



Fresenius Medical Care

April 25, 2013

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

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

**Re: Supplemental Information
Project # 12-093, Fresenius Medical Care Streeterville**

Dear Ms. Avery,

The enclosed pages contain supplemental information in response to the Intent to Deny given to the above mentioned project at the March 26, 2013 meeting.

Thank you for your time and consideration of this information.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Ranalli

**SUPPLEMENTAL INFORMATION FOR
#12-093 Fresenius Medical Care Streeterville**

In response to the Intent to Deny issued to project #12-093 at the March 26, 2013 meeting, Fresenius Medical Care respectfully submits the following additional information.

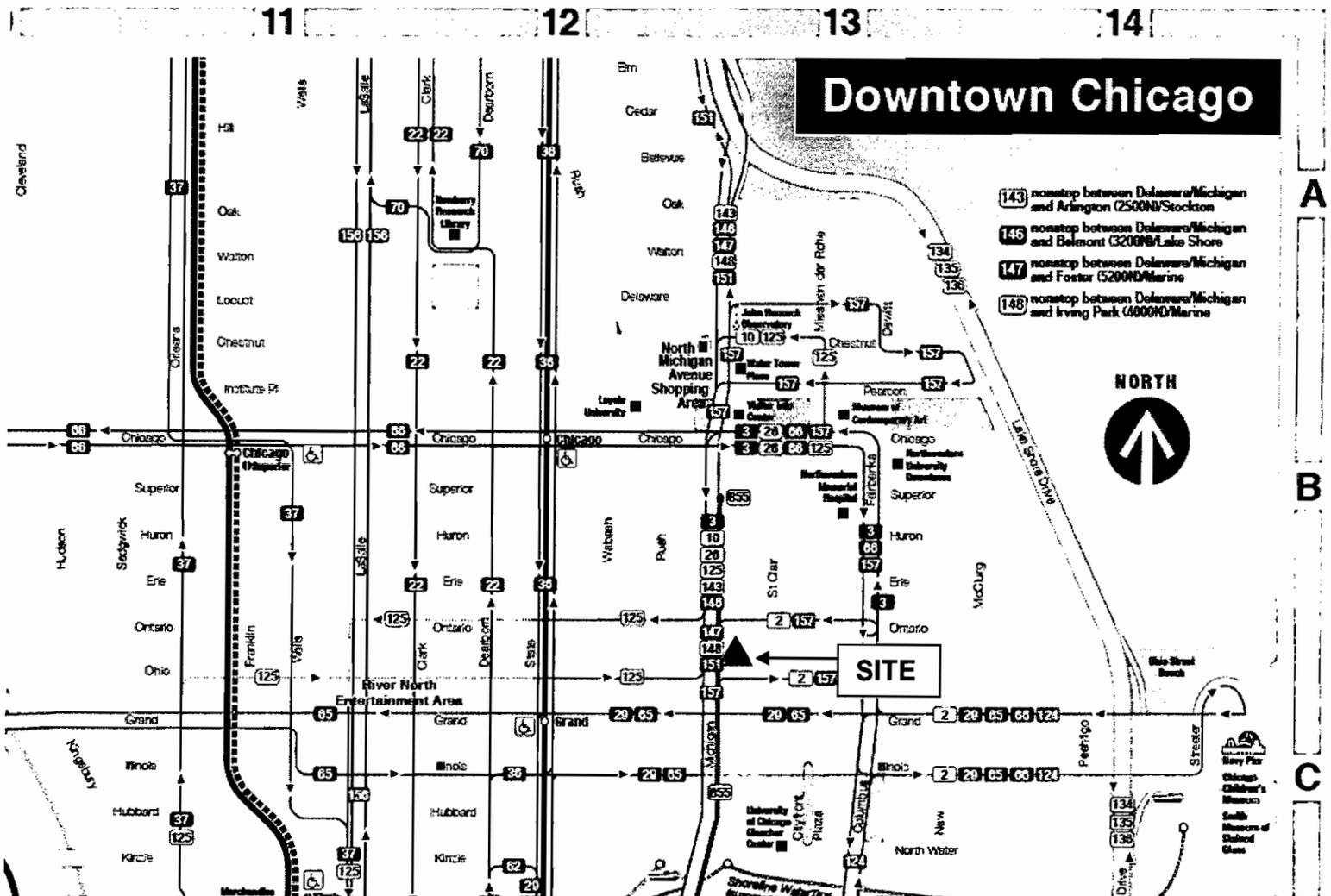
The Streeterville facility is being established to accommodate patients from a separate physician practice than both the existing Fresenius Northwestern dialysis facility and the newly approved Northwestern Medical Faculty Foundation (NMFF) dialysis facility (both of which are supported by NMFF physicians). Generally speaking, the Fresenius Streeterville proposal has no bearing or impact upon either of these other facilities because it is supported by a different physician group. The Fresenius Northwestern facility's patients are almost all patients of NMFF. Since we last appeared before the Board on Streeterville, the Board approved a 36-station facility that will be owned and operated by NMFF and another dialysis company. NMFF was direct about the fact that it intended to transfer its patients at the 44-station Fresenius Northwestern facility to its new facility when it opened. As a result of the impact on the Fresenius Northwestern facility, the proposed Streeterville facility is even more appropriate.

Fresenius Streeterville will serve a patient population living in the Near North area of Chicago who are not patients of NMFF, and therefore will not likely be referred to either Fresenius Northwestern or the NMFF facility. When the new NMFF dialysis facility begins operations and transfers 80% of the patients out of the current Fresenius Northwestern facility, as they testified to the Board they would do, what will remain at the current location is a 44-station clinic at 14% utilization. While the future for this facility is not yet clear, it would not make sense for Fresenius to continue to lease space for a 44-station facility. Its lease for that space is with Northwestern Memorial Hospital and is up in approximately two years, although Fresenius does have renewal options. While it is again difficult to predict what will occur, it is reasonable that Fresenius may choose to release the entire space to Northwestern and to treat patients in a stand alone facility off of Northwestern's campus. This makes sense from a "real estate" standpoint for both parties, i.e. Fresenius as the tenant and Northwestern as a Landlord, but also from a patient care standpoint. The NMFF patients currently seen at the Fresenius Northwestern facility will receive care at the newly approved NMFF facility, while the Streeterville location will serve the Associates in Nephrology patients in the area, and will be ideally located for those patients in the area who are not NMFF patients and / or choose not to navigate the Northwestern campus for dialysis treatment. It is a much smaller facility, which will better compliment the 36-station NMFF facility rather than the current 44-station Fresenius Northwestern facility.

Even prior to the submittal and eventual approval of the NMFF dialysis facility, Fresenius Medical Care and the physicians at Associates in Nephrology found the Streeterville location to be an ideal site to serve their growing patient population on the Near North side. It also seemed an ideal alternative for those patients who receive health care services at other area health care systems and/or didn't want to navigate the Northwestern Campus.

The proposed facility is located in a high-rise mixed commercial/residential area, with a disproportionate share of residents over age 65. Many residents don't own cars and rely on public transportation. Public transportation options are numerous in this area making the clinic easily accessible as seen on the Chicago Transit Map below.

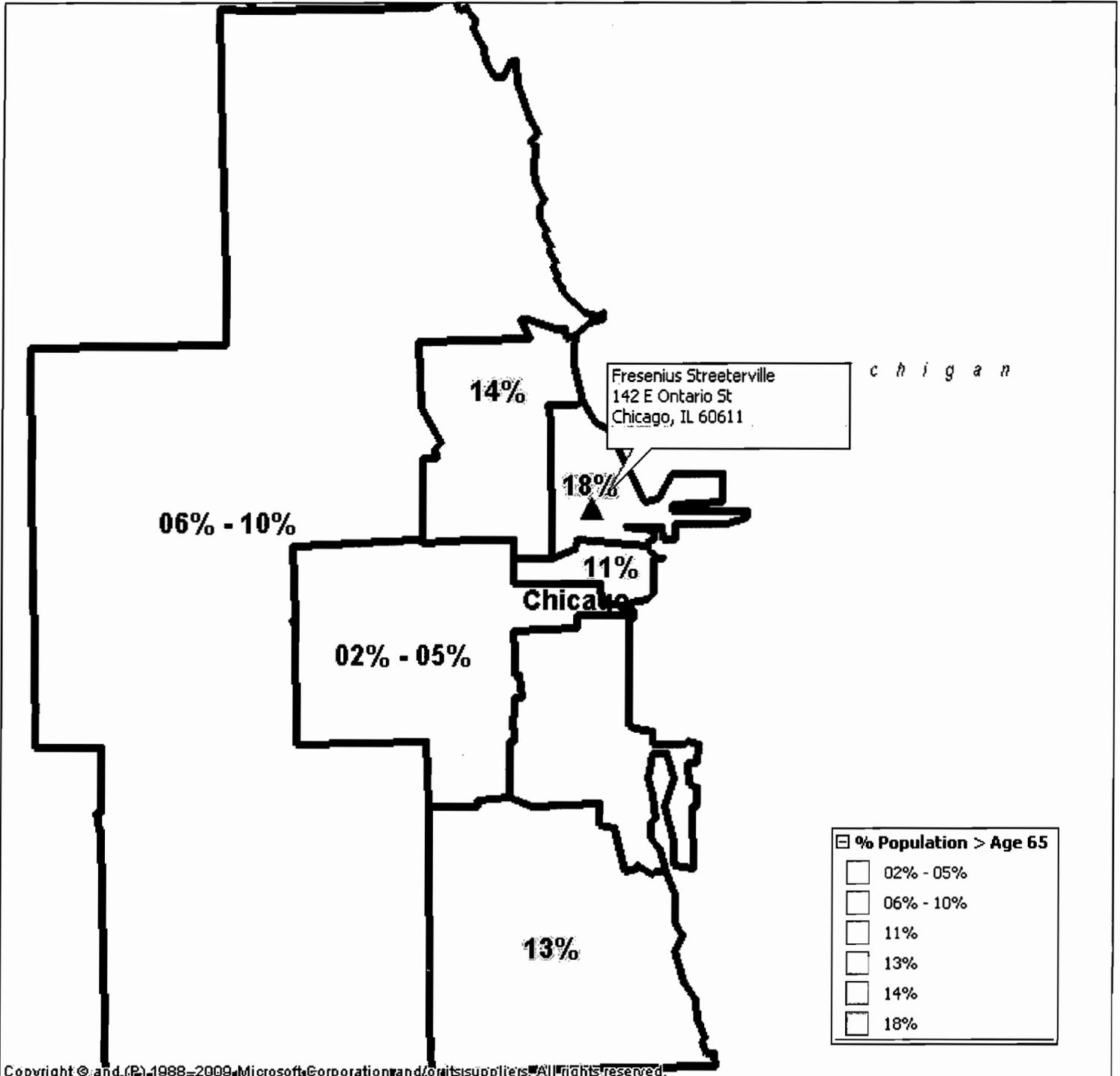
CHICAGO TRANSIT MAP



Eighteen percent of residents in Streeterville are over age 65, which is much higher than surrounding areas, another reason this site is ideal. This age group, unfortunately, is more likely to require dialysis services related to health conditions leading to kidney failure such as diabetes, hypertension and heart disease.

The map below shows the percent of population in each zip code in the 30-minute travel area of Streeterville that is over the age of 65.

PERCENT POPULATION OVER AGE 65 BY ZIP CODE



Given the unique circumstances that have evolved during the course of this project, we respectfully urge the Board to reevaluate this application and the additional information and vote to approve the 12-station Fresenius Medical Care Streeterville facility.

As always, we thank the Board and its staff for their time in reviewing this information.