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

HEALTH FACILITIES &
SERVICES REVIEW BOARD

**Re: Opposition to Northwestern Medical Faculty Foundation Dialysis Center
CON Application (Proj. No. 12-099)**

Dear Chairman Galassie:

I am writing to oppose Northwestern Medical Faculty Foundation's (NMFF) CON application to establish a 36-station in the Chicago's Streeterville neighborhood because (i) there is insufficient need in the immediate area surrounding the proposed site; (ii) there is inadequate patient data to support the establishment of a 36-station facility; (iii) the facility will unnecessarily duplicate services; and (iv) as a location for chronic disease management services requiring visits three times a week, Streeterville's location is probably the most inaccessible compared to other locations in the City of Chicago. Providers should expand care access in areas that truly need such services. Not only does NMFF's proposal fail to meet the State's technical criteria, it fails to offer compelling reasons why compliance with certain criteria is not meaningful.

The Proposed Facility Unnecessarily Duplicates Services in the Area

The establishment of a 36-station ESRD facility at the proposed location will place 80 stations which could provide about 75,000 treatments and serve nearly 500 ESRD within a half mile of each other. And this assumes the Board will not approve the FMC Streeterville application that is pending for a unit which is 2 blocks from this proposed site. It is difficult to imagine a situation that results in greater unnecessary duplication of services. In their CON application, NMFF notes that 87 percent of its nephrologists' current patients receive care at Fresenius Medical Care's Northwestern Memorial 44-station ESRD facility located a half mile from the proposed site. By moving the NMFF dialysis patients out of the nearby facility and into the proposed unit, this proposal would annihilate the patient census of the existing facility. This proposal is the clearest example of duplication of existing services that this Board has seen.

Another justification that the applicant offers for the proposal is that it plans to be innovative. Such innovation would be limited by the size and scope of NWFF. DaVita, on the other hand, has the size and scope to truly innovate. DaVita strives to be innovative at every step and last year was ranked #1 in innovation among medical facilities, long term investment and quality of products and services. For example, DaVita recently launched NephLink™ (www.NephLink.com), which is a new online physician community for kidney care. NephLink is designed to allow physicians to discuss difficult patient cases or practice-management issues, share best practices and ideas, and debate the evolving health care landscape. NephLink provides physicians with direct access to their colleagues to engage and collaborate as a group – or one-on-

one – with self-service privacy controls. In addition to providing tools to connect and collaborate, NephLink provides access to news, journals, events and resources from many kidney care news syndicates and journal publishers.

Furthermore, DaVita recently acquired HealthCare Partners. HealthCare Partners, now one of the two main operating divisions of DaVita, takes clinical and economic accountability and management responsibility for nearly all of the healthcare needs of a patient population. This includes the provision of professional services rendered by primary care and specialty physicians as well as the coordination of hospital and other services. This is yet another example of DaVita's model of innovation and partnership with community physicians

Insufficient Demand in the Immediate Area Surrounding the Proposed Site

Despite need for additional dialysis stations in the City of Chicago, there is insufficient demand surrounding the proposed facility. Notably, of the 19 facilities within 15 minutes normal travel time, only 3 are operating above the State's 80 percent standard. Furthermore, the existing Northwestern Memorial Hospital facility is also operating below the standard. It is unclear why NMFF physicians would identify patients to receive treatment in a Streeterville location when they live in communities which are such a long distance away from Streeterville in towns like Skokie, Elmwood Park, Melrose Park, Alsip and Bellwood. These patients would be better served receiving dialysis much closer to their homes. In fact, except in unique situations, DaVita believes in locating units throughout the communities it serves with smaller facilities of 12 to 24 stations. Notably, only 12 of 166 patients identified for referral reside in the same zip code as the proposed facility (60611). Building 36 stations and requiring patients to travel to a congested tourist, business and acute care hospital destination for routine dialysis services suggests that the facility is being constructed for the convenience of the NMFF physicians rather than their dialysis patients. Finally, if you compare the demographics of the 60611, 60610 and 60614 communities to the demographics of the City of Chicago overall, you can see that NMFF is seeking to overbuild in the most affluent community in the City. Incidence and prevalence of ESRD is significantly higher in more socio-economically disadvantaged communities. Building a unit in Streeterville would be a disservice to the communities where this service is more in demand. Building units accessible to the communities most in need of the service is imperative.

Inadequate Patient Data to Support Demand for 36 Stations

Although NMFF projects that its nephrologists will refer approximately 48 new hemodialysis patients each year, the pre-ESRD patient list is inadequate to support this. As of August 30, 2012, there were 166 pre-ESRD patients under the care of NMFF's Division of Nephrology. The rate of ESRD depends largely on each patient's pre-ESRD stage, which is unclear based upon NMFF's application. Even if we were to assume that all 166 pre-ESRD patients would initiate dialysis within 24 months of project completion, which is highly unlikely, this would not be enough patients to support 36 stations. A more realistic approach to such projections would anticipate that 50 to 70 percent of these patients, or 93 to 116, would initiate dialysis within 24 months. This can support less half of the proposed stations.

Streeterville is Inaccessible

As a location for chronic disease management requiring visits three times a week, Streeterville's location is nearly as inaccessible as any other in the City of Chicago. Streeterville is an upscale neighborhood in the Near North Side community area of Chicago and probably Chicago's most successful urban areas. It is bounded by the Chicago River to the South, the Magnificent Mile shopping district to the west, Lake Michigan to the east and north. As over a dozen skyscrapers including the John Hancock Center and many shopping center/hotel high rises occupy the neighborhood, the area is congested, and parking is difficult and costly.

Conclusion

Significant innovations in dialysis care are being achieved in units more accessible to the patients they serve. Another dialysis unit in Streeterville is unwarranted. For the reasons cited above, we respectfully request that the Board deny NMFF's proposal to establish a 36-station ESRD facility.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Lieb". The signature is fluid and cursive, with the first name "Steven" and last name "Lieb" clearly distinguishable.

Steven Lieb
Vice President, Group Administration
And Strategy Development