

Original

12-095

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

RECEIVED

## SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

NOV 20 2012

This Section must be completed for all projects.

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

## Facility/Project Identification

Facility Name <i>Fresenius Medical Care Waterloo</i>			
Street Address: <i>515-535 Hamacher Street</i>			
City and Zip Code: <i>Waterloo 62298</i>			
County: <i>Monroe</i>	Health Service Area <i>11</i>	Health Planning Area:	

## Applicant Identification

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

Exact Legal Name: <i>Fresenius Medical Care of Illinois, LLC. d/b/a Fresenius Medical Care Waterloo</i>	
Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Name of Registered Agent: <i>CT Systems</i>	
Name of Chief Executive Officer: <i>Rice Powell</i>	
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Telephone Number: <i>800-662-1237</i>	

## Type of Ownership of Applicant

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership		
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental		
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/>	Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o 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: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9121</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>708-498-9334</i>

## Additional Contact

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

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

**Co-Applicant Identification**

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

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

**Type of Ownership of Co-Applicant**

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o 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: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>One Westbrook Corporate Center, Tower One, Suite 1000, Westchester, IL 60154</i>
Telephone Number: <i>708-498-9121</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>708-498-9334</i>

**Additional Contact**

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

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

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

**Additional Contact**

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

Name: <i>Clare Ranalli</i>
Title: <i>Attorney</i>
Company Name: <i>Holland &amp; Knight, LLP</i>
Address: <i>131 S. Dearborn, 30<sup>th</sup> Floor, Chicago, IL 60603</i>
Telephone Number: <i>312-578-6567</i>
E-mail Address: <i>clare.ranalli@hkllaw.com</i>
Fax Number: <i>312-578-6666</i>

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Southern IL Medical Development Corporation</i>
Address of Site Owner: <i>509 Hamacher St., Suite 202, Waterloo, IL 62298</i>
Street Address or Legal Description of Site: <i>Approx: 515-535 Hamacher St., Waterloo, IL 62298</i>
<b>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.</b>
<b>5-9 APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

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

Exact Legal Name: <i>Fresenius Medical Care of Illinois, LLC. d/b/a Fresenius Medical Care Waterloo</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o 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.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
<b>APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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.

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

**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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)]

<p>Part 1110 Classification:</p> <p><input checked="" type="checkbox"/> Substantive</p> <p><input type="checkbox"/> Non-substantive</p>	<p>Part 1120 Applicability or Classification: [Check one only.]</p> <p><input type="checkbox"/> Part 1120 Not Applicable</p> <p><input type="checkbox"/> Category A Project</p> <p><input checked="" type="checkbox"/> Category B Project</p> <p><input type="checkbox"/> DHS or DVA Project</p>
---	--

## 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.

*Fresenius Medical Care of Illinois, LLC proposes to establish a 6-station ESRD facility at approximately 515-535 Hamacher, Waterloo, IL.*

*The new facility will be in leased space with the interior to be built out by the applicant.*

*The site is located in HSA 11. According to the November 2012 station inventory there is a need for 5 additional stations in this HSA. Waterloo is in the St. Louis Metropolitan Statistical Area (MSA), however is 25 miles south of St. Louis is situated in a rural part of Monroe County. We are therefore being more conservative and asking for a 6-station clinic rather than the 8-stations required in an MSA.*

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

### **Legal Description:**

Part of Tax Lot 2 in U.S. Survey 720, Claim 516, Township 2 South, Range 9 West of the Third Principal Meridian, Monroe County, Illinois being more particularly described as follows:

Commencing at the intersection of the Northwest right of way line of Hamacher Street, 100 feet wide, as shown by right of way plat recorded in Envelope 180-C in the Monroe County records, with the centerline of Eagle Court as shown by plat of East Ridge 7th Addition recorded in Envelope 2-6-A; thence South 39 degrees 52 minutes 38 seconds West (based on Grid North, Illinois State Plane Coordinate System, West Zone) along said Northwest right-of-way line of Hamacher Street 1006.57 feet; thence along said right-of-way line on a curve to the right having a radius of 946.45 feet and a chord which bears South 47 degrees 01 minute 20 seconds West 235.44 feet, an arc distance of 236.05 feet to the point of beginning of the tract herein described; thence North 28 degrees 09 minutes 37 seconds West 550.00 feet; thence South 61 degrees 50 minutes 23 seconds West 225.00 feet; thence South 28 degrees 09 minutes 37 seconds East 550.00 feet, more or less, to the North right of way line of Hamacher Street; thence Northeasterly along said right of way line to the point of beginning.

SUBJECT TO easements, conditions, and restrictions of record.

SUBJECT TO the rights of the public in and to that part of the premises taken, dedicated, used or conveyed as a public roadway.

**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.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
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	1,121,040	N/A	1,121,040
Contingencies	112,000	N/A	112,000
Architectural/Engineering Fees	120,838	N/A	120,838
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	279,800	N/A	279,800
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	1,251,913 112,975	1,364,888	N/A 1,364,888
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
<b>TOTAL USES OF FUNDS</b>	2,998,566		2,998,566
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>CLINICAL</b>
Cash and Securities	1,633,678	N/A	1,633,678
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)	1,364,888	N/A	1,364,888
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
<b>TOTAL SOURCES OF FUNDS</b>	2,998,566	N/A	2,998,566
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

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

Land acquisition is related to project  Yes  No  
 Purchase Price: \$ \_\_\_\_\_  
 Fair Market Value: \$ \_\_\_\_\_

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

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

Estimated start-up costs and operating deficit cost is \$ 31,378.

**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): 02/28/2015

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.**

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

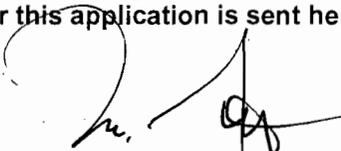
**APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**CERTIFICATION**

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

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o 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);
- o 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);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

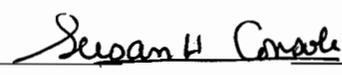
This Application for Permit is filed on the behalf of Fresenius Medical Care of Illinois,LLC. \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit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

  
 \_\_\_\_\_  
 SIGNATURE  
**Mark Fawcett**  
 \_\_\_\_\_  
 VICE PRESIDENT & TREASURER  
 \_\_\_\_\_  
 PRINTED TITLE

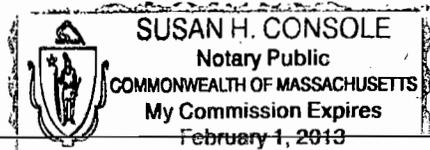
  
 \_\_\_\_\_  
 SIGNATURE  
**Bryan Mero**  
 \_\_\_\_\_  
 PRINTED NAME  
**ASS Treasurer**  
 \_\_\_\_\_  
 PRINTED TITLE

Notarization:  
 Subscribed and sworn to before me  
 this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Notarization:  
 Subscribed and sworn to before me  
 this 31 day of Oct 2012

  
 \_\_\_\_\_  
 Signature of Notary

Seal



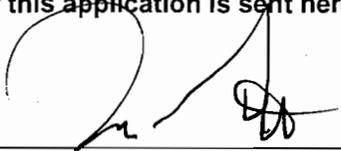
\*Insert EXACT legal name of the applicant

**CERTIFICATION**

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

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o 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);
- o 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);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o 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  
 Mark Fawcett  
 \_\_\_\_\_  
 Vice President & Asst. Treasurer  
 \_\_\_\_\_  
 PRINTED NAME  
 \_\_\_\_\_  
 PRINTED TITLE

  
 \_\_\_\_\_  
 SIGNATURE  
 Roman Mous  
 \_\_\_\_\_  
 PRINTED NAME  
 Asst. Treasurer  
 \_\_\_\_\_  
 PRINTED TITLE

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

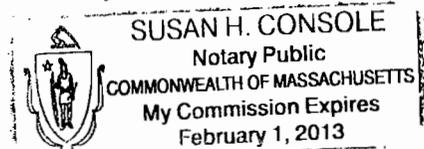
Notarization:  
Subscribed and sworn to before me  
this 31 day of Oct 2012

Signature of Notary Susan H Console

Signature of Notary \_\_\_\_\_

Seal

Seal



\*Insert EXACT legal name of the applicant

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

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

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

##### PURPOSE OF PROJECT

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

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

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

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

#### **ALTERNATIVES**

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

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
  - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
  - 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

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

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

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
  - c. The project involves the conversion of existing space that results in excess square footage.

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

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

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

**PROJECT SERVICES UTILIZATION:**

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

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

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

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

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

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

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF tot be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data are available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

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

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

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

**G. Criterion 1110.1430 - In-Center Hemodialysis**

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	0	6

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

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:**

<u>1,633,678</u>	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol>
<u>N/A</u>	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.
<u>N/A</u>	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
<u>1,364,888</u>	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: <ol style="list-style-type: none"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>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;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
<u>N/A</u>	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;
<u>N/A</u>	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
<u>N/A</u>	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>2,998,566</u>	<b>TOTAL FUNDS AVAILABLE</b>

**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	<b>APPLICANT MEETS THE FINANCIAL VIABILITY WAIVER CRITERIA IN THAT ALL OF THE PROJECTS CAPITAL EXPENDITURES ARE COMPLETELY FUNDED THROUGH INTERNAL SOURCES, THEREFORE NO RATIOS ARE PROVIDED.</b>			
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	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	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 Medicaid patients. 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			
<b>Total</b>			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year

Inpatient			
Outpatient			
<b>Total</b>			
<b>Medicaid (revenue)</b>			
Inpatient			
Outpatient			
<b>Total</b>			

**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.

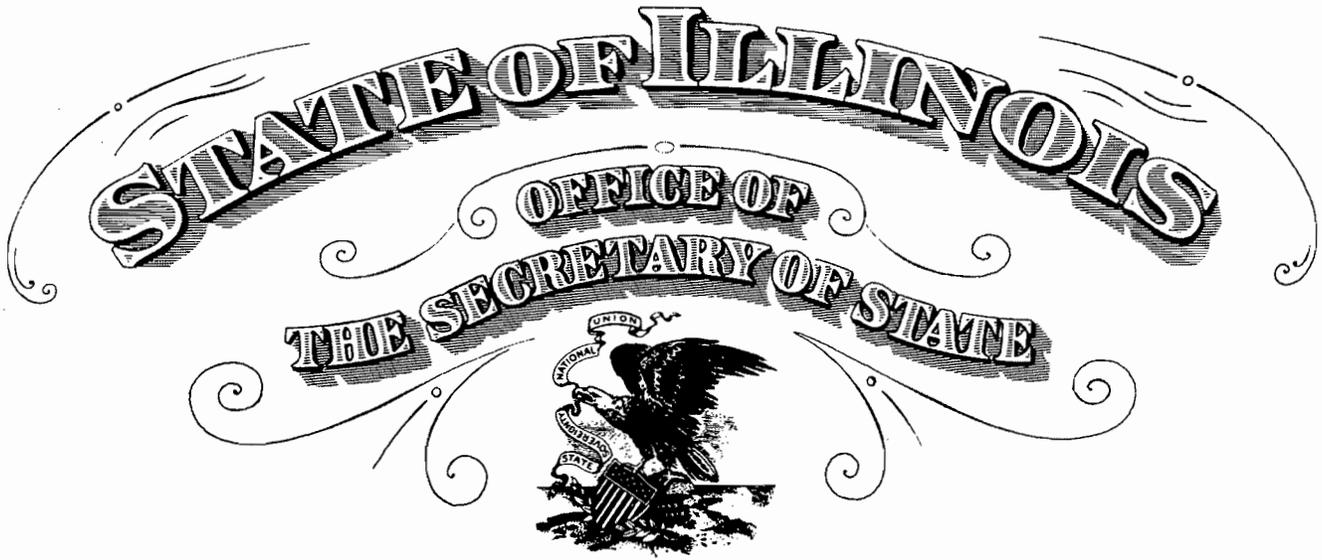
A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
<b>Net Patient Revenue</b>			
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:

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
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	30-31
6	Historic Preservation Act Requirements	32
7	Project and Sources of Funds Itemization	33-34
8	Obligation Document if required	35
9	Cost Space Requirements	36
10	Discontinuation	
11	Background of the Applicant	37-44
12	Purpose of the Project	45
13	Alternatives to the Project	46-49
14	Size of the Project	50
15	Project Service Utilization	51
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	<b>Service Specific:</b>	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	52-81
27	Non-Hospital Based Ambulatory Surgery	
28	General Long Term Care	
29	Specialized Long Term Care	
30	Selected Organ Transplantation	
31	Kidney Transplantation	
32	Subacute Care Hospital Model	
33	Post Surgical Recovery Care Center	
34	Children's Community-Based Health Care Center	
35	Community-Based Residential Rehabilitation Center	
36	Long Term Acute Care Hospital	
37	Clinical Service Areas Other than Categories of Service	
38	Freestanding Emergency Center Medical Services	
	<b>Financial and Economic Feasibility:</b>	
39	Availability of Funds	82-84
40	Financial Waiver	85-86
41	Financial Viability	
42	Economic Feasibility	87-91
43	Safety Net Impact Statement	92-93
44	Charity Care Information	94-101
Appendix 1	MapQuest Travel Times	102-103
Appendix 2	Physician Referral Letters & Patient Referrals	104-108



**To all to whom these Presents Shall Come, Greeting:**

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

FRESENIUS MEDICAL CARE OF ILLINOIS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON MARCH 26, 2004, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

***In Testimony Whereof,*** I hereto set  
*my hand and cause to be affixed the Great Seal of  
the State of Illinois, this 13TH  
day of JUNE A.D. 2012 .*



Authentication #: 1216501568

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

*Jesse White*

SECRETARY OF STATE

Certificate of Good Standing  
Attachment - 1

**Co - Applicant Identification**

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

Exact Legal Name: <i>Fresenius Medical Care Holdings, Inc.</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Rice Powell</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02541</i>
Telephone Number: <i>781-669-9000</i>

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

**Type of Ownership**

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o 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.

## Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Southern IL Medical Development Corporation</i>
Address of Site Owner: <i>509 Hamacher St., Suite 202, Waterloo, IL 62298</i>
Street Address or Legal Description of Site: <i>515-535 Hamacher St., Waterloo, IL 62298</i>

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

**Southern Illinois Medical Development Corporation**  
**509 Hamacher Street, Suite 202**  
**Waterloo, Illinois 62298**

November 12, 2012

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

Re: **Letter of Intent to Lease the Property Located at 515-535 Hamacher Street, Waterloo, Illinois, 62298**

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: Southern Illinois Medical Development Corporation or its assigns  
Tenant: Fresenius Medical Care of Illinois, LLC, a Delaware limited liability corporation, d/b/a Fresenius Medical Care Waterloo  
Guarantor: Fresenius Medical Care Holdings, Inc.

**Property:** The Property to be constructed consists of +/-6,920 square feet on +/-1.5 acres located at 515-535 Hamacher Street, Waterloo, Illinois, 62298; the land site 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 \$ 16.75 per square foot, based upon final project costs. The rental rate will increase by 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.

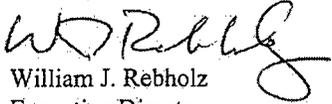
**Tenant Responsibilities:** (a) Tenant shall at its sole cost and expense keep and maintain the non-structural portions of the interior of the Premises, including all Tenant Improvements and Alterations, in good order and repair and free of refuse and rubbish.

(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: The Lease shall be contingent upon the Tenant obtaining a Certificate of Need from the Illinois Department of Health to provide dialysis services at this location.

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

Best regards,



William J. Rebholz  
Executive Director  
Southern Illinois Medical Development  
Corporation

ACCEPTED, AGREED AND APPROVED:

By: \_\_\_\_\_

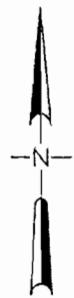
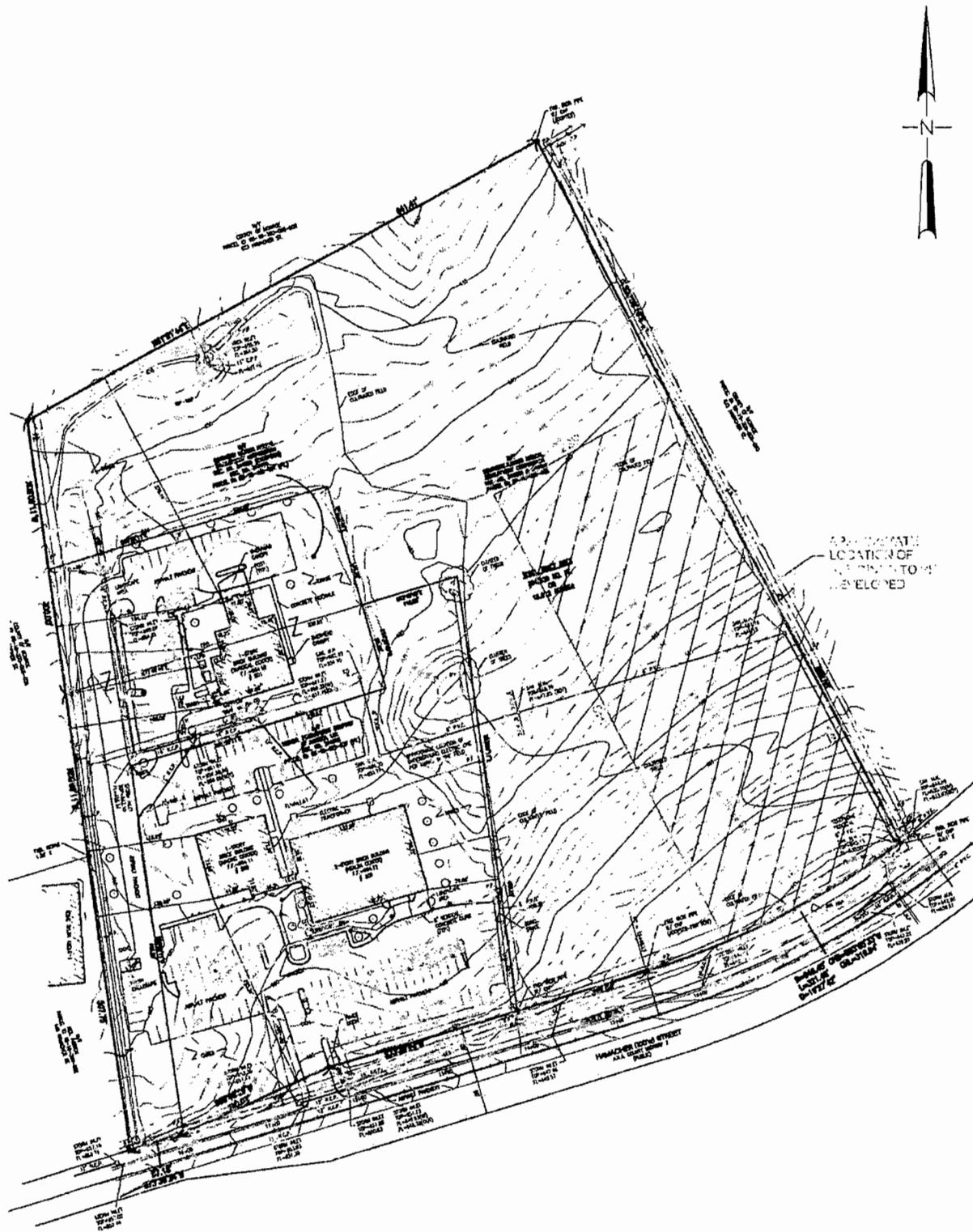
Name: \_\_\_\_\_  
(Please print)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone/Email: \_\_\_\_\_



APPROXIMATE  
LOCATION OF  
... INTO ...  
DEVELOPED

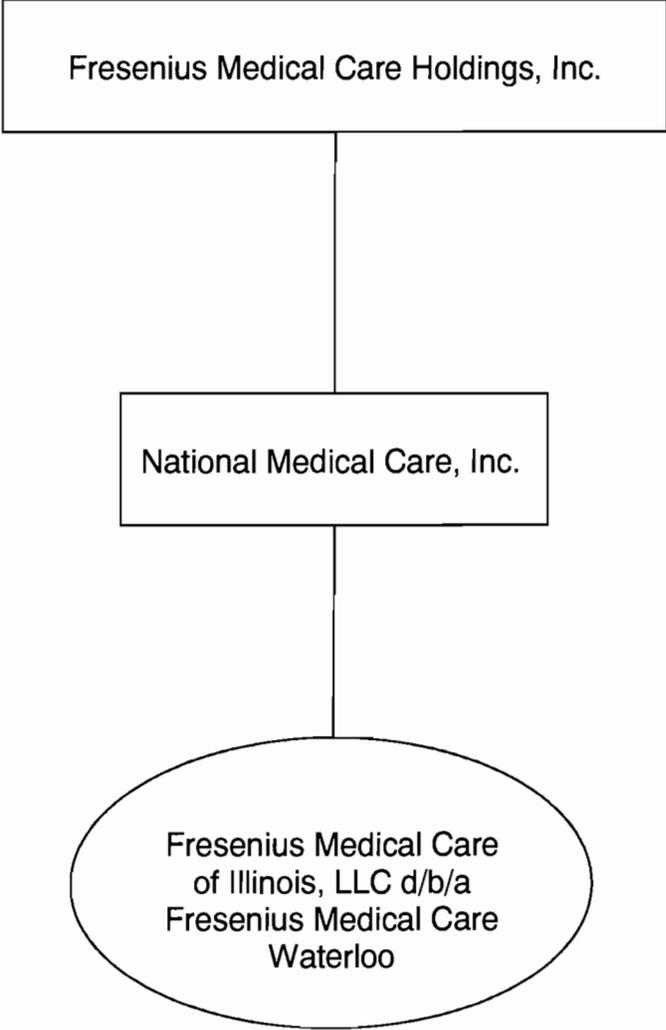
<h1 style="font-size: 4em; margin: 0;">KdG</h1>	<b>Kuhlmann Design Group, Inc.</b>	15 East Washington Street Bellevue, Illinois 61210-2149 Tel: (618) 234-8888	No. 1 NO. EMEER 9, 20'	<h2 style="font-size: 1.5em; margin: 0;">EXHIBIT A</h2>
	Dr. L. L. Stewart Belvidere, Illinois W. Charles, Wisconsin	Drawn by: SRH	Date: RTS	
	27		Site Owner Attachment - 2	
	27		Site Owner Attachment - 2	

## Operating Identity/Licensee

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

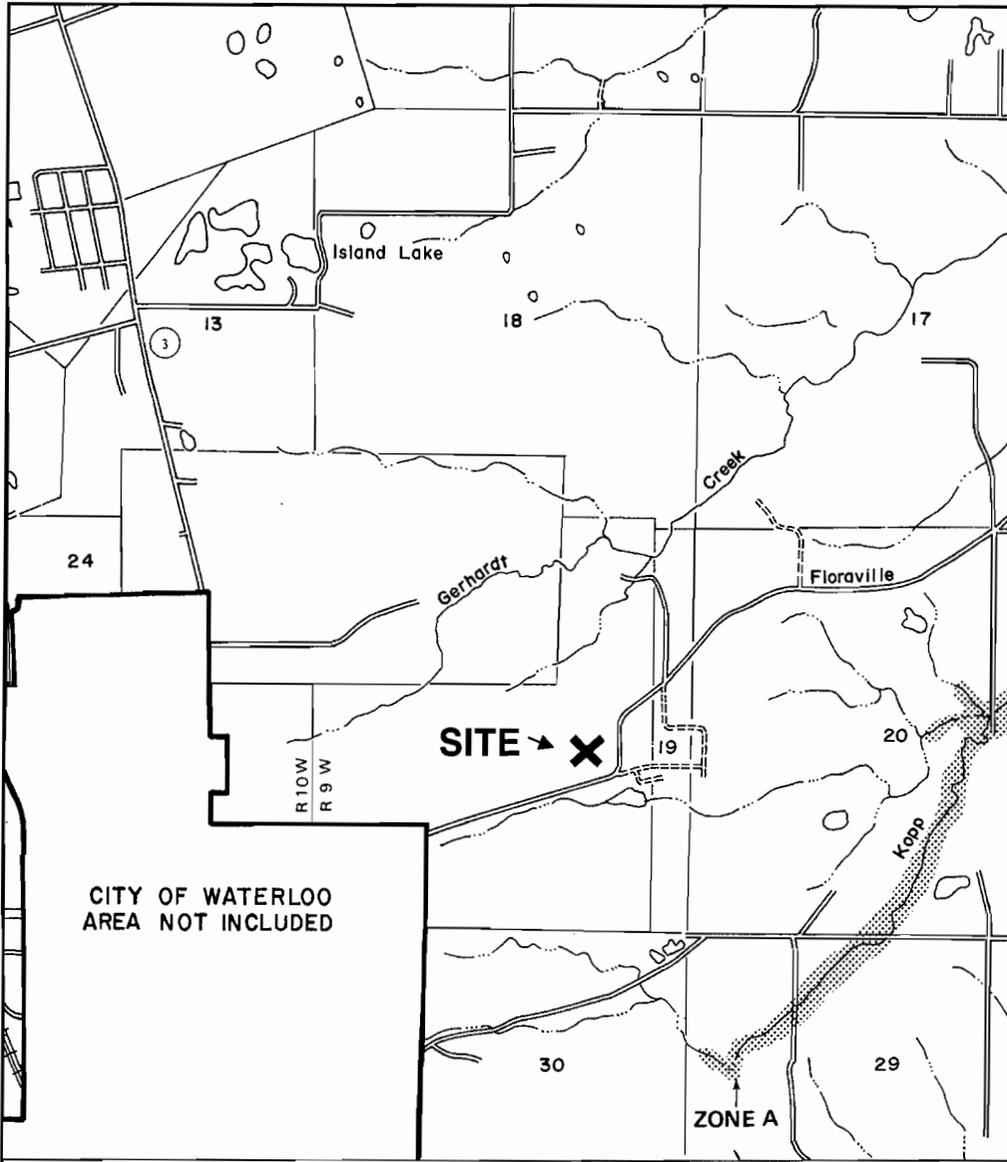
Exact Legal Name: <i>Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Waterloo</i>			
Address: <i>920 Winter Street, Waltham, MA 02451</i>			
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>o 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.</li><li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>			

## Certificate of Good Standing at Attachment – 1.



## **Flood Plain Requirements**

The proposed site for the establishment (relocation) of Fresenius Medical Care Waterloo complies with the requirements of Illinois Executive Order #2005-5. The site, 515-535 Hamacher Road, Waterloo, is not located in a flood plain as can be seen on the FEMA flood plain map on the following page.



APPROXIMATE SCALE  
2000 0 2000 FEET

NATIONAL FLOOD INSURANCE PROGRAM

**FIRM**  
FLOOD INSURANCE RATE MAP

MONROE COUNTY,  
ILLINOIS  
(UNINCORPORATED AREAS)

PANEL 75 OF 200

COMMUNITY-PANEL NUMBER  
1705090075E

MAP REVISED:  
MARCH 17, 2003



Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at [www.msc.fema.gov](http://www.msc.fema.gov)



# Illinois Historic Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • [www.illinois-history.gov](http://www.illinois-history.gov)

Monroe County  
Waterloo

PLEASE REFER TO: IHPA LOG #012101712

509-535 Hamacher Street  
IHFSRB  
New construction, 8 station dialysis facility

October 23, 2012

Lori Wright  
Fresenius Medical Services  
One Westbrook Corporate Center, Suite 1000  
Westchester, IL 60154

Dear Ms. Wright:

The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Anne E. Haaker  
Deputy State Historic  
Preservation Officer

## SUMMARY OF PROJECT COSTS

### Modernization Contracts

General Conditions	59,000
Temp Facilities, Controls, Cleaning, Waste Management	3,000
Concrete	15,140
Masonry	18,000
Metal Fabrications	8,800
Carpentry	98,000
Thermal, Moisture & Fire Protection	19,900
Doors, Frames, Hardware, Glass & Glazing	76,100
Walls, Ceilings, Floors, Painting	180,000
Specialities	14,000
Casework, FI Mats & Window Treatments	6,000
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	358,700
Wiring, Fire Alarm System, Lighting	215,000
Miscellaneous Construction Costs	49,400
<b>Total</b>	<b>1,121,040</b>

### Contingencies

Contingencies **\$112,000**

### Architectural/Engineering

Architecture/Engineering Fees **\$120,838**

**Movable or Other Equipment**

Dialysis Chairs	9,000
Misc. Clinical Equipment	18,700
Clinical Furniture & Equipment	24,000
Office Equipment & Other Furniture	29,000
Water Treatment	100,000
TVs & Accessories	42,600
Telephones	12,000
Generator	30,000
Facility Automation	12,000
Other miscellaneous	2,500
<b>Total</b>	<b>279,800</b>

**Fair Market Value Leased Space & Equipment**

FMV Leased Space (6,920 GSF)	\$1,251,913
FMV Leased Dialysis Machines	100,975
FMV Leased Computers	12,000
<b>Total</b>	<b>\$1,364,888</b>

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.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
In-Center Hemodialysis	2,998,566		6,920		6,920		
Total Clinical	2,998,566		6,920		6,920		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	<b>2,998,566</b>		<b>6,920</b>		<b>6,920</b>		
APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

October 11, 2012

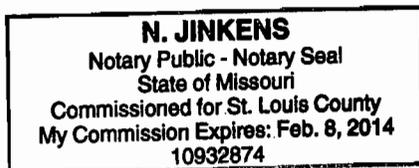
Courtney Avery  
Administrator  
Illinois Health Facilities & Services Review Board  
525 West Jefferson, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Ms. Avery:

I am the Regional Vice President at Fresenius Medical Care who will responsible for the Fresenius Medical Care Waterloo 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 also be in effect at the Waterloo 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  
Regional Vice President



Notarization:  
Subscribed and sworn to before me  
this 22<sup>nd</sup> 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. One advantage of our size is our ability to respond to natural disasters as noted in the articles on the following pages.***

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.

November 6, 2012, 5:23 p.m. ET

## Fresenius Medical Care Responds to Hurricane Sandy in the Mid-Atlantic Region

Nation's Leading Dialysis Provider Assures Continued Patient Care for Affected Areas

WALTHAM, Mass.--(BUSINESS WIRE)--November 06, 2012--

Although more than 100 Fresenius Medical Care North America (FMCNA) clinics in the mid-Atlantic region were affected by Hurricane Sandy last week, all but one have now resumed operations.

FMCNA, the nation's leading network of dialysis facilities, is pleased to report that all of its patients and employees are now accounted for and safe, even though many were personally affected by the storm, which caused power outages, widespread flooding and significant property damage.

Patients needing emergency help or information about specific dialysis clinics should call FMCNA's toll-free Patient Emergency Hotline: 1-800-626-1297.

The Fresenius Medical Care Disaster Response Team -- assisted by divisional, technical and regional employees, local governments and community organizations such as the Kidney Community Emergency Response (KCEER) Coalition -- worked overtime to prepare for and respond to the storm. FMCNA and its partners continue to meet daily to coordinate a variety of critical activities, such as:

- Providing extra treatments to patients at clinics affected by the storm;
- Arranging treatments for patients served by closed clinics, including patients from other dialysis companies;
- Delivering generators, bottled water and warm meals to facilities and employees in need;
- Providing gasoline for employees' cars and personal generators across New Jersey and New York;
- Supplying motor homes equipped with personal supplies and generators to employees who lost homes or whose homes are not safe to occupy.

"We have taken extraordinary steps to ensure uninterrupted dialysis treatments for patients," said Bill Numbers, FMCNA Vice President of Operations Support and Incident Commander for Disaster Response and Planning. "Fortunately, our advance preparation for situations like this gave us a head start in planning how to respond quickly and effectively."

FMCNA's disaster response plan has been tested and validated many times in recent years, from Hurricanes Ike, Isaac and Katrina to tornados, floods and severe thunderstorms. When such events occur, FMCNA coordinates efforts across all levels of the company, ensuring the ability of staff to provide patients with dialysis treatments, equipment and supplies, medicines and lab services.

As a result, FMCNA was able to continue serving patients both during and after the storm, in some cases by arranging for them to receive treatment at alternative locations. The Fresenius Medical Care Harlem clinic in New York City, for instance, opened at 5 a.m. on Sunday before the storm to dialyze patients from southern Manhattan, whose usual clinics were closed by emergency officials. The Harlem clinic was able to offer uninterrupted patient care, in part, by providing hotel rooms and cab fare for employees.

"When we heard Sandy was going to hit Manhattan, everyone at Fresenius including, our regional vice president, area managers, medical directors, nephrologists, nurses, patient care technicians, support staff, technical group and educators - came together to ensure our patients were cared for," said Eryln Tanzo, R.N., clinical manager at Fresenius Medical Care Harlem. "I'm so proud to work a company that truly cares about its patients and staff."

In New Jersey, FMCNA took the unusual step of bringing in a gasoline tanker to alleviate fuel shortages that were hindering its employees from driving to work. "This helps lift a major worry for our team," said Ananda Williams-Gray, R.N., area manager for Fresenius Medical Care. "We've been able to provide treatment for all our patients in the area without interruption, despite massive power outages and gas shortages. Our team doesn't have to wait two hours at a gas station; they can depend on Fresenius Medical Care for essentials, such as gas and power."

While storms and other natural disasters can be inconvenient and even life-threatening for entire communities, they pose an especially serious health threat to dialysis patients whose treatments are delayed by electrical power outages or inability to access their normal treatment locations. Patients with end-stage renal disease (ESRD) typically need dialysis treatment every two days to clean waste products from their blood, remove extra fluids and control their bodies' chemistry after their kidneys have failed.

For more information on FMCNA's natural disaster response efforts and important tips to help patients prepare for any emergency, visit FMCNA's Emergency Preparedness website.

### About Fresenius Medical Care

Fresenius Medical Care (NYSE: FMS) is the world's leading company devoted to patient-centered renal therapy. Through more than 3,119 clinics in North America, Europe, Latin America, Asia-Pacific and Africa, we provide kidney dialysis treatments to approximately 253,000 patients worldwide. We are also the world's leading maker of dialysis products, such as dialysis machines, dialyzers and related disposable products. Chronic kidney failure is a condition that affects more than 2.1 million individuals worldwide. For more information about the company's more than 2,100 U.S. dialysis facilities, visit [www.ultracare-dialysis.com](http://www.ultracare-dialysis.com) (in English and Spanish). For more information about Fresenius Medical Care, visit [www.fmc-ag.com](http://www.fmc-ag.com) or [www.fmcna.com](http://www.fmcna.com).

CONTACT: Media contact:  
Loomis Group

39

## Fresenius Medical Care Preparing for Hurricane Sandy Across the Northeast

---

Copyright 2012 by Virgo Publishing.

<http://www.renalbusiness.com/>

By:

Posted on: 10/29/2012

---

 PATIENT

WALTHAM, Mass. —In anticipation of Hurricane Sandy, Fresenius Medical Care North America (FMCNA) has activated its [Emergency Response Team](#) to begin implementing plans to ensure continued patient care across the U.S. Northeast and Mid-Atlantic regions, which may be affected by the storm.

The Fresenius Medical Care Disaster Response Team, assisted by divisional, technical and regional employees, works closely with local governments and community organizations such as the [Kidney Community Emergency Response \(KCER\) Coalition](#) to prepare for and respond quickly to a variety of disasters. FMCNA and its partners are ready to deliver generators, fuel, bottled water and meals to facilities and employees affected by this storm. FMCNA staff is also providing extra treatment shifts for patients at clinics anticipated to be affected by Hurricane Sandy, including clinics that may be required to close by state officials.

Patients seeking help with emergency plans or more information about arranging alternate dialysis clinics should call FMCNA's toll-free Patient Emergency Hotline: 1-800-626-1297.

FMCNA recommends that dialysis patients have the following plans in place:

- **Keep emergency phone numbers handy.** When bad weather threatens, contact your local dialysis facility and follow their instructions
- **Have a disaster plan.** Talk to your doctor, dialysis care team and family about what you should do if a disaster strikes. Keep track of local weather forecasts
- **Gather emergency supplies.** Have a first-aid kit on hand, along with a flashlight (with extra batteries), blankets, battery-powered radio, cell phone, non-electric can opener and any necessary medications
- **Make sure you have a ride.** If you are an in-center patient, arrange for backup transportation to the clinic with a friend, neighbor or family member
- **Plan for power outages.** If you are a home dialysis patient and you lose power, follow the directions given to you by the home training staff for continuing dialysis in an emergency.
- **Adjust your insulin.** If you are diabetic, ask your doctor how to adjust your insulin dosage if severe flooding is forecast for your area.

While storms and other natural disasters can be inconvenient and even life-threatening for entire communities, they pose an especially serious health threat to dialysis patients whose treatments are delayed by electrical power outages or inability to access their normal treatment locations. Patients with end-stage renal disease (ESRD) typically need dialysis treatment every two days to clean waste products from their blood, remove extra fluids and control their bodies' chemistry after their kidneys have failed.

Most FMCNA dialysis clinics are equipped with emergency backup electrical generators to ensure that critical patient care continues in the event of a power outage. If necessary, dialysis treatments also can be provided at alternate facilities for patients—including those from other dialysis companies—whose regular clinics are temporarily unavailable.

"Advance preparation helps us to ensure uninterrupted dialysis treatments for our patients," said Bill Numbers, FMCNA vice president of Operations Support and Incident Commander for Disaster Response and Planning. "FMCNA's resources and national partnerships give us the ability to coordinate the delivery of resources from across the country to any locale within hours of a disaster."

FMCNA's disaster response plan has been tested and validated many times in recent years, from Hurricanes Ike, Isaac and Katrina to tornados, floods and severe thunderstorms. When such events occur, FMCNA coordinates efforts across all levels of the company, ensuring the ability of staff to provide patients with dialysis treatments, equipment and supplies, medicines and lab services.

For more information on FMCNA's natural disaster response efforts and important tips to help patients prepare for any emergency, visit [FMCNA's Emergency Preparedness website](#).

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

Clinic	Provider #	Address	City	Zip	Fac >10% Medicaid Treatments*
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803	
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002	10.0%
Aurora	14-2515	455 Mercy Lane	Aurora	60506	10.0%
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651	12.0%
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402	15.0%
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406	11.6%
Bolingbrook	14-2605	538 E. Boughton Road	Bolingbrook	60440	10.5%
Breese		160 N. Main Street	Breese	62230	
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609	27.7%
Burbank	14-2641	4811 W. 77th Street	Burbank	60459	12.6%
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	N/A
Chicago Dialysis	14-2506	820 West Jackson Blvd.	Chicago	60607	42.9%
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608	42.7%
Cicero		3030 S. Cicero	Chicago	60804	N/A
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624	29.9%
Crestwood	14-2538	4861 W. Cal Sag Road	Crestwood	60445	
Decatur East	14-2503	1830 S. 44th St.	Decatur	62521	
Deerfield	14-2710	405 Lake Cook Road	Deerfield	60015	
Des Plaines		1625 Oakton Place	Des Plaines	60018	N/A
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	15.4%
DuQuoin	14-2595	100-200 E. Grantway Avenue	DuQuoin	62832	
East Peoria	14-2562	3300 North Main Street	East Peoria	61611	
Elgin	14-2726	2130 Point Boulevard	Elgin	60123	27.3%
Elk Grove	14-2507	901 Biesterfeld Road, Ste. 400	Elk Grove	60007	10.4%
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126	
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201	12.3%
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805	12.9%
Fairview Heights		821 Lincoln Highway	Fairview Heights	62208	
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609	21.1%
Glendale Heights	14-2617	520 E. North Avenue	Glendale Heights	60139	18.4%
Glenview	14-2551	4248 Commercial Way	Glenview	60025	11.1%
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619	20.5%
Gurnee	14-2549	101 Greenleaf	Gurnee	60031	25.3%
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429	
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195	15.6%
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649	33.1%
Joliet		721 E. Jackson Street	Joliet	60432	N/A
Kewanee	14-2578	230 W. South Street	Kewanee	61443	12.5%
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044	10.0%
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613	20.7%
Lincolnland		1112 Centre West Drive	Springfield	62704	
Logan Square		2734 N. Milwaukee Avenue	Chicago	60647	N/A
Lombard	14-2722	1940 Springer Drive	Lombard	60148	
Macomb	14-2591	523 E. Grant Street	Macomb	61455	
Marquette Park	14-2566	6515 S. Western	Chicago	60636	18.9%
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	20.9%
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803	
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960	
Midway	14-2713	6201 W. 63rd Street	Chicago	60638	
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448	
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450	
Mundelein	14-2731	1400 Townline Road	Mundelein	60060	
Naperbrook		2451 S Washington	Naperville	60565	N/A
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	10.8%

Facility List

North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160	
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630	25.0%
Northcenter	14-2531	2620 W. Addison	Chicago	60618	25.0%
Northfield		480 Central Avenue	Northfield	60093	N/A
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611	10.0%
Oak Forest		5340A West 159th Street	Oak Forest	60452	N/A
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302	10.7%
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462	
Oswego	14-2677	1051 Station Drive	Oswego	60543	
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350	
Palatine	14-2723	691 E. Dundee Road	Palatine	60074	
Pekin	14-2571	600 S. 13th Street	Pekin	61554	
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605	
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615	
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544	
Polk	14-2502	557 W. Polk St.	Chicago	60607	19.3%
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764	
Prairie	14-2569	1717 S. Wabash	Chicago	60616	10.9%
Randolph County	14-2589	102 Memorial Drive	Chester	62233	
River Forest	14-2735	103 Forest Avenue	River Forest	60305	
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645	19.8%
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008	11.3%
Roseland	14-2690	135 W. 111th Street	Chicago	60628	25.4%
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621	19.4%
Round Lake	14-2616	401 Nippersink	Round Lake	60073	11.1%
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	17.9%
South Deering		10559 S. Torrence Ave.	Chicago	60617	N/A
South Holland	14-2542	17225 S. Paxton	South Holland	60473	
South Shore	14-2572	2420 E. 79th Street	Chicago	60649	17.6%
Southside	14-2508	3134 W. 76th St.	Chicago	60652	24.0%
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461	
Southwestern Illinois	14-2535	5-9 Professional Drive	Alton	62002	
Spoon River	14-2565	340 S. Avenue B	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	28.4%
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	37.5%
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185	14.3%
West Metro	14-2536	1044 North Mozart Street	Chicago	60622	26.2%
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302	17.7%
West Willow	14-2730	1444 W. Willow	Chicago	60620	12.5%
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154	
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959	
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527	

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

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

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

Certification & Authorization

Fresenius Medical Care of Illinois, LLC

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

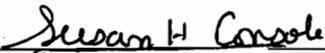
In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection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

By:   
ITS: Mark Fawcett  
Vice President & Treasurer

By:   
ITS: Asst Treasurer

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

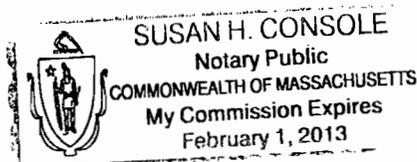
Notarization:  
Subscribed and sworn to before me  
this 31 day of Oct, 2012

  
Signature of Notary

    
Signature of Notary

Seal

Seal



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: [Signature]

By: [Signature]

ITS: Mark Fawcett  
Vice President & Asst. Treasurer

ITS: Asst Treasurer

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

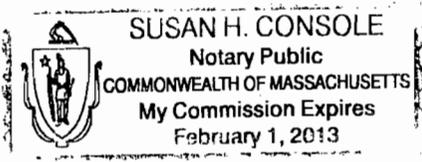
Notarization:  
Subscribed and sworn to before me  
this 31 day of Oct, 2012

Susan H Console  
Signature of Notary

Signature of Notary

Seal

Seal



## Criterion 1110.230 – Purpose of Project

1. The purpose of the establishment of Fresenius Medical Care Waterloo is to bring dialysis services to Monroe County and to address the determined need for additional stations in HSA 11. There are currently no in-center dialysis centers in Monroe County. The proposed facility will specifically serve the Waterloo market area by establishment of a 6-station\* in-center facility where we are currently serving home dialysis patients. This facility will offer additional treatment options closer to home for those patients who cannot or chose not to dialyze at home.

\*We originally were going to propose an 8-station facility because Waterloo is in the St. Louis MSA, however Waterloo is 25 miles away in Monroe County and is primarily rural with a population of less than 10,000. In order to be more conservative with our planning we thought a 6-station facility would comply more with area station need and would allow the opportunity to expand later as needed.

2. The patients that will be referred to the Fresenius Medical Care Waterloo facility reside primarily in northeast Monroe and southwest St. Clair Counties. This is a largely rural area in southwest Illinois.
3. There is currently a home dialysis clinic, Fresenius - RAI Waterloo located adjacent to the proposed in-center facility. Offering in-center services alongside the home program will give the residents of Monroe/St. Clair Counties additional options in how they receive their treatment. Currently there are only two in-center clinics in the area. DaVita Sauget, over 20 miles away and 28 minutes travel time, is operating above target utilization. The other, DaVita Red Bud which was recently approved and not yet operational, is over 15 miles away and 24 minutes travel time, making it over 30 minutes away for most patients from the Waterloo area.
4. Utilization of area facilities is obtained from the IHFSRB for the 3rd Quarter 2012. Pre-ESRD patients for the market area were obtained from Dr. Koch.
5. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population as we continue to monitor the growth and provide responsible healthcare planning for this area. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications.
6. It is expected that this facility would have and maintain the same quality outcomes as other Fresenius Medical Care Illinois clinics as listed below.
  - o 94% of patients had a URR  $\geq$  65%
  - o 96% of patients had a Kt/V  $\geq$  1.2

## Alternatives

### 1) All Alternatives

A. Proposing a project of greater or lesser scope and cost.

The option of doing nothing was not considered. There is a need for stations HSA 11. There are only two facilities within 30 minutes travel time of Waterloo and one is almost 30 minutes away and over 20 miles and operating at 83% (DaVita Sauget). The other is recently approved DaVita Red Bud and is 24 minutes away and over 15 miles. There are currently no facilities easily accessible for residents of Waterloo and the southwest portion of Monroe County. Doing nothing keeps dialysis services inaccessible for these residents. There is no monetary cost associated with this alternative.

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. This project was not desired to be a joint venture by either Fresenius Medical Care or the physicians group.

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

The option of sending Dr. Koch's pre-ESRD patients to underutilized facilities in the area as they require dialysis treatment is not an option. The only facility with capacity, DaVita Red Bud, was recently CON approved and is not yet operational. At over 15 miles away and 24 minutes, travelling from Waterloo or southwest Monroe County to Red Bud for these elderly and ill patients is difficult at best. In-center dialysis patients travel to and from treatment 3 times a week. This distance can be daunting on rural roads, particularly in bad weather or early morning or evening hours when it is dark out and when many patients are required to travel. If a home dialysis patients from the Fresenius-RAI Waterloo facility requires a back-up in-center hemodialysis treatment they either have to drive in excess of 30 miles to the nearest Fresenius or switch providers and receive treatment at a DaVita facility, since there are no Fresenius does not have any in-center facilities in this area. There is no monetary cost to this alternative.

D. Establishing the Fresenius Waterloo facility with 8 stations instead of 6.

The facility was originally going to be an 8-station facility, however it was discovered that although Waterloo is in the St. Louis, Missouri/Illinois Metropolitan Statistical Area (MSA), Monroe County is mostly rural. According to Board rules, a minimum of 8 dialysis stations is required to establish an in-center hemodialysis center in a MSA. Fresenius Medical Care's plan is to address current need while being conservative in stations being added to the inventory since this area is rural and not characteristic of an MSA. The cost of this alternative would have been approximately \$3,032,816.

- E. As discussed further in this application, the most desirable alternative to keep access to dialysis services available in this rural area, meet the need for 5 additional stations in the HSA and to give the Monroe County dialysis patients additional treatment options is to establish Fresenius Medical Care Waterloo 6-station in-center hemodialysis clinic to compliment the already existing home dialysis clinic. The cost of this project is \$2,998,566.

## 2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Maintain Status Quo	\$0	Continued long travel distances for in-center hemodialysis treatment for patients from southwest Monroe County.	Fresenius Medical Care currently does not operate an in-center clinic within 30 minutes travel time.  More missed treatments might occur if patients continue to have to travel long distances especially in inclement weather, thereby hindering quality outcomes.	No effect on patients other than possible high transportation costs of travelling long distances, round trip, three times weekly.  Also creates financial hardship on family members or friends who must provide transportation.
Pursue Joint Venture	\$2,998,566  \$1,799,140  \$1,199,426	Pursuing a joint venture would have no effect on patient access.  Cost to Fresenius Medical Care  Cost to JV partner	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 it were to be a joint venture, Fresenius Medical Care would maintain control of the facility and therefore final financial responsibility.
Utilize Area Providers	\$0	Dr. Koch currently admits to the closest area facilities only one of which is within 30 minutes travel time.  If patients do not gain access to treatment in this area, access will disappear. The Sauget clinic is over target utilization and the Red Bud facility, although a long distance away has only 8 stations and cannot serve all of its intended patients along with Dr. Koch's.	Patient's quality of life would decrease with greater difficulty getting to and from treatment.  Also more patients miss treatments when transportation becomes too large of an obstacle especially in inclement weather.	No financial cost to Fresenius Medical Care  Cost of patient's transportation would increase with higher travel times
Establish Fresenius Medical Care Waterloo w/8 stations	\$3,032,816	Continued access to dialysis treatment as patient numbers continue to grow, however this is a rural area and 8 stations may be excessive until further growth is seen.  Improved access to favored treatment schedule times.	Patient clinical quality would remain above standards  Patient satisfaction would improve with facilities closer to patient's home resulting in decreased travel times.	This is an expense to Fresenius Medical Care only who is able to support the development of additional dialysis facilities and is capable of meeting all financial obligations.
Establish Fresenius Medical Care Waterloo w/6 stations	\$2,998,566	Continued access to dialysis treatment as patient numbers continue to grow.  Improved access to favored treatment schedule times.  More closely meets Board determined need for stations.	Patient clinical quality would remain above standards  Patient satisfaction would improve with facilities closer to patient's home resulting in decreased travel times.	This is an expense to Fresenius Medical Care only who is able to support the development of additional dialysis facilities and is capable of meeting all financial obligations.

**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. It is expected that the Waterloo facility would maintain the same quality outcomes as the other Fresenius facilities in Illinois as listed below:

- 94% of patients had a URR  $\geq$  65%
- 96% of patients had a Kt/V  $\geq$  1.2

**Criterion 1110.234, Size of Project**

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD IN-CENTER HEMODIALYSIS	6,920 (6 Stations)	360-520 DGSF	3,800	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 6,920 DGSF is over the State Standard, however all of our facilities are in leased space and this is an existing building. It is not always possible to rent an existing space that exactly meets the Board's size standards and an existing space is preferred in order to cut down construction time.

When establishing a facility as small as 6 stations there are some areas that are relative to all clinics regardless of their station count. These include washrooms, office space, waiting area, conference room, storage area and equipment and water treatment areas. The square footage of these areas are standardized whether the facility is a 6 or 12-station clinic. They gross square feet is then spread out over fewer stations making it more difficult to be within space standards.

The additional space is also going to be used for administrative office space. As well, we expect future expansion at this site to the originally planned 8 stations and it is more cost effective to have the additional space on the forefront of a project rather than adding on or relocating in the future.

**Criterion 1110.234, Project Services Utilization**

<b>UTILIZATION</b>					
	<b>DEPT/SERVICE</b>	<b>HISTORICAL UTILIZATION</b>	<b>PROJECTED UTILIZATION</b>	<b>STATE STANDARD</b>	<b>MET STANDARD?</b>
	IN-CENTER HEMODIALYSIS	Not Applicable		80%	No
<b>YEAR 1</b>	IN-CENTER HEMODIALYSIS	New	50%	80%	No
<b>YEAR 2</b>	IN-CENTER HEMODIALYSIS	Facility	106%	80%	Yes

Dr. Koch has identified 95 patients in stage 3 & 4 of kidney failure that he expects to begin dialysis in the first two years after the Waterloo facility begins operation. Due to patient attrition approximately 46 are expected to begin treatment in this time frame. The calculation above also accounts for losses due to death or transplant of the patient once dialysis services have begun. While the utilization seems high for a 6-station facility it is expected that some patients will choose home dialysis and a portion may choose to dialyze at the Fairview Heights facility. Regardless, Dr. Koch has ample patients to bring the facility to 80% utilization.

**Planning Area Need – Formula Need Calculation:**

**A. Planning Area Need - Formula Need Calculation:**

The proposed Fresenius Medical Care Waterloo dialysis facility is located in Waterloo in HSA 11. HSA 11 is comprised of Clinton, Madison, Monroe and St. Clair counties. According to the November 2012 Inventory there is a need for an additional 5 stations in this HSA.

Matthew J. Koch, M.D.  
Cynthia M. Witcher, APN-BC  
4600 Memorial Drive, Ste. 330  
Belleville, IL. 62226  
Phone: (618)-234-6003 Fax: (618)-234-6156

November 14, 2012

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

Dear Ms. Avery,

I am a nephrologist practicing in rural southwestern Illinois east of Saint Louis, specifically in St. Clair, Monroe and Clinton County. I am the Medical Director of the RAI Lincoln Highway – Fairview Heights dialysis clinic and also the RAI Waterloo Home Therapies facility. Additionally I refer patients to RAI North Main – Breese, DaVita Metro East and Sauget. I am writing to support for the establishment of the Fresenius Medical Care Waterloo in-center hemodialysis facility. An in-center facility near the same site as our home dialysis center would be a welcome compliment especially for home therapies patients who sometimes require back-up hemodialysis treatments.

Additionally, establishing an in-center facility alongside the home therapies center will offer my patients who live in this rural area additional choices in treatment options. It will also improve their quality of life by making these services accessible. Patients from this area have to drive in excess of 30-45 minutes away for treatment.

At RAI Fairview Heights and Breese, I was treating 36 hemodialysis patients at the end of 2009, 42 patients at the end of 2010 and 69 patients at the end of 2011, as reported to The Renal Network. As of the most recent quarter, I had 85 hemodialysis patients. Over the past twelve months I have referred 54 patients for dialysis services to RAI North Main – Breese and Lincoln Highway – Fairview Heights, DaVita Metro East and Sauget. I currently have 95 patients in different stages of chronic kidney disease who live in the market area of the proposed Waterloo facility. Of these there are approximately 46 that I expect to begin dialysis at the Waterloo site in the first two years of operation. There are also four other physicians who currently admit patients to the Fairview Heights facility. (Patient census counts from previous years at the DaVita Metro East and Sauget clinics were unavailable and therefore are not included. Also, I began my own a year ago and no longer have access to the former practice historical records.)

I respectfully urge the Board to approve the addition of an in-center hemodialysis clinic to the Waterloo area to provide access to my rural patient population.

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

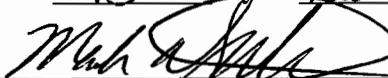
Sincerely,



\_\_\_\_\_  
Matthew Koch, M.D.

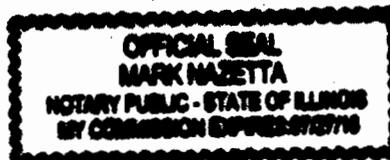
Notarization:

Subscribed and sworn to before me  
this 15 day of November, 2012



\_\_\_\_\_  
Signature of Notary

Seal



**PRE-ESRD PATIENTS THAT WILL BEGIN DIALYSIS AT  
THE WATERLOO FACILITY IN THE FIRST TWO YEARS OF OPERATION**

Stage 4		Stage 3	
Zip Code	Patients	Zip Code	Patients
62248	1	62248	3
62220	9	62220	17
62285	2	62285	6
62243	2	62243	12
62264	6	62264	5
62298	1	62298	9
62278	4	62278	5
62260	0	62260	3
62236	5	62236	5
<b>Total</b>	<b>30</b>	<b>Total</b>	<b>65</b>

**DR. KOCH'S NEW REFERRALS FOR THE PAST TWELVE MONTHS  
October 1, 2011 through September 30, 2012**

Fresenius Fairview Heights	
Zip Code	Patients
62204	1
62205	1
62206	2
62207	3
62220	2
62221	5
62223	3
62226	5
62232	4
62260	1
62263	1
62269	4
62884	1
63128	1
<b>Total</b>	<b>34</b>

Fresenius Breese	
Zip Code	Patients
62226	1
62230	1
62249	2
62253	1
62271	2
62293	2
<b>Total</b>	<b>9</b>

DaVita Belleville	
Zip Code	Patients
62203	1
62204	1
62205	1
62226	1
62232	1
62236	2
62269	1
<b>Total</b>	<b>8</b>

DaVita Sauget	
Zip Code	Patients
62221	2
62226	1
<b>Total</b>	<b>3</b>

<b>Total</b>	<b>54</b>
--------------	-----------

**DR. KOCH'S HEMODIALYSIS PATIENTS AS OF**  
**DECEMBER 31, 2009, 2010, 2011**

Fresenius Fairview Hgts & Breese	
2009	
Zip Code	Patients
62201	1
62204	2
62206	1
62207	2
62208	3
62215	1
62220	2
62221	3
62223	2
62230	1
62231	2
62234	1
62243	1
62245	1
62246	1
62249	2
62253	2
62254	1
62269	4
62275	1
62293	1
63119	1
<b>Total</b>	<b>36</b>

Fresenius Fairview Hgts & Breese	
2010	
Zip Code	Patients
62201	1
62204	2
62207	5
62208	1
62215	1
62216	1
62220	1
62221	3
62223	1
62225	1
62230	2
62231	2
62243	1
62245	1
62246	1
62249	2
62253	3
62254	1
62260	1
62269	6
62275	1
62293	2
62801	1
63137	1
<b>Total</b>	<b>42</b>

Fresenius Fairview Hgts & Breese	
2011	
Zip Code	Patients
62022	1
62201	1
62204	2
62205	1
62206	1
62207	3
62208	2
62215	1
62216	1
62218	1
62220	1
62221	3
62226	1
62230	2
62231	3
62232	1
62243	1
62245	1
62246	1
62253	2
62263	1
62269	2
62271	3
62275	1
62293	2
62801	1
<b>Total</b>	<b>40</b>

DaVita Metro East	
2011	
Zip Code	Patients
62203	2
62204	1
62205	1
62207	1
62221	1
62223	2
62226	4
62232	1
62236	1
62243	1
62255	1
62258	1
62269	2
62282	1
<b>Total</b>	<b>21</b>

DaVita Sauget	
2011	
Zip Code	Patients
38017	1
62204	2
62206	1
62207	2
62240	1
62301	1
<b>Total</b>	<b>8</b>

<b>Total 2011</b>	<b>69</b>
-------------------	-----------

**DR. KOCH'S HEMODIALYSIS PATIENTS AS OF  
SEPTEMBER 30, 2012**

<b>Fresenius Fairview Hgts</b>	
<b>Zip Code</b>	<b>Patients</b>
62002	1
62201	1
62203	1
62204	2
62205	2
62206	3
62207	6
62208	2
62220	3
62221	7
62223	2
62226	4
62232	1
62243	1
62260	1
62269	3
<b>Total</b>	<b>40</b>

<b>Fresenius Breese</b>	
<b>Zip Code</b>	<b>Patients</b>
62215	1
62218	1
62230	2
62231	3
62245	1
62246	1
62253	2
62271	3
62275	2
62293	1
62884	1
<b>Total</b>	<b>18</b>

<b>DaVita Metro East</b>	
<b>Zip Code</b>	<b>Patients</b>
62203	2
62204	1
62205	1
62207	2
62221	1
62223	1
62226	3
62232	1
62236	1
62243	1
62255	1
62258	1
62269	2
62282	1
<b>Total</b>	<b>19</b>

<b>DaVita Sauget</b>	
<b>Zip Code</b>	<b>Patients</b>
62206	1
62203	2
62204	1
62205	3
62221	1
<b>Total</b>	<b>8</b>

<b>Total</b>	<b>85</b>
--------------	-----------

**Planning Area Need – Service To Planning Area Residents:**

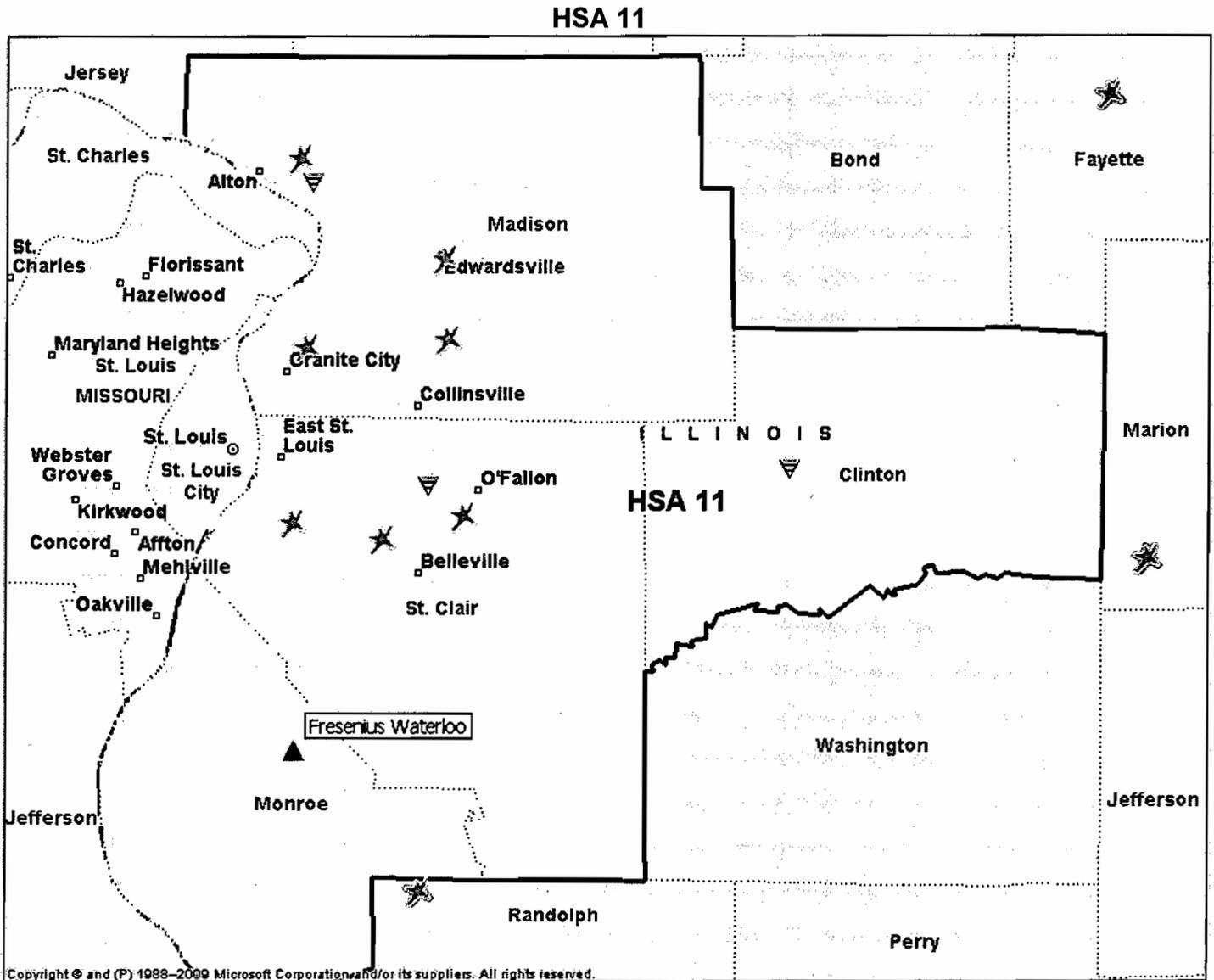
- A. The primary purpose of this project is to provide in-center hemodialysis services to the residents of the Waterloo area and Monroe and St. Clair Counties in HSA 11 in southwestern Illinois. HSA 11 consists of Monroe, St. Clair, Clinton and Madison Counties. Over 90% of the identified pre-ESRD patients for the Waterloo clinic reside in HSA 11.

<b>County</b>	<b>HSA</b>	<b># Pre-ESRD Patients Who Will Be Referred to Fresenius Medical Care Waterloo</b>
Monroe	11	20 patients = 22%
St. Clair	11	61 patients = 68%
Monroe/Randolph	11/5*	9 patients = 10%

\*Zip code 62278 straddles Monroe and Randolph Counties. There are only 9 of the 90 total patients residing in this zip code.

**Service Accessibility – Service Restrictions**

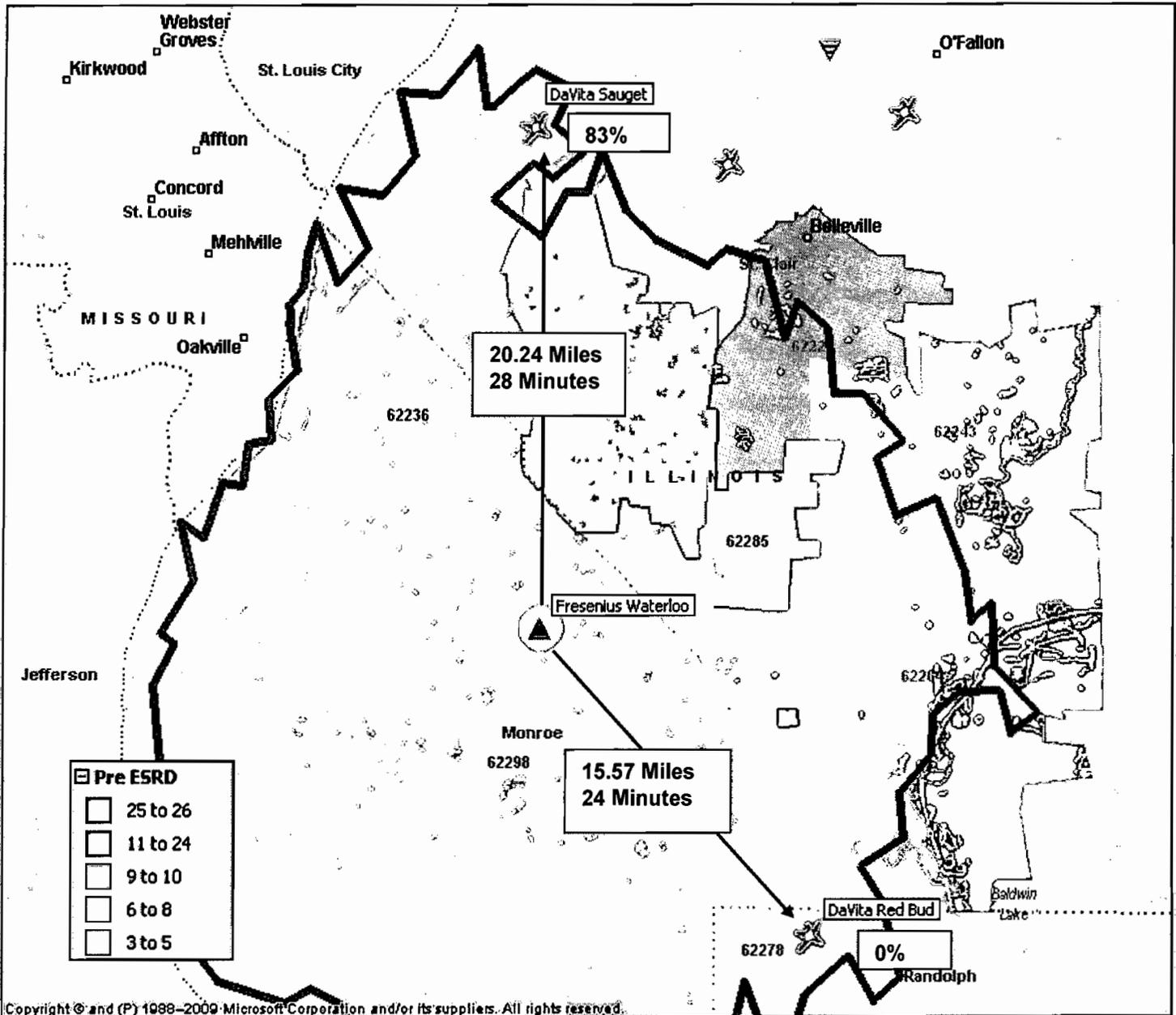
This facility is being established to accommodate dialysis patients in the Waterloo market area. Fresenius Medical Care Waterloo is located in Monroe County in HSA 11, which consists of Monroe, St. Clair, Clinton & Madison Counties. In-center hemodialysis services currently do not exist in Monroe County. There is a need for additional stations in this HSA.



**FACILITIES WITHIN 30 MINUTES TRAVEL TIME OF FRESENIUS WATERLOO**

Name	Address	City	Zip Code	MapQuest		Stations	9/30/2012 Utilization
				Miles	Time		
DaVita Red Bud	1500 E. Market	Red Bud	62278	15.57	24	8	0
DaVita Sauget	2300 Goose Lake Road	Sauget	62206	20.24	28	16	83.33

**FACILITIES WITHIN 30 MINUTES AND DEMOGRAPHICS OF IDENTIFIED PRE-ESRD PATIENTS TO BE REFERRED TO THE WATERLOO FACILITY**



As can be seen in the above map there are currently no dialysis centers in Monroe County and any clinics the patients have to travel to for treatment in this rural are long distances from Waterloo and southeast Monroe County on two lane roads. There is currently only one facility in operation within 30 minutes travel time, according to MapQuest, however the DaVita Sauguet clinic is 28 minutes away and is over target utilization thereby meeting Board requirements for service accessibility. One other clinic that was recently approved, but not yet in operation, DaVita Red Bud, is 24 minutes away and is in HSA 5. This is a small 8-station facility that will serve the residents of Randolph County and far eastern Monroe County. It will not serve the residents of Waterloo, unless they are expected to travel the near thirty minute route on the only road that connects Waterloo to Red Bud, which is a two-lane highway. If patients are coming from other parts of southwest Monroe County, there are no highways to travel, only county roads. These roads become difficult to navigate in the dark or in inclement weather, which is why access is needed closer to these patients. Residents of this rural area should have access to treatment within reasonable travel distance.

Transportation in itself is a major hurdle for the dialysis patient. These patients require treatment three times a week and if not able to drive themselves, have to rely on friends or family members for rides. If the friend or family member cannot stay and wait the 4-5 hours the patient is receiving treatment they then are required to make two round trips a day or six per week. If the facility is near 30 minutes away, this amounts to 2 hours travel time a day or 6 hours a week. This pattern continues not just occasionally like many other health services, but for the life of the patient. This can create hardships on the friends and family members who may have jobs/families of their own to consider. For these reasons, it is imperative for the dialysis patient to have treatment close to home.

With the DaVita Sauget facility operating above target utilization and the Red Bud facility projected to be above target utilization by the time the Waterloo clinic is operating, the need for the additional stations is evident in Waterloo. The low ratio of stations to population (1 station for every 6,340 residents) within 30 minutes supports this need also.

We are conservatively requested 6 stations even though 8 are required in an MSA due to the rural nature of Monroe County and Waterloo. We will expand in the future only if necessary.

## Unnecessary Duplication/Maldistribution

1(A-B-C) The ratio of ESRD stations to population in the zip codes within a 30 minute radius of Fresenius Medical Care Waterloo is 1 station per 6,340 residents according to the 2010 census. The State ratio is 1 station to 3,265.

Zip Code	Population	Stations	Facility
62206	16,509	16	DaVita Sauget
62220	20,504		
62223	17,560		
62226	29,744		
62236	12,562		
62239	4,954		
62240	1,966		
62243	5,910		
62244	1,156		
62260	7,290		
62264	3,338		
62277	1,314		
62278	6,690	8	DaVita Red Bud
62285	4,484		
62295	1,559		
62298	16,609		
<b>Totals</b>	<b>152,149</b>	<b>24</b>	<b>1/6,340</b>

This ratio is two times below the State ratio which is a strong indicator of need within the 30 minute radius. This also supports the need for stations in HSA 11.

Total population within a 30 minutes\* of Fresenius Waterloo is 152,149 according to the 2010 Census.

According to the November 2012 Station Inventory (3,930 stations) and the 2010 U.S. Census Bureau population of Illinois (12,830,632), the State ratio of stations to population is 1/3,265.

\*Travel time is MapQuest

### Facilities within 30 Minutes Travel Time From Fresenius Medical Care Waterloo

Name	Address	City	Zip Code	MapQuest		Stations	9/30/2012 Utilization
				Miles	Time		
DaVita Red Bud	1500 E. Market	Red Bud	62278	15.57	24	8	0
DaVita Sauget	2300 Goose Lake Road	Sauget	62206	20.24	28	16	83.33

- 2A. As mentioned previously, HSA 11 has a determined need for 5 additional dialysis stations combined with a station to population ratio that is two times below the State ratio. These factors both support the need for the Fresenius Waterloo facility. There is a need for 5 stations in HSA 11 and although Waterloo is situated in an MSA requiring 8 stations for establishment, it is primarily rural and the area is not characteristic of an MSA. We plan to monitor clinic growth and will have the ability to expand at a later date if clinic utilization warrants.
- 2B. The only facility currently in operation within 30 minutes is at 83.33%, DaVita Sauget. DaVita Red Bud is not yet operational, but is a small clinic and DaVita has identified a minimum of 39 patients who will utilize that facility bringing it beyond 80% utilization before the Waterloo facility is fully operational, leaving no access for residents of Monroe County.
- 3A. Fresenius Medical Care Waterloo will not have an adverse effect on any other area ESRD provider in that the patients identified for this facility are pre-ESRD patients of Dr. Koch. The two area facilities cannot accommodate these patients because DaVita Sauget is operating at a high utilization and DaVita Red Bud is not yet operating and will be too small to treat all of its identified patients from Red Bud along with Dr. Koch's. The establishment of this facility will instead provide additional access for residents of the Waterloo area closer to home and will also offer additional treatment choices to compliment the current Fresenius RAI Waterloo home dialysis facility adjacent to where the in-center facility will be located. It will also offer the patients the choice of another provider.
- 3B. Not applicable – applicant is not a hospital; however the utilization will not be lowered below target utilization at any other ESRD facility due to the establishment of the facility.

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Koch is currently the Medical Director for (Fresenius Medical Care) RAI Lincoln Highway, Fairview Heights and the RAI Waterloo Home Therapies facility. Attached is his curriculum vitae.

B. All Other Personnel

Upon opening the facility will hire a Clinic Manager who is a Registered Nurse (RN) from within the company and will hire one Patient Care Technician (PCT). After we have more than one patient, we will hire another RN and another PCT.

Upon opening we will also employ:

- Part-time Registered Dietitian
- Part-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Part-time Secretary

These positions will go to full time as the clinic census increases. As well, the patient care staff will increase to the following:

- Three Registered Nurses
- 6 Patient Care Technicians

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

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

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

## CURRICULUM VITAE - MATTHEW JOHN KOCH

**DATE OF BIRTH:** February 20, 1967

**PLACE OF BIRTH:** Emporia, KS

**CITIZENSHIP:** USA

**OFFICE:** Washington University School of Medicine  
Division of Nephrology  
#1 Barnes-Jewish Hospital Plaza  
Suite 4104 Queeny Tower  
St. Louis, MO 63110

**HOME:**

**PRESENT POSITION:** Assistant Professor in Medicine  
Washington University School of Medicine

Associate Director of Transplant Nephrology  
Washington University School of Medicine

Director of High-Risk Renal Transplantation  
Barnes-Jewish Transplant Center

**EDUCATION:**

8/87-5/90 B.S. Pharmacy, University of Wyoming, Laramie, WY  
8/93-5/97 M.D., Creighton University, Omaha, NE

**INTERNSHIPS AND RESIDENCIES:**

7/97-6/98 Medicine Internship, Creighton University Med Center,  
Omaha, NE

7/98-6/00 Medicine Residency, Creighton University Med Center,  
Omaha, NE

7/00-6/02 Nephrology Fellowship, Washington University/Barnes  
Jewish Hospital, St. Louis, MO

7/02-6/03 Nephrology Transplantation Fellowship, Washington  
University/Barnes Jewish Hospital, St. Louis, MO

**LICENSURE AND CERTIFICATION:**

2000 Board Certified Internal Medicine  
2002 Board Certified Nephrology

**OTHER:**

2004 - present Consultant – Genzyme, Cambridge, MA  
2005 Ultrasonography for Nephrologists Course, Emory  
University School of Medicine, Atlanta, GA  
2006 ASN Abstract Reviewer  
2006 AST Kidney Pancreas Committee

**AWARDS AND HONORS:**

1997 Member Alpha Omega Alpha Medical Honor Society  
2000 Internal Medicine Resident of the Year, Creighton  
University  
2003 - 2005 Recipient National Institutes of Health Loan Repayment  
Program for Academic Medicine  
2003 Recipient Buchanan Fund for Clinical Research  
2003, 2006, 2008 Recipient Renal Fellows' Teaching Award  
2005 - 2007 Recipient National Institutes of Health Loan Repayment  
Program for Academic Medicine

**EDITORIAL REVIEWS:**

2002 - present Ad hoc Reviewer, American Journal of Transplantation  
2005 - present Reviewer, Doody Publishing  
2005 - present Ad hoc Reviewer, American Journal of Kidney Disease

**MEMBERSHIPS IN PROFESSIONAL SOCIETIES:**

2003 - present American Society of Nephrology  
2003 - present American Society of Transplantation  
2004 - present Chair, Scientific Advisory Board National Kidney  
Foundation of Eastern Missouri and Metro East

## INVITED LECTURES TO PROFESSIONAL GROUPS:

June, 2004	Amgen Speaker Bureau, the Ritz, St. Louis, MO
November, 2004	Fujisawa Speaker Bureau, Argentina Steakhouse, Springfield, MO
March, 2005	Kidney Disease Management for the Primary Care Physician, Washington University, St. Louis, MO
March, 2005	Fujisawa Speaker Bureau, Missouri Baptist Hospital, St. Louis, MO
August, 2005	Astellas Speaker Bureau, Carbondale, IL
May, 2006	Transplant Evaluation, Management and Follow-up, ANNA Spring Seminar, DePaul Hospital, St. Louis, MO
August, 2006	NATCO, Chicago, IL
April, 2007	Nephrology Grand Rounds, University of Missouri, Columbia, MO
November, 2007	Medicine Grand Rounds, University of Illinois, Urbana- Champaign, IL
March, 2008	Update in Kidney Transplantation. National Kidney Foundation, Glen Echo, St. Louis, MO
April, 2008	Update in Kidney Transplantation. Quincy Medical Center, Quincy, IL

## BIBLIOGRAPHY:

### BOOK / BOOK CHAPTERS

1. **Koch MJ, Gross ED: Approach to Hyperkalemia and Hypokalemia.** In: *The Washington Manual of Subspecialty Consult.* Kwoh C, Buch E, Quartarolo J (eds), Lippincott Williams & Wilkins, Philadelphia, PA, Chapter 18, 97-102, 2004.
2. **Koch MJ, Kwoh C: Hyponatremia and Hypernatremia.** In: *The Washington Manual of Subspecialty Consult.* Kwoh C, Buch E, Quartarolo J (eds), Lippincott Williams & Wilkins, Philadelphia, PA, Chapter 19, 103-108, 2004.
3. **Koch MJ: Disorders of Water Balance: Hyponatremia and Hypernatremia.** In: *The Washington Manual of Nephrology Subspecialty Consult.* Agha I, Bhattacharyya-Green G. (eds), Lippincott Williams & Wilkins, Philadelphia, PA, Chapter 21, 167-178, 2004.
4. **Koch MJ: Disorders of Potassium Balance.** In: *The Washington Manual of Nephrology Subspecialty Consult.* Agha I, Bhattacharyya-Green G. (eds), Lippincott Williams & Wilkins, Philadelphia, PA, Chapter 22, 179-191, 2004.
5. **Desai NM, Koch MJ: Complications of Immunosuppression.** In: *Complications of Surgery.* Mulholland MW, Doherty GM. (eds), Lippincott Williams & Wilkins, Philadelphia, PA, Chapter 20, 212-224, 2005.

6. **Koch MJ, Brennan DC:** Renal Disease and the Surgical Patient. In *Current Surgical Diagnosis & Treatment, Twelfth Edition (a LANGE medical book)*. Way LW, Doherty GM (eds), McGraw Hill, New York, NY, Chapter 5, 45-50, 2006.
7. **Chawla N, Koch MJ:** Metabolic Acid-Base Disorders. In: *The Washington Manual of Critical Care*. Kollef MH, Bedient TJ, Isakow W, Witt CA. (eds), Lippincott Williams & Wilkins, Philadelphia, PA, Chapter 24, 179-189, 2007.
8. **Young D, Koch MJ:** Chronic Kidney Disease Management. In: *The Washington Manual of Outpatient Internal Medicine Therapeutics, 2<sup>nd</sup> Edition*. Brisco M, Lieu C, Mullur R (eds), Lippincott Williams & Wilkins, Philadelphia, PA, In Press, 2008.
9. **Siedlecki A, Koch MJ:** Disorders of Water Balance: Hyponatremia and Hypernatremia. In: *The Washington Manual of Nephrology Subspecialty Consult*. Windus D. (ed), Lippincott Williams & Wilkins, Philadelphia, PA, In Press, 2008.
10. **Koch MJ:** Disorders of Potassium Balance. In: *The Washington Manual of Nephrology Subspecialty Consult*. Windus D. (ed), Lippincott Williams & Wilkins, Philadelphia, PA, In Press, 2008.
11. **Siedlecki A, Koch MJ:** Care of the Renal Transplant Patient. In: *The Washington Manual of Nephrology Subspecialty Consult*. Windus D. (ed), Lippincott Williams & Wilkins, Philadelphia, PA, In Press, 2008.

## JOURNALS

### Original Reports

1. **Lund RJ, Koch MJ, Oldemeyer JB, Mears AJ, Dunlay RW:** Extrapulmonary tuberculosis in patients with end stage renal disease-two case reports and a brief review. *Int Urol Nephrol* 32(2):181-183, 2000.
2. **Oldemeyer JB, Lund RJ, Koch MJ, Mears AJ, Dunlay RW:** Rhabdomyolysis and acute renal failure after changing statin-fibrate combinations. *Cardiology* 94(2):127-128, 2000.
3. **Koch MJ, Lund RJ, Oldemeyer JB, Mears AJ, Dunlay RW:** Refeeding hypophosphatemia in a chronically hyperphosphatemic hemodialysis patient. *Nephron* 86(4):552, 2000.

4. **Koch MJ**, Coyne DC, Hoppe-Bauer J, Vesely TM: Bacterial colonization of chronic hemodialysis catheters: Evaluation of endoluminal brushing and heparin aspirate. *J Vasc Access* 3(1):154-158, 2002.
5. Hardinger KL, Park JM, Schnitzler MA, **Koch MJ**, Miller B, Brennan DC: Pharmacokinetics of tacrolimus in kidney transplant recipients: Twice daily versus once daily dosing. *Am J Transplantation* 4:621-625, 2004.
6. Hardinger KL, Schnitzler MA, Miller B, Lowell JA, Shenoy S, **Koch MJ**, Enkvetchukul D, Ceriotti C, Brennan DC: Five-year follow up of Thymoglobulin versus Atgam induction in adult renal transplantation. *Transplantation* 78(1):136-141, 2004.
7. Brennan DC, Shannon MB, **Koch MJ**, Polonsky KS, Desai N, Shapiro J: Portal vein thrombosis complication islet transplantation in a recipient with the factor V Leiden mutation. *Transplantation* 78(1): 172-3, 2004.
8. Hardinger KL, Schnitzler MA, **Koch MJ**, Enkvetchukul D, Desai N, Jendrisak M, Lowell JA, Miller B, Shenoy S, Brennan DC: Cyclosporine minimization and cost reduction in renal transplant recipients receiving a C2 monitored, cyclosporine based quadruple immunosuppressive regimen. *Transplantation* 78(8): 1198-1203, 2004.
9. Brown AJ, **Koch MJ**, Coyne DW: Oral feeding acutely down-regulates serum PTH in hemodialysis patients. *Nephron Clin Pract* 103(3): c106-c113, 2006.
10. Hardinger KL, Schnitzler MA, **Koch MJ**, Labile E, Stirnemann P, Miller B, Enkvetchukul D, Brennan DC: Thymoglobulin induction is safe and effective in live-donor renal transplantation: A single center experience. *Transplantation* 81(9): 1285-1289, 2006.
11. Bohl, DL, **Koch MJ**, Brennan DC: Viral infections in renal transplantation: A clue to excessive immunosuppression. *J Bras Nefrol* 29(3): 185-190, 2007.

#### Reviews and Educationally Relevant Publications

12. **Koch MJ**, Brennan DC: IgA nephropathy: Recurrence after transplantation. In: *UpToDate*, Rose, BD (Ed), *UpToDate*, Waltham, MA, Renal Transplantation Section, through current.
13. **Koch MJ**, Brennan DC: Leflunomide: Is there a place for its use in transplantation? *Current Opinion in Organ Transplantation* 8:317-322, 2003.
14. Hardinger KL, **Koch MJ**, Brennan DC: Current and future immunosuppressive strategies in renal transplantation. *Pharmacotherapy* 24(9):1159-1176, 2004.

15. **Koch MJ, Brennan DC:** C4d staining in renal allografts and treatment of antibody mediated rejection. In: UpToDate, Rose, BD (Ed), UpToDate, Waltham, MA, Renal Transplant Section, through current.
16. **Koch MJ, Brennan DC:** HLA and ABO sensitization and desensitization in renal transplantation. In: UpToDate, Rose, BD (Ed), UpToDate, Waltham, MA, Renal Transplant Section, through current.
17. **Koch MJ, Brennan DC:** Acute renal allograft rejection: Treatment. In: UpToDate, Rose, BD (Ed), UpToDate, Waltham, MA, Renal Transplant Section, through current
18. **Vella JP, Koch MJ, Brennan DC:** Acute renal allograft rejection: Diagnosis. In: UpToDate, Rose, BD (Ed), UpToDate, Waltham, MA, Renal Transplant Section, through current.
19. **Koch MJ:** Polyclonal antibodies and muromonab-CD3 in solid organ transplantation. *European Journal of Hospital Pharmacy* 10(5): 17-18, 2004.
20. **Koch MJ:** Use of induction agents in renal transplantation. *Hospital Pharmacy of Europe* 18: 59-60, 2005.
21. **Koch MJ:** Developments in transplantation and immunosuppression. *European Journal of Hospital Pharmacy* 10(6):56, 2004.
22. **Koch MJ, Brennan DC:** Membranoproliferative glomerulonephritis: Recurrence after transplantation. In: UpToDate, Rose, BD (Ed), UpToDate, Waltham, MA, Renal Transplant Section, through current.
23. **Koch MJ, Brennan DC:** Differential diagnosis of renal allograft dysfunction: In: UpToDate, Rose, BD (Ed), UpToDate, Waltham, MA, Renal Transplant Section, through current.
24. **Koch MJ:** Considerations in retransplantation of the failed renal allograft recipient. *Adv Chronic Kidney Dis* 13(1): 18-28, 2006.
25. **Brennan DC, Koch MJ:** Is Mycophenolate really necessary: Review of the MYSS follow-up report. *Nature Clinical Practice Nephrology*, 3(11): 602-603, 2007.

### Published Abstracts

26. **Koch MJ, Coyne D, Vesely T:** A randomized trial assessing flow and survival of three tunneled dialysis catheters in chronic hemodialysis patients. American Society of Nephrology, Philadelphia, PA. JASN 13, Abstract #F-P0831, 230A, 2002.
27. Crowley KL, Hardinger KL, **Koch MJ**, Miller B, Mindel G, Brennan DC: A single-center experience with sirolimus conversion therapy in renal allograft recipients. American Transplant Congress, Washington, DC. Am J Transpl 5(3), Abstract #786, 354, 2003.
28. Agha IA, Hardinger KL, Bohl D, Ansari A, Dyk P, **Koch MJ**, Miller B, Jendrisak M, Shenoy S, Desai N, Beffa D, Lowell JA, Schnitzler M, Storch G, Brennan DC: Preemptive withdrawal of AZA or MMF prevents progression of BK viremia to BK nephropathy: A prospective randomized controlled trial of BK virus infection after renal transplantation. American Transplant Congress 2004, Boston, MA. Am J Transplantation Suppl 8(4), Abstract #150 pp 200, 2004.
29. Hardinger KL, Schnitzler MA, Miller B, Lowell, JA, Shenoy S, Desai N, Jendrisak M, **Koch MJ**, Brennan DC: C2 monitoring allows a reduction in cyclosporine dose and costs in renal transplant recipients receiving quadruple immunosuppressive therapy with Thymoglobulin. American Transplant Congress 2004, Boston, MA. Am J Transplantation Suppl 8(4), Abstract #269 pp 232, 2004.
30. Hardinger KL, Park JM, Schnitzler MA, **Koch MJ**, Miller B, Brennan DC: Pharmacokinetics of tacrolimus in kidney transplant recipients: Twice daily versus once daily dosing. American Transplant Congress 2004, Boston, MA. Am J Transplantation Suppl 8(4), Abstract #291 pp 238, 2004.
31. Hardinger KL, Schnitzler MA, **Koch M**, Miller B, Lowell J, Shenoy S, Desai N, Jendrisak M and Brennan DC: Cyclosporine based, C2 monitored quadruple immunosuppressive regimen results in cyclosporine minimization and cost reduction in renal transplant recipients. XX International Congress of the Transplantation Society, 2004, Vienna, Austria. Supplement to Transplantation 78(2), Abstract #P880 pp 510, 2004.
32. Brennan DC, Hardinger KL, Bohl DL, Lockwood M, Torrence S, Schuessler R, Gaudreault M, Roby T, **Koch MJ**, Miller BW, Schnitzler MA, Storch GA: Preemptive vs prophylactic valganciclovir for CMV in renal transplantation: Early results from a randomized, prospective trial. American Society of Nephrology 2004, St. Louis, MO. J Am Soc Nephrol 15, Abstract SA-FC009 pp 23A, 2004.

33. Hollands JM, Hardinger KL, Koch MJ, Miller BW, Brennan DC: Perioperative pamidronate reduces fractures and delayed graft junction in renal transplant recipients. American Society of Nephrology 2004, St. Louis, MO. J Am Soc Nephrol 15, Abstract SU-PO1012 pp 751A, 2004.
34. Koch MJ, Hardinger KL, Schnitzler MA, Miller B, Enkvetchakul D, Brennan DC: Thymoglobulin induction is safe and effective in live-donor renal transplantation: A single center experience. American Transplant Congress 2005, Seattle, WA, Am J Transplantation Suppl 11(5), Abstract 131 pp 189, 2005.
35. Hardinger KL, Khoury JA, Storch GA, Bohl DL, Schuessler RM, Torrence SM, O'Brien L, Gaudreault-Keener M, Koch MJ, Miller BW, Schnitzler MA, Brennan DC: A pharmacoeconomic analysis of prophylactic vs preemptive valganciclovir for the management of CMV in renal transplant recipients. The 2006 World Transplant Congress, Boston, MA. July Supplement to Am J Transplant and Transplantation, Abstract #2904 pp 1011, 2006.
36. Koch MJ, Bohl DL, Miller BW, Mwintshi K, Lambert M, Brennan DC: Long term (median 5-year) follow-up of preemptive immunosuppression reduction for BK viremia. American Transplant Congress 2007, San Francisco, CA, Am J Transplantation Suppl 2(7), Abstract #17 pp 151, 2007.
37. Kedainis R, Koch MJ, Liapis H: Detection of C4d deposits in renal allografts: Single center experience. American Society of Nephrology 2007, San Francisco, CA, J Am Soc Nephrol, 18, Abstract F-PO650 pp 242A, 2007.
38. Ramachandran S, Fukami N, Simon G, Koch MJ, Shenoy S, Jendrisak M, Chapman W, Mohanakumar T: Subsaturation concentrations of anti-HLA antibody (Ab) activates the MAPK, hedgehog and Wnt signaling pathway in endothelial cells (ECs) resulting in accommodation. American Transplant Congress 2008, Toronto, Canada, Am J Transplantation Suppl 2(8), Abstract #344 pp 270, 2008.
39. Goldboldo-Brooks AJ, Schnitzler MA, Buchanan PM, Koch MJ, Miller BW, Brennan DC: A novel methodology to determine and compare transplant costs for renal recipients. American Transplant Congress 2008, Toronto, Canada, Am J Transplantation Suppl 2(8), Abstract #802 pp 393, 2008.
40. Hardinger KL, Buchanan P, Rhee S, Schnitzler MA, Koch MJ, Miller BW, Enkvetchakul D, Schuessler R, Brennan DC: A randomized, double-blinded comparison of Thymoglobulin versus Atgam for induction immunosuppressive therapy in adult renal transplant recipients: 10 year results. American Transplant Congress 2008, Toronto, Canada, Am J Transplantation Suppl 2(8), Abstract #984 pp 441, 2008.

41. Jendrisak M, Phelan D, Desai N, Shenoy S, Lowell J, Chapman W, Koch M, Mohanakumar T: Low immunologic risk for graft loss in recipients of kidney after previous extrarenal allotransplantation. American Transplant Congress 2008, Toronto, Canada, Am J Transplantation Suppl 2(8), Abstract #1255 pp 512, 2008.
42. Ramachandran S, Fukami N, Simon G, Steward N, Shenoy S, Koch M, Jendrisak M, Chapman W, Mohanakumar T: Binding of endothelial cells by subsaturating concentrations of anti-HLA inhibits lymphocyte migration and decreases expression of TNF family of gene conferring protection against multiple immunologic insults. American Transplant Congress 2008, Toronto, Canada, Am J Transplantation Suppl 2(8), Abstract #1469 pp 568, 2008.

#### RESEARCH STUDIES:

1. Folic acid for vascular outcome reduction in transplantation (FAVORIT) study. Principal Investigator for Washington University Medical Center / Barnes-Jewish Hospital site in a multi-center NIH study. 3/02 – present
2. Randomized, open-label, comparative evaluation of conversion from calcineurin inhibitors to sirolimus versus the continued use of calcineurin inhibitors in renal allograft recipients. Sub-Investigator for Washington University Medical Center / Barnes-Jewish Hospital site in a multi-center study. 2002 – 2004
3. Islet transplantation in type I diabetic patients using the Edmonton Protocol of steroid free immunosuppression. Protocol NIS01. DAIT/NIAID/NIH. Clinical study at Washington University Center with (PI's) Kenneth Polonsky, M.D., and Daniel C. Brennan, M.D. 2001 – 2012
4. MyTime Study - A three-month, open-label, two cohort study to investigate the safety and tolerability of Myfortic® in combination with Neoral® or Tacrolimus in renal transplant recipients with GI intolerance. Principal investigator for Washington University Medical Center / Barnes-Jewish Hospital site in a multi-center study. 2004-2005
5. Single Dose Thymoglobulin for Induction in Adult Renal Allograft Recipients. Principal investigator for Washington University Medical Center / Barnes-Jewish Hospital in this single center, investigator initiated, Genzyme sponsored study. 2005-2006
6. Renal Transplantation with Immune Monitoring. Principal Investigator for Washington University Medical Center / Barnes-Jewish Hospital in this single center, investigator initiated study. 2006-2008

**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 II. Admin Code 1110.1430, and with regards to Fresenius Medical Care Waterloo, I certify the following:

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

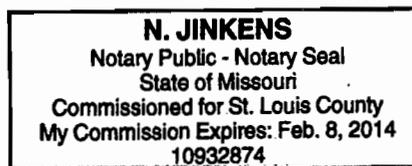
Richard Alderson, RVP  
Signature

Richard Alderson  
Printed Name

Regional Vice President  
Title

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

[Signature]  
Signature of Notary



Seal

Criterion 1110.1430 (f) – Support Services

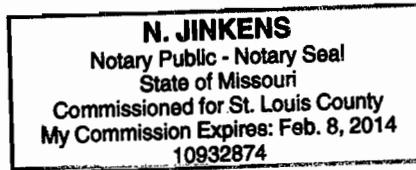
I am the Regional Vice President of the Southern Illinois/Missouri Region of the South Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

- Fresenius Medical Care utilizes the Proton patient data tracking system in all of its facilities.
- These support services will be available at Fresenius Medical Care Waterloo 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 Memorial Hospital, Belleville:
  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services

Richard Alderson, RVP  
Signature

Richard Alderson/Regional Vice President  
Name/Title

Subscribed and sworn to before me  
this 22<sup>nd</sup> day of October, 2012  
Chambers  
Signature of Notary



Seal

**Criterion 1110.1430 (g) – Minimum Number of Stations**

Fresenius Medical Care Waterloo is located in the St. Louis, Missouri/Illinois Metropolitan Statistical Area (MSA). A minimum of eight dialysis stations is required to establish an in-center hemodialysis center in a MSA. Fresenius Medical Care Waterloo will have six dialysis stations thereby not meeting this requirement.

While Waterloo/Monroe County is considered to be in a MSA it is not characteristic of a MSA. Waterloo is situated in rural Monroe County and has a population of less than 10,000. Fresenius Medical Care felt it more prudent to be conservative on its station establishment because of the rural nature of the area and receive a negative on this criterion. There is room in the facility to expand in the future as clinic utilization requires it to do so.

6 stations also is more closely aligned with the State Board's determined need for the HSA.

## AFFILIATION AGREEMENT

This AGREEMENT made as of this 1st day of October, 2012 ("Effective Date"), between Protestant Memorial Medical Center, Inc. PMMCI(hereinafter referred to as "Hospital") and Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Waterloo (hereinafter referred to as "Company").

WHEREAS, Company desires to assure the availability of the Hospital's facilities for its patients who are in need of inpatient treatment at a hospital, in compliance with 42 C.F.R. 405.2160, and the Hospital is equipped and qualified to provide hospital care on an inpatient basis for such patients; and

WHEREAS, the Hospital desires to assure the availability of hemodialysis treatment for its patients who are in need of outpatient treatment, and Company is experienced and qualified to administer dialysis treatments and clinically manage patients with chronic renal failure on an outpatient basis;

1. 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 Company's patients. If, in the opinion of a member of Company's medical staff, any patient requires emergency hospitalization, the hospital agrees that it will provide a bed for such a 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. In the event of an emergency at Company, the responsible physician shall notify the patient's physician of record, as indicated in Company's files, and shall promptly notify the Emergency Room physician of the particular emergency. Company shall be responsible for arranging to have the patient transported to the Hospital and shall send appropriate interim medical records. There will be an interchange, within one working day, of the patient LongTerm Program and Patient Care Plan, and of medical and other information necessary or useful in the care and treatment of patients referred to the Hospital from Company, or in determining whether such patients can be adequately cared for otherwise than in either of the facilities. Admission to Hospital, and the continued treatment by Hospital, shall be provided regardless of the patient's race, color, creed, sex, age, disability, or national origin.
2. In the event the patient must be transferred directly from Company to the Hospital, Company shall provide for the security of, and be accountable for, the patient's personal effects during the transfer.
3. Company shall keep medical records of all treatments rendered to patients by Company. These medical records shall conform to applicable standards of professional practice. If requested by the Hospital, Company shall provide complete copies of all medical records

of a patient treated by Company who is, at the time of the request, an inpatient at the Hospital.

4. The Hospital shall accept any patient of Company referred to the Hospital for elective reasons, subject to the availability of appropriate facilities, after the Company attending physician has arranged for inpatient hospital physician coverage,
5. In addition to the services described above, the Hospital shall make the following services available to patients referred by Company. either at the Hospital or at an affiliated hospital:
  - a. Availability of a surgeon capable of vascular access insertion and long-term maintenance;
  - b. Inpatient care for any patient who develops complications or renal disease-related conditions that require hospital admission;
  - c. Blood Bank services to be performed by the Hospital.
6. Company shall have no responsibility for any inpatient care rendered by the hospital. Once a patient has been referred by Company to the Hospital, Hospital agrees to indemnify Company against, and hold it harmless from any claims, expenses, or liability based upon or arising from anything done or omitted, or allegedly done or omitted, by the Hospital, its agents, or employees, in relation to the treatment or medical care rendered at the Hospital.
7. Company agrees to develop, maintain and operate, in all aspects, an outpatient hemodialysis facility, providing all physical facilities, equipment and personnel necessary to treat patients suffering from chronic renal diseases. Company shall conform to standards not less than those required by the applicable laws and regulations of any local, state or federal regulatory body, as the same may be amended from time to time. In the absence of applicable laws and regulations, Company shall conform to applicable standards of professional practice. Company shall treat such commitment as its primary responsibility and shall devote such time and effort as may be necessary to attain these objectives. Admission to Company, and the continued treatment by Company, shall be provided regardless of the patient's race, color, creed, sex, age, disability, or national origin. The cost of such facilities, equipment and personnel shall be borne by Company.
8. The cost of such facilities, equipment and personnel shall be borne by Company. The location of such facilities shall be selected by Company, but shall be sufficiently close to the proximity to the Hospital to facilitate the transfer of patients, and communication between the faculties.

9. Company shall engage a medical director of Company's outpatient hemodialysis facility who shall have the qualifications specified in 42 C.F.R. 405.2102. This individual must be a physician properly licensed in the profession by the state in which such facility is located.  
In accordance with 42 C.F. R. 405.2162, Company shall 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, and federal laws and regulations.
10. 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. With the approval of the patient, the patient's physician shall consult with the Company Medical Director. If outpatient treatment is considered appropriate by the patient's physician and the Company Medical Director, said patient may be referred to Company for outpatient treatment at a facility operated by Company which is most convenient for the patient (or, in the event space is not available, to an affiliated unit). 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 Company from the Hospital, or in determining whether such patients can be adequately cared for otherwise than in either of the facilities.
11. With respect to all work, duties, and obligations hereunder, it is mutually understood and agreed that the parties shall own and operate their individual facilities wholly independent of each other. All patients treated at the facilities of Hospital or Company shall be patients of that facility. Each party shall have the sole responsibility for the treatment and medical care administered to patients in their respective facilities.
12. Company and Hospital shall each maintain in full force and effect throughout the term of this Agreement, at its own expense, a policy of comprehensive general liability insurance and professional liability insurance covering it and Company's Staff and Hospital staff and physicians, respectively, each having a combined single limit of not less than \$1,000,000 per occurrence, \$3,000,000 annual aggregate for bodily injury and property damage to insure against any loss, damage or claim arising out of the performance of each party's respective obligations under this Agreement. Each will provide the other with certificates evidencing said insurance, if and as requested. Company and Hospital further agree to maintain, for a period of not less than three (3) years following the termination of this Agreement, any insurance required hereunder if underwritten on a claims-made basis. Either party may provide for the insurance coverage set forth in this Section through self-insurance.
13. Each party agrees to indemnify and hold harmless the other, their officers, directors, shareholders, agents and employees against all liability, claims, damages, suits, demands, expenses and costs (including but not limited to, court costs and reasonable attorneys' fees) of every kind arising out of or in consequence of the party's breach of this Agreement, and of the negligent errors and omissions or willful misconduct of the

indemnifying party, its agents, servants, employees and independent contractors (excluding the other party) in the performance of or conduct related to this Agreement.

14. The Parties expressly agree to comply with all applicable patient information privacy and security regulations set for in the Health Insurance Portability and Accountability Act ("HIPAA") final regulations for Privacy of Individually Identifiable Health Information by the federal due date for compliance, as amended from time to time.
15. 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 delivered in hand or by registered or certified mail, return receipt requested, postage prepaid, to such party at the following address:

To the Hospital:

Memorial Hospital  
4500 Memorial Drive  
Belleville, IL 62226  
Attn: Nancy Weston, VP of Nursing

To Company:  
Fresenius Medical Care  
One Westbrook Corporate Center  
Tower One, Suite 1000  
Westchester, IL 60154  
Attn: Lori Wright

With a copy to:  
Fresenius Medical Care North America  
920 Winter Street  
Waltham, MA 02451-1457  
Attn: Corporate Legal Department

16. 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 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.
17. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all negotiations, prior discussions, agreements or understandings, whether written or oral, with respect to the subject matter hereof, as of the Effective Date. This Agreement shall bind and benefit the parties, their respective successors and assigns.
18. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State where Company is located, without respect to its conflicts of law rules.
19. The term of this Agreement is for one (1) year, beginning on the Effective Date, and will automatically renew for successive one year periods unless either party gives the other

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 II. Admin Code 1110.1430, and with regards to Fresenius Medical Care Waterloo, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Waterloo in the first two years of operation, the facility is expected to achieve and maintain the utilization standard, specified in 77 III. Adm. Code 1100, of 80% and;
2. Fresenius Medical Care hemodialysis patients in Illinois have achieved adequacy outcomes of:
  - 94% of patients had a URR  $\geq$  65%
  - 96% of patients had a Kt/V  $\geq$  1.2

and same is expected for Fresenius Medical Care Waterloo.

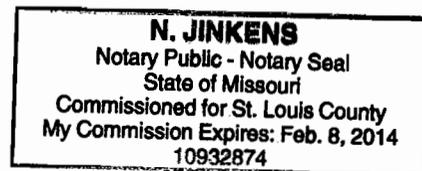
Richard Alderson, RVP  
Signature

Richard Alderson/Regional Vice President  
Name/Title

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

Chambers  
Signature of Notary

Seal



**Southern Illinois Medical Development Corporation**  
**509 Hamacher Street, Suite 202**  
**Waterloo, Illinois 62298**

November 12, 2012

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

**Re: Letter of Intent to Lease the Property Located at 515-535 Hamacher Street, Waterloo, Illinois, 62298**

Dear Charles,

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

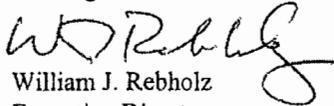
- Parties:**
- |            |  |
|------------|--|
| Landlord:  | Southern Illinois Medical Development Corporation or its assigns   |
| Tenant:    | Fresenius Medical Care of <u>Illinois</u> , LLC, a Delaware limited liability corporation, d/b/a Fresenius Medical Care Waterloo |
| Guarantor: | Fresenius Medical Care Holdings, Inc.  |
- Property:** The Property to be constructed consists of +/-6,920 square feet on +/-1.5 acres located at 515-535 Hamacher Street, Waterloo, Illinois, 62298; the land site 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 \$ 16.75 per square foot, based upon final project costs. The rental rate will increase by 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.
- 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: The Lease shall be contingent upon the Tenant obtaining a Certificate of Need from the Illinois Department of Health to provide dialysis services at this location.

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

Best regards,



William J. Rebholz  
Executive Director  
Southern Illinois Medical Development  
Corporation

ACCEPTED, AGREED AND APPROVED:

By: \_\_\_\_\_

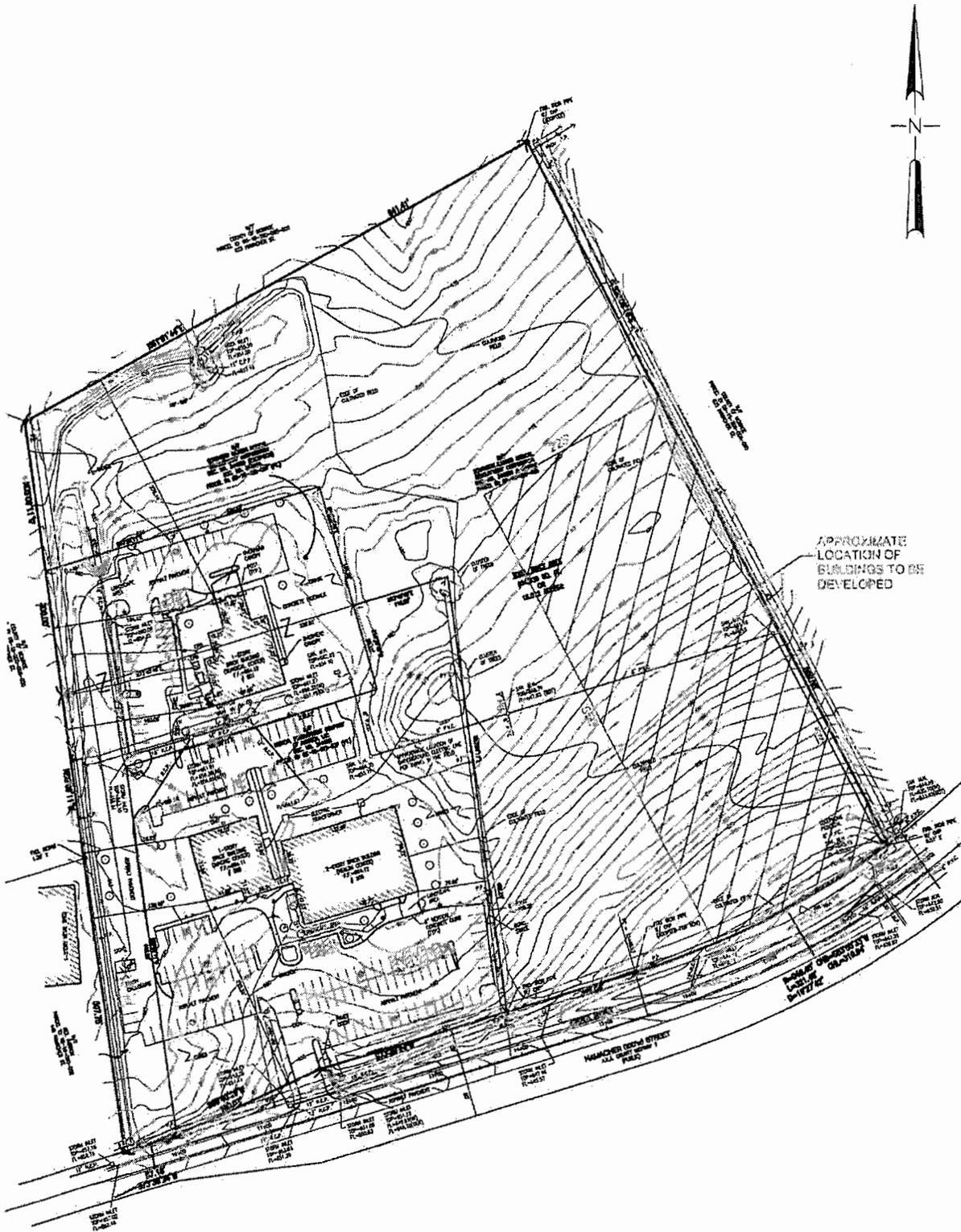
Name: \_\_\_\_\_  
(Please print)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone/Email: \_\_\_\_\_



APPROXIMATE  
LOCATION OF  
BUILDINGS TO BE  
DEVELOPED

EXHIBIT A

**KdG**

**Kuhlmann  
Design  
Group, Inc.**  
15 East Washington Street  
Baltimore, Illinois 61220-2101  
Tel: (618) 234-8888  
St. Louis, Missouri  
Baltimore, Illinois  
St. Charles, Missouri

DATE:  
NOVEMBER 9, 2012  
DRAWN BY:  
SRH  
CHECKED BY:  
RTS

## Criterion 1120.310 Financial Viability

### Financial Viability Waiver

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

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

**Criterion 1120.310 (c) Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

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

<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		\$162.00			6,920			1,121,040	1,121,040
Contingency		16.18			6,920			112,000	112,000
<b>TOTALS</b>		178.18			6,920			1,233,040	1,233,040

\* Include the percentage (%) of space for circulation

**Criterion 1120.310 (d) – Projected Operating Costs**

**Year 2017**

Salaries	\$294,063
Benefits	73,516
Supplies	<u>78,118</u>
Total	\$445,697

Annual Treatments 5,990

Cost Per Treatment \$74.41

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

**Year 2017**

Depreciation/Amortization	\$79,510
Interest	<u>0</u>
<b>CAPITAL COSTS</b>	<b>\$79,510</b>

Treatments: 5,990

Capital Cost per treatment \$13.27

**Criterion 1120.310(a) Reasonableness of Financing Arrangements**

Fresenius Medical Care of Illinois, LLC

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

By: 

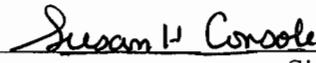
Title: Mark Fawcett  
Vice President & Treasurer

By: 

Title: Asst Treasurer

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

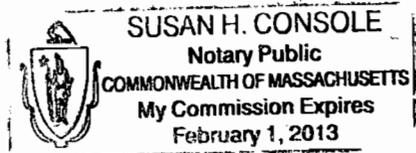
Notarization:  
Subscribed and sworn to before me  
this 31 day of Oct, 2012

  
Signature of Notary

    
Signature of Notary

Seal

Seal



**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: 

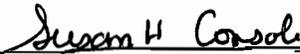
By: 

Title: \_\_\_\_\_  
**Mark Fawcett**  
Vice President & Asst. Treasurer

Title: ASST TREASURER

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

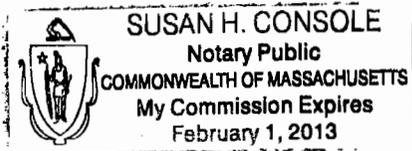
Notarization:  
Subscribed and sworn to before me  
this 31 day of Oct, 2012

Signature of Notary 

Signature of Notary \_\_\_\_\_

Seal

Seal





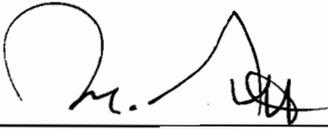
**Criterion 1120.310(b) Conditions of Debt Financing**

Fresenius Medical Care Holdings, Inc.

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

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

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

By: 

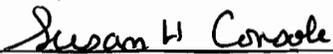
ITS: Mark Fawcett  
Vice President & Asst. Treasurer

By: 

ITS: ASST TREASURER

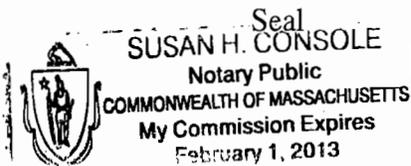
Notarization:  
Subscribed and sworn to before me  
this    day of   , 2012

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

  
Signature of Notary

Signature of Notary

Seal



## Safety Net Impact Statement

The establishment of the Fresenius Medical Care Waterloo dialysis facility will not have any impact on safety net services in the Monroe County 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.

<b>Safety Net Information Fresenius Medical Care Facilities in Illinois</b>			
<b>NET REVENUE</b>	<b>\$364,295,636</b>	<b>\$397,467,778</b>	<b>\$353,355,908</b>
<b>CHARITY CARE</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>
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%
<b>MEDICAID</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Medicaid (# of patients)</b>	1,783	1,828	1,865
<b>Medicaid (revenue)</b>	\$40,401,403	\$44,001,539	\$42,367,328
<b>% of Medicaid to Net Revenue</b>	11.9%	11.07%	12%

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

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

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

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

## Charity Care Information

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

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

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

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

## Uncompensated Care By Facility

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

Continued...

95

## 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
<b>Totals</b>	<b>13,448</b>	<b>5,037</b>	<b>2,695</b>	<b>3,343,810</b>	<b>1,235,189</b>	<b>642,947</b>

**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
<b>Totals</b>	<b>134,666</b>	<b>156,600</b>	<b>156,121</b>	<b>32,811,313</b>	<b>37,899,912</b>	<b>37,298,532</b>

(see following page for patient coverage options)

98

## **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.



Notes

TO DAVITA RED BUD

### Trip to 1500 E Market St

Red Bud, IL 62278-2143  
15.57 miles - about 24 minutes



### 509 Hamacher St, Waterloo, IL 62298-1592

- 
1. Start out going **west** on **Hamacher St** toward **Fairway Dr.**
go 0.7 mi
- 
2. Turn **left** onto **Bellefontaine Dr.**
go 0.0 mi
- 
3. Turn **right** onto **Talbot St.**
go 0.0 mi
- 
4. Turn **left** onto **N Market St.**
go 1.9 mi
- 

5. Turn **left** onto **IL-3 / S Market St.** Continue to follow **IL-3.**
go 12.1 mi
- 

6. Stay **straight** to go onto **E Market St / IL-154.**
go 0.7 mi
- 
7. **1500 E MARKET ST** is on the **right.**
go 0.0 mi



### 1500 E Market St, Red Bud, IL 62278-2143

Total Travel Estimate : 15.57 miles - about 24 minutes

[All rights reserved. Use subject to License/Copyright](#) | [Map Legend](#)

Directions and maps are informational only. We make no warranties on the accuracy of their content, road conditions or route usability or expeditiousness. You assume all risk of use. MapQuest and its suppliers shall not be liable to you for any loss or delay resulting from your use of MapQuest. Your use of MapQuest means you agree to our [Terms of Use](#)



**Trip to 2300 Goose Lake Rd**  
 Sauget, IL 62206  
 20.24 miles - about 28 minutes

Notes

TO DAVITA SAUGET



**509 Hamacher St, Waterloo, IL 62298-1592**

- 
1. Start out going **west** on **Hamacher St** toward **Fairway Dr.**
go 0.8 mi

---

- 
2. Turn **right** onto **N Market St.**
go 1.1 mi

---

- 

3. Turn **slight right** onto **IL-3 N.**
go 13.4 mi

---

- 

4. **IL-3 N** becomes **I-255 N / US-50 E.**
go 3.1 mi

---

- 
5. Take the **IL-157** exit, **EXIT 13**, toward **Cahokia.**
go 0.2 mi

---

- 

6. Turn **left** onto **Camp Jackson Rd / IL-157.**
go 0.5 mi

---

- 
7. Turn **left** onto **Jerome Ln.**
go 0.7 mi

---

- 
8. Turn **right** onto **Goose Lake Rd.**
go 0.5 mi

---

- 
9. **2300 GOOSE LAKE RD** is on the **right.**
go 0.0 mi



**2300 Goose Lake Rd, Sauget, IL 62206**

**Total Travel Estimate : 20.24 miles - about 28 minutes**

All rights reserved. Use subject to [License/Copyright](#) | [Map Legend](#)

Directions and maps are informational only. We make no warranties on the accuracy of their content, road conditions or route usability or expeditiousness. You assume all risk of use. MapQuest and its suppliers shall not be liable to you for any loss or delay resulting from your use of MapQuest. Your use of MapQuest means you agree to our [Terms of Use](#)

Matthew J. Koch, M.D.  
Cynthia M. Witcher, APN-BC  
4600 Memorial Drive, Ste. 330  
Belleville, IL. 62226  
Phone: (618)-234-6003 Fax: (618)-234-6156

November 14, 2012

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

Dear Ms. Avery,

I am a nephrologist practicing in rural southwestern Illinois east of Saint Louis, specifically in St. Clair, Monroe and Clinton County. I am the Medical Director of the RAI Lincoln Highway – Fairview Heights dialysis clinic and also the RAI Waterloo Home Therapies facility. Additionally I refer patients to RAI North Main – Breese, DaVita Metro East and Sauget. I am writing to support for the establishment of the Fresenius Medical Care Waterloo in-center hemodialysis facility. An in-center facility near the same site as our home dialysis center would be a welcome compliment especially for home therapies patients who sometimes require back-up hemodialysis treatments.

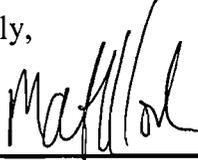
Additionally, establishing an in-center facility alongside the home therapies center will offer my patients who live in this rural area additional choices in treatment options. It will also improve their quality of life by making these services accessible. Patients from this area have to drive in excess of 30-45 minutes away for treatment.

At RAI Fairview Heights and Breese, I was treating 36 hemodialysis patients at the end of 2009, 42 patients at the end of 2010 and 69 patients at the end of 2011, as reported to The Renal Network. As of the most recent quarter, I had 85 hemodialysis patients. Over the past twelve months I have referred 54 patients for dialysis services to RAI North Main – Breese and Lincoln Highway – Fairview Heights, DaVita Metro East and Sauget. I currently have 95 patients in different stages of chronic kidney disease who live in the market area of the proposed Waterloo facility. Of these there are approximately 46 that I expect to begin dialysis at the Waterloo site in the first two years of operation. There are also four other physicians who currently admit patients to the Fairview Heights facility. (Patient census counts from previous years at the DaVita Metro East and Sauget clinics were unavailable and therefore are not included. Also, I began my own a year ago and no longer have access to the former practice historical records.)

I respectfully urge the Board to approve the addition of an in-center hemodialysis clinic to the Waterloo area to provide access to my rural patient population.

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

Sincerely,



\_\_\_\_\_  
Matthew Koch, M.D.

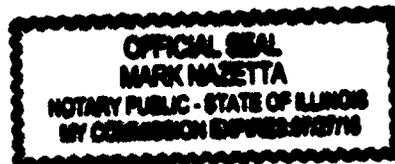
Notarization:

Subscribed and sworn to before me  
this 15 day of November, 2012



\_\_\_\_\_  
Signature of Notary

Seal



**PRE-ESRD PATIENTS THAT WILL BEGIN DIALYSIS AT  
THE WATERLOO FACILITY IN THE FIRST TWO YEARS OF OPERATION**

Stage 4		Stage 3	
Zip Code	Patients	Zip Code	Patients
62248	1	62248	3
62220	9	62220	17
62285	2	62285	6
62243	2	62243	12
62264	6	62264	5
62298	1	62298	9
62278	4	62278	5
62260	0	62260	3
62236	5	62236	5
<b>Total</b>	<b>30</b>	<b>Total</b>	<b>65</b>

**DR. KOCH'S NEW REFERRALS FOR THE PAST TWELVE MONTHS  
October 1, 2011 through September 30, 2012**

Fresenius Fairview Heights		Fresenius Breese		DaVita Belleville		DaVita Sauget	
Zip Code	Patients	Zip Code	Patients	Zip Code	Patients	Zip Code	Patients
62204	1	62226	1	62203	1	62221	2
62205	1	62230	1	62204	1	62226	1
62206	2	62249	2	62205	1	<b>Total</b>	<b>3</b>
62207	3	62253	1	62226	1		
62220	2	62271	2	62232	1		
62221	5	62293	2	62236	2		
62223	3	<b>Total</b>	<b>9</b>	62269	1		
62226	5			<b>Total</b>	<b>8</b>		
62232	4						
62260	1						
62263	1						
62269	4						
62884	1						
63128	1						
<b>Total</b>	<b>34</b>					<b>Total</b>	<b>54</b>

**DR. KOCH'S HEMODIALYSIS PATIENTS AS OF  
DECEMBER 31, 2009, 2010, 2011**

Fresenius Fairview Hgts & Breese	
2009	
Zip Code	Patients
62201	1
62204	2
62206	1
62207	2
62208	3
62215	1
62220	2
62221	3
62223	2
62230	1
62231	2
62234	1
62243	1
62245	1
62246	1
62249	2
62253	2
62254	1
62269	4
62275	1
62293	1
63119	1
<b>Total</b>	<b>36</b>

Fresenius Fairview Hgts & Breese	
2010	
Zip Code	Patients
62201	1
62204	2
62207	5
62208	1
62215	1
62216	1
62220	1
62221	3
62223	1
62225	1
62230	2
62231	2
62243	1
62245	1
62246	1
62249	2
62253	3
62254	1
62260	1
62269	6
62275	1
62293	2
62801	1
63137	1
<b>Total</b>	<b>42</b>

Fresenius Fairview Hgts & Breese	
2011	
Zip Code	Patients
62022	1
62201	1
62204	2
62205	1
62206	1
62207	3
62208	2
62215	1
62216	1
62218	1
62220	1
62221	3
62226	1
62230	2
62231	3
62232	1
62243	1
62245	1
62246	1
62253	2
62263	1
62269	2
62271	3
62275	1
62293	2
62801	1
<b>Total</b>	<b>40</b>

DaVita Metro East	
2011	
Zip Code	Patients
62203	2
62204	1
62205	1
62207	1
62221	1
62223	2
62226	4
62232	1
62236	1
62243	1
62255	1
62258	1
62269	2
62282	1
<b>Total</b>	<b>21</b>

DaVita Sauget	
2011	
Zip Code	Patients
38017	1
62204	2
62206	1
62207	2
62240	1
62301	1
<b>Total</b>	<b>8</b>

<b>Total 2011</b>	<b>69</b>
-------------------	-----------

**DR. KOCH'S HEMODIALYSIS PATIENTS AS OF  
SEPTEMBER 30, 2012**

<b>Fresenius Fairview Hgts</b>	
<b>Zip Code</b>	<b>Patients</b>
62002	1
62201	1
62203	1
62204	2
62205	2
62206	3
62207	6
62208	2
62220	3
62221	7
62223	2
62226	4
62232	1
62243	1
62260	1
62269	3
<b>Total</b>	<b>40</b>

<b>Fresenius Breese</b>	
<b>Zip Code</b>	<b>Patients</b>
62215	1
62218	1
62230	2
62231	3
62245	1
62246	1
62253	2
62271	3
62275	2
62293	1
62884	1
<b>Total</b>	<b>18</b>

<b>DaVita Metro East</b>	
<b>Zip Code</b>	<b>Patients</b>
62203	2
62204	1
62205	1
62207	2
62221	1
62223	1
62226	3
62232	1
62236	1
62243	1
62255	1
62258	1
62269	2
62282	1
<b>Total</b>	<b>19</b>

<b>DaVita Sauget</b>	
<b>Zip Code</b>	<b>Patients</b>
62206	1
62203	2
62204	1
62205	3
62221	1
<b>Total</b>	<b>8</b>

<b>Total</b>	<b>85</b>
--------------	-----------