center Hemodialysis	24	24

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service	N/A	X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities	N/A		X
1110.1430(d)(2) - Documentation	N/A		X
1110.1430(d)(3) - Documentation Related to Cited Problems	N/A		X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

4. Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

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

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

VIII. - 1120.120 - Availability of Funds

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

2,563,974	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
N/A	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
N/A	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
2,868,833	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
N/A	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
N/A	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
N/A	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
5,432,807	**TOTAL FUNDS AVAILABLE**

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

IX. 1120.130 - Financial Viability

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

2. Variance ***NOT APPLICABLE***

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

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

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

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

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

B. Conditions of Debt Financing

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

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

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

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

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

XI. Safety Net Impact Statement

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

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

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

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

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

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

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

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

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

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

Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

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

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

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

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

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

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

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

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

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
1	Applicant/Co-applicant Identification including Certificate of Good Standing	22-23
2	Site Ownership	24-27
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	28
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	29
5	Flood Plain Requirements	30
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22	Acute Mental Illness	
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28	General Long Term Care	
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File Number 5067-500-9

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

BIO-MEDICAL APPLICATIONS OF ILLINOIS, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON JUNE 10, 1975, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 9TH *day of* JULY *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

Authentication #: 1219101328

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

Certificate of Good Standing
ATTACHMENT - 1

Co-Applicant Identification

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

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

Type of Ownership of Applicant/Co-Applicant

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *MGB Development Group, LLC*
Address of Site Owner: *3010 LBJ Freeway, Suite 1400, Dallas, Texas 75234*
Street Address or Legal Description of Site: *1425 East Main Street, Carbondale, IL 62901*

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

MGB
Development
Group

June 14, 2012

Charles Newth
Senior Real Estate Manager
Real Estate and Construction Services
Fresenius Medical Care North America
Reservoir Woods
920 Winter Street
Waltham, MA 02451-1457
charles.newth@fmc-na.com
phone: (781) 699-9993
fax: (781) 699-9776

Re: **Letter of Intent to Lease the Property located at 1425 East Main Street, Carbondale, IL 62901**

Dear Charles,

This letter is intended to outline certain business points of the pending building lease transaction for the Property referenced herein as follows:

Parties:	Landlord:	MGB Development Group, LLC or its assigns
	Tenant:	Bio-Medical Applications of Illinois, Inc., a Delaware corporation, d/b/a Fresenius Medical Care Carbondale
	Guarantor:	Fresenius Medical Care Holdings, Inc.
Property:	The Property to be purchased, renovated, and leased to Tenant consists of +/- 12,927 gross square feet on +/-3.88 acres located at 1425 East Main Street, Carbondale, IL 62901; the Property is as shown on **Exhibit "A"** attached hereto.	
Primary Lease Term:	15 years	
Options to Renew	Three (5) five year options	
Rental Rate:	The rental rate is estimated at $17.99/sf for 12,927 gsf, to be adjusted based on final project costs. Rental Rate shall increase 1.7% per year.	
Lease Commencement:	Ninety (90) days after Shell Building Substantial Completion	
Landlord Responsibilities:	(a) Warranty all building defects for one (1) year per contractor warranties. (b) The Landlord, at its cost, will maintain the structure of the building to include foundation, slab, columns, walls and roof throughout the lease	

term. In addition, be responsible for repairs to or replacement of heating/air conditioning equipment servicing the Premises for any single repair for the portion of the costs that exceeds Two Thousand Five Hundred Dollars ($2,500.00) per repair. The Two Thousand Five Hundred Dollar ($2,500) repair and maintenance allowance shall escalate by two percent (2%) annually.

Tenant Responsibilities: (a) Tenant shall at its sole cost and expense keep and maintain the non-structural portions of the interior of the Premises, including all Tenant Improvements and Alterations, in good order and repair and free of refuse and rubbish.
(b) Tenant shall pay all utility service charges directly, and Tenant shall pay directly or reimburse Landlord for all building insurance and tax bills by the required payment date.

Contingency: Lease shall be contingent on Tenant obtaining a Certificate of Need from the Illinois Department of Health in order to relocate the facility and continue operations at the new Property.

This letter is non-binding but is intended to provide an outline for drafting the formal lease agreement between the Parties.

Best Regards,

Paul Brown

Paul Brown
Partner
MGB Development Group

ACCEPTED, AGREED AND APPROVED:

By: _____

Name: _____
(Please print)

Title: _____

Date: _____

Address: _____

Telephone/Email: _____

Exhibit "A"

Property

Operating Identity/Licensee

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

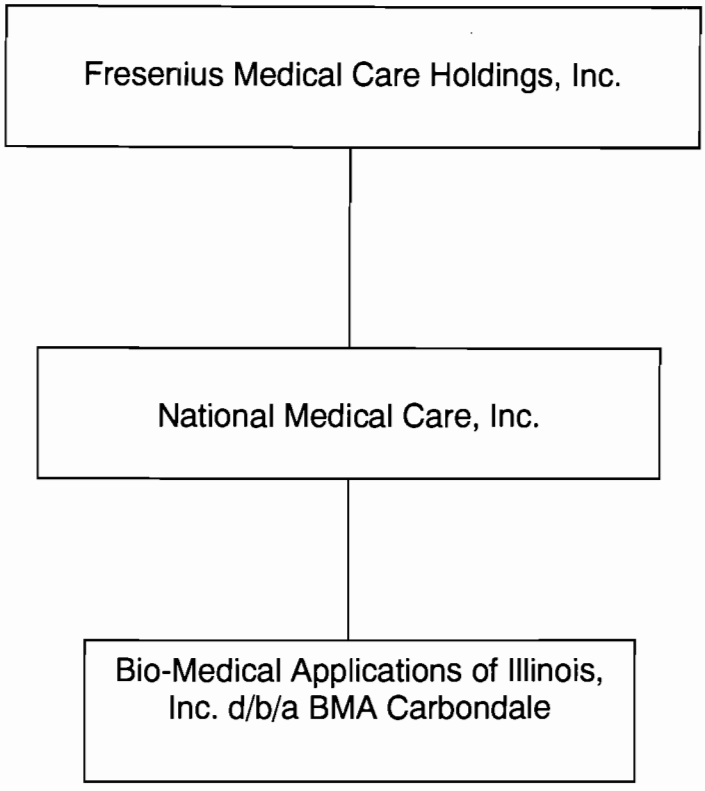
Exact Legal Name: *Bio-Medical Applications of Illinois Inc., d/b/a Fresenius Medical Care Carbondale*

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

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

Certificate of Good Standing at Attachment – 1.



Organizational Chart
ATTACHMENT - 4

The project is not new construction and is a build out of the interior of existing leased space, therefore this criterion is not applicable.

Illinois Historic Preservation Agency

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Jackson County
Carbondale
CON - Relocation of Carbondale Dialysis Clinic
1425 E. Main St.
IHPA Log #005061812

June 27, 2012

Jean Gibellin
Fresenius Medical Care
1 Westbrook Corporate Center, Suite 1000
Westchester, IL 60154

Dear Ms. Gibellin:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

SUMMARY OF PROJECT COSTS

Modernization Contracts

General Conditions	92,000
Temp Facilities, Controls, Cleaning, Waste Management	4,500
Concrete	23,600
Masonry	28,000
Metal Fabrications	14,000
Carpentry	162,500
Thermal, Moisture & Fire Protection	33,000
Doors, Frames, Hardware, Glass & Glazing	126,000
Walls, Ceilings, Floors, Painting	299,000
Specialities	23,000
Casework, Fl Mats & Window Treatments	11,000
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	592,000
Wiring, Fire Alarm System, Lighting	356,500
Miscelleanous Construction Costs	83,461
Total	**1,848,561**

Contingencies

Contingencies **$183,951**

Architectural/Engineering

Architecture/Engineering Fees **$189,837**

Movable or Other Equipment

Dialysis Chairs	20,800
Misc. Clinical Equipment	17,800
Clinical Furniture & Equipment	25,000
Office Equipment & Other Furniture	34,600
Water Treatment	115,400
TVs & Accessories	56,000
Telephones	14,000
Generator	34,500
Facility Automation	20,000
Other miscellaneous	3,525
Total	**341,625**

Fair Market Value Leased Space & Equipment

FMV Leased Space		$2,511,783
FMV Leased Dialysis Machines		349,050
FMV Leased Computers		8,000
	Total	**$2,868,833**

Project obligation will occur after permit issuance.

Cost Space Requirements

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

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
In-Center Hemodialysis	5,432,807		12,927		12,927		
Total Clinical	5,432,807		12,927		12,927		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL	5,432,807		12,927		12,927		

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

1110.130 – DISCONTINUATION

General Information Requirements

Bio-Medical Applications of Illinois, Inc. proposes to discontinue and relocate its 24-station ESRD facility located at 725 South Lewis Lane, Carbondale, IL. Currently it is operating at 62% utilization with 89 patients according to 3rd quarter data reported data to the IHFSRB. In conjunction with this discontinuation we will establish a 24-station replacement ESRD facility at 1425 East Main Street in Carbondale. Both facilities are in HSA 5. All patients are expected to transfer to the new facility and therefore all medical records will be transferred to the new site as well.

The discontinuation is expected to occur simultaneously with the opening of the new facility. This is expected to occur prior to July 2014. There will be no break in service to the patients involved. The evacuated building at 725 South Lewis Lane is leased space so will be released back to the landlord.

Reasons for Discontinuation

The current leased space for the BMA Carbondale facility is run down and in need of extensive repair. The clinic has flooring and foundation issues as well as costly repair needs in the office and waiting areas. More space is needed to expand the clinic's growing home therapies program and to accommodate the addition of a nocturnal dialysis program. The lease will expire July 31, 2014, coinciding with the relocation of the current Carbondale site.

Impact On Access

It is determined that the "relocation" of the Carbondale facility to a site 1.5 miles away will not have any impact on any area ESRD providers. There are only two clinics within 30 minutes, Fresenius Medical Care Williamson Co. and DaVita Marion and they do not serve the residents of Carbondale. All facilities within 45 minutes travel time were sent a written request for an impact statement. There was no response.

IMPACT ON ACCESS STATEMENT PER PART 1110.130

The proposed discontinuation of the BMA Carbondale 24-station end stage renal disease (ESRD) facility will not have an adverse effect upon access to care for the residents of the health care market area in which it is situated. Along with this discontinuation, a replacement 24-station ESRD facility will be established at 1425 East Main Street in Carbondale. The Carbondale facility is essentially being relocated approximately 2 miles away. All patients are expected to transfer to the replacement facility. There will be no break in service to patients.

There will be no adverse impact to any facilities within a 45-minute travel time. A written request for an impact statement was sent to each and no response was received. Attached is a copy of the letter sent to the clinics and the returned certified mail card.

.

Richard Alderson, RVP
Signature

Richard Alderson
Printed Name

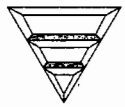
Regional Vice President
Title

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 22nd DAY
OF October, 2012.

N. JINKENS
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
My Commission Expires: Feb. 8, 2014
10932874

NOTARY PUBLIC

Seal



Fresenius Medical Care

April 10, 2012

Facility Manager
DaVita Marion Dialysis
324 South 4th Street
Marion, IL 62959

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care – North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 24-station Carbondale Dialysis Center located at 725 South Lewis Lane. In conjunction with this discontinuation we will be establishing a 24 station replacement facility in Carbondale.

The estimated date that this discontinuation/establishment will occur is September 2014. Over the past two years the Fresenius Carbondale dialysis facility has provided 26,141 dialysis treatments to 201 end stage renal disease (ESRD) patients. We do not foresee any break in service to the ESRD patients in this market area during the closure of the current Carbondale facility and subsequent opening of the new Carbondale. All current patients are expected to transfer to the new location. We do not expect that there will be any adverse impact to care for patients in this market area, nor do we expect there to be any burden of care placed on other area dialysis providers.

In keeping with the rules of the Illinois Health Facilities & Services Review Board, I am asking for a response from your facility in the form of an impact statement in regards to our proposed project within 15 days of receipt of this letter. Per the rules you are not required to respond, however note that no response will constitute a non-rebuttable assumption that the discontinuation will not have an adverse impact for your facility.

Thank you for your time and attention to this matter. If you have any questions or concerns, please feel free to contact me at 708-498-9140.

Sincerely,

Jean Gibellin

Jean Gibellin
CON Specialist

Fresenius Medical Care

April 10, 2012

Facility Manager
DaVita Benton Dialysis
1151 Route 14 West
Benton, IL 62812

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care – North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 24-station Carbondale Dialysis Center located at 725 South Lewis Lane. In conjunction with this discontinuation we will be establishing a 24 station replacement facility in Carbondale.

The estimated date that this discontinuation/establishment will occur is September 2014. Over the past two years the Fresenius Carbondale dialysis facility has provided 26,141 dialysis treatments to 201 end stage renal disease (ESRD) patients. We do not foresee any break in service to the ESRD patients in this market area during the closure of the current Carbondale facility and subsequent opening of the new Carbondale. All current patients are expected to transfer to the new location. We do not expect that there will be any adverse impact to care for patients in this market area, nor do we expect there to be any burden of care placed on other area dialysis providers.

In keeping with the rules of the Illinois Health Facilities & Services Review Board, I am asking for a response from your facility in the form of an impact statement in regards to our proposed project within 15 days of receipt of this letter. Per the rules you are not required to respond, however note that no response will constitute a non-rebuttable assumption that the discontinuation will not have an adverse impact for your facility.

Thank you for your time and attention to this matter. If you have any questions or concerns, please feel free to contact me at 708-498-9140.

Sincerely,

Jean Gibellin

Jean Gibellin
CON Specialist

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Facility Manager
DaVita Benton Dialysis
1151 Route 14 West
Benton, IL 62812

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Melissa Reiga ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* Melissa Reiga C. Date of Delivery 4-12-12

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service* 7009 1680 0001 3531 2266

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Facility Manager
DaVita Marion Dialysis
324 South 4th Street
Marion, IL 62959

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Barbara Richey ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service labe* 7009 1680 0001 3531 2235

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

FRESENIUS
MEDICAL CARE

October 11, 2012

Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I am the Regional Vice President at Fresenius Medical Care who is responsible for the Fresenius Medical Care Carbondale dialysis facility. It is Fresenius Medical Care's policy to accept all patients regardless of their ability to pay for services and this policy will remain in effect after the relocation of the Carbondale facility. Also, Fresenius Medical Care's Medical Staff Bylaws, which pertain to all staff including Medical Directors and referring physicians, state that all physicians must agree to treat every patient regardless of their ability to pay.

Sincerely,

Richard Alderson, RVP

Richard Alderson
Regional Vice President

N. JINKENS
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
My Commission Expires: Feb. 8, 2014
10932874

Notarization:
Subscribed and sworn to before me
this 22nd day of October, 2012

Signature of Notary

Seal

Fresenius Medical Care

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

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

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

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

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

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

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

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

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

Certification & Authorization

Bio-Medical Applications of Illinois, Inc.

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

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

By: _____

ITS: Bryan Mello
Assistant Treasurer

By: _____

ITS: Mark Fawcett
Vice President & Treasurer

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

_____
Signature of Notary

Seal

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

C Wynelle Scenna
Signature of Notary

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

Certification & Authorization

Fresenius Medical Care Holdings, Inc.

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

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

By: _____

ITS: Bryan Mello
Assistant Treasurer

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

_____
Signature of Notary

Seal

By: _____

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

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

C Wonelle Scenna
Signature of Notary

Seal

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

ATTACHMENT - 11

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

Clinic	Provider #	Address	City	Zip
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002
Aurora	14-2515	455 Mercy Lane	Aurora	60506
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406
Bolingbrook	14-2605	538 E. Boughton Road	Boilingbrook	60440
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609
Burbank	14-2641	4811 W. 77th Street	Burbank	60459
Carbondale	14-2514	725 South Lewis Lane	Carbondale	62901
Champaign	14-2588	1405 W. Park Street	Champaign	61801
Chatham		333 W. 87th Street	Chicago	60620
Chicago Dialysis	14-2506	820 West Jackson Blvd.	Chicago	60607
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608
Cicero		3030 S. Cicero Ave	Cicero	60804
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445
Decatur East	14-2503	1830 S. 44th St.	Decatur	62521
Deerfield	14-2710	405 Lake Cook Road	Deefield	60015
Des Plaines		1625 Oakton Place	Des Plaines	60018
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185
DuQuoin	14-2595	#4 West Main Street	DuQuoin	62832
East Peoria	14-2562	3300 North Main Street	East Peoria	61611
Elgin	14-2726	2130 Point Boulevard	Elgin	60123
Elk Grove	14-2507	901 Biesterfield Road, Ste. 400	Elk Grove	60007
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609
Glendale Heights	14-2617	520 E. North Avenue	Glendale Heights	60139
Glenview	14-2551	4248 Commercial Way	Glenview	60025
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619
Gurnee	14-2549	101 Greenleaf	Gurnee	60031
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649
Joliet		721 E. Jackson Street	Joliet	60432
Kewanee	14-2578	230 W. South Street	Kewanee	61443
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613
Logan Square		2734 N. Milwaukee Avenue	Chicago	60647
Lombard	14-2722	1940 Springer Drive	Lombard	60148
Macomb	14-2591	523 E. Grant Street	Macomb	61455
Marquette Park	14-2566	6515 S. Western	Chicago	60636
McHenry	14-2672	4312 W. Elm St.	McHenry	60050
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960
Midway	14-2713	6201 W. 63rd Street	Chicago	60638
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450
Mundelein		1400 Townline Road	Mundelein	60060
Naperbrook		2451 S Washington	Naperville	60565
Naperville	14-2543	100 Spalding Drive Ste. 108	Naperville	60566
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714
Norridge	14-2521	4701 N. Cumberland	Norridge	60656
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630
Northcenter	14-2531	2620 W. Addison	Chicago	60618
Northfield		480 Central Avenue	Northfield	60093

Facility List
ATTACHMENT - 11

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

Clinic	Provider #	Address	City	Zip
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611
Oak Forest		5340A W 159th St	Oak Forest	60452
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462
Oswego	14-2677	1051 Station Drive	Oswego	60543
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350
Palatine	14-2723	691 E. Dundee Road	Palatine	60074
Pekin	14-2571	600 S. 13th Street	Pekin	61554
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544
Polk	14-2502	557 W. Polk St.	Chicago	60607
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764
Prairie	14-2569	1717 S. Wabash	Chicago	60616
Randolph County	14-2589	102 Memorial Drive	Chester	62233
River Forest		103 Forest Avenue	River Forest	60305
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008
Roseland	14-2690	135 W. 111th Street	Chicago	60628
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621
Round Lake	14-2616	401 Nippersink	Round Lake	60073
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946
Sandwich	14-2700	1310 Main Street	Sandwich	60548
Skokie	14-2618	9801 Wood Dr.	Skokie	60077
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617
South Deering		10559 S. Torrence Ave.	Chicago	60617
South Holland	14-2542	17225 S. Paxton	South Holland	60473
South Shore	14-2572	2420 E. 79th Street	Chicago	60649
South Side	14-2508	3134 W. 76th St.	Chicago	60652
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461
Southwestern Illinois	14-2535	Illinois Rts 3&143, #7 Eastgate Plz.	East Alton	62024
Spoon River	14-2565	210 W. Walnut Street	Canton	61520
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362
Steger	14-2725	219 E. 34th Street	Steger	60475
Streator	14-2695	2356 N. Bloomington Street	Streator	61364
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510
West Belmont	14-2523	4943 W. Belmont	Chicago	60641
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185
West Metro	14-2536	1044 North Mozart Street	Chicago	60622
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302
West Willow	14-2730	1444 W. Willow	Chicago	60620
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527

Criterion 1110.230 – Purpose of Project

1. The purpose of this project is to keep access available to life-sustaining dialysis services to the Carbondale market area by relocating the current Fresenius Carbondale dialysis facility to 1425 East Main Street, Carbondale.

2. The current facility and the proposed relocation site are both in Carbondale and located in HSA 5. This ESRD facility primarily serves the patients in the market area of Memorial Hospital of Carbondale which is in southwest Jackson County and is predominantly rural.

3. The Carbondale facility has some extensive repair issues and it is not feasible to remain at the current location. Floor tiles throughout the unit need to be repaired or replaced. Many of the doors are either warped, rusted, or need new frames. More space and a better layout are needed for the home therapies program and nocturnal dialysis. Fresenius Medical Care does not feel it is resourceful to sink funds into the building to address these plant conditions when a larger and more modern facility would more readily meet the Life Safety and CMS regulations.

4. Not Applicable

5. Relocating the 24 station Carbondale facility to 1425 East Main Street, Carbondale will offer patients a modern facility that meets CMS guidelines along with providing more space to accommodate the growing home therapies program and the addition of a new nocturnal dialysis program. There will be no interruption in service to the current patients of Carbondale since the "relocation" of the facility will occur on a Sunday when there is no patient treatment scheduled.

6. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. It is expected that this facility would continue to have similar quality outcomes after the relocation. Currently the Carbondale patients have the quality values below:

   - 89% of patients had a URR $\geq$ 65%
   - 98% of patients had a Kt/V $\geq$ 1.2

Alternatives

1) All Alternatives

A. Proposing a project of greater or lesser scope and cost.
Two alternatives were considered that would entail a lesser scope and cost than the project proposed in this application, however, they were determined not to be feasible. The option of remaining at the site and doing nothing was rejected. The physical state of the building is in need of extensive repair. It also has limited interior space which would hinder the clinic from growing its home therapies program as well as starting a nocturnal dialysis program, thereby limiting the treatment choices of the patient. There would be no cost.

The second option is to remain in the existing building and renovate, but this is not feasible. Although the construction and equipment costs of the renovation would be approximately $1 million less as compared to the construction and equipment costs of the relocation, the clinic would be unable to add a nocturnal program and to expand its home therapies. Due to the lack of space, the cost of renovating the space now and relocating home therapies would be extensive and likely a higher cost than if the clinic relocated to a newer and larger space that would accommodate both the nocturnal and home therapies in one building. This would cost approximately $1,852,976.

B. Pursuing a joint venture or similar arrangement with one or more providers of 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.
The typical Fresenius model of ownership is for our facilities to be wholly owned, however we do enter into joint ventures on occasion. Fresenius Medical Care always maintains control of the governance, assets and operations of a facility it enters into a joint venture agreement with. Our healthy financial position and abundant liquidity indicate that that we have the ability to support the development of additional dialysis expected financial obligations and does not require any additional funds to meet expected project costs. The cost of this alternative to Fresenius would be 60% of total project costs.

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
Discontinuing the Carbondale facility and sending all 89 patients to other area providers is not an option. Displacing all of Dr. Cowart's ESRD patients would have detrimental effects on the patient's well being and continuity of care. Most of the patients are currently being treated on the 1st or 2nd shift. These patients would have to be dispersed over a wide range of dialysis clinics creating access issues due to transportation and shift choices. Transportation services in rural areas often do not cross county lines. This would cause hardship on the elderly patients as they would have to travel further distances for dialysis treatment. Fresenius Williamson Co. and DaVita Marion are the two closest clinics to the Carbondale facility. Combined, these two facilities could not accommodate all at the 89 current patients and 91 Pre-ESRD patients before reaching capacity. There is no cost to this option.

D. Relocating the facility and reducing by 6 stations

Relocating the Carbondale facility and reducing its stations from 24 to 18 is not an option. This would bring the facility to 80%, but it would also result in moving 24 patients off of the 1st and 2nd shift and placing them onto the 3rd shift, which currently has 4 patients that choose to have treatment at this time. Transportation and shift choice issues would greatly inconvenience the patient's lifestyle. This would create hardships such as driving at night and the task of having to restructure and coordinate schedules with family or friends if the patient went on the 3rd shift. The cost of this option is approximately $5,331,807.

As discussed further in this application, the most desirable alternative to keep access to dialysis services available in the Carbondale area is to relocate the facility to a larger and more modern building. This alternative will address the problems of the current poor physical building conditions. The patients will benefit from improved access, a more modern facility to dialyze in and additional treatment options such as home and nocturnal dialysis. The cost of this option is approximately $5,432,807.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Do Nothing	No Cost	No access to additional home therapies or nocturnal dialysis.	Patient clinical quality would remain above standards.	No additional costs.
Renovate the Existing Facility	$1,852, 976	No access to additional home therapies or nocturnal dialysis.	Patient clinical quality would remain above standards.	This would be less costly, but the clinic may have to move the home therapies program to another location causing additional relocation expenses greater than or equaling the current project costs.
Pursue a Joint Venture	$3,259,684 $2,173,123	Cost to Fresenius Medical Care if this were to be a joint venture. Cost to Partner if this were to be a joint venture.	Patient clinical quality would remain above standards.	No effect on patients. Fresenius Medical Care is capable of meeting its financial obligations and does not require additional funding. If a JV were formed Fresenius Medical Care would maintain control of the facility and therefore final financial responsibility.
Utilize Area Providers	$0	Would create transportation problems. No access to additional home therapies or nocturnal dialysis.	Patient clinical quality would remain the same at Fresenius clinic, however patients might miss their treatments due to excessive travel.	No financial cost to Fresenius Medical Care Cost of patient's transportation would increase with higher travel times
Relocate Fresenius Medical Care Carbondale and Reduce by 6 Stations to bring to 80% capacity on 3 shifts/day	$5,331,807	Limited access to home therapies and nocturnal dialysis due to space issue. Would create lack of shift choice for treatment.	Patient clinical quality would remain above standards, but patients might miss their treatments due to schedule conflicts or transportation issues.	Savings to total project costs is insignificant when compared to the disruption & hardship caused for the patient who is placed on the 3rd shift for treatment.
Relocate Fresenius Medical Care Carbondale	$5,432,807	More space for additional treatment options. Modern facility will better meet Life Safety and CMS regulations.	Patient clinical quality would remain above standards Patient satisfaction would improve with a more modern facility and a larger space for home treatment and nocturnal dialysis options.	The new site will not require ongoing exterior and interior maintenance.

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

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. Fresenius Carbondale has had above standard quality outcomes as listed below.

- 89% of patients had a URR $\geq$ 65%
- 98% of patients had a Kt/V $\geq$ 1.2

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	12,927 (24 Stations)	360-520 DGSF	447 DGSF	NO

As seen in the chart above, the State Standard for ESRD is between 360-520 DGSF per station. This project is being accomplished in leased space with the interior to be built out by the applicant. Therefore, the standard being applied is expressed in departmental gross square feet. The proposed 12,927 DGSF amounts to 539 DGSF per station and does not fall within the State Standard. The facility space exceeds the state standard due to the extra space needed for its nocturnal and home therapies programs and the extra supply space needed for both programs.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	**HISTORICAL UTILIZATION**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MET STANDARD?**
	IN-CENTER HEMODIALYSIS	62% Sept 2012		80%	No
YEAR 1	IN-CENTER HEMODIALYSIS		70%	80%	No
YEAR 2	IN-CENTER HEMODIALYSIS		88%	80%	Yes

Although the facility is not at target utilization as of 9/2012, it serves a rural population. Most rural facilities do not operate at target utilization because there are fewer patients and most want to receive treatment on the two earlier daytime treatment shifts.

Dr. Cowart has identified 130 pre-ESRD patients living in the Carbondale area who will require dialysis services in the first two years after the relocation of the facility. It is expected that approximately 30% of these pre-ESRD patients will no longer require dialysis services by the time this occurs due to death, recovery of function, transplant or moving out of the area. Therefore, approximately 91 patients will begin dialysis in the first two years after relocation.

Once on dialysis, approximately 15% of the patients will no longer require services due to transplantation or death. The above numbers do not take into account those patients that may move or transfer to another clinic. The original facility was established 25 years ago at it current site and has expanded during this time to keep treatment schedule times on the 1st and 2nd shifts of the day for the majority of the patients due to the rural nature of the area.

Planning Area Need – Formula Need Calculation:

A. Planning Area Need - Formula Need Calculation:

The current BMA Carbondale clinic is a 24-station in-center hemodialysis facility located in Carbondale in HSA 5. HSA 5 is comprised of the Southern-most third of the state. According to the November 2012 inventory there is an excess of 15 stations, however this is essentially a relocation of the 24-station facility and there will be no change to the inventory.

2. Planning Area Need – Service To Planning Area Residents:

A. The primary purpose of this project is to provide in-center hemodialysis services primarily to the residents of Jackson County in HSA 5, more specifically the Carbondale market area. 100% of the current ESRD patients and 100% of the pre-ESRD patients identified for this project reside in HSA 5.

Pre-ESRD Patients Who Will Be Referred To Fresenius Carbondale		
HSA	**#Patients**	**% of Patients**
5	130	100%

Current Carbondale Patients Who Will Transfer to the Relocated Fresenius Carbondale Facility		
HSA	**#Patients**	**% of Patients**
5	89	100%

KDMS Consultants

1350 Cedar Court
Carbondale, IL 62901

Board Certified Specialists
In Nephrology

Randy G. Cowart M.D.

Muhammad Kamran M.D., F.A.C.P.

Board Certified Specialists
Assistants

Mary Rosenhauer P.A.-C

Diana Moreland P.A.-C

Laura Kidd P.A.-C

Acute Kidney Failure

Chronic Kidney Diseases

Hypertension

Diabetic Kidney Disease

Kidney Stone Prevention

Proteinuria

Hematuria

Hemodialysis

Peritoneal Dialysis

Kidney Transplant

Acid Base Disturbances

Electrolyte Disturbances

October 29, 2012

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

Dear Ms. Avery:

My name is Randy Cowart, M.D. and I am a nephrologist practicing in southern Illinois with KDMS Consultants and am also the medical director of the Fresenius Medical Care Carbondale dialysis center. I am writing to support the relocation of the Fresenius Carbondale facility. We have been in this current building for 25 years and it is in need of extensive repair. The clinic has grown during this time and is now limited on space. The new site will allow for adequate space for home therapies and provide ample room for the addition of a nocturnal program which will give my patients more treatment options.

My partners and I at KDMS Consultants have referred 141 new patients for hemodialysis services over the past twelve months. We were treating 301 hemodialysis patients at the end of 2009, 256 at the end of 2010, 253 at the end of 2011 and as of September 30, 2012 we were treating 244 hemodialysis patients. Also, our practice has 30 home therapy patients in the Carbondale, Harrisburg, and Marion area. We have approximately 500 Pre-ESRD patients in the Carbondale area. Of these, roughly 130 will require dialysis services in the first two years after the clinic's relocation. However, due to patient attrition, it is expected that only 91 of these patients will begin dialysis during this time.

I respectfully ask the Board to approve the relocation of the Fresenius Medical Care Carbondale facility in order to keep access available to this patient population. Thank you for your consideration.

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

Kidney Disease and Medicine Specialty Consultants, LLC
Phone: 618-529-2955 Fax: 618-457-7823 E-mail: KDMSC@kdmsconsultants.com

Sincerely,

Randy Cowart, M.D.

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

Signature of Notary
(Seal)

OFFICIAL SEAL
ROSE A. CARTWRIGHT
Notary Public - State of Illinois
My Commission Expires Jun 01, 2015

KDMS Consultants II
Kidney Disease and Medicine Specialty Consultants, LLC
1350 Cedar Court Carbondale, IL 62901
Phone: 618-529-2955 Fax: 618-457-7823 E-mail: KDMSC@kdmsconsultants.com

CURRENT HEMODIALYSIS PATIENTS AT FRESENIUS CARBONDALE THAT ARE EXPECTED TO TRANSFER AFTER RELOCATION

Zip Code	Patients
61364	1
62812	1
62901	32
62902	1
62905	1
62906	6
62907	4
62914	3
62918	1
62920	1
62921	1
62924	4
62926	2
62932	2
62952	2
62958	1
62966	20
62975	1
62976	1
62988	2
62992	1
62994	1
Total	**89**

PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO THE CARBONDALE FACILITY THE 1ST TWO YEARS AFTER RELOCATION

Zip Code	Pre ESRD Patients
62901	25
62902	8
62903	2
62906	12
62912	2
62914	1
62918	13
62920	4
62924	2
62926	2
62940	3
62952	5
62958	2
62963	1
62964	1
62966	40
62976	2
62988	3
62992	1
62996	1
Total	130

It is expected that approximately 30% of the above patients will no longer require dialysis services by the time the facility is relocated due to death, transplant, or moving out of the area. Therefore, approximately 91 of the above patients will actually begin dialysis services at the Carbondale facility.

NEW REFERRALS OF KDMS CONSULTANTS FOR THE PAST TWELVE MONTHS
10/01/2011 THROUGH 09/30/2012

Zip Code	Fresenius Medical Care					DaVita		Total
	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	
62233			6					6
62242			1					1
62274		2						2
62277			1					1
62280			1					1
62286			3					3
62288			4					4
62812						1		1
62821				2				2
62832		5						5
62859				1				1
62867				1				1
62869				2				2
62888		3						3
62896					1	2		3
62901	10						1	11
62902	1	1			1			3
62906	3							3
62907	2							2
62914	1							1
62917				4	1			5
62918	2				3			5
62919				1				1
62921					1			1
62924	3							3
62926	1							1
62930				4				4
62931				1				1
62933	1							1
62934				1				1
62935				2				2
62946				8	1			9
62948					12			12
62949					1			1
62951					2			2
62952	2							2
62954				1				1
62958	1							1
62959	1				13	1		15
62966	9				1			10
62975	1							1
62982				1				1
62984				1				1
62988	1							1
62992					1			1
62994	1							1
62995					1			1
Total	40	11	16	30	39	4	1	141

PATIENTS OF KDMS CONSULTANTS AT YEAR END 2009

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62221	1							1
62233			5					5
62237			1					1
62238	1							1
62241			1					1
62242			1					1
62263		1						1
62272			2					2
62274		8						8
62278			1					1
62286			8					8
62288			4					4
62292			1					1
62666	1							1
62812	1					7		8
62817				1				1
62821				5				5
62822		5			1	4		10
62832		16						16
62836						2		2
62859				2				2
62871				2				2
62884					2			2
62887				1				1
62888		2						2
62890			1			2		3
62891					1			1
62896					9		5	14
62901	34							34
62902	3							3
62905	1							1
62906	6							6
62907	5							5
62914	4							4
62916	1							1
62917				4				4
62918	2				1		2	5
62919				1				1
62920	4							4
62922					3			3
62924	1							1
62926	2				1			3
62930				10				10
62931				2				2
62932	1	1						2
62933					2			2
62934				2				2
62935				1				1
62938				1				1
62942	1							1
62946				20				20
62947				2				2
62948					9			9
62951					1			1
62952	1							1
62959					17		2	19
62960				1				1
62961					1			1
62966	14	7					1	22
62967				1				1
62976	2							2
62979				2				2
62982				4				4
62983					1	1		2
62984				5				5
62985							1	1
62988	1							1
62992	3							3
62997			2					2
62999					1			1
Total	90	40	27	67	50	16	11	301

PATIENTS OF KDMS CONSULTANTS AT YEAR END 2010

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62201			1					1
62233			8					8
62237			1					1
62238	1	1						2
62241			1					1
62242			2					2
62268			1					1
62272			2					2
62274	1	9						10
62286			8					8
62288			2					2
62292			1					1
62812	1					1		2
62817				1				1
62821				1				1
62822	2	12			6	1		21
62832		2						2
62856						1		1
62869				1				1
62871				3				3
62887				1				1
62888		14						14
62890						14		14
62896					3		1	4
62901	8							8
62902	4							4
62903	2							2
62905	1							1
62906	3							3
62907	2							2
62914	2							2
62915	1							1
62916	1							1
62917				5				5
62918	1				3		1	5
62919				1				1
62920	1							1
62922					3			3
62924	7							7
62926	3				1			4
62930				3				3
62931				1			1	2
62932	5	3						8
62933					4			4
62935				6				6
62938				3				3
62942	1							1
62946				6				6
62948					8			8
62949					4			4
62950			3					3
62951					11			11
62952	5							5
62958	1							1
62959					3		1	4
62961					1			1
62966	3	2			1		1	7
62976	2							2
62979				2				2
62982				8				8
62983					1			1
62984				2				2
62985							3	3
62988	2							2
62992	1							1
62997		2	1					3
62999					1			1
Total	61	45	31	44	50	17	8	256

Physician Referrals
ATTACHMENT – 26b 3

PATIENTS OF KDMS CONSULTANTS AT YEAR END 2011

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62233			4					4
62238	1	1	1					3
62241			1					1
62242			2					2
62272			3					3
62274	1	5						6
62286			9					9
62288			2					2
62292			1					1
62812	1					3		4
62817				1				1
62821				1				1
62822		3			1			4
62832		18						18
62856						1		1
62865		1						1
62867				1				1
62871				1				1
62887				1				1
62888		2						2
62890						2		2
62896					5		6	11
62901	30							30
62902	4				1			5
62905	1							1
62906	6							6
62907	4	1						5
62912	1							1
62914	3							3
62917	3							3
62918	2				3		2	7
62919				1				1
62920	2							2
62921	1							1
62922					1			1
62924	4							4
62926	3							3
62930				9				9
62932	2							2
62933					2			2
62935				1				1
62938				1				1
62946				11		1		12
62948					14			14
62950			1					1
62951					2			2
62952	2				1			3
62958	1							1
62959					17		6	23
62961					1			1
62964	1							1
62966	15	2						17
62967				1				1
62970					1			1
62976	1							1
62979				1				1
62983					1			1
62984				1				1
62985							1	1
62988	1							1
62992	1							1
62997			2					2
Total	91	33	26	31	50	7	15	253

PATIENTS OF KDMS CONSULTANTS AS OF SEPTEMBER 30, 2012

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62233			8					8
62238		1	1					2
62242			2					2
62272			2					2
62274		4						4
62277			1					1
62280			1					1
62286			9					9
62288			3					3
62292			1					1
62295					1			1
62812	1					4		5
62817				1				1
62821				2				2
62822		3						3
62832		13						13
62856						1		1
62867				1				1
62869				2				2
62887				1				1
62888		2						2
62890						1		1
62896					3	6		9
62901	33							33
62902	1							1
62905	1							1
62906	6							6
62907	4							4
62912	1							1
62914	3							3
62917				4				4
62918	1				2		2	5
62920	1							1
62921	1							1
62922					1			1
62924	4							4
62926	2							2
62930				9				9
62932	2							2
62933					1			1
62934				1				1
62938				2				2
62946				11	1			12
62948					13			13
62949					1			1
62950			1					1
62951					1			1
62952	2				1			3
62954				1				1
62958	1							1
62959					14	4		18
62961					1			1
62966	19	2						21
62967				1				1
62970					1			1
62975	1							1
62976	1							1
62979				1				1
62982				1				1
62984				2				2
62985							1	1
62988	2							2
62992	1							1
62994	1							1
62997			1					1
Total	89	25	30	40	41	16	3	244

Physician Referrals
ATTACHMENT – 26b 3

Service Accessibility – Service Restrictions

The establishment of the 24-station Fresenius Medical Care Carbondale facility, along with the discontinuation of the 24-station current BMA Carbondale facility, is not going to add any ESRD stations to the inventory since these are currently existing stations. This is simply a relocation of the current clinic. Determined need and area utilization does not necessarily correlate to the way rural dialysis clinics are operated. The clinics within 30 minutes travel time are not operating at the 80% target utilization. This is mainly due to clinic operations in smaller towns rather than underutilization.

Facility	Address	City	Zip Code	MapQuest		Stations	Nov-12	
				Miles	Time		Pts	Util
Fresenius Carbondale*	725 S Lewis Ln	Carbondale	62901	0	0	24	89	61.81%
Fresenius Williamson Co.	900 Skyline Dr	Marion	62959	11.59	15	12	41	56.94%
DaVita Marion	324 S 4th St	Marion	62959	14.33	20	13	56	71.79%

*Site to be relocated

Much of HSA 5 is rural with an elderly population. It is difficult for these patients to travel long distances on country roads at night for treatment, therefore the 2 daytime shifts are preferred. Fresenius Carbondale operates 5 patient shifts. Only 4 patients utilize the last shift of the day on Monday, Wednesday, and Friday.

- Problems that exist for the Carbondale patients pertain to the condition of the current site and its need of space. The current site requires extensive repair and it is not reasonable to remain there. The relocation site will offer additional home therapies services such as home hemodialysis and will also provide nocturnal dialysis to offer the patients more treatment options.

- The proposed site at 1425 E Main Street, Carbondale, will allow for a more modern facility to receive treatment in as well as keeping access to daytime treatment shifts available.

Unnecessary Duplication/Maldistribution

Zip Code	Population	Stations	Facilities
62832	9,208	10	Fresenius DuQuoin
62865	2,018		
62896	12,626		
62901	27,182	24	Fresenius Carbondale
62902	4,531		
62903	2,962		
62905	677		
62906	7,276		
62907	2,164		
62918	9,793		
62920	3,265		
62924	2,809		
62932	1,592		
62933	1,230		
62939	3,119		
62940	445		
62942	707		
62948	12,865		
62950	193		
62951	5,352		
62958	2,262		
62959	26,948	24	Fresenius Williamson Co., Davita Marion
62966	15,607		
62975	279		
62983	1,504		
62994	755		
62999	1,829		
Total	**159,198**	**58**	**1/2,745**

1. (A-B-C) The ratio of ESRD stations to population in zip codes within a 30 minute radius of Fresenius Medical Care Carbondale is 1 station per 2,745 residents according to the 2010 census (based on 159,198 residents and 58 stations). The State ratio is 1 station per 3,265 residents (based on the US Census 2010 of 12,830,632 Illinois residents and the Nov 2012 Board stations inventory of 3,930).

2. Although all facilities within the thirty minute travel time are not above the target utilization of 80%, the relocation of Fresenius Medical Care Carbondale will not create a maldistribution of services in regard to there being excess availability. If the clinic was not allowed to relocate, there would be 24 fewer stations, resulting in a ratio of 1 to 4,682 residents. This supports the need for additional stations. Therefore, it is beneficial to relocate the stations and keep them operating.

Facility	Address	City	Zip Code	MapQuest		Stations	Nov-12	
				Miles	Time		Pts	Util
Fresenius Williamson Co.	900 Skyline Dr	Marion	62959	11.59	15	12	41	56.94%
DaVita Marion	324 S 4th St	Marion	62959	14.33	20	13	56	71.79%

3A. The Fresenius Medical Care Carbondale relocation will not have an adverse effect on any other area ESRD provider in that 89 current patients will transfer to the new site and the remaining referrals are current pre-ESRD patients of Dr. Cowart's. No patients will be transferred from any other facility to the Carbondale clinic. Dr. Cowart and his partners will still refer patients to the other ESRD facilities they currently refer to, on an ongoing basis per the patient's preference and home address. These facilities are Fresenius Medical Care DuQuoin, Randolph Co., Saline Co., Williamson Co., DaVita Marion and DaVita Benton.

B. Not applicable – applicant is not a hospital; however the utilization will not be lowered at any other ESRD facility due to the establishment/relocation of the facility.

Criterion 1110.1430 (e)(5) Medical Staff

I am the Regional Vice President of the Missouri/Southern Illinois Region of the South Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Carbondale, I certify the following:

> Fresenius Medical Care Carbondale will be an "open" unit with regards to medical staff. Any Board Licensed nephrologist may apply for privileges at the Carbondale facility, just as they currently are able to at all Fresenius Medical Care facilities.

Richard Alderson
Signature

Richard Alderson
Printed Name

Regional Vice President
Title

Subscribed and sworn to before me
this 21 day of June, 2012

Marica Katambwa
Signature of Notary

Seal

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Cowart is currently the Medical Director for BMA Carbondale and will continue to be the Medical Director after the relocation. Attached is his curriculum vitae.

B. All Other Personnel

Upon the discontinuation of the current BMA Carbondale and the establishment of the new Fresenius Carbondale facility all staff will transfer to the new location and resume their current positions. There will be no break in employment or work schedules as the facility will relocate on a Sunday when there are no patient treatments scheduled. This will include the following staff:

- Clinic Manager who is a Registered Nurse
- 5 Full-time Registered Nurses
- 7 Full-time Patient Care Technicians, 2 Part-time
- 1 Full-time Registered Dietician
- 1 Full-time Social Worker, 1 Part-time
- 1 Equipment Technician
- 1 Administrative Assistant
- 1 Ward Clerk

Additional staff will be hired as needed according to patient census.

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

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

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

C U R R I C U L U M V I T A E

Randy G. Cowart, M.D.
Internal Medicine/Nephrology
The Carbondale Clinic, S.C.
2601 West Main Street
Carbondale, IL 62901

Personal Information:

Home Address:

Home Phone:

Marital Status: Married

Birthdate: 3/30/1957

Birthplace: Tulsa, OK

Social Security Number:

Education:

1975	High School Graduate, Astronaut High School, Titusville, FL
5/1979 - 8/1981	University of South Carolina, Columbia, SC
8/1981 - 5/1985	University of South Carolina School of Medicine, Columbia, SC M.D. Degree
7/1985 - 6/1988	Residency: Internal Medicine, University of South Carolina, Columbia, SC
7/1988 - 6/1990	Fellowship: Nephrology, Mayo Clinic, Rochester, MN

Experience:

6/1993 to Present	Carbondale Clinic 2601 W. Main St. Carbondale, Illinois 62901 (618) 549-5361

7/1990 - 6/1993	Chief of Nephrology, USAF Medical Center, Scott AFB, IL
11/1981 - 6/1990	USAF Reserve Officer
8/1975 - 5/1979	USAF Active Duty, Aircraft Mechanic

Certifications:

9/1988	Certified, Internal Medicine, The American Board of Internal Medicine
1990 - 2000	Certified, Nephrology, The American Board of Internal Medicine
11/2001	Recertified, Nephrology, The American Board of Internal Medicine

Hospital Affiliations:

6/1993 to Present	Memorial Hospital of Carbondale, IL, Active Staff
	St. Joseph Memorial Hospital Murphysboro, IL, Consulting Staff
	Herrin Hospital, Herrin, IL, Active Staff
	Marion Memorial Hospital, Marion, IL, Active Staff
	Harrisburg Medical Center, Harrisburg, IL Consulting Staff
11/1996 to Present	Franklin Hospital, Benton, IL Courtesy Staff
Outpatient Facility Staff:	Dialysis Facilities, Carbondale, IL Full Staff
	Dialysis Facilities, Harrisburg, IL Full Staff
	Marion Nephroplex Dialysis Unit Marion, IL, Full Staff

Chester Dialysis Unit, Chester, IL
Full Staff

DuQuoin Dialysis Unit, DuQuoin, IL
Full Staff

Criterion 1110.1430 (f) – Support Services

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

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

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

- The following services will be provided via referral to Carbondale Memorial Hospital, Carbondale:

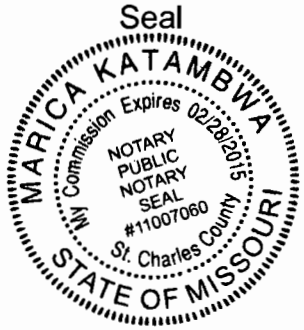
  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services

Richard Alderson
Signature

Richard Alderson/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 21 day of June, 2012
Marica Katambwa
Signature of Notary

Seal



Criterion 1110.1430 (g) – Minimum Number of Stations

BMA (Fresenius Medical Care) Carbondale is not located in a Metropolitan Statistical Area (MSA). A minimum of six dialysis stations is required to establish an in-center hemodialysis center outside an MSA. Fresenius Medical Care Carbondale will have 24 dialysis stations thereby meeting this requirement.

bma

BACK-UP HOSPITAL AGREEMENT

This AGREEMENT made as of this 19th day of January, 2000, between Memorial Hospital of Carbondale (hereinafter referred to as "Hospital") and BIO-MEDICAL APPLICATIONS of Carbondale Inc., a Delaware Corporation (hereinafter referred to as "BMA").

WITNESSETH:

WHEREAS, the Hospital desires to assure the availability of hemodialysis treatment for its patients who are capable of receiving out-patient treatment and BMA desires to assure the availability of the Hospital's facilities for its patients who need in-patient treatment at a hospital; and

WHEREAS, BMA is experienced and qualified to administer dialysis treatments and clinically manage patients with irreversible renal failure on an out-patient basis and the Hospital is equipped and qualifed to provide medical hospital care on an in-patient basis for such patients;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. BMA agrees to develop, equip, maintain and operate in all respects an out-patient hemodialysis facility and will make this facility available to patients of the Hospital who are suffering from chronic renal diseases and require lifesaving care and treatment for such diseases. BMA shall conform to standards not less than those required by any applicable laws and regulations of any local, state or federal regulatory body, as the same may be amended from time to time, and in the absence of applicable laws and regulations, conforming to applicable standards of professional practice. BMA shall treat such commitment as its primary responsibility and shall devote such time and effort as may be necessary to attain these objectives.

2. BMA shall provide all physical facilities, equipment and personnel necessary to establish an out-patient hemodialysis facility capable of providing treatment to patients suffering from End Stage Renal Disease, which facilities shall conform to the provisions of all local, state and federal laws and regulations. The cost of such facilities, equipment and personnel shall be borne by BMA. The location of such facilities shall be selected by BMA, but shall be in sufficiently close proximity to the Hospital to facilitate transfers of patients and communication between the facilities.

3. It is understood and agreed that BMA owns and shall operate its out-patient dialysis facilities wholly independent of Hospital. All patients treated at the out-patient facilities of BMA shall be patients of BMA and not of the Hospital and BMA shall have the sole responsibility for the treatment and medical care administered to them.

4. In addition, the parties agree that all equipment, supplies and other property utilized in the out-patient facility are to be purchased and owned by BMA and not by the Hospital. All medical, nursing and other personnel performing services in the out-patient facilities (except attending physicians) will be employees or agents of BMA and are not under the control or supervision of the Hospital. All contracts executed by BMA relating to the out-patient facilities' operations are contracts of BMA and not by the Hospital and all payments for services rendered by BMA are to be made to BMA and not to the Hospital. BMA is an independent contractor not under the control or supervision of Hospital and has the sole responsibility of providing all services and personnel necessary to properly maintain its facilities and provide the required medical care covered by this Agreement including, but not limited to, providing its own billing, accounting, bookkeeping, credit and collection, housekeeping, linen, equipment maintenance and employment of necessary personnel.

5. Admission to BMA and the continued treatment by BMA shall be provided without reference to the patient's race, color, creed, national origin, or sex.

6. BMA shall engage a medical director of BMA's out-patient hemodialysis facility, who has the qualifications specified in 20 C.F.R., Subpart U, who must be a physician properly licensed for his profession by the State and must be a member of the Active Medical Staff of the Hospital. BMA shall also employ such duly qualified and licensed nurses, technicians and other personnel as shall be necessary to administer treatment at its facility, in accordance with applicable local, state or federal laws and regulations.

7. When it has been decided and agreed that a patient is to be referred to BMA, the patient's physician shall consult with the BMA Medical Director who will indicate when the patient is to report for treatment. There will be interchange, within one working day, of the patient Long-Term Program and Patient Care Plan, and of medical and other information necessary or useful in the care and treatment of patients transferred to BMA from the hospitals, or in determining whether such patients can be adequately cared for otherwise than in either of the facilities.

8. BMA shall keep medical records of all treatments rendered to patients by BMA and these medical records shall conform to applicable standards of professional practice. If requested by the Hospital, BMA shall provide complete copies of all medical records of patients previously treated by BMA who are at the time of the request in-patients at the Hospital and such records shall be incorporated by the Hospital in the patient's records at the Hospital.

9. BMA shall provide for the security and accountability for patient's personal effects in the event a patient must be transferred directly from BMA to the Hospital.

10. BMA agrees to indemnify, defend and hold harmless Hospital, its subsidiaries and affiliates, and their officers, agents, employees, successors and assigns from and against any and all damages, claims, expenses, liabilities for suits that may be based upon any incident alleged to have occurred from anything done or omitted by BMA, its agents or employees in the course of providing medical care to patients in accordance with this Agreement whether such claim or suit is made by an employee of BMA, a patient or any other person.

11. BMA shall carry malpractice insurance coverage relating to BMA's operations. On request BMA shall furnish the Hospital with a statement setting forth all terms and conditions of such insurance.

12. The Hospital agrees to make the facilities and personnel of its Routine Emergency Service available for the treatment of acute life-threatening emergencies which may occur to any of BMA's patients.

Such emergency transfers shall be initiated by the physician responsible for the patient's care at the time of the emergency. In the event of an emergency at BMA, the responsible physician at BMA shall notify the patient's physician of record as indicated in BMA's files, and the latter shall arrange for the transfer of the patient to the Hospital's Emergency Room. If such physician of record is not available, the responsible physician at BMA shall arrange for such transfer, and he shall also promptly notify the Emergency Room physician of the particular emergency. In either event, BMA shall be responsible for transporting the patient to the Hospital's Emergency Room and shall send appropriate interim medical records with the patient. The Hospital shall not transport its personnel or equipment to BMA in the event of an emergency.

13. If in the opinion of BMA's medical director, any patient of BMA requires emergency hospitalization, the Hospital agrees that it will provide a bed for such patient (or in the event a bed is not available at the Hospital, to arrange for the transfer of the patient to an affiliated hospital) and furnish all necessary medical services at its facility for such patient at the patient's expense. The Hospital will also accept any patient of BMA referred to the Hospital for elective reasons, subject to the availability of appropriate facilities after the BMA medical director or attending physician has arranged for in-patient hospital physician coverage.

14. The Hospital, acting through its appropriate medical staff members, shall from time to time evaluate its patients with chronic renal failure in accordance with its standard operating procedures. In cases where out-patient treatment is considered appropriate and recommended by patient's physician, with the approval of patient and patient's physician, the said patient shall be referred to BMA for out-patient treatment at the facility operated by BMA which is most convenient for the patient. There will be an interchange within one working day, of the patient Long-Term Program and Patient Care Plan, and of

medical and other information necessary or useful in the care and treatment of patients referred to BMA from the Hospital.

15. In addition to the services described above, the Hospital shall make the following services available to patients referred by BMA either at the Hospital or at an affiliated hospital:

a. Availability of a surgeon capable of shunt and fistula insertion and long term maintenance;

b. In-patient care for any patient who develops complication or renal disease-related conditions that require hospital admission;

c. Kidney transplantation services, where appropriate, including tissue typing and cross matching, surgical transplant capability, availability of surgeons qualified in the management of pre and post-transplant patients;

d. Blood Bank services to be performed by the Hospital Laboratory.

Bills for services provided by Hospital to patients shall be rendered by Hospital to patients or their insurers and not BMA.

16. BMA shall have no responsibility for any in-patient care rendered by the Hospital. Once a patient has been referred by BMA to the Hospital, the Hospital agrees to indemnify BMA against, and hold it harm less from, any claims, or expenses or liabilities based upon or arising from anything done or omitted, or allegedly omitted, by the Hospital, its agents or employees in relation to the treatment or medical care rendered at the Hospital.

17. Whenever under the terms of this Agreement, written notice is required or permitted to be given by one party to the other, such notice shall be deemed to have been sufficiently given if personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to such party at the following address:

a. To the Hospital:

Administrator
George Maroney, Administrator
405 W. Jackson St.
Carbondale, IL 62901

bma

BACK-UP HOSPITAL AGREEMENT

b. To BMA:

Administrator
John P. John
725 S. Lewis Lane
Carbondale, IL. 62901

18. If any provisions of this Agreement shall at any time conflict with any applicable State or Federal law or shall conflict with any regulation or any regulatory agency having jurisdiction with respect thereto, this Agreement shall be modified in writing by the parties hereto to conform to such regulation, law, guideline, or standard established by such regulatory agency.

19. This Agreement contains all of the agreements among the parties with respect to its subject matter; this Agreement supercedes any and all other Agreements, either oral or in writing, among the parties hereto with respect to the subject matter hereof.

20. This Agreement shall bind and benefit the parties, their respective successors and assigns.

21. All questions as to interpretations, instructions and performances of this Agreement shall be governed by State law.

22. This Agreement shall remain in effect from the date hereof until terminated by either party upon at least 90 days written notice to the other party which notice shall specify the date of termination.

23. The undersigned parties realize that the spirit of this Agreement, the provision of the best possible medical care to all patients concerned, is of utmost importance. Both facilities will cooperate in every way possible to assure such medical care.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

Hospital Memorial Hospital of Carbondale

By _____
Name and Title

Bio-Medical Applications
of Carbondale, Inc.

By _____ Regional Manager
Name and Title

NMC Form No. DCL0217 12/88

Continuity of Care
ATTACHMENT – 26h

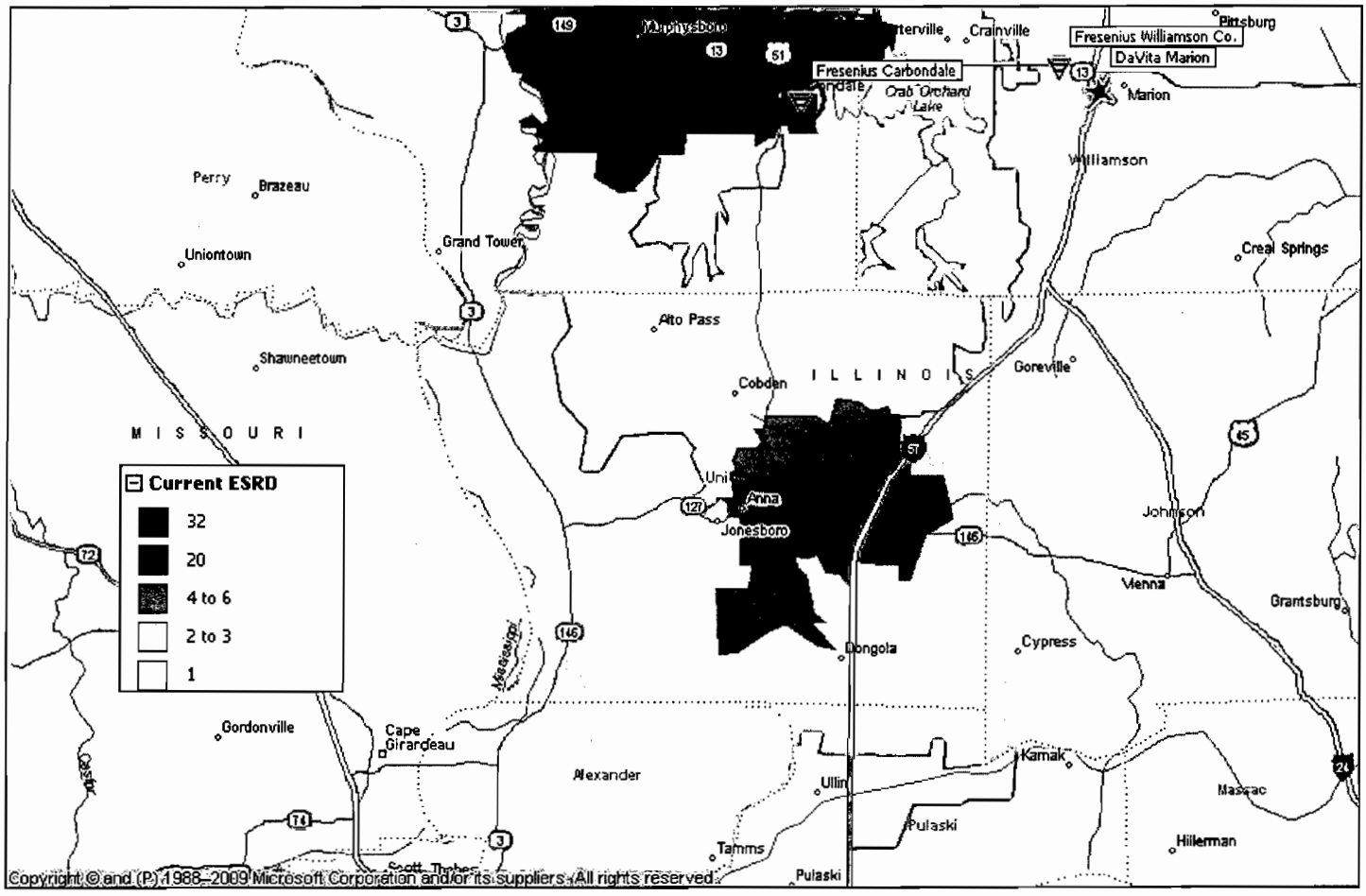
RELOCATION OF FACILITIES

1) The existing Carbondale facility is currently at 62% utilization serving 89 patients. While it does not meet target utilization, the current site is run down and in need of extensive repairs. The floor tile throughout the facility is missing, cracked, or needs replacement due to asbestos issues. The treatment floor bubbles up and is a trip hazard. The sink in the bathroom is not handicap accessible. Most of the doors are warped, rusted or do not close or open properly. The current building has limited space for storage and for its growing home therapies program. Also, the lease expiration will be coinciding with the relocation of the current site.

   Although the existing Carbondale facility is not at 80% utilization, the clinic would need to reduce its current station count of 24 down to 18 to achieve this. This reduction would translate into moving 24 patients off of the 1st and 2nd shifts and placing them onto the 3rd shift. Currently, there are only 4 patients choosing to dialyze on the 3rd shift, which runs from approximately 3/4pm to 8 pm. Most patients want to receive treatment on the two earlier daytime shifts. Placing these 24 patients on the 3rd shift would create hardships such as causing an upheaval to their daily schedule and create difficulty with nighttime driving on country roads especially during winter. Also, there is limited or no medicar transportation available after 4p which causes difficulty on the patient, family member or friend who is driving. Therefore, our goal is to keep access available on the daytime shifts for the best interest of the patient.

2) Relocating the 24-station Carbondale facility to 1425 East Main Street, Carbondale, will offer patients a new, more modern facility that meets CMS guidelines. It will be located on a main thoroughfare in the town allowing for a more direct route for ambulances to reach Carbondale Memorial Hospital. Most importantly, the clinic is in need of more space to provide for its growing home therapies program and the addition of a nocturnal dialysis program. The nocturnal program can offer the patient more flexibility in the choice of a manageable schedule between their job and their treatment schedule. The patient can work then come home spend time with their family, and leave later in the evening to dialyze. Since the nocturnal patient dialyzes longer at approximately 8 hours of treatment, this can provide better results as a treatment option. Both the home therapies and nocturnal programs will give the patient more dialysis choices.

Current ESRD Patient Demographics Identified for Fresenius Medical Care Carbondale



While Carbondale is not considered rural, some patients come from surrounding rural areas as shown above. The distance from the Carbondale facility to areas such as Anna, Jonesboro, Dongola is 25-30 miles away. This makes travel more difficult and causes the hardship of nighttime driving for the patient who is tired and not feeling well after their 3rd shift treatment.

Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President of the Southern Illinois/Missouri Region of the South Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Carbondale, I certify the following:

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

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

    - 89% of patients had a URR $\geq$ 65%
    - 98% of patients had a Kt/V $\geq$ 1.2

    These are expected to remain the same.

Richard Alderson
Signature

Richard Alderson/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 21 day of June, 2012

Marica Katambwa
Signature of Notary

Seal

MGB
Development
Group

June 14, 2012

Charles Newth
Senior Real Estate Manager
Real Estate and Construction Services
Fresenius Medical Care North America
Reservoir Woods
920 Winter Street
Waltham, MA 02451-1457
charles.newth@fmc-na.com
phone: (781) 699-9993
fax: (781) 699-9776

Re: **Letter of Intent to Lease the Property located at 1425 East Main Street, Carbondale, IL 62901**

Dear Charles,

This letter is intended to outline certain business points of the pending building lease transaction for the Property referenced herein as follows:

Parties:	Landlord:	MGB Development Group, LLC or its assigns
	Tenant:	Bio-Medical Applications of Illinois, Inc., a Delaware corporation, d/b/a Fresenius Medical Care Carbondale
	Guarantor:	Fresenius Medical Care Holdings, Inc.
Property:	The Property to be purchased, renovated, and leased to Tenant consists of +/- 12,927 gross square feet on +/-3.88 acres located at 1425 East Main Street, Carbondale, IL 62901; the Property is as shown on **Exhibit "A"** attached hereto.	
Primary Lease Term:	15 years	
Options to Renew	Three (5) five year options	
Rental Rate:	The rental rate is estimated at $17.99/sf for 12,927 gsf, to be adjusted based on final project costs. Rental Rate shall increase 1.7% per year.	
Lease Commencement:	Ninety (90) days after Shell Building Substantial Completion	
Landlord Responsibilities:	(a) Warranty all building defects for one (1) year per contractor warranties. (b) The Landlord, at its cost, will maintain the structure of the building to include foundation, slab, columns, walls and roof throughout the lease.	

term. In addition, be responsible for repairs to or replacement of heating/air conditioning equipment servicing the Premises for any single repair for the portion of the costs that exceeds Two Thousand Five Hundred Dollars ($2,500.00) per repair. The Two Thousand Five Hundred Dollar ($2,500) repair and maintenance allowance shall escalate by two percent (2%) annually.

Tenant Responsibilities: (a) Tenant shall at its sole cost and expense keep and maintain the non-structural portions of the interior of the Premises, including all Tenant Improvements and Alterations, in good order and repair and free of refuse and rubbish.
(b) Tenant shall pay all utility service charges directly, and Tenant shall pay directly or reimburse Landlord for all building insurance and tax bills by the required payment date.

Contingency: Lease shall be contingent on Tenant obtaining a Certificate of Need from the Illinois Department of Health in order to relocate the facility and continue operations at the new Property.

This letter is non-binding but is intended to provide an outline for drafting the formal lease agreement between the Parties.

Best Regards,

Paul Brown

Paul Brown
Partner
MGB Development Group

ACCEPTED, AGREED AND APPROVED:

By: _____

Name: _____
(Please print)

Title: _____

Date: _____

Address: _____

Telephone/Email: _____

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

Financials
ATTACHMENT - 40

Criterion 1120.310 Financial Viability

Financial Viability Waiver

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

Criterion 1120.310 (c) Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. $ (A x C)	Mod. $ (B x E)	
ESRD		143.00			12,927			$1,848,561	$1,848,561
Contingency		14.23			12,927			$183,951	$183,951
TOTALS		157.23			12,927			$2,032,512	$2,032,512
* Include the percentage (%) of space for circulation									

Criterion 1120.310 (d) – Projected Operating Costs

Year 2017

Salaries	$1,721,888
Benefits	430,472
Supplies	322,574
Total	$2,474,934
Annual Treatments	17,971
Cost Per Treatment	$137.72

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

Year 2017

Depreciation/Amortization	$93,264
Interest	0
CAPITAL COSTS	$93,264
Treatments:	17,971
Capital Cost per treatment	$5.19

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Bio-Medical Applications of Illinois, Inc.

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

By: B Mello

Title: Bryan Mello
Assistant Treasurer

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

C Wynelle Scenna
Signature of Notary

Seal

By: M. Fawcett

Title: ~~Mark Fawcett~~
Vice President & Treasurer

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

Signature of Notary

Seal

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

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Holdings, Inc.

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

By: _____

Title: Assistant Treasurer

By: _____

Title: Mark Fawcett
Vice President & Asst. Treasurer

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

_____
Signature of Notary

Seal

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

C Wynelle Scenna
Signature of Notary

Seal

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

Criterion 1120.310(b) Conditions of Debt Financing

Bio-Medical Applications of Illinois, Inc.

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

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

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

By: _____

ITS: Bryan Mello
Assistant Treasurer

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

_____
Signature of Notary

Seal

By: _____

ITS: Mark Fawcett
Vice President & Treasurer

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

C Wynelle Scenna
Signature of Notary

Seal

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

Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Holdings, Inc.

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

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

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

By: _____

ITS: **Bryan Mello**
Assistant Treasurer

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

_____
Signature of Notary

Seal

By: _____

ITS: Mark Fawcett
Vice President & Asst. Treasurer

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

C Wynelle Scenna
Signature of Notary

Seal

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

Safety Net Impact Statement

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

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

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

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

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

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

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

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

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

Charity Care Information

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

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

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

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

Uncompensated Care By Facility

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

Continued...

Continued Uncompensated Care by Facility

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

Medicaid Treatments/Costs By Facility

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

Continued...

Continued Medicaid Treatments/Costs By Facility

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

(see following page for patient coverage options)

Fresenius Medical Care North America
Community Care

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

American Kidney Fund

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

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

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

Indigent Waiver Program

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

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

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

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

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

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

IL Medicaid and Undocumented Patients

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

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

FMCNA Collection Policy

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

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

Medicare and Medicaid Eligibility

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

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

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

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

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

Self-Pay

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

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

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Notes

TO FRESENIUS MEDICAL CARE WILLIAMSON COUNTY

Trip to:

900 Skyline Dr

Marion, IL 62959-4972

11.59 miles / 15 minutes

A	**1425 E Main St**, Carbondale, IL 62901-3141	
●	1. Start out going **southwest** on **E Main St** toward **N Giant City Rd**. Map	**0.1 Mi** *0.1 Mi Total*
↱	2. Take the 1st **right** onto **Giant City Rd / N Giant City Rd**. Map	**0.04 Mi** *0.2 Mi Total*
↱ EAST 13	3. Take the 1st **right** onto **IL-13 E / E Main St**. Continue to follow **IL-13 E**. Map	**11.2 Mi** *11.4 Mi Total*
↱	4. Turn **right** onto **Skyline Dr**. Map	**0.2 Mi** *11.6 Mi Total*
■	5. **900 SKYLINE DR** is on the **right**. Map	
B	**900 Skyline Dr**, Marion, IL 62959-4972	

Total Travel Estimate: **11.59 miles - about 15 minutes**

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MAPQUEST.

Trip to 324 S 4th St
Marion, IL 62959-1241
14.33 miles - about 20 minutes

Notes

TO DAVITA MARION

A 1425 E Main St, Carbondale, IL 62901-3141

START	1. Start out going **southwest** on **E Main St** toward **N Giant City Rd**.	go 0.1 mi
	2. Turn **right** onto **Giant City Rd / N Giant City Rd**.	go 0.0 mi
EAST 13	3. Turn **right** onto **IL-13 E / E Main St**. Continue to follow **IL-13 E**.	go 12.4 mi
SOUTH 57	4. Merge onto **I-57 S** toward **Cairo**.	go 0.7 mi
53 EXIT	5. Take the **Main St** exit, **EXIT 53**, toward **Marion**.	go 0.2 mi
	6. Keep **left** at the fork to go on **W Main St**.	go 0.6 mi
	7. Turn **right** onto **S 3rd St**.	go 0.1 mi
	8. Turn **right** onto **W Cherry St**.	go 0.0 mi
	9. Turn **left** onto **S 4th St**.	go 0.1 mi
END	10. **324 S 4TH ST** is on the **right**.	go 0.0 mi

B 324 S 4th St, Marion, IL 62959-1241

Total Travel Estimate : 14.33 miles - about 20 minutes

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Trip to:

4 W Main St
Du Quoin, IL 62832-1611
22.26 miles / 33 minutes

Notes
TO FRESENIUS MEDICAL CARE DUQUOIN

A **1425 E Main St**, Carbondale, IL 62901-3141

1. Start out going **southwest** on **E Main St** toward **N Giant City Rd**. Map	**0.1 Mi**	*0.1 Mi Total*
2. Take the 1st **right** onto **Giant City Rd / N Giant City Rd**. Map	**0.05 Mi**	*0.2 Mi Total*
3. Take the 1st **left** onto **IL-13 W / E Main St**. Map	**1.8 Mi**	*2.0 Mi Total*
4. Turn **right** onto **N Illinois Ave / US-51 N**. Continue to follow **US-51 N**. Map	**20.0 Mi**	*22.0 Mi Total*
5. Turn **left** onto **E Poplar St / US-51**. Map	**0.2 Mi**	*22.2 Mi Total*
6. Take the 3rd **right** onto **S Oak St**. Map	**0.09 Mi**	*22.3 Mi Total*
7. Take the 1st **left** onto **W Main St**. Map	**0.01 Mi**	*22.3 Mi Total*
8. **4 W MAIN ST** is on the **right**. Map		

B **4 W Main St**, Du Quoin, IL 62832-1611

Total Travel Estimate: **22.26 miles - about 33 minutes**

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Trip to:

1151 Route 14 W
Benton, IL 62812-1500
32.48 miles / 37 minutes

Notes
TO DAVITA BENTON

1425 E Main St, Carbondale, IL 62901-3141

1. Start out going **southwest** on **E Main St** toward **N Giant City Rd**. Map	**0.1 Mi**	*0.1 Mi Total*
2. Take the 1st **right** onto **Giant City Rd / N Giant City Rd**. Map	**0.04 Mi**	*0.2 Mi Total*
3. Take the 1st **right** onto **IL-13 E / E Main St**. Continue to follow **IL-13 E**. Map	**12.7 Mi**	*12.9 Mi Total*
4. Merge onto **I-57 N** toward **Mt Vernon**. Map	**18.0 Mi**	*30.9 Mi Total*
5. Take the **IL-14** exit, **EXIT 71**, toward **Benton / Christopher**. Map	**0.3 Mi**	*31.3 Mi Total*
6. Turn **left** onto **IL-34 W / IL-14 W / W Main St**. Continue to follow **IL-14 W**. Map	**1.2 Mi**	*32.5 Mi Total*
7. **1151 ROUTE 14 W**. Map		

1151 Route 14 W, Benton, IL 62812-1500

Total Travel Estimate: **32.48 miles - about 37 minutes**

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Trip to:

275 Small St
Harrisburg, IL 62946-3352
37.63 miles / 51 minutes

Notes
TO FRESENIUS MEDICAL CARE SALINE COUNTY

1425 E Main St, Carbondale, IL 62901-3141

1. Start out going **southwest** on **E Main St** toward **N Giant City Rd**. Map	**0.1 Mi**	*0.1 Mi Total*
2. Take the 1st **right** onto **Giant City Rd / N Giant City Rd**. Map	**0.04 Mi**	*0.2 Mi Total*
3. Take the 1st **right** onto **IL-13 E / E Main St**. Continue to follow **IL-13 E**. Map	**36.2 Mi**	*36.3 Mi Total*
4. Turn **left** onto **N Main St / IL-34**. Continue to follow **IL-34 N**. Map	**0.8 Mi**	*37.1 Mi Total*
5. Turn **right** onto **Small St / Railroad Yard Rd**. Continue to follow **Small St**. Map	**0.5 Mi**	*37.6 Mi Total*
6. **275 SMALL ST** is on the **right**. Map		

275 Small St, Harrisburg, IL 62946-3352

Total Travel Estimate: **37.63 miles - about 51 minutes**

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KD Consultants

1350 Cedar Court
Carbondale, IL 62901

Board Certified Specialists
In Nephrology

Randy G. Cowart M.D.

Muhammad Kamran M.D., F.A.C.P.

Board Certified Specialists
Assistants

Mary Rosenbauer P.A-C

Diana Moreland P.A-C

Laura Kidd P.A-C

Acute Kidney Failure

Chronic Kidney Diseases

Hypertension

Diabetic Kidney Disease

Kidney Stone Prevention

Proteinuria

Hematuria

Hemodialysis

Peritoneal Dialysis

Kidney Transplant

Acid Base Disturbances

Electrolyte Disturbances

October 29, 2012

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

Dear Ms. Avery:

My name is Randy Cowart, M.D. and I am a nephrologist practicing in southern Illinois with KDMS Consultants and am also the medical director of the Fresenius Medical Care Carbondale dialysis center. I am writing to support the relocation of the Fresenius Carbondale facility. We have been in this current building for 25 years and it is in need of extensive repair. The clinic has grown during this time and is now limited on space. The new site will allow for adequate space for home therapies and provide ample room for the addition of a nocturnal program which will give my patients more treatment options.

My partners and I at KDMS Consultants have referred 141 new patients for hemodialysis services over the past twelve months. We were treating 301 hemodialysis patients at the end of 2009, 256 at the end of 2010, 253 at the end of 2011 and as of September 30, 2012 we were treating 244 hemodialysis patients. Also, our practice has 30 home therapy patients in the Carbondale, Harrisburg, and Marion area. We have approximately 500 Pre-ESRD patients in the Carbondale area. Of these, roughly 130 will require dialysis services in the first two years after the clinic's relocation. However, due to patient attrition, it is expected that only 91 of these patients will begin dialysis during this time.

I respectfully ask the Board to approve the relocation of the Fresenius Medical Care Carbondale facility in order to keep access available to this patient population. Thank you for your consideration.

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

Kidney Disease and Medicine Specialty Consultants, LLC.
Phone: 618-529-2955 Fax: 618-457-7823 E-mail: KDMSC@kdmsconsultants.com

Sincerely,

Randy Cowart, M.D.

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

Signature of Notary
(Seal)

OFFICIAL SEAL
ROSE A. CARTWRIGHT
Notary Public - State of Illinois
My Commission Expires Jun 01, 2015

Kidney Disease and Medicine Specialty Consultants, LLC
1350 Cedar Court Carbondale, IL 62901
Phone: 618-529-2955 Fax: 618-457-7823 E-mail: KDMSC@kdmsconsultants.com

CURRENT HEMODIALYSIS PATIENTS AT FRESENIUS CARBONDALE THAT ARE EXPECTED TO TRANSFER AFTER RELOCATION

Zip Code	Patients
61364	1
62812	1
62901	32
62902	1
62905	1
62906	6
62907	4
62914	3
62918	1
62920	1
62921	1
62924	4
62926	2
62932	2
62952	2
62958	1
62966	20
62975	1
62976	1
62988	2
62992	1
62994	1
Total	89

PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO THE CARBONDALE FACILITY THE 1ST TWO YEARS AFTER RELOCATION

Zip Code	Pre ESRD Patients
62901	25
62902	8
62903	2
62906	12
62912	2
62914	1
62918	13
62920	4
62924	2
62926	2
62940	3
62952	5
62958	2
62963	1
62964	1
62966	40
62976	2
62988	3
62992	1
62996	1
Total	130

It is expected that approximately 30% of the above patients will no longer require dialysis services by the time the facility is relocated due to death, transplant, or moving out of the area. Therefore, approximately 91 of the above patients will actually begin dialysis services at the Carbondale facility.

NEW REFERRALS OF KDMS CONSULTANTS FOR THE PAST TWELVE MONTHS
10/01/2011 THROUGH 09/30/2012

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62233			6					6
62242			1					1
62274		2						2
62277			1					1
62280			1					1
62286			3					3
62288			4					4
62812						1		1
62821				2				2
62832		5						5
62859				1				1
62867				1				1
62869				2				2
62888		3						3
62896					1	2		3
62901	10						1	11
62902	1	1			1			3
62906	3							3
62907	2							2
62914	1							1
62917				4	1			5
62918	2				3			5
62919				1				1
62921					1			1
62924	3							3
62926	1							1
62930				4				4
62931				1				1
62933	1							1
62934				1				1
62935				2				2
62946				8	1			9
62948					12			12
62949					1			1
62951					2			2
62952	2							2
62954				1				1
62958	1							1
62959	1				13	1		15
62966	9				1			10
62975	1							1
62982				1				1
62984				1				1
62988	1							1
62992					1			1
62994	1							1
62995					1			1
Total	40	11	16	30	39	4	1	141

PATIENTS OF KDMS CONSULTANTS AT YEAR END 2009

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62221	1							1
62233			5					5
62237			1					1
62238	1							1
62241			1					1
62242			1					1
62263		1						1
62272			2					2
62274		8						8
62278			1					1
62286			8					8
62288			4					4
62292			1					1
62666	1							1
62812	1					7		8
62817				1				1
62821				5				5
62822		5			1	4		10
62832		16						16
62836						2		2
62859				2				2
62871				2				2
62884					2			2
62887				1				1
62888		2						2
62890			1			2		3
62891					1			1
62896					9		5	14
62901	34							34
62902	3							3
62905	1							1
62906	6							6
62907	5							5
62914	4							4
62916	1							1
62917				4				4
62918	2				1		2	5
62919				1				1
62920	4							4
62922					3			3
62924	1							1
62926	2				1			3
62930				10				10
62931				2				2
62932	1	1						2
62933					2			2
62934				2				2
62935				1				1
62938				1				1
62942	1							1
62946				20				20
62947				2				2
62948					9			9
62951					1			1
62952	1							1
62959					17		2	19
62960				1				1
62961					1			1
62966	14	7					1	22
62967				1				1
62976	2							2
62979				2				2
62982				4				4
62983					1	1		2
62984				5				5
62985							1	1
62988	1							1
62992	3							3
62997			2					2
62999					1			1
Total	90	40	27	67	50	16	11	301

PATIENTS OF KDMS CONSULTANTS AT YEAR END 2010

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62201			1					1
62233			8					8
62237			1					1
62238	1	1						2
62241			1					1
62242			2					2
62268			1					1
62272			2					2
62274	1	9						10
62286			8					8
62288			2					2
62292			1					1
62812	1					1		2
62817				1				1
62821				1				1
62822	2	12			6	1		21
62832		2						2
62856						1		1
62869				1				1
62871				3				3
62887				1				1
62888		14						14
62890						14		14
62896					3		1	4
62901	8							8
62902	4							4
62903	2							2
62905	1							1
62906	3							3
62907	2							2
62914	2							2
62915	1							1
62916	1							1
62917				5				5
62918	1				3		1	5
62919				1				1
62920	1							1
62922					3			3
62924	7							7
62926	3				1			4
62930				3				3
62931				1			1	2
62932	5	3						8
62933					4			4
62935				6				6
62938				3				3
62942	1							1
62946				6				6
62948					8			8
62949					4			4
62950			3					3
62951					11			11
62952	5							5
62958	1							1
62959					3		1	4
62961					1			1
62966	3	2			1		1	7
62976	2							2
62979				2				2
62982				8				8
62983					1			1
62984				2				2
62985							3	3
62988	2							2
62992	1							1
62997		2	1					3
62999					1			1
Total	61	45	31	44	50	17	8	256

PATIENTS OF KDMS CONSULTANTS AT YEAR END 2011

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62233			4					4
62238	1	1	1					3
62241			1					1
62242			2					2
62272			3					3
62274	1	5						6
62286			9					9
62288			2					2
62292			1					1
62812	1					3		4
62817				1				1
62821				1				1
62822		3			1			4
62832		18						18
62856						1		1
62865		1						1
62867				1				1
62871				1				1
62887				1				1
62888		2						2
62890						2		2
62896					5		6	11
62901	30							30
62902	4				1			5
62905	1							1
62906	6							6
62907	4	1						5
62912	1							1
62914	3							3
62917	3							3
62918	2				3		2	7
62919				1				1
62920	2							2
62921	1							1
62922					1			1
62924	4							4
62926	3							3
62930				9				9
62932	2							2
62933					2			2
62935				1				1
62938				1				1
62946				11		1		12
62948					14			14
62950			1					1
62951					2			2
62952	2				1			3
62958	1							1
62959					17		6	23
62961					1			1
62964	1							1
62966	15	2						17
62967				1				1
62970					1			1
62976	1							1
62979				1				1
62983					1			1
62984				1				1
62985							1	1
62988	1							1
62992	1							1
62997			2					2
Total	**91**	**33**	**26**	**31**	**50**	**7**	**15**	**253**

PATIENTS OF KDMS CONSULTANTS AS OF SEPTEMBER 30, 2012

Zip	Fresenius Medical Care					DaVita		
Code	Carbondale	DuQuoin	Randolph Co	Saline Co	Williamson Co	Benton	Marion	Total
62233			8					8
62238		1	1					2
62242			2					2
62272			2					2
62274		4						4
62277			1					1
62280			1					1
62286			9					9
62288			3					3
62292			1					1
62295					1			1
62812	1					4		5
62817				1				1
62821				2				2
62822		3						3
62832		13						13
62856						1		1
62867				1				1
62869				2				2
62887				1				1
62888		2						2
62890						1		1
62896					3	6		9
62901	33							33
62902	1							1
62905	1							1
62906	6							6
62907	4							4
62912	1							1
62914	3							3
62917				4				4
62918	1				2		2	5
62920	1							1
62921	1							1
62922					1			1
62924	4							4
62926	2							2
62930				9				9
62932	2							2
62933					1			1
62934				1				1
62938				2				2
62946				11	1			12
62948					13			13
62949					1			1
62950			1					1
62951					1			1
62952	2				1			3
62954				1				1
62958	1							1
62959					14	4		18
62961					1			1
62966	19	2						21
62967				1				1
62970					1			1
62975	1							1
62976	1							1
62979				1				1
62982				1				1
62984				2				2
62985							1	1
62988	2							2
62992	1							1
62994	1							1
62997			1					1
Total	89	25	30	40	41	16	3	244