Tri-Cities
DIALYSIS

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

April 22, 2013

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

Re: Fresenius Medical Center South Elgin: Project #13-004
Letter in Opposition to Application for Permit

Dear Mr. Galassie:

On behalf of Tri-Cities Dialysis, LLC ("TCD") and Fox Valley Medical Associates, Ltd. ("FVMA") we tender the following in opposition to the Fresenius Medical Center ("FMC") South Elgin, project #13-004 (the "Project"), certificate of need application (the "Application"). The Project consists of a 12-station in-center hemodialysis facility at 430-450 N. McClean Boulevard, South Elgin, Illinois 60177.

TCD and FVMA oppose the Application and encourage the Board's denial of the Application, mainly, because FMC has failed to establish a need for the Project, other than for the convenience of patients. FMC's purported justification for the Project includes: (i) high utilization within the Elgin service market; (ii) lack of choice of "favorable" or "preferred" treatment times; and (iii) the absence of viable alternatives. All of which, we submit, for the reasons set forth below are either inaccurate or insufficient to warrant approval of the Project. Moreover, the referring physicians' projections of patients to the Project during the first 2 years of the Project are not credible when analyzed and compared to their historical patient data from the zip code areas at issue.

High Utilization within the Elgin Service Market

FMC would have the board believe that the Elgin service market is being served by only Fresenius Elgin, which presently has 54.17% utilization, and USR Streamwood, which presently has a 17.95% utilization, by discounting the existence of other facilities within the 30 minutes driving criteria as being "outside the Elgin market area and not easily accessible to patients". Where in fact, within 30 minutes driving from the proposed location of FMC South Elgin there are the following 9 facilities, which,

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according to the HFSRB Census Data, Fourth-Quarter 2012, have the utilization rates identified below:

No.	*Facility:*	*Distance:*	*MapQuest Travel Time:*	*Stations:*	*Occupancy:*
1.	FMC – Elgin	7.30 miles	11 minutes	12	54.17%
2.	ARA – S. Barrington Dialysis	13.74 miles	21 minutes	14	70.24%
3.	USR- Streamwood Dialysis	9.36 miles	14 minutes	13	17.95%
4.	FMC - Central DuPage Dialysis Center	14.90 miles	23 minutes	16	70.83%
5.	FMC- West Chicago	11.42 miles	18 minutes	12	41.67%
6.	Tri-Cities Dialysis	8.84 miles	13 minutes	18	80.56%
7.	FMC- West Batavia	10.49 miles	15 minutes	12	25.00%
8.	ARA- Crystal Lake Dialysis	18.06 miles	26 minutes	16	42.71%
9.	DaVita- Cobblestone Dialysis- Elgin	6.12 miles	14 minutes	14	72.62%

For purposes of CON approval, the market area consists of all facilities within a 30 minute driving radius of the proposed Project and not simply within the confines or in close proximity of a municipality. Thus, contrary to FMC's assertions, there is existing capacity within the Elgin market area when that market area is properly viewed as consisting of the above identified 9 facilities.

Lack of Choice of "Favorable" or "Preferred" Treatment Times

A driving factor for the necessity of the Project is the mere convenience of FMC's patients. Apart from the fact that FMC does not tender any objective data or even quantum of proof that there is a lack of choice of favorable or preferred treatment times (which we interpret to mean shifts between the hours of 8:00 A.M. and 5:00 P.M.), even accepting it as being true, that will always be the case. There will always be a finite number of treatment times during those shifts and not all patients can be accommodated during those preferred times. While attempting to accommodate the

preferences of patients is of paramount importance to each dialysis provider, it is not within the purview of the Board or the intent of the CON process, and to use the CON process in that manner is a misuse of the process.

Absence of Viable Alternatives

FMC asserts that there are no viable alternatives, where in fact there are as we have identified above with the capacity of the 9 facilities within the Elgin market area when that market is correctly defined. Moreover, promoting the modality of home hemodialysis and home peritoneal dialysis as viable modalities seems opportune given the limited preferential times for in center dialysis. Home dialysis seems to address most of the issues that FMC has identified as being critical in support of the Project.

A major advantage to home hemodialysis and peritoneal dialysis is that patients can dialyze every day. This is more natural and has distinct advantages, especially with respect to quality of life, reduction of symptoms and better management of fluids and diet. Home care gives patients more authority and responsibility toward their own care by empowering them to do well. Empowerment is the best way to improve adherence. Home dialysis therapy offers flexibility with one's work and lifestyle schedule and avoids the wasted time in travel and meeting a tight schedule when dialyzing in a center as patients create their own schedules and dialyze in the comfort of their own homes.

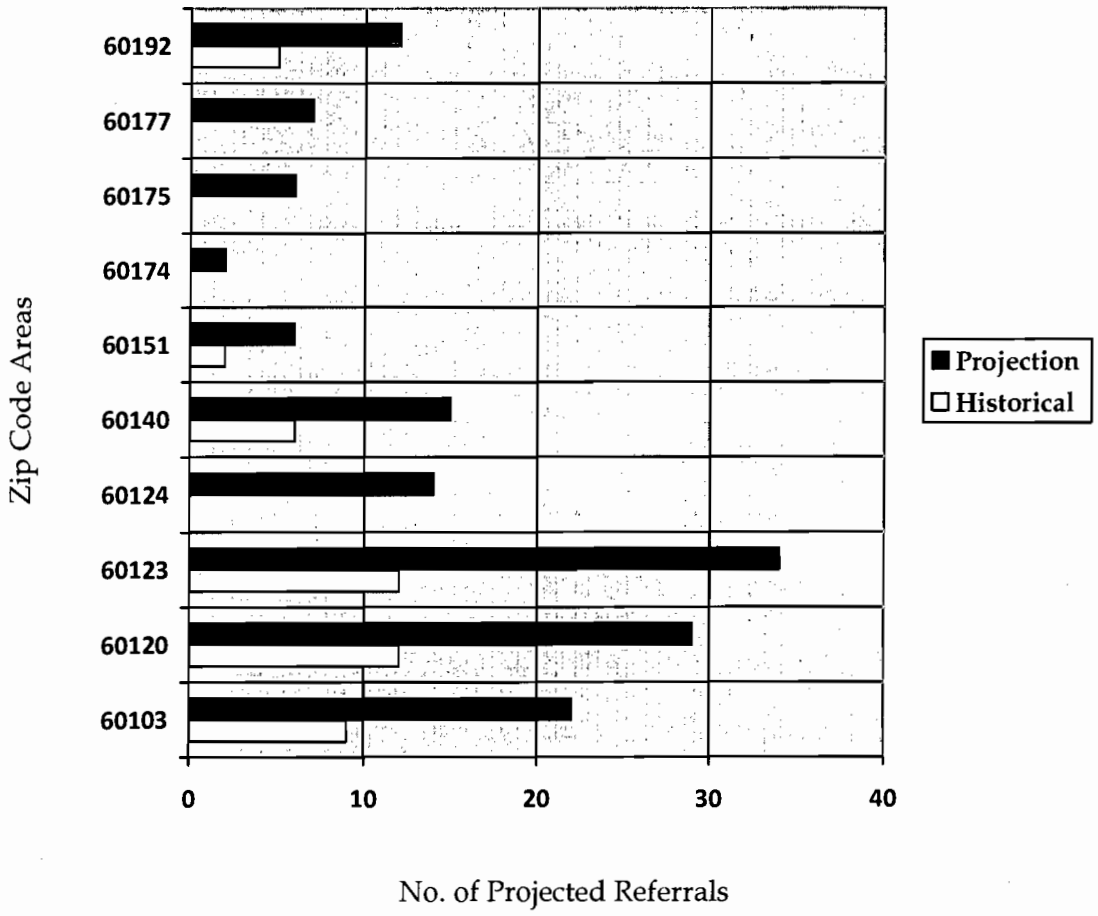
We submit that an aggressive outreach and education of FMC's patients on the benefits of home dialysis for hemodialysis and peritoneal dialysis may obviate the need to immediately build a new dialysis facility in a market that can already meet the demands of the existing and future projected ESRD and pre-ESRD population.

Referring Physicians' Projections

The referring physicians, Dr. Karol Rosner and his partners at Nephrology Associates of Northern Illinois (NANI), project to refer 103 pre-ESRD patients to the Project drawing patients from 10 zip code areas. However, in the most recent 12-month period reported by NANI, the practice had only 10 total new referrals from those 10 zip code areas. Moreover, NANI further discloses that in the immediately preceding 4-years it had only 44 total patients from those 10 zip code areas. When you take a closer look at projections for patients from each of the cited zip code areas compared to NANI's historical patient data from those zip code areas, as we have done below,

nothing suggests a growth pattern that necessitates the creation of an additional dialysis facility in this service area.

NANI's Historical Patients (2009 -2012) vs. Projected Referrals



As a rule, rather than the exception, it is difficult to discern the factual basis for those projections, and absent additional explanation, it is even more difficult to understand how those projections will be realized. What scrutiny of the referral data shows is that this Project is premature.

For all of the foregoing reasons, we respectfully urge the Board to deny FMC's Application for its South Elgin Project.

Very truly yours,

TRI-CITIES DIALYSIS, LLC

By: _____
Harry Rubinstein, M.D., Manager