Original

14-012

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
APR 11 2014
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: *Fresenius Medical Care Gurnee*			
Street Address: *40-50 Tower Court*			
City and Zip Code: *Gurnee 60031*			
County: *Lake*	Health Service Area 8	Health Planning Area:	

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

Exact Legal Name: *National Medical Care, Inc. d/b/a Neomedica – Gurnee**
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

*National Medical Care will change the entity d/b/a name to Fresenius Medical Care Gurnee.

Type of Ownership of Applicant

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

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

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

Co-Applicant Identification

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

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

Type of Ownership of Co-Applicant

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

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

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

Primary Contact

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Medical Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6807*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *630-960-6928*

Additional Contact

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

Name: *Coleen Muldoon*
Title: Regional *Vice President*
Company Name: *Fresenius Medical Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6706*
E-mail Address: *coleen.muldoon@fmc-na.com*
Fax Number: *630-960-6928*

Post Permit Contact

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

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Medical Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6807*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *630-960-6928*

Additional Contact

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

Name: *Clare Ranalli*
Title: *Attorney*
Company Name: *McDermott, Will & Emery*
Address: *227 W. Monroe Street, Suite 4700, Chicago, IL 60606*
Telephone Number: *312-984-3365*
E-mail Address: *cranalli@mwe.com*
Fax Number: *312-984-7500*

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Greenleaf Center*

Address of Site Owner: *15 Tower Court, Suite 145, Gurnee, IL 60031*

Street Address or Legal Description of Site: *40-50 Tower Court, Gurnee, IL 60031*

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.

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

Operating Identity/Licensee

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

Exact Legal Name: *National Medical Care, Inc. d/b/a Neomedica - Gurnee*

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

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

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

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

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.hfsrb.illinois.gov)**.

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- [x] Substantive
- [ ] Non-substantive

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.

National Medical Care, Inc. proposes to discontinue its 14-station in-center hemodialysis facility located at 101 N. Greenleaf in Gurnee, Illinois and establish a 16-station replacement facility at 40-50 Tower Court, also in Gurnee. The relocated clinic will be in the same office complex (Greenleaf Center) as the current site. The facility will be in leased space with the interior to be built out by the applicant. 21% of the treatments performed at the Gurnee facility are reimbursed by Medicaid.

Both locations are in HSA 8.

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

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,932,000	N/A	1,932,000
Contingencies	192,000	N/A	192,000
Architectural/Engineering Fees	190,000	N/A	190,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	504,000	N/A	504,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space 2,394,000 or Equipment 263,700	2,657,700	N/A	2,657,700
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	5,475,700	N/A	5,475,700
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	2,818,000	N/A	2,818,000
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	2,657,700	N/A	2,657,700
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	5,475,700	N/A	5,475,700

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

Related Project Costs

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

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

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

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

Estimated start-up costs and operating deficit cost is $ 235,917.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

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): December 31, 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.**

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

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

CERTIFICATION

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

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

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

SIGNATURE	SIGNATURE
PRINTED NAME Mark Fawcett	PRINTED NAME Bryan Mello
PRINTED TITLE Vice President & Treasurer	PRINTED TITLE Assistant Treasurer
Notarization: Subscribed and sworn to before me this _____ day of _____2014	Notarization: Subscribed and sworn to before me this 10 day of Feb 2014
Signature of Notary C Wynelle Scenna	Signature of Notary WYNELLE SCENNA Notary Public COMMONWEALTH OF MASSACHUSETTS My Commission Expires August 1, 2014
Seal	Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

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

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

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

SIGNATURE	SIGNATURE
Mark Fawcett	Bryan Mello
PRINTED NAME	PRINTED NAME
Vice President & Treasurer	Assistant Treasurer
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _____2014	Notarization: Subscribed and sworn to before me this 10 day of Feb 2014
C Wynelle Scenna	
Signature of Notary	Signature of Notary
Seal	Seal C. WYNELLE SCENNA Notary Public COMMONWEALTH OF MASSACHUSETTS My Commission Expires August 1, 2014

*Insert EXACT legal name of the applicant

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

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

REASONS FOR DISCONTINUATION

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

IMPACT ON ACCESS

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

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

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PURPOSE OF PROJECT

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

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

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board 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 SHELLSPACE***

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.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

G. Criterion 1110.1430 - In-Center Hemodialysis

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

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

Category of Service	# Existing Stations	# Proposed Stations
■ In-Center Hemodialysis	14	16

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		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			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST

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

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

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

VIII. - 1120.120 - Availability of Funds

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

2,818,000	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
N/A	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
N/A	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
2,657,700	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
N/A	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
N/A	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
N/A	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
5,475,700	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT-36, 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. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **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**
4. **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-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

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

2. Variance

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 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

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

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

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

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

B. Conditions of Debt Financing

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

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

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

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

C. **Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
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 -39, 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			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

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

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

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

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

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

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

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

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

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
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2	Site Ownership	25-26
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	27
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	28
5	Flood Plain Requirements	29-30
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15	Project Service Utilization	75
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
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Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: *National Medical Care, Inc. d/b/a Neomedica - Gurnee**
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

**Facility name will be changed to National Medical Care, Inc. d/b/a Fresenius Medical Care Gurnee after relocation.*

Type of Ownership of Applicant

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

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

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

Certificate of Good Standing for National Medical Care, Inc. on following page.

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

Exact Legal Name: *Fresenius Medical Care Holdings, Inc.*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02541*
Telephone Number: *781-669-9000*

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

Type of Ownership – Co-Applicant

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

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

File Number 5928-478-9

To all to whom these Presents Shall Come, Greeting:

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

NATIONAL MEDICAL CARE, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON FEBRUARY 26, 1997, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

Authentication #: 1402802956

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

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* JANUARY *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Certificate of Good Standing
ATTACHMENT 1

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	*Greenleaf Center*
Address of Site Owner:	*15 Tower Court, Suite 145, Gurnee, IL 60031*
Street Address or Legal Description of Site:	*40-50 Tower Court, Gurnee, IL 60031*

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

GREENLEAF CENTER
15 Tower Court • Suite 145 • Gurnee, Illinois 60031 • 847-244-3223 • fax: 847-244-0807

April 3, 2014

William Popken
Fresenius Medical Care North America
Reservoir Woods
920 Winter Street
Waltham, MA 02451-1457

Re: New ground up location at Greenleaf Center

Dear Mr. Popken:

Please find below our build to suit lease proposal for 50 Tower Court, Gurnee, IL 60031:

Location: 50 Tower Ct., Gurnee, IL

Rentable Sq. Ft. of Premises: 12,000 sq. ft.

Lease Type: Triple Net

Lease Term: 12 years

Rental Rate Range: $17.50-$19.00 per sq. ft. (pending finalization of building shell requirement)

Commencement Date: To be determined pending regulatory approval and tenant's requirement

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely,

Tom Henderson

Operating Identity/Licensee

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

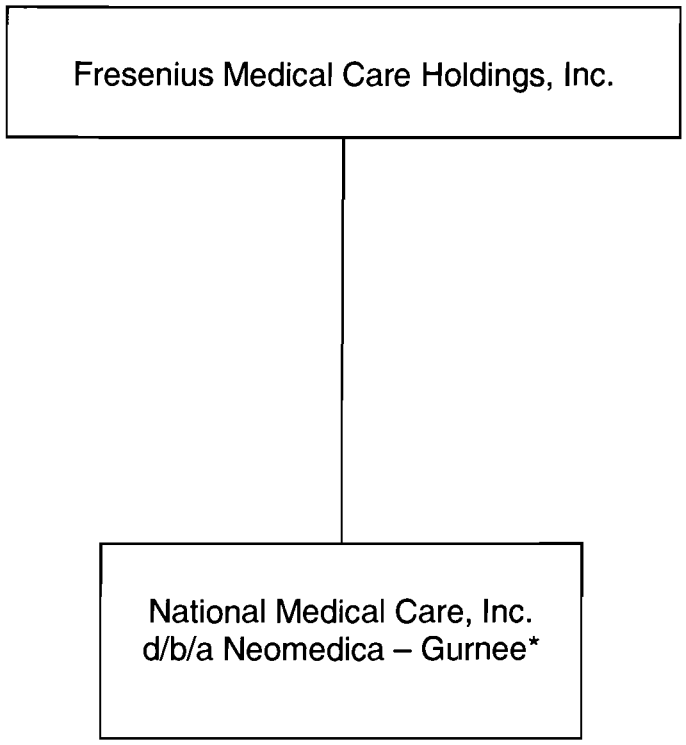
Exact Legal Name: *National Medical Care, Inc. d/b/a Neomedica – Gurnee**
Address: *920 Winter Street, Waltham, MA 02451*

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

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

**Entity name will be changed to National Medical Care, Inc. d/b/a Fresenius Medical Care Gurnee.*

Certificate of Good Standing at Attachment – 1.

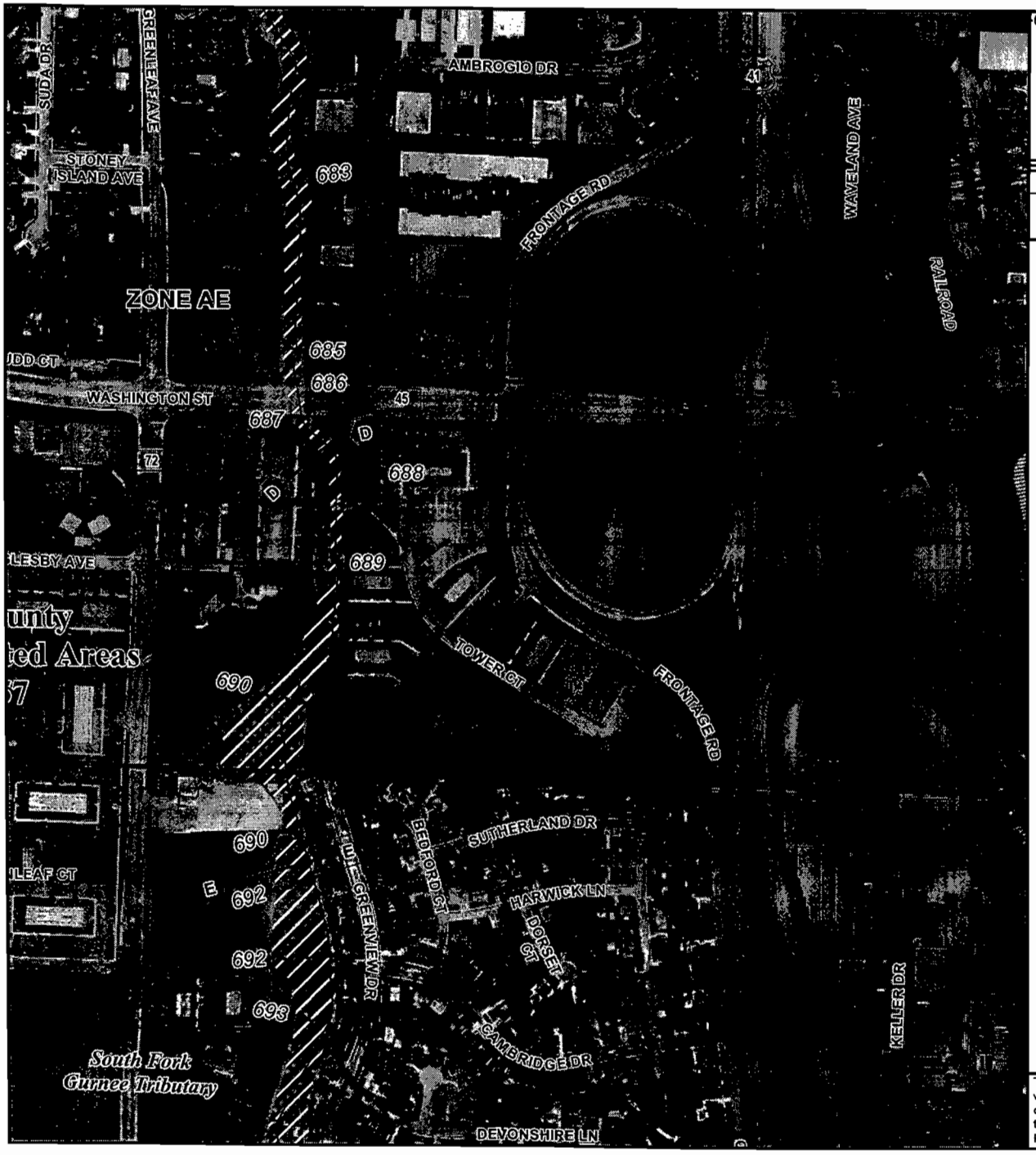


**Facility will be renamed Fresenius Medical Care Gurnee after relocation.*

Org Chart
ATTACHMENT - 4

Flood Plain Requirements

The proposed site for the establishment of Fresenius Medical Care Gurnee complies with the requirements of Illinois Executive Order #2005-5. The site, 40-50 Tower Court, Gurnee, is not located in a flood plain as can be seen on the FEMA flood plain map on the following page.



6620.

MAP SCALE 1" = 500'

0 500 1000 FEET

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0157K

FIRM

FLOOD INSURANCE RATE MAP

LAKE COUNTY, ILLINOIS

AND INCORPORATED AREAS

PANEL 157 OF 295

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
GURNEE, VILLAGE OF	170365	0157	K
LAKE COUNTY	170357	0157	K
PARK CITY, CITY OF	170386	0157	K
WAUKEGAN, CITY OF	170397	0157	K

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
17097C0157K

MAP REVISED
SEPTEMBER 18, 2013

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

Illinois Historic Preservation Agency

FAX 217/524-7525

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

Lake County
Gurnee
40-50 Tower Court
IHFSRB
New construction, Fresenius Medical Care Dialysis facility

PLEASE REFER TO: IHPA LOG #004011514

January 22, 2014

Lori Wright
Fresenius Medical Care
3500 Lacey Road
Downers Grove, IL 60515

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

Anne E. Haaker
Deputy State Historic
Preservation Officer

SUMMARY OF PROJECT COSTS

Modernization Contracts

General Conditions	96,600
Temp Facilities, Controls, Cleaning, Waste Management	5,000
Concrete	25,000
Masonry	29,000
Metal Fabrications	14,400
Carpentry	169,000
Thermal, Moisture & Fire Protection	35,000
Doors, Frames, Hardware, Glass & Glazing	132,000
Walls, Ceilings, Floors, Painting	312,000
Specialities	25,000
Casework, Fl Mats & Window Treatments	12,000
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	620,000
Wiring, Fire Alarm System, Lighting	370,000
Miscelleanous Construction Costs	87,000
Total	**1,932,000**

Contingencies

Contingencies **$192,000**

Architectural/Engineering

Architecture/Engineering Fees **$190,000**

ATTACHMENT - 7

Movable or Other Equipment

Dialysis Chairs	40,000
Misc. Clinical Equipment	35,000
Clinical Furniture & Equipment	36,000
Office Equipment & Other Furniture	51,000
Water Treatment	150,000
TVs & Accessories	84,000
Telephones	23,000
Generator	60,000
Facility Automation	18,000
Other miscellaneous	7,000
Total	**$504,000**

Fair Market Value Leased Space & Equipment

FMV Leased Space (12,000 GSF)		$2,394,000
FMV Leased Dialysis Machines		257,850
FMV Leased Computers		5,850
	Total	**$2,657,700**

ATTACHMENT - 7

Project Status and Completion Schedules

- Anticipated completion date is December 31, 2015.

- Project obligation will occur after permit issuance.

- **List of Current CON Permits**

Project Number	Name	Project Type	Completion Date
#10-063	Fresenius Lakeview	Expansion	04/15/2015
#10-067	Fresenius Des Plaines	Establishment	08/15/2014
#12-046	Fresenius Spoon River	Relocation/Expansion	12/31/2014
#12-029	Fresenius SW Illinois	Relocation	08/01/2014
#12-067	Fresenius Normal	Establishment	10/31/2014
#12-069	Fresenius Pekin	Relocation/Expansion	10/31/2014
#12-091	Fresenius Carbondale	Relocation	12/31/2014
#12-095	Fresenius Waterloo	Establishment	02/28/2015
#12-098	Fresenius Monmouth	Establishment	02/28/2015
#E-010-13	Fresenius Naperville North	Expansion	04/30/2015
#13-008	Fresenius Chicago Kidney Center	Relocation	12/31/2014
#13-053	Fresenius Evanston	Expansion	11/15/2015

Cost Space Requirements

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

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
In-Center Hemodialysis		12,000	12,000		5,475,700		
Total Clinical		12,000	12,000		5,475,700		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL		**12,000**	**12,000**		**5,475,700**		

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

1110.130 – DISCONTINUATION

General Information Requirements

National Medical Care, Inc. proposes to discontinue its 14-station ESRD facility located at 101 Greenleaf, Gurnee, operating at 98% utilization as of the 1st quarter 2014. It proposes relocating the existing 14-station facility and establishing a 16-station replacement facility to be located at 40-50 Tower Court, Gurnee. Both facilities are in the same office building complex and in HSA 8. All patients are expected to transfer to the new facility and therefore all medical records will be transferred to the new site as well.

The discontinuation is expected to occur simultaneously with the opening of the new facility, on or before December 31, 2015. There will be no break in service to the patients involved. The evacuated building at 101 Greenleaf is leased space so will be released back to the landlord.

Reasons for Discontinuation

The Gurnee facility was opened in 1990 with 6 stations. It was purchased by National Medical Care in 1996 with 9 stations. It now has 14 stations and has outgrown its current space. It has historically operated in excess of the 80% target utilization, hovering around 100% and has at times had to operate a 4th shift in order to meet demand. The facility is in desperate need of additional space for treatment areas and storage.

Impact On Access

It is determined that the "relocation" and addition of two stations at the Gurnee facility to an alternate site also will not have any impact on any area ESRD providers. Given its current patient load, the proposed facility will still be above 80% utilization after the addition of the two stations, without the need for any further patient referrals. No patients are being transferred from any other facility. The "relocation" and additional stations will have a positive impact for ESRD patients in Gurnee. The Gurnee facility's treatments are currently 21% Medicaid reimbursed. It is imperative to have continued access to treatment for this disadvantaged population. A written request for an impact statement was sent to all non-Fresenius facilities within a 45-minute travel time. No responses were received.

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
ARA McHenry
4209 W. Shamrock Lane
McHenry, IL 60050

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

The estimated date that this discontinuation/establishment will occur is December 31, 2015. Over the past two years the Gurnee dialysis facility has provided 24,334 dialysis treatments to 178 end stage renal disease (ESRD) patients. We do not foresee any break in service to the ESRD patients in this market area during the closure of the Gurnee facility and subsequent opening of the new facility. All current patients are expected to transfer to the new location. We do not expect that there will be any adverse impact to care for patients in this market area, nor do we expect there to be any burden of care placed on other area dialysis providers.

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

Thank you for your time and attention to this matter. If you have any questions or concerns, please feel free to contact me at 630-960-6807.

Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
DaVita Waukegan Dialysis
1616 Grand Avenue
Waukegan, IL 60085

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

The estimated date that this discontinuation/establishment will occur is December 31, 2015. Over the past two years the Gurnee dialysis facility has provided 24,334 dialysis treatments to 178 end stage renal disease (ESRD) patients. We do not foresee any break in service to the ESRD patients in this market area during the closure of the Gurnee facility and subsequent opening of the new facility. All current patients are expected to transfer to the new location. We do not expect that there will be any adverse impact to care for patients in this market area, nor do we expect there to be any burden of care placed on other area dialysis providers.

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Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
DaVita Lake County
565 Lakeview Parkway
Vernon Hills, IL 60061

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

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Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
Highland Park Hospital Dialysis
718 Glenview Avenue
Highland Park, IL 60035

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

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Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
DaVita Lake Villa
37809 SR - 59
Lake Villa, IL 60046

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

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Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
Satellite Dialysis Glenview
2601 Compass Road
Glenview, IL 60025

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

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Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
DaVita Buffalo Grove
1291 W. Dundee Road
Buffalo Grove, IL 60089

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

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Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
DaVita Big Oaks
5623 Touhy Avenue
Niles, IL 60714

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

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Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

FRESENIUS MEDICAL CARE

January 29, 2014

Facility Manager
Center For Renal Replacement
7301 N. Lincoln Avenue
Lincolnwood, IL 60712

Dear Facility Manager:

The purpose of this letter is to inform you that Fresenius Medical Care-North America is in the process of compiling a Certificate of Need application to be submitted to the Illinois Health Facilities & Services Review Board to discontinue our 14-station dialysis facility located at 101 N. Greenleaf in Gurnee. In conjunction with this discontinuation we will be establishing a replacement facility at another site also in Gurnee.

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Sincerely,

Lori Wright

Lori Wright
Senior CON Specialist

North Division
3500 Lacey Rd., Suite 900, Downers Grove, Illinois 60515
Main: 630-960-6700

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Facility Manager
Satellite Dialysis Glenview
2601 Compass Road
Glenview, IL 60025

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery 2/3/14

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

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7012 1010 0002 8450 2311

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

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Facility Manager
ARA McHenry
4209 W. Shamrock Lane
McHenry, IL 60050

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

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

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

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7012 1010 0002 8450 2267

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

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Facility Manager
DaVita Buffalo Grove
1291 W. Dundee Road
Buffalo Grove, IL 60089

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) RENATA BARRINI | C. Date of Delivery 2/1/14

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

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7012 1010 0002 8450 2328

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

46

ATTACHMENT 10

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

Facility Manager
Center For Renal Replacement
7301 N. Lincoln Avenue
Lincolnwood, IL 60712

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Vessela Miankova ☐ Agent ☐ Addressee

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

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

JAN 31 2014

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

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

2. Article Number (*Transfer from service label*) 7012 1010 0002 8450 2342

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

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Facility Manager
DaVita Big Oaks
5623 Touhy Avenue
Niles, IL 60714

NILES BRANCH, NILES, IL USPS 60714-9998 JAN 31 2014

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Kathleen Trafficante ☐ Agent ☐ Addressee

B. Received by (*Printed Name*)
C. Date of Delivery 1-31

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

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

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

2. Article Number (*Transfer from service label*) 7012 1010 0002 8450 2335

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

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Facility Manager
DaVita Lake Villa
37809 SR - 59
Lake Villa, IL 60046

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (*Printed Name*)
C. Date of Delivery 2-19

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

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

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

2. Article Number (*Transfer from service label*) 7012 1010 0002 8450 2304

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

ATTACHMENT 10

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Facility Manager
DaVita Waukegan Dialysis
1616 Grand Ave, # C
Waukegan, IL 60085

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (*Printed Name*) 3 Hicks | C. Date of Delivery

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

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

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

2. Article Number (*Transfer from service label*) 7012 1010 0002 8450 2359

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

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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1. Article Addressed to:

Facility Manager
Highland Park Hospital Dialysis
718 Glenview Avenue
Highland Park, IL 60035

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☒ Agent ☐ Addressee

B. Received by (*Printed Name*) DAVE LS | C. Date of Delivery 2-3/4

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

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

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

2. Article Number (*Transfer from service label*) 7012 1010 0002 8450 2298

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

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Facility Manager
DaVita Lake County
565 Lakeview Parkway
Vernon Hills, IL 60061

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (*Printed Name*) | C. Date of Delivery 2/5/14

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

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

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

2. Article Number (*Transfer from service label*) 7012 1010 0002 8450 2281

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

ATTACHMENT 10

Certification & Authorization

National Medical Care, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against National Medical Care, 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 & Services Review Board; and

In regards to section III, A (3) of the Illinois Health Facilities & Services Review 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

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2014

_____
Signature of Notary

By: _____

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 10 day of Feb, 2014

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
August 1, 2014

ATTACHMENT - 11

Certification & Authorization

Fresenius Medical Care Holdings, Inc.

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

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

By: _____

ITS: _____

Mark Fawcett
Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2014

_____
Signature of Notary

Seal

By: _____

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 10 day of Feb, 2014

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
August 1, 2014

ATTACHMENT - 11

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	
Aurora	14-2515	455 Mercy Lane	Aurora	60506	
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651	17%
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402	17%
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406	
Bolingbrook	14-2605	329 Remington	Boilingbrook	60440	
Breese	14-2637	160 N. Main Street	Breese	62230	
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609	26%
Burbank	14-2641	4811 W. 77th Street	Burbank	60459	15%
Carbondale	14-2514	1425 Main Street	Carbondale	62901	
Centre West Springfield	14-2546	1112 Centre West Drive	Springfield	62704	
Champaign	14-2588	1405 W. Park Street	Champaign	61801	
Chatham	14-2744	333 W. 87th Street	Chicago	60620	
Chicago Dialysis	14-2506	1806 W. Hubbard Street	Chicago	60622	35%
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608	38%
Cicero	14-2754	3000 S. Cicero	Chicago	60804	28%
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624	23%
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445	
Decatur East	14-2603	1830 S. 44th St.	Decatur	62521	
Deerfield	14-2710	405 Lake Cook Road	Deefield	60015	
Des Plaines		1625 Oakton Place	Des Plaines	60018	
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515	
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185	18%
DuQuoin	14-2595	825 Sunset Avenue	DuQuoin	62832	
East Peoria	14-2562	3300 North Main Street	East Peoria	61611	
Elgin	14-2726	2130 Point Boulevard	Elgin	60123	18%
Elk Grove	14-2507	901 Biesterfield Road, Ste. 400	Elk Grove	60007	
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126	
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201	11%
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805	
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609	16%
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139	13%
Glenview	14-2551	4248 Commercial Way	Glenview	60025	11%
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619	19%
Gurnee	14-2549	101 Greenleaf	Gurnee	60031	21%
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429	
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195	14%
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649	26%
Joliet	14-2739	721 E. Jackson Street	Joliet	60432	
Kewanee	14-2578	230 W. South Street	Kewanee	61443	
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044	11%
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613	13%
Logan Square	14-2766	2721 N. Spalding	Chicago	60647	
Lombard	14-2722	1940 Springer Drive	Lombard	60148	
Macomb	14-2591	523 E. Grant Street	Macomb	61455	
Marquette Park	14-2566	6515 S. Western	Chicago	60636	14%
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	21%
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803	
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960	15%
Midway	14-2713	6201 W. 63rd Street	Chicago	60638	11%
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	14-2765	2451 S Washington	Naperville	60565	
Naperville	14-2543	100 Spalding Drive Ste. 108	Naperville	60566	
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563	
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714	

Facility List
ATTACHMENT - 11

Clinic	Provider #	Address	City	Zip	Fac > 10% Medicaid Patients
Normal		1531 E. College Avenue	Normal	61761	
Norridge	14-2521	4701 N. Cumberland	Norridge	60656	13%
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160	
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630	18%
Northcenter	14-2531	2620 W. Addison	Chicago	60618	27%
Northfield		480 Central Avenue	Northfield	60093	11%
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611	
Oak Forest	14-2764	5340A West 159th Street	Oak Forest	60452	
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302	
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462	
Oswego	14-2677	1051 Station Drive	Oswego	60543	
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350	
Palatine	14-2723	691 E. Dundee Road	Palatine	60074	
Pekin	14-2571	3521 Veteran's Drive	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%
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764	
Prairie	14-2569	1717 S. Wabash	Chicago	60616	
Randolph County	14-2589	102 Memorial Drive	Chester	62233	
Regency Park	14-2558	124 Regency Park Dr., Suite 1	O'Fallon	62269	
River Forest	14-2735	103 Forest Avenue	River Forest	60305	
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645	19%
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008	12%
Roseland	14-2690	135 W. 111th Street	Chicago	60628	27%
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621	22%
Round Lake	14-2616	401 Nippersink	Round Lake	60073	11%
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	15%
South Deering	14-2756	10559 S. Torrence Ave.	Chicago	60617	
South Holland	14-2542	17225 S. Paxton	South Holland	60473	
South Shore	14-2572	2420 E. 79th Street	Chicago	60649	10%
Southside	14-2508	3134 W. 76th St.	Chicago	60652	19%
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461	
Southwestern Illinois	14-2535	7 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	24%
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	35%
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185	11%
West Metro	14-2536	1044 North Mozart Street	Chicago	60622	25%
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302	13%
West Willow	14-2730	1444 W. Willow	Chicago	60620	
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154	
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959	
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527	

*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.

Facility List
ATTACHMENT - 11

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 high quality standards, 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. It has also allowed it to establish an unrivaled emergency preparedness and disaster relief program that's designed to provide life sustaining dialysis care to dialysis patients whose access to clinics are disrupted in areas of the U.S. that are compromised by disaster (e.g. hurricanes, tornadoes, earthquakes). Through this program we also provide clinics, employees and others with essential supplies such as generators, gasoline and water.

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.

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.

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Treatment Options Program

For People with Chronic Kidney Disease

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Welcome to the Treatment Options Program

Over the next hour you will learn:

- What your kidneys do to keep you healthy
- What gradually or suddenly may happen to you if your kidneys stop working properly
- What you need to know if you are diagnosed by you physician with Chronic Kidney Disease(CKD)
- What you need to know if you develop "kidney failure"
- How you can live with "kidney failure"and lead a productive life
- The treatment options available to make living with "kidney failure" a good fit with your lifestyle

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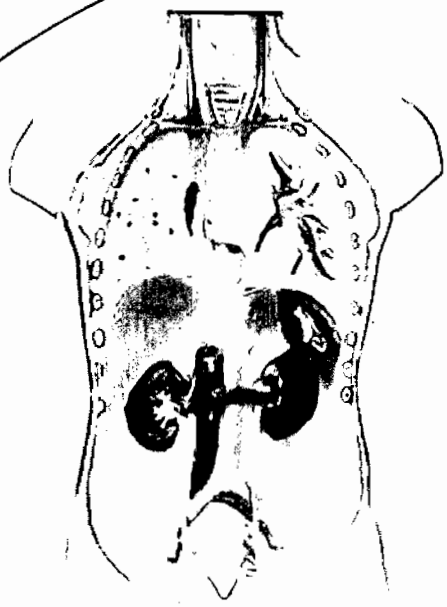
Your Kidneys and What They Do



- Kidneys are two bean-shaped organs about the size of your fist.
- They are located on either side of the spine, just below the rib cage.
- Your kidneys perform several important functions:
  - Filter your blood to remove waste and excess fluid;
  - Control the making of red blood cells;
  - Help control blood pressure;
  - Help control the amounts of calcium, potassium, and phosphorus in the body.

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What is Chronic Kidney Disease (CKD)?

CKD is a progressive disease that advances from Stage I through Stage V.

Stage V CKD or **End-Stage Renal Disease (ESRD)** is commonly referred to as "kidney failure."

Kidney failure is when your kidneys no longer work well enough to keep you alive, and where death will occur if treatment is not provided.

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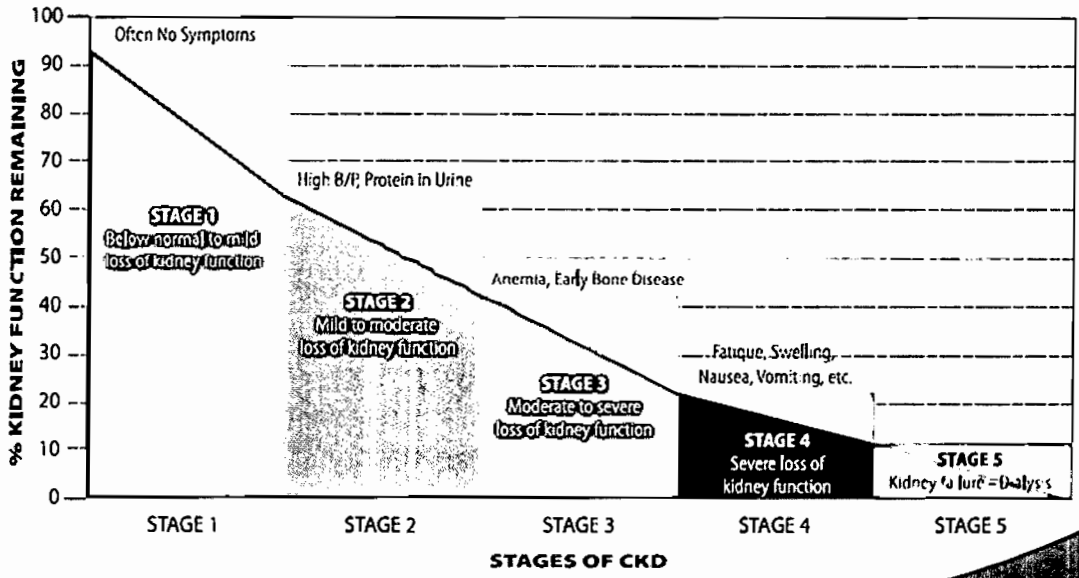
The progression of CKD



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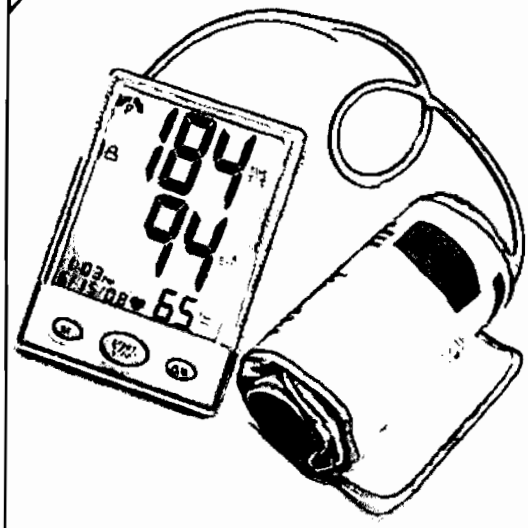
Common Causes of Chronic Kidney Disease (CKD):



- A history of diabetes, especially if poorly controlled
- A history of high blood pressure, especially if poorly controlled
- Repeated kidney infections
- Immune diseases of the kidney (like glomerulonephritis)
- Heredity (like polycystic kidneys)
- Others, including unknown

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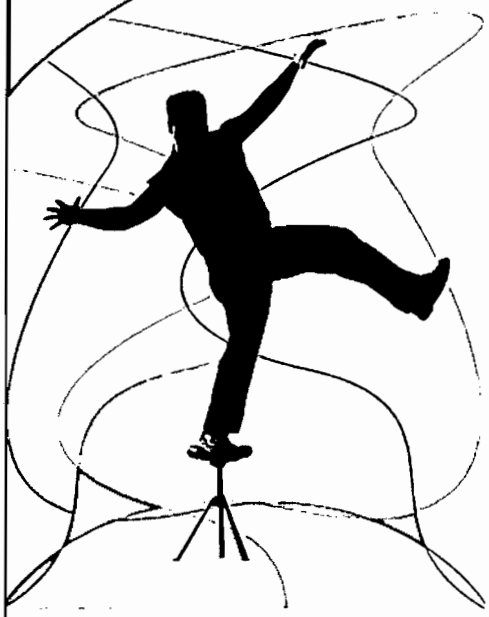
What Happens to Your Body with Chronic Kidney Disease?



- Build up of fluid (water) and waste products in your blood
  - Causes swelling and generally not feeling well
- Chemical imbalances
  - Potassium, sodium, phosphorus and calcium
- Loss of hormone production that helps:
  - Control your blood pressure
  - Build red blood cells
  - Keep your bones strong

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Symptoms of Chronic Kidney Disease (CKD)

Common symptoms of CKD include:

- Nausea, poor appetite, and weight loss
- Trouble sleeping
- Loss of concentration
- Dry, itchy skin
- Swelling of face, hands, and feet
- Cramping at night
- Difficulty breathing
- Tiredness and weakness

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If Your Doctor has Told You that You Have (CKD), YOU ARE NOT ALONE

- People are often unaware of their kidney disease.
- One in nearly seven adult Americans (13%) have kidney disease*.
- A recent study reported over 358,000 people in the US were on dialysis.
- Roughly 16,000 (or 5%) of these people received a kidney transplant***
- The remaining 342,000 people (or 95%) needed to choose one of the types of dialysis treatments that you will learn about in this presentation**

* NHANES (1999-2004)
** USRDS (2006 data report)
*** 2007 OPTN/SRTR Annual Report 1997-2006. HHS/HRSA/HSB/DOT

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People Like You

- Prior to 1960 people with kidney failure had little hope for survival.
- Today many people have not only survived on dialysis for over 25 years, but continue leading productive lives.
- A growing number of people performing their dialysis treatments at home are finding it possible to continue pursuing their careers and life aspirations.
- Many patients have also received kidney transplants and are alive and well 30 to 40 years later.
- If your kidneys stop working that doesn't mean that you have to; treatment options are available for you.

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If You Have CKD You Need to Know:

- Early diagnosis & treatment helps slow the disease process.
  - It's important to learn about the available treatments now before therapy is needed.
    - You can take an active role in deciding with your doctor the best choice to meet your medical needs and lifestyle preferences.
    - Managing your disease well helps determine the quality of your life.
    - You have the right not to accept treatment for your kidney failure (ESRD).

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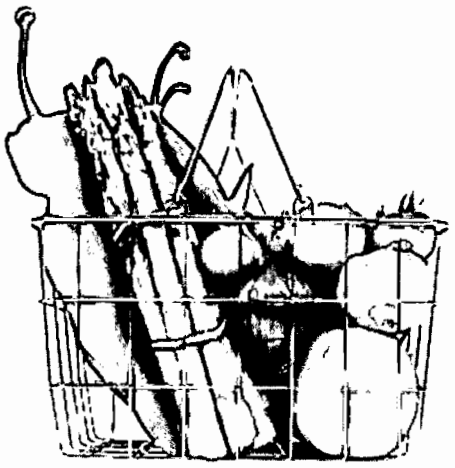
Managing Your CKD

Diet & Medication



- Dietary changes help decrease the fluid and waste build-up that the kidneys can no longer remove.
- Medications replace some of the functions that the kidneys can no longer do:
  - Control blood pressure
  - Make red blood cells
  - Keep bones healthy and strong
- Be prepared, before you become sick, to treat your CKD with one of the methods outlined in this training.

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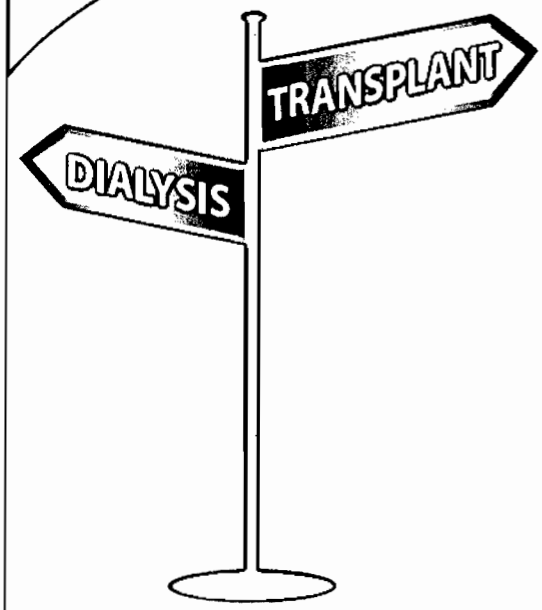
Treatments for Kidney Failure or ESRD



- Kidney Transplant: considered the "Gold Standard"
- Kidney Dialysis

  Two types of treatments to remove excess fluid and waste from your blood

  - Peritoneal Dialysis (PD)
  - Hemodialysis (HD)

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The Transplant Option

- A kidney transplant is not a cure. It is a treatment option that requires life long commitments (taking medications and being followed by a kidney specialist).
- A transplant is considered the "Gold Standard" because it is the treatment that comes closest to "normal" kidney function.
- A transplant is a major surgical procedure that places a healthy kidney from another person into your lower abdomen.
- Usually it is not necessary to remove your kidneys, however it is the donated kidney that performs the functions yours once did.
- It is possible to have a kidney transplant without going on dialysis.

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A Kidney Transplant is Not for Everyone

Several factors determine if a transplant is an option for you:

- General health
- Emotional health
- Health insurance and financial resources
- Treatment compliance

The benefits of a transplant should outweigh the risks associated with surgery and life long medications.

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Finding a donor kidney

- Your body tissues must "match" the tissues of the donor
  - Living donor:
    - Relatives (usually the closest match)
    - Non-relative (spouse, friend)
  - Non-Living donor:
    - A person that donates their organs when he/she dies
- A non-living donor kidney may not be immediately available
- The waiting list may extend beyond a year or two

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Caring for the Donated Kidney

- Daily, lifelong medication is usually required to prevent rejection.
- Regular follow-up with your physician is required.
- Follow all other physician guidelines:
  - Diet
  - Activity
- Watch for signs of potential problems.

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Kidney Transplant Option

- Closest treatment to "normal" kidney function
- Fewer dietary and fluid restrictions
- Allows you to maintain your normal schedule & activities

- Risks associated with surgery and kidney rejection
- Daily medications may have side effects and can be costly
- Must take medications and follow up with physician for life of the kidney
- May be placed on a waiting list for an extended period of time

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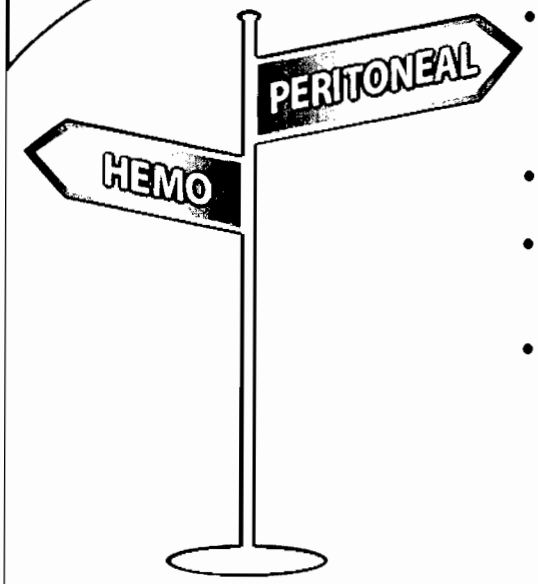
The Dialysis Options



- There are two types of dialysis:
  - Peritoneal dialysis
  - Hemodialysis
- Both remove excess fluid and wastes from the body
- Hemodialysis is routinely done in a dialysis facility, and can be done at home with training.
- Peritoneal Dialysis is typically done at home.

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Hemodialysis

- Blood is cleaned by an "artificial kidney" or dialyzer and a machine
- Tubing allows blood to flow from your body to the machine and back to your body
- Two needles are required for each treatment if you have a fistula or graft; one to remove the blood, one to return the blood
- Only a small amount of blood is out of your body at any time

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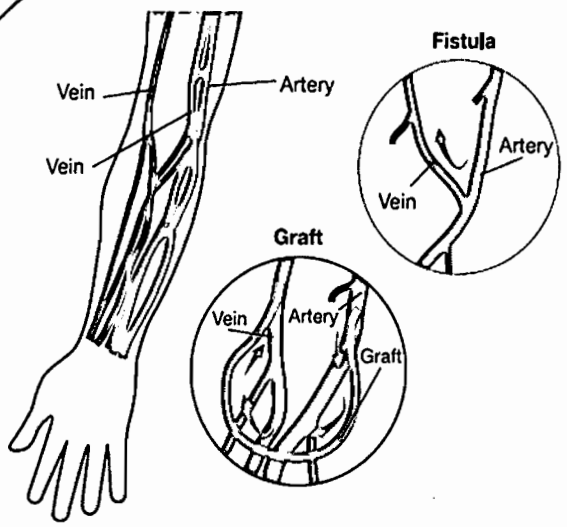
Hemodialysis Access



- Your blood must flow out and back to your body through a blood vessel that can be used repeatedly. This is called an access.
- A **fistula**, the 1st choice, is a surgical connection of your artery and your vein.
- A **graft**, 2nd choice, is a surgical insertion of a special tube which is used like a vein.
- A **catheter** is a temporary tubing inserted through the skin and sutured into place.

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In-Center Hemodialysis Option

- Treatments are done by trained dialysis nurses and technicians.
- You are on a fixed schedule for your treatments, and changes may be difficult.
- You must travel to/from the dialysis center.
- Treatments are usually done 3 times each week.
- No equipment or supplies needed at home.
- Opportunity for regular social interaction with other dialysis patients.
- Treatments usually last 3.5-4.0 hours each.

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In-Center Nocturnal (night-time) Hemodialysis Option

- Treatments are done by dialysis nurses and technicians
- Treatment occurs during the night while you sleep at the dialysis center; usually 3 times a week for about 8 hours each treatment
  - Allows you to work, go to school, or participate in other activities during the day
  - Provides more treatment over a longer period of time
  - Useful when needing to remove large amounts of fluid
  - Helpful when removing fluid is difficult with regular hemodialysis
  - You must travel to the dialysis facility for treatment and are away from home 3 nights each week
- May not be offered in your area

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In-Center Hemodialysis Considerations

- Therapy performed by trained clinicians
- No equipment or supplies needed at home
- Opportunity for more frequent social interaction with other dialysis patients

- Patient must travel to the clinic usually 3 times per week
- Patients are on a fixed schedule to receive their therapy

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Home Hemodialysis Option

- Easier to fit into your daily or nightly schedule
- No travel to clinic needed
- Comfort and privacy of your own home
- Easier to keep working if you have a job
- Must have a trained helper or partner
- Must have space in home for supplies and equipment
- Home may need changes and plumbing or wiring
- Less social interaction with other dialysis patients than at a dialysis center

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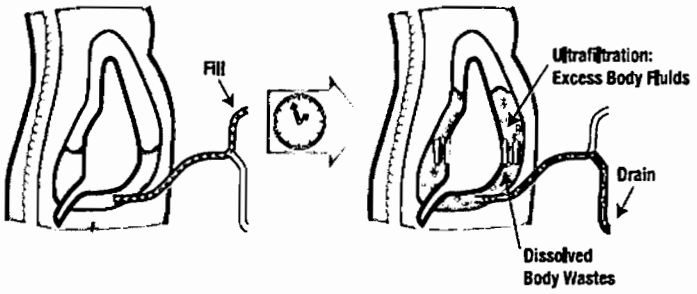
Peritoneal Dialysis (PD)



- Blood is cleansed inside the body by using the peritoneum; a filter-like membrane located in the lower abdomen.
- Solution is inserted into the abdomen where it is in contact with the peritoneum.
- Excess fluid and waste products in the nearby blood vessels are filtered through the peritoneum and collect in the solution in the abdomen.
- The solution is allowed to dwell for a period of time, then is drained out of the abdomen and replaced with fresh solution.

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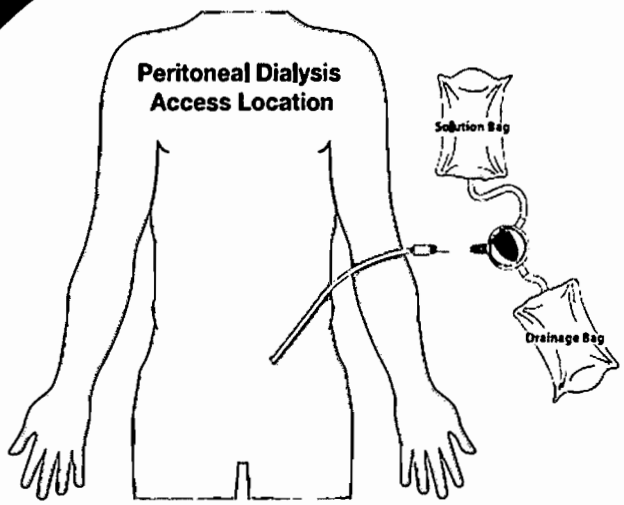
Peritoneal Dialysis Access



- PD solution flows in and out of your body through a catheter
- A PD catheter is surgically inserted into the lower abdomen and secured in place
- The catheter extends several inches out of your body
- Your clothes cover the catheter when it is not being used

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Two types of PD

1. **Continuous Ambulatory Peritoneal Dialysis (CAPD)**

- A manual process usually done during the day
- Can be done in any clean location at home, work or while traveling
- Average 4 to 5 exchanges each day
- About 30-45 minutes for each exchange

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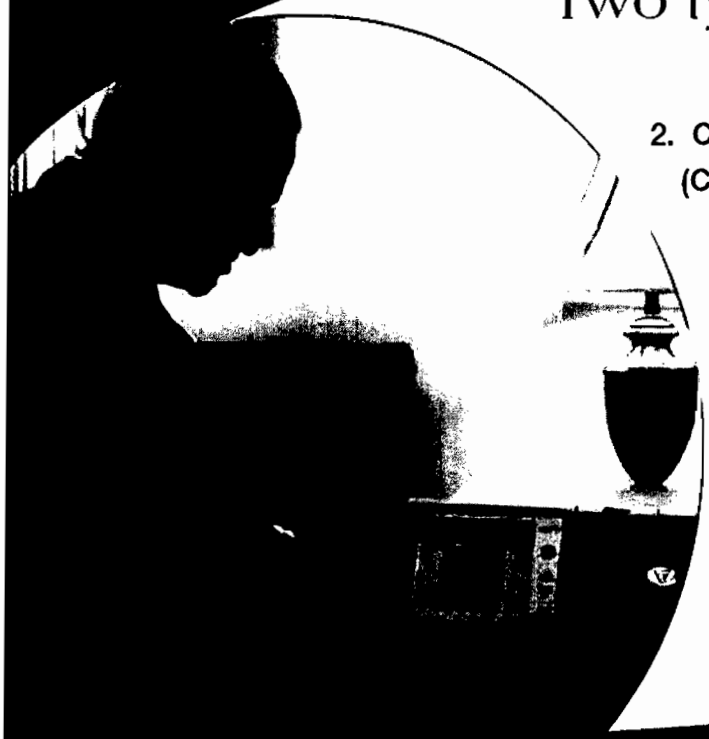
Two types of PD



2. **Continuous Cycling Peritoneal Dialysis (CCPD)**
   - A machine-controlled process usually done overnight while sleeping, for about 9-10 hours
   - Solution remains in the peritoneum during the day until you go to bed and hook up to the machine
   - Occasionally some patients require an additional exchange during the daytime

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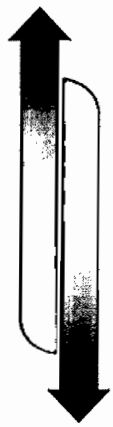
Peritoneal Dialysis Option

- A partner is not required, but may be needed by some
- More flexible dialysis treatment schedule
- Allows independence and a more normal (working) lifestyle
- Gentle treatment more like "normal" kidney function
- A bloodless form of treatment with no needles required



- Treatment needs to be performed every day
- Risk of infection
- External catheter
- Need storage space in home for supplies
- Larger people may need to do more exchanges

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Dialysis Options Comparison

Advantages	IN-CENTER HD	IN-CENTER NHD	HOME HD	HOME PD
Treatment Time Flexibility			√	√
Treatment Location Flexibility			√	√
Treatment Duration Flexibility				√
Reduced Clinic Visit Time			√	√
Reduced Clinic Travel Time			√	√
Reduced Clinic Travel Costs			√	√
No treatment partner needed	√	√		√
Greater Privacy			√	√
Greater Social Interaction with Other Dialysis Patients	√			

Advantages	IN-CENTER HD	IN-CENTER NHD	HOME HD	HOME PD
Perform treatments during nightly sleep		√	√	√
Improved availability during work hours		√	√	√
Bloodless access				√
More independent lifestyle			√	√
Greater treatment supervision	√	√		
No supply delivery & storage needs	√	√		
No routine needle sticks				√
Greater Travel options				√
No additional electrical/plumbing	√	√		√

Note: Together with your nephrologist, who will advise you based on your medical condition, you should seek a treatment option which best suits your medical and lifestyle needs.

Fresenius Medical Care

FRESENIUS MEDICAL CARE
TOP education
Treatment Options Program

People Like You

Shad Ireland's kidneys failed in 1983 at age 10.

On July 25th, 2004 Shad became the first dialysis patient to complete an Ironman triathlon.

Shad continues to compete, and has also created the Shad Ireland Foundation to help people with renal disease improve their lives through physical activity.

Mickey Sledge developed kidney failure in 2000 at age 46. He has developed a passion for taking care of himself as a result of his disease. As a volunteer for treadmill manufacturers he enjoys demonstrating his fitness at major dialysis conferences around the country. "Working helps me stay in tune with reality," says Mickey, who continues his job of 23 years. Apart from routine appointments, Mickey takes pride in never having had to take time off work because of his kidney disease.

Lori Hartwell, a kidney patient since the age of two, founded the Renal Support Network to instill "health, happiness, and hope" into the lives of fellow patients. Lori travels throughout the country educating and inspiring patients and healthcare professionals with her stories, insight, and humor. She was named "2005 Woman of the Year" by California State Senator Jack Scott and continues to be widely recognized for her contributions to improving the lives of people with Chronic Kidney Disease.

Criterion 1110.230 – Purpose of Project

The purpose of this project is to provide continued ESRD treatment access to current and future patients of the Fresenius Gurnee ESRD facility in a more adequately sized and modern space.

The current facility was established 25 years ago with 6 stations in 4,505 GSF. The facility has expanded multiple times to its current 14 stations. This amounts to only 321 GSF per station, which is below the State standard. The facility is forced to operate in an inefficient cramped space at near capacity utilization. The facility has no ability to expand further. Costly updates and repairs are also needed at the current site, which are not feasible due to the limited space.

Gurnee is located in Lake County in HSA 8. The facility serves mainly northeast Lake County as it will continue to do after what is essentially a "relocation" of the existing facility to another site in Gurnee and addition of 2 stations.

Historical and supporting patient data was obtained from Nephrology Associates of Northern Illinois (NANI). Clinic utilization was obtained from quarterly utilization reports received from the Illinois Health Facilities & Services Review Board.

The new expanded location will allow for ease of access to patients for care by clinic staff, enlarged walkways and waiting areas as well as additional access to treatment schedules. Additionally, the expanded facility will allow for expansion of home dialysis therapies of which the supporting physicians are strong proponents.

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. The quality outcomes for the Gurnee facility for the past year have been above the State standard:

- 97% of patients had a URR $\geq$ 65%
- 97% of patients had a Kt/V $\geq$ 1.2

Alternatives

1) All Alternatives

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

Two alternatives were considered that would entail a lesser scope and cost than the project proposed in this application, however they were determined not to be feasible options.

- The alternative of doing nothing was rejected. The clinic was established 25 years ago with 6 stations and has expanded far beyond what is feasible in its current space. The clinic has been operating near capacity for several years and has had to operate a fourth shift from time to time. Doing nothing will not solve the overutilization/space issues. There is no monetary cost to this alternative.

- The next alternative was to relocate only the 14 stations and not add the 2 additional stations. The cost for this would only be about $100,000 less than the current project. While this alternative is feasible, the clinic is operating at 98% utilization, reducing treatment shift availability and requiring a 4th shift. The facility has not added stations in over 10 years and is allowed to add 10% of current stations per Board rules without permit, however we have included the addition in this application.

B. Pursuing a joint venture

This facility is not currently a joint venture and it does not make sense to enter into a joint venture only for the purposes of relocating. The preferred 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. There is not monetary cost to this alternative.

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 Gurnee facility has already transferred patients to the Fresenius Waukegan clinic and utilized a fourth shift to make accommodations for the large numbers of patients. The only other clinic serving the immediate area, DaVita Waukegan, is in the process of relocating and is just under the 80% utilization target as of 12/31/2013. There are no other clinics in close proximity that can accommodate a large increase in patients. There is no monetary cost.

D. Project as outlined in the application

The most desirable alternative to maintain access to dialysis services in Gurnee to this constantly growing ESRD population is to relocate the 14-station Gurnee facility to another site in Gurnee and add two stations. According to the Board rules a facility may add 10% or 3 stations every two years without a permit, provided stations have not been added in the previous two years. The Gurnee facility qualifies to add these additional stations now, however it seems more prudent to wait and add the two stations concurrent with the relocation. The cost of this project is $5,475,700.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Maintain Status Quo	$0	Clinic would continue to work in an inefficient space, at 98% capacity with no access to treatment schedules for new patients.	Facility quality would remain above standards, however if access to treatment declines further patients could have more missed treatments lowering individual quality.	Patients would experience excessive transportation costs if forced to travel outside of market for services.
Relocate only the 14 current stations	$5,375,700	Clinic would have sufficient physical space, however no access for new patients because of current utilization of 98%.	Facility quality would remain above standards, however if access to treatment declines further patients could have more missed treatments lowering individual quality.	Patients would experience excessive transportation costs if forced to travel outside of market for services.
Form a Joint Venture	$5,475,700	A joint venture would have no effect on patient access.	Facility quality would remain above standards.	Less cost to Fresenius, however Fresenius Medical Care is capable of meeting its financial obligations and does not require assistance.
Relocate the 14-station Gurnee facility and add two stations and expand the home therapies department.	$5,475,700	Improved physical access inside facility and a more efficient workflow with the additional space. Room for more patients to train for home therapies.	Patient clinical quality would remain above standards. Patient satisfaction would improve with easier accessibility and more modern facilities.	The cost of relocation is necessary to keep dialysis services accessible in the Gurnee and to update to current standards. This is a cost only to Fresenius Medical Care.

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

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

- 97% of patients had a URR $\geq$ 65%
- 97% of patients had a Kt/V $\geq$ 1.2

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD 450-650 BGSF Per Station	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	12,000 (16 Stations)	7,200 – 10,400 BGSF	1,600 BGSF	No

As seen in the chart above, the State Standard for ESRD is between 450 - 650 BGSF per station or 7,200 – 10,400 BGSF. The proposed 12,000 BGSF falls 1,600 BGSF over the State standard.

The physicians are strong proponents of patients receiving treatment at home, therefore approximately 1,000 gsf will be allotted for the home therapies department leaving 11,000 gsf dedicated to the in-center portion of the facility. This is only 600 gsf over the State standard.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
	IN-CENTER HEMODIALYSIS	12/31/2013 94%		80%	Yes
YEAR 1	IN-CENTER HEMODIALYSIS	Upon Opening w/transfer of 82 Gurnee Patients	85%	80%	Yes

As seen in the chart above, the facility will have already met the State standard utilization target of 80% upon its opening and transfer of the current Gurnee facility dialysis patients.

The physicians supporting this project have identified another 71 pre-ESRD patients who could potentially be referred to the Fresenius Gurnee facility in the first two years after it is open, thus more than accounting for any attrition. The facility is expected to maintain above target utilization.

Planning Area Need – Formula Need Calculation:

The Neomedica - Gurnee dialysis facility is located in Gurnee in HSA 8. HSA is comprised of the city of Lake, McHenry and Kane Counties. according to the March 2014 Inventory there is an excess of 30 stations in this HSA.

The applicant is asking to add 2 additional stations to a 14-station facility that is operating at 98% utilization. The addition of 2 stations is allowable per the Board's 2-year/10% station addition rule.

2. 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 Gurnee area of Lake County in HSA 8. 100% of the current and pre-ESRD patients identified for this project reside in HSA 8.

Pre-ESRD Patients

HSA	County	City	Zip Code	Pre-ESRD
HSA 8	Lake County	Gurnee	60031	17
		Libertyville	60048	4
		North Chicago	60064	21
		Wadsworth	60083	8
		Park City/Waukegan	60085	27
		Beach Park/Waukegan	60087	10
		Winthrop Harbor	60096	6
		Zion	60099	9
100% Pre-ESRD are From HSA 8				102

Current Dialysis Patients at the Gurnee Facility

HSA	County	City	Zip Code	Pre-ESRD
HSA 8	Lake County	Grayslake	60030	4
		Gurnee	60031	14
		Northfield	60063	1
		North Chicago	60064	9
		Lincolnshire	60069	1
		Round Lake	60073	1
		Palatine	60074	1
		Wadsworth	60083	1
		Park City/Waukegan	60085	46
		Beach Park/Waukegan	60087	2
		Zion	60099	2
100% Current Patients are From HSA 8				82

NANI
Nephrology Associates of Northern Illinois and Indiana

North Suburban Nephrology

1445 North Hunt Club Roads, Suite 201, Gurnee, IL 60031

Tele: 847-855-9152
Fax: 847-855-5275
WWW.KIDNEYPHYSICIANS.COM

R. KHANNA, DO
O. DEGANI, MD
N. ALAPISHVILI MD
P. THOMAS, M.M.S., PA-C

March 27, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL62761

Dear Ms. Avery:

I am a nephrologist in practice with Nephrology Associates of Northern Illinois (NANI) and am the Medical Director of the Fresenius Gurnee and Waukegan Harbor ESRD facilities. The Gurnee facility has long outgrown its current space with 14 stations squeezed into a space more suitable for 10. My partners (Dr. Alapishvili & Dr. Degani) and I have a large and expanding practice here in northeast Lake County. Thus, the Gurnee clinic has been operating around 100% utilization for the last five years. I am excited at the prospect of having a larger more modern space for my patients to dialyze in as well as the additional stations to give patients more treatment shift options.

We were treating 139 hemodialysis patients at the end of 2011, 165 patients at the end of 2012, and 190 at the end of 2013 as reported to The Renal Network at the Fresenius facilities listed on the following pages. Over the past twelve months we have referred 50 new hemodialysis patients for services to these same facilities. We also have approximately 25 home therapies patients. I expect that all 82 current patients of the Fresenius Medical Care Gurnee facility will relocate to the new site upon its opening.

We currently have over 400 patients in our practice in various stages of chronic kidney failure. There are 102 pre-ESRD patients that live in the zip codes surrounding the Gurnee area. Of these approximately 71 could begin dialysis at the Gurnee facility by the time the relocated facility has been in operation two years. Some of these may choose home treatment as we strongly encourage our patients who are good candidates for home therapies to dialyze at home.

Given the increase of pre-ESRD patients seen in our practice and small size of our current facility, I urge the Board to approve the relocation of the Gurnee facility in order to keep access available to this growing ESRD patient population. Thank you for your consideration.

Physician Referrals
ATTACHMENT 26b - 3

NANI
Nephrology Associates of Northern Illinois and Indiana

North Suburban Nephrology

1445 North Hunt Club Roads, Suite 201, Gurnee, IL 60031

Tele: 847-855-9152
Fax: 847-855-5275
WWW.KIDNEYPHYSICIANS.COM

R. KHANNA, DO
O. DEGANI, MD
N. ALAPISHVILI MD
P. THOMAS, M.M.S., PA-C

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,

Rakhi Khanna, DO, FASN

Notarization:
Subscribed and sworn to before me
this 9th day of April, 2014

Michelle M Hogan
Signature of Notary

Seal

OFFICIAL SEAL
MICHELLE M HOGAN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/17

CURRENT GURNEE PATIENTSPRE-ESRD PATIENTS TRANSFERRING TO THEIDENTIFIED FOR THE RELOCATION SITE RELOCATED FACILITY

Zip Code	Patients
60030	4
60031	14
60063	1
60064	9
60069	1
60073	1
60074	1
60083	1
60085	46
60087	2
60099	2
Total	**82**

Zip Code	Patients
60031	12
60048	3
60064	15
60083	6
60085	19
60087	7
60096	4
60099	5
Total	**71**

NEW HEMODIALYSIS REFERRALS OF THE SUPPORTING PHYSICIANS FOR THE PAST TWELVE MONTHS

Zip	Fresenius Medical Care					
Code	Gurnee	Round Lake	Antioch	McHenry	Waukegan Harbor	Total
60002			8			**8**
60030		2				**2**
60031	2		1		1	**4**
60060		1				**1**
60064	1				2	**3**
60073		1				**1**
60083			1			**1**
60084		1				**1**
60085	2		3		16	**21**
60087		1	1		2	**4**
60098				2		**2**
60099					2	**2**
Total	**5**	**6**	**14**	**2**	**23**	**50**

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2011

Zip Code	Fresenius Medical Care					Total
	Antioch	McHenry	Gurnee	Round Lake	Waukegan Harbor	
53158	1					1
53179	2					2
53182	1					1
60002	9					9
60020	1			2		3
60030	1			3		4
60031	1		7	1		9
60046	2					2
60047		1				1
60050		6				6
60061				1		1
60064			9	1	1	11
60071	2					2
60073	1			14		15
60074				1		1
60081	1					1
60083	1					1
60084				2		2
60085	1		42	1	1	45
60087			5	1		6
60096			1			1
60098		2				2
60099	8		3			11
60607			1			1
60640			1			1
Total	**32**	**9**	**69**	**27**	**2**	**139**

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2012

Zip Code	Fresenius Medical Care					Total
	Antioch	McHenry	Gurnee	Round Lake	Waukegan Harbor	
53179	2					2
60002	10					10
60018		1				1
60020	1			2		3
60030	1			2		3
60031	1		7	3	2	13
60041				1		1
60046	3	1		1		5
60047		1				1
60048					1	1
60050		4				4
60060				1		1
60061				1		1
60064			10		5	15
60071	1					1
60073	3		1	14		18
60083	1		1			2
60084				2		2
60085	1		39	1	14	55
60087			1	1	3	5
60096					1	1
60098		2				2
60099	6		2		5	13
60619					1	1
60623			1			1
60640			1			1
60646			1			1
60707		1				1
Total	**30**	**10**	**64**	**29**	**32**	**165**

PATIENTS OF SUPPORTING PHYSICIANS AS OF YEAR END 2013

Zip Code	Fresenius Medical Care					Total
	Antioch	McHenry	Gurnee	Round Lake	Waukegan Harbor	
53179	2					2
60002	12					12
60020	1			2		3
60030				2		2
60031			12	1	2	15
60041	1			1		2
60042		1				1
60046	3			1		4
60047		1				1
60050		5				5
60064		1	7		8	16
60071	1					1
60073	5		1	16		22
60081				1		1
60083	2		1			3
60084				2		2
60085	2		33	1	28	64
60087			2	2	5	9
60096					1	1
60098		2				2
60099	6		1		9	16
60102		1				1
60617					1	1
60619					1	1
60623				1		1
60625			1			1
60644	1					1
Total	**37**	**11**	**58**	**30**	**55**	**190**

Service Accessibility – Service Restrictions

The proposed Fresenius Medical Care Gurnee dialysis facility will be located in HSA 8 in Gurnee in northeast Lake County. It is expected that 21% of its treatments will be Medicaid reimbursed given the current clinic's payor mix. According to the March 2014 station inventory there is an excess of 30 stations in this HSA. However, this is essentially a relocation of the Gurnee facility and addition of 2 stations allowable per the 2-year 10% station addition rule. It will not have any effect on the inventory or access to care in the region.

The current Fresenius Neomedica – Gurnee facility was established 25 years ago with 6 stations. Over the years it has expanded to its current station count of 14, although the facility's physical space is limited. It is currently operating in 4,505 GSF or 321 GSF per station, below the State size standard. It can no longer expand and is in need of modernization. The facility operates near capacity and is now at 98% as of March 2014. This creates loss of access to treatment shift schedules for new patients and at times the operation of a 4th shift to accommodate the continual influx of patients.

Facilities within 30 Minutes Travel Time of Fresenius Neomedica – Gurnee

Facility	Address	City	Zip Code	MapQuest		MapQuest x1.15 Adjusted	December 2013		
				Miles	Time		Stations	Patients	Utilization
Fresenius Gurnee[1]	101 Greenleaf	Gurnee	60031	-	-	-	14	79	94.05%
DaVita Waukegan	3300 Grand Avenue	Waukegan	60085	1.86	4	4.6	22	103	78.03%
Fresenius Waukegan Harbor[2]	110 N West Street	Waukegan	60085	3.52	9	10.35	21	76	60.32%
Fresenius Lake Bluff	101 Waukegan Rd	Lake Bluff	60044	6.79	10	11.5	16	76	79.17%
DaVita Lake County	565 Lakeview Pkwy	Vernon Hills	60061	13.03	20	23	16	72	75.00%
Fresenius Round Lake	401 Nippersink Ave	Round Lake	60073	11	21	24.15	16	82	85.42%
Highland Park Hospital	718 Glenview Ave	Highland Park	60035	14.4	21	24.15	20	87	72.50%
Fresenius Mundelein[3]	1400 Townline Road	Mundelein	60060	14.19	22	25.3	12	33	45.83%
Fresenius Deerfield	405 Lake Cook Rd	Deerfield	60015	18.39	25	28.75	12	39	54.17%
DaVita Lake Villa	37809 SR-59	Lake Villa	60046	13.99	25	28.75	12	39	54.17%
Fresenius Antioch	311 W Depot St	Antioch	60002	17.36	26	29.9	12	50	69.44%

1. Fresenius Gurnee is the proposed facility to be relocated per this application
2. Fresenius Waukegan Harbor is a large 21 station facility that has been certified just two years and has grown rapidly and accepted many transfers from the Gurnee facility. It is expected to reach 80% before the completion of the Gurnee relocation with separate patients from those identified in this application.
3. Remaining underutilized clinics are between 14 and 17 miles away from Gurnee and are do not present reasonable locations for residents of Gurnee to receive treatment.

While, there is some capacity, there is not an absence of dialysis services in the HSA, if the Gurnee clinic is not allowed to relocate and expand new ESRD patients in the Gurnee area will have to scatter to various clinics throughout Lake County, possibly losing their treating physician and incurring numerous transportation problems.

Demographics of Patients Identified for the Gurnee Facility

In addition to the 82 patients currently dialyzing at the Gurnee facility, Dr. Khanna and her partners have identified another 71 pre-ESRD patients who live in the vicinity of the facility who could be expected to be referred to the facility in the first two years of operation.

Current Gurnee Facility Patients

Zip Code	Patients
60030	4
60031	14
60063	1
60064	9
60069	1
60073	1
60074	1
60083	1
60085	46
60087	2
60099	2
Total	**82**

Pre-ESRD Patients

Zip Code	Patients
60031	12
60048	3
60064	15
60083	6
60085	19
60087	7
60096	4
60099	5
Total	**71**

Unnecessary Duplication/Maldistribution

Zip Code	Population	Stations	Facility
60002	24,299	12	Fresenius Antioch
60015	26,800	12	Fresenius Deerfield
60030	36,056		
60031	37,947		
60035	29,763	20	Highland Park Hospital
60037	901		
60040	5,431		
60041	9,250		
60044	9,792	16	Fresenius Lake Bluff
60045	20,925		
60046	35,111	12	DaVita Lake Villa
60048	29,095		
60060	37,189	12	Fresenius Mundelein
60061	25,748	16	DaVita Lake County
60062	39,936		
60064	15,407		
60069	8,384		
60073	60,002	16	Fresenius Round Lake
60083	9,838		
60085	71,714	53	Fresenius Waukegan Harbor DaVita Waukegan
60087	26,798		
60088	15,761		
60089	41,533		
60096	6,897		
60099	31,104		
	655,681	169	1/3,880

1) The ratio of ESRD stations to population in the zip codes within a 30-minute radius of Fresenius Neomedica - Gurnee is 1 station per 3,880 residents according to the 2010 census (based on 655,681 residents and 169 stations). The State ratio is 1 station per 3,132 residents (based on US Census 2010 of 12,830,632 Illinois residents and January 2014 Board station inventory of 4,096).

The relocation of the Gurnee facility and addition of 2 stations will have little impact on the station inventory or the station to population ratio. Therefore, this facility will not create maldistribution but, will address the need for access as demonstrated by the historical high utilization of the Gurnee facility.

2) Although all facilities within thirty minutes travel time are not above the target utilization of 80%, the Fresenius Gurnee facility is operating near capacity and the nearest clinics, DaVita Waukegan and Fresenius Lake Bluff are operating at 78% and 79% respectively. This relocation and addition of 2 stations will not create a maldistribution of services in regard to there being excess capacity. The Gurnee facility will still be above 80% utilization after project completion. No patients are being transferred from any other facility nor will the facility be taking patients away from other nearby referral sources.

Facilities within 30 Minutes Normal Travel Time of Fresenius Neomedica – Gurnee

Facility	Address	City	Zip Code	MapQuest Miles	MapQuest Time	MapQuest x1.15 Adjusted	December 2013 Stations	Patients	Utilization
Fresenius Gurnee[1]	101 Greenleaf	Gurnee	60031	-	-	-	14	79	94.05%
DaVita Waukegan	3300 Grand Avenue	Waukegan	60085	1.86	4	4.6	22	103	78.03%
Fresenius Waukegan Harbor[2]	110 N West Street	Waukegan	60085	3.52	9	10.35	31	76	60.32%
Fresenius Lake Bluff	101 Waukegan Rd	Lake Bluff	60044	6.79	10	11.5	16	76	79.17%
DaVita Lake County	565 Lakeview Pkwy	Vernon Hills	60061	13.03	20	23	16	72	75.00%
Fresenius Round Lake	401 Nippersink Ave	Round Lake	60073	11	21	24.15	16	82	85.42%
Highland Park Hospital	718 Glenview Ave	Highland Park	60035	14.4	21	24.15	20	87	72.50%
Fresenius Mundelein	1400 Townline Road	Mundelein	60060	14.19	22	25.3	12	33	45.83%
Fresenius Deerfield	405 Lake Cook Rd	Deerfield	60015	18.39	25	28.75	12	39	54.17%
DaVita Lake Villa	37809 SR-59	Lake Villa	60046	13.99	25	28.75	12	39	54.17%
Fresenius Antioch	311 W Depot St	Antioch	60002	17.36	26	29.9	12	50	69.44%

1. Fresenius Gurnee is the proposed facility to be relocated per this application
2. Fresenius Waukegan Harbor is a large 21 station facility that has been certified just two years and has grown rapidly and accepted many transfers from the Gurnee facility. It is expected to reach 80% before the completion of the Gurnee relocation with separate patients from those identified in this application.
3. Remaining underutilized clinics are between 14 and 17 miles away from Gurnee and do not present reasonable locations for residents of Gurnee to receive treatment.

2. 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. All patients identified are current Fresenius Neomedica – Gurnee patients or those pre-ESRD patients who would have otherwise been referred to Gurnee for treatment.

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Rakhi Khanna is currently the Medical Director for Fresenius Medical Care Gurnee and will continue to be the Medical Director after the establishment/relocation. Attached is her curriculum vitae.

B. All Other Personnel

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

- Clinic Manager who is a Registered Nurse
- 3 Registered Nurses
- 1 Licensed Practical Nurse
- 8 Patient Care Technicians
- Part-time Registered Dietitian
- Full-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Full-time Secretary

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.

Rakhi Khanna

Education

Chicago College of Osteopathic Medicine *Midwestern University* Downers Grove, IL	DO June 2000
Loyola University Chicago, IL	BS, Biology and Chemistry 1996, *Magna Cum Laude*

Training

Long Island College Hospital Brooklyn, NY	Fellowship, Nephrology July 2000 – June 2003

Licensure and Certification

- ABIM Certification in Internal Medicine 2003-2013
- Board Eligible in Nephrology, June 2005
- License to practice in the State of Illinois
- Current DEA registration
- AHA Certification in BLS and ACLS

Research

- Demographics, clinical features and survival experience of Human Immunodeficiency Virus peritoneal dialysis patients: A 16 year retrospective study. Presenting author at Dialysis Annual Conference, Tampa, FL, March 2005. *Peritoneal Dialysis International,* Vol25, Suppl, Feb 2005, PS16 (Abstract only)

- Association Between C-Reactive Protein (CRP) and Clinical Outcomes in Peritoneal Dialysis Patients. *Peritoneal Dialysis International*, Vol25, Suppl, Feb 2005, PS13 (Abstract only).

- Biochemical Advantages of Paricalcitol Therapy for Secondary Hyperparathyroidism In Patients on Maintenance Hemodialysis Previously Treated with Calcitriol; *American Journal of Kidney Diseases*, Vol 45, No 4, 2005 April pA29 (Abstract only).

Rakhi Khanna

- Study the dosing of Vancomycin in Obese End Stage Renal Disease Patients; Abstract submitted to ASN 2005 for review.

Honors

- Phi Beta Kappa, Loyola University; 1996
- Letters of Commendation for teaching Medical Students; 2000 – 2001
- Appointment to Ethics Committee, Christ Medical Center, Oak Lawn, IL; 2001 – 2003

Professional Memberships

Member, American Society of Nephrology

Hospital Affiliations

Vista Medical Center East
1324 North Sheridan Road
Waukegan, IL 60085
Attending, Nephrology
2006 - Present

Condell Medical Center
700 Garfield Avenue
Libertyville, IL 60048
Attending, Nephrology
2006 – Present

Centegra Northern Illinois Medical Center
4201 Medical Center Drive
McHenry, IL 60050
Consultant, Nephrology
2006 – Present

Midwestern Regional Medical Center
2520 Elisha Avenue
Zion, IL 60099
Consultant, Nephrology
2006 – Present

Rakhi Khanna

Dialysis Center Affiliations

Medical Director McHenry / FMCNA
4312 West Elm Street
McHenry, IL 60050
2006 – Present

Consultant Evanston / DSI
1715 Central Street
Evanston, IL 60201
2006 – Present

Consultant Gurnee / FMCNA
101 South Greenleaf Avenue
Gurnee, IL 60031
2006 – Present

Consultant Round Lake / FMCNA
401 West Nippersink Road
Round Lake, IL 60073
2006 – Present

Consultant Antioch / FMCNA
311 West Depot Street
Antioch, IL 60002
2006 – Present

Practice

North Suburban Nephrology, LLC
1445 North Hunt Club Road
Suite 201
Gurnee, IL 60031
2006 - Present

Criterion 1110.1430 (e)(5) Medical Staff

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Gurnee, I certify the following:

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

Signature

Coleen Muldoon
Printed Name

Regional Vice President
Title

Subscribed and sworn to before me
this 12th day of Feb, 2014

Candace M. Turoski

Signature of Notary

Seal

OFFICIAL SEAL
CANDACE M TUROSKI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/09/17

Criterion 1110.1430 (f) – Support Services

I am the Regional Vice President of the Chicago Central Region of the North 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 a patient data tracking system in all of its facilities.

- These support services are available at Fresenius Medical Care Gurnee 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 Condell Medical Center, Libertyville:

  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services

Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 12th day of Feb, 2014

Signature of Notary

Seal

OFFICIAL SEAL
CANDACE M TUROSKI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/09/17

Criterion 1110.1430 (g) – Minimum Number of Stations

Fresenius Medical Care Gurnee is located in the Chicago-Naperville-Joliet-Gary, IL-IN-WI Metropolitan Statistical Area (MSA). A minimum of eight dialysis stations is required to establish an in-center hemodialysis center in an MSA. Fresenius Medical Care Gurnee will have 16 dialysis stations thereby meeting this requirement.

TRANSFER AGREEMENT
BETWEEN
ADVOCATE CONDELL MEDICAL CENTER
AND
NATIONAL MEDICAL CARE, INC.

THIS AGREEMENT is entered into this 26 day of March, 2014 between ADVOCATE CONDELL MEDICAL CENTER, an Illinois not-for-profit corporation, hereinafter referred to as "ACMC", and NATIONAL MEDICAL CARE, INC., hereinafter referred to as "NMC".

WHEREAS, ACMC is licensed under Illinois law as an acute care hospital and provides inpatient care, routine and emergency dialysis and emergency medical care;

WHEREAS, NMC is certified to operate as a renal dialysis facility under the the Medicare End Stage Renal Disease ("ESRD") Program and, if required, as a properly licensed medical facility under state laws and regulations;

WHEREAS, ACMC and NMC desire to cooperate in the transfer of patients between ACMC and NMC, when and if such transfer may, from time to time be deemed necessary and requested by the respective patient's physician, to facilitate appropriate patient care;

WHEREAS, the parties mutually desire to enter into a transfer agreement to provide for the medically appropriate transfer or referral of patients from NMC to ACMC, for the benefit of the community and in compliance with HHS regulations; and

WHEREAS, the parties desire to provide a full statement of their agreement in connection with the services to be provided hereunder.

NOW, THEREFORE, BE IT RESOLVED, that in consideration of the mutual covenants, obligations and agreements set forth herein, the parties agree as follows:

I. TERM

1.1 This Agreement shall be effective from the date it is entered into, and shall remain in full force and effect for an initial term of one (1) year. **Thereafter, this Agreement shall be automatically extended for successive one (1) year periods unless terminated as hereinafter set forth. All the terms and provisions of this Agreement shall continue in full force and effect during the extension period(s).**

II. TERMINATION

2.1 Either party may terminate this Agreement at any time with or without cause upon thirty (30) days prior written notice to the other party. Additionally, this Agreement shall automatically terminate should either party fail to maintain the licensure or certification necessary to carry out the provisions of this Agreement.

III. OBLIGATIONS OF THE PARTIES

3.1 NMC agrees:

a. That NMC shall refer and transfer patients to ACMC for medical treatment only when such transfer and referral has been determined to be medically appropriate by the patient's attending physician or, in the case of an emergency, the Medical Director for NMC, hereinafter referred to as the "Transferring Physician";

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b. That the Transferring Physician shall contact ACMC's Emergency Department Nursing Coordinator prior to transport, to verify the transport and acceptance of the emergency patient by ACMC. The decision to accept the transfer of the emergency patient shall be made by ACMC's Emergency Department physician, hereinafter referred to as the "Emergency Physician", based on consultation with the member of ACMC's Medical Staff who will serve as the accepting attending physician, hereinafter referred to as the "Accepting Physician". In the case of the non-emergency patient, the Medical Staff attending physician will act as the Accepting Physician and must indicate acceptance of the patient. NMC agrees that ACMC shall have the sole discretion to accept the transfer of patients pursuant to this Agreement subject to the availability of equipment and personnel at ACMC. The Transferring Physician shall report all patient medical information which is necessary and pertinent for transport and acceptance of the patient by ACMC to the Emergency Physician and/or Accepting Physician;

c. That NMC shall be responsible for affecting the transfer of all patients referred to ACMC under the terms of this Agreement, including arranging for appropriate transportation, financial responsibility for the transfer in the event patient fails or is unable to pay, and care for the patient during the transfer. The Transferring Physician shall determine the appropriate level of patient care during transport in consultation with the Emergency Physician and/or Accepting Physician;

d. That pre-transfer treatment guidelines, if any, will be augmented by orders obtained from the Emergency Physician and/or Accepting Physician;

e. That, prior to patient transfer, the Transferring Physician is responsible for insuring that written, informed consent to transfer is obtained from the patient, the parent or legal guardian of a minor patient, or from the legal guardian or next-of-kin of a patient who is determined by the Transferring Physician to be unable to give informed consent to transfer; and

f. To maintain and provide proof to ACMC of professional and public liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

3.2 ACMC agrees:

a. To accept and admit in a timely manner, subject to bed availability, NMC patients referred for medical treatment, as more fully described in Section 3.1;

b. To accept patients from NMC in need of inpatient hospital care, when such transfer and referral has been determined to be medically appropriate by the patient's Transferring Physician at NMC;

c. That ACMC will seek to facilitate referral of transfer patients to specific Accepting Physicians when this is requested by Transferring Physicians and/or transfer patients;

d. That ACMC shall provide NMC patients with medically appropriate and available treatment provided that Accepting Physician and/or Emergency Physician writes appropriate orders for such services; and

e. To maintain and provide proof to NMC of professional and public liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

IV. GENERAL COVENANTS AND CONDITIONS

4.1 Release of Medical Information. In all cases of patients transferred for the purpose of receiving medical treatment under the terms of this Agreement, NMC shall insure that copies of the patient's medical records, including X-rays and reports of all diagnostic tests, accompany the patient to ACMC, subject to the provisions of applicable State and Federal laws governing the confidentiality of such information. Information to be exchanged shall include any completed transfer and referral forms mutually agreed upon for the purpose of providing the medical and administrative information necessary to determine the appropriateness of treatment or placement, and to enable continuing care to be provided to the patient. The medical records in the care and custody of ACMC and NMC shall remain the property of each respective institution.

4.2 Personal Effects. NMC shall be responsible for the security, accountability and appropriate disposition of the personal effects of patients prior to and during transfer to ACMC. ACMC shall be responsible for the security, accountability and appropriate disposition of the personal effects of transferred patients upon arrival of the patient at ACMC.

4.3 Indemnification. The parties agree to indemnify and hold each other harmless from any liability, claim, demand, judgment and costs (including reasonable attorney's fees) arising out of or in connection with the intentional or negligent acts of their respective employees and/or agents.

4.4 Independent Contractor. Nothing contained in this Agreement shall constitute or be construed to create a partnership, joint venture, employment, or agency relationship between the parties and/or their respective successors and assigns, it being mutually understood and agreed that the parties shall provide the services and fulfill the obligations hereunder as independent contractors. Further, it is mutually understood and agreed that nothing in this Agreement shall in any way affect the independent operation of either ACMC or NMC. The governing body of ACMC and NMC shall have exclusive control of the management, assets, and affairs at their respective institutions. No party by virtue of this Agreement shall assume any liability for any debts or obligations of a financial or legal nature incurred by the other, and neither institution shall look to the other to pay for service rendered to a patient transferred by virtue of this Agreement.

4.5 Publicity and Advertising. Neither the name of ACMC nor NMC shall be used for any form of publicity or advertising by the other without the express written consent of the other.

4.6 Cooperative Efforts. The parties agree to devote their best efforts to promoting cooperation and effective communication between the parties in the performance of services hereunder, to foster the prompt and effective evaluation, treatment and continuing care of recipients of these services.

4.7 Nondiscrimination. The parties agree to comply with Title VI of the Civil Rights Act of 1964, all requirements imposed by regulations issued pursuant to that title, section 504 of the Rehabilitation Act of 1973, and all related regulations, to insure that neither party shall discriminate against any recipient of services hereunder on the basis of race, color, sex, creed, national origin, age or handicap, under any program or activity receiving Federal financial assistance.

4.8 Affiliation. Each party shall retain the right to affiliate or contract under similar agreements with other institutions while this Agreement is in effect.

4.9 Applicable Laws. The parties agree to fully comply with applicable federal, and state laws and regulations affecting the provision of services under the terms of this Agreement.

4.10 Governing Law. All questions concerning the validity or construction of this Agreement shall be determined in accordance with the laws of Illinois.

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4.11 Writing Constitutes Full Agreement. This Agreement embodies the complete and full understanding of ACMC and NMC with respect to the services to be provided hereunder. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties hereto. Neither this Agreement nor any rights hereunder may be assigned by either party without the written consent of the other party.

4.12 Written Modification. There shall be no modification of this Agreement, except in writing and exercised with the same formalities of this Agreement.

4.13 Severability. It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held to be illegal by the courts or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

4.14 Notices. All notices required to be served by provisions of this Agreement may be served on any of the parties hereto personally or may be served by sending a letter duly addressed by registered or certified mail. Notices to be served on ACMC shall be served at or mailed to: Advocate Condell Medical Center, 801 S. Milwaukee Avenue, Libertyville, Illinois 60048, Attention: President, with a copy to Senior Vice President and General Counsel, 3075 Highland Parkway, Downers Grove, IL 60515 unless otherwise instructed. Notices to be served on NMC shall be mailed to National Medical Care, Inc., 40-50 Tower Court, Gurnee, IL 60031, Attention: Area Manager, with a copy to Corporate Legal Department, Fresenius Medical Care North America, 920 Winter Street, Waltham, MA 02541-1457 .

IN WITNESS WHEREOF, this Agreement has been executed by ACMC and NMC on the date first above written.

ADVOCATE CONDELL MEDICAL CENTER

BY: Dominica Tallarico
NAME: Dominica Tallarico
TITLE: President, Advocate Condell Medical Center

NATIONAL MEDICAL CARE, INC.

BY: Coleen Muldoon
NAME: Coleen Muldoon
TITLE: Regional Vice President

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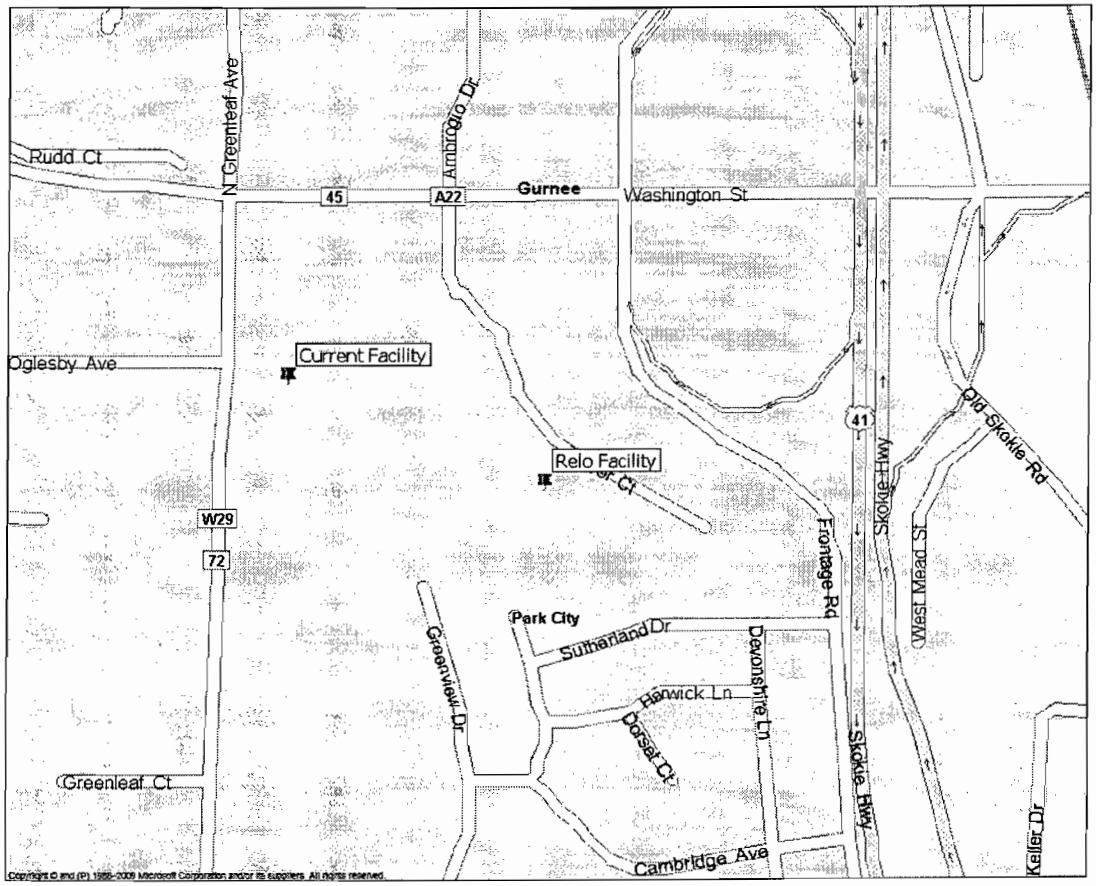
RELOCATION OF FACILITIES

1) The existing Gurnee Dialysis Center was operating at 98% utilization serving 82 patients at the end of the 1st quarter of 2014. It has been operating near capacity for the last five years.

2) Neomedica Gurnee Dialysis Center opened 25 years ago with 6 stations in 4,505 GSF. The facility has expanded services multiple times and is now operating 14 stations in a space more adequate for 10 or fewer stations. Due to space constraints the facility is not able to expand and is operating near capacity. Additional space is needed to allow more stations to reduce overutilization and to free up work and storage space for staff.

   The additional square footage will allow the facility to expand to address current high utilization and will also allow for the expansion of the home therapies department. It is the physician's and Fresenius' desire to grow this already large home dialysis program in the Gurnee area.

   Also, the expansion and relocation will offer the patients a more modern facility to dialyze in and ample room for navigation in wheelchairs and walkers. Access to the clinic will be similar as the relocation site is in the same office complex as the current location.



Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President of the Chicago Central Region of the North Division of Fresenius Medical Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Gurnee, I certify the following:

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

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

   - 97% of patients had a URR $\geq$ 65%
   - 97% of patients had a Kt/V $\geq$ 1.2

   and same is expected for the relocated Fresenius Medical Care Gurnee.

Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 12th day of Feb, 2014

Signature of Notary

Seal

OFFICIAL SEAL
CANDACE M TUROSKI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/09/17

GREENLEAF CENTER
15 Tower Court • Suite 145 • Gurnee, Illinois 60031 • 847-244-3223 • fax: 847-244-0807

April 3, 2014

William Popken
Fresenius Medical Care North America
Reservoir Woods
920 Winter Street
Waltham, MA 02451-1457

Re: New ground up location at Greenleaf Center

Dear Mr. Popken:

Please find below our build to suit lease proposal for 50 Tower Court, Gurnee, IL 60031:

Location: 50 Tower Ct., Gurnee, IL

Rentable Sq. Ft. of Premises: 12,000 sq. ft.

Lease Type: Triple Net

Lease Term: 12 years

Rental Rate Range: $17.50-$19.00 per sq. ft. (pending finalization of building shell requirement)

Commencement Date: To be determined pending regulatory approval and tenant's requirement

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely,

Tom Henderson

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.

2012 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #13-040, Fresenius Medical Care Lemont 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).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
ESRD		161.00				12,000		1,932,000	1,932,000
Contingency		16.00				12,000		192,000	192,000
TOTALS		177.00				12,000		2,124,000	2,124,000

* Include the percentage (%) of space for circulation

Criterion 1120.310 (d) – Projected Operating Costs

Year 2017

Personnel	1,175,023
Medical Supplies	257,305
Other (Exc. Dep/Amort)	1,499,906
Total	$2,932,234
Annual Treatments	13,478
Cost Per Treatment	$217.56

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

Year 2017

Depreciation/Amortization	$238,389
Interest	0
CAPITAL COSTS	$238,389
Treatments:	13,478
Capital Cost per treatment	$17.69

Criterion 1120.310(a) Reasonableness of Financing Arrangements

National Medical Care, Inc.

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

By: _____

Title: _____

Mark Fawcett
Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2014

_____
Signature of Notary

Seal

By: _____

Title: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 10 day of Feb, 2014

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
August 1, 2014

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Holdings, Inc.

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

By: _____

Title: _____
Mark Fawcett
Vice President & Treasurer

By: _____

Title: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2014

_____
Signature of Notary

Notarization:
Subscribed and sworn to before me
this 10 day of Feb, 2014

C. Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
August 1, 2014

Criterion 1120.310(b) Conditions of Debt Financing

National Medical Care, 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 & Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2014

_____
Signature of Notary

By: _____

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 10 day of Feb, 2014

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
August 1, 2014

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 & Treasurer

Notarization:
Subscribed and sworn to before me
this_____ day of _____, 2014

_____
Signature of Notary

By: _____

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 10 day of Feb, 2014

C Wynelle Scenna
Signature of Notary

Seal

C. WYNELLE SCENNA
Notary Public Seal
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
August 1, 2014

Safety Net Impact Statement

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

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

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

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

Safety Net Information per PA 96-0031			
CHARITY CARE			
Net Revenue	$397,467,778	$353,355,908	$387,393,758
	2010	2011	2012
Charity * (# of self-pay patients)	146	93	203
Charity (cost In dollars)	$1,307,966	$632,154	$1,536,372
Ratio Charity Care Cost to Net Patient Revenue	.33%	0.18%	.40%
MEDICAID			
	2010	2011	2012
Medicaid (# of patients)	1,828	1,865	1,705
Medicaid (revenue)	$44,001,539	$42,367,328	$36,254,633
Ratio Medicaid to Net Patient Revenue	11.07%	12%	12.99%

2011 & 2012 data accounts for in-center hemodialysis only. 2010 data included some home dialysis patients and we were unable to remove them from the above numbers.

*Patients with Medicaid pending for 2012 were considered under self-pay only. 2010-2011 Medicaid pending were considered Medicaid.

Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition of charity care because self-pay patients are billed and their accounts are written off as bad debt. Fresenius takes Medicaid patients without limitations or exception. 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. This is why self-pay patients are invoiced and then the accounts written off as bad debt.

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

Nearly all dialysis patients in Illinois will qualify for some type of coverage and Fresenius works aggressively to obtain insurance coverage for each patient.

Uncompensated Care For All Fresenius Facilities in Illinois

CHARITY CARE			
	2010	2011	2012
Net Patient Revenue	$397,467,778	$353,355,908	$387,393,758
Amount of Charity Care (charges)	$1,307,966	$632,154	$1,536,372
Cost of Charity Care	$1,307,966	$632,154	$1,536,372
Ratio Charity Care Cost to Net Patient Revenue	0.33%	0.18%	0.40%

Fresenius Medical Care North America
Community Care

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

American Kidney Fund

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

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

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

Indigent Waiver Program

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

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

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

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

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

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

IL Medicaid and Undocumented patients

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

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

FMCNA Collection policy

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

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

Medicare and Medicaid Eligibility

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

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

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

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

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

Self-Pay

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

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

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Notes

TO DAVITA WAUKEGAN

Trip to:

3300 Grand Ave

Waukegan, IL 60085-2206

1.86 miles / 4 minutes

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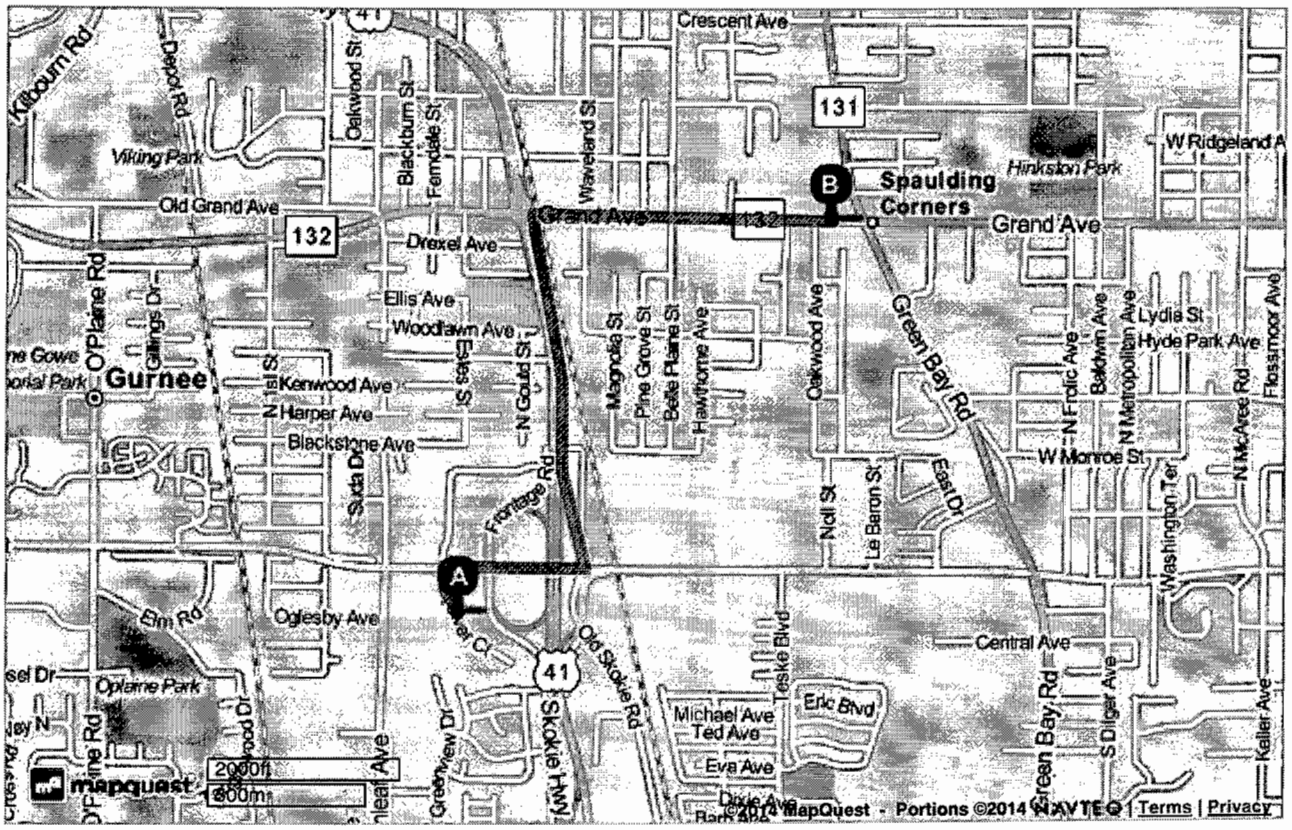

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Trip to:

110 N West St
Waukegan, IL 60085-4330
3.52 miles / 9 minutes

Notes

TO FRESENIUS MEDICAL CARE
WAUKEGAN HARBOR

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SELECT: IPHONE ANDROI

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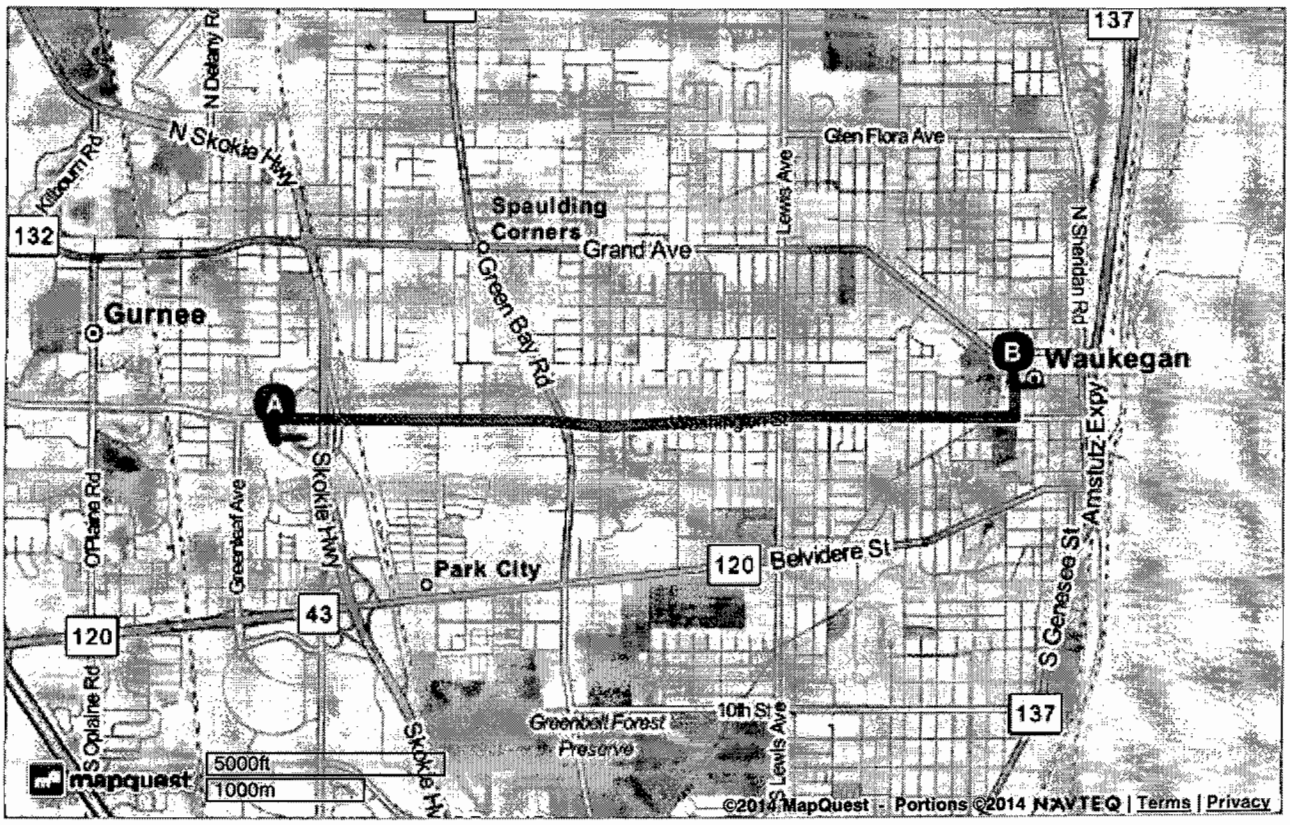

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101 Waukegan Rd
Lake Bluff, IL 60044
6.79 miles / 10 minutes

Notes

TO FRESENIUS MEDICAL CARE LAKE BLUFF

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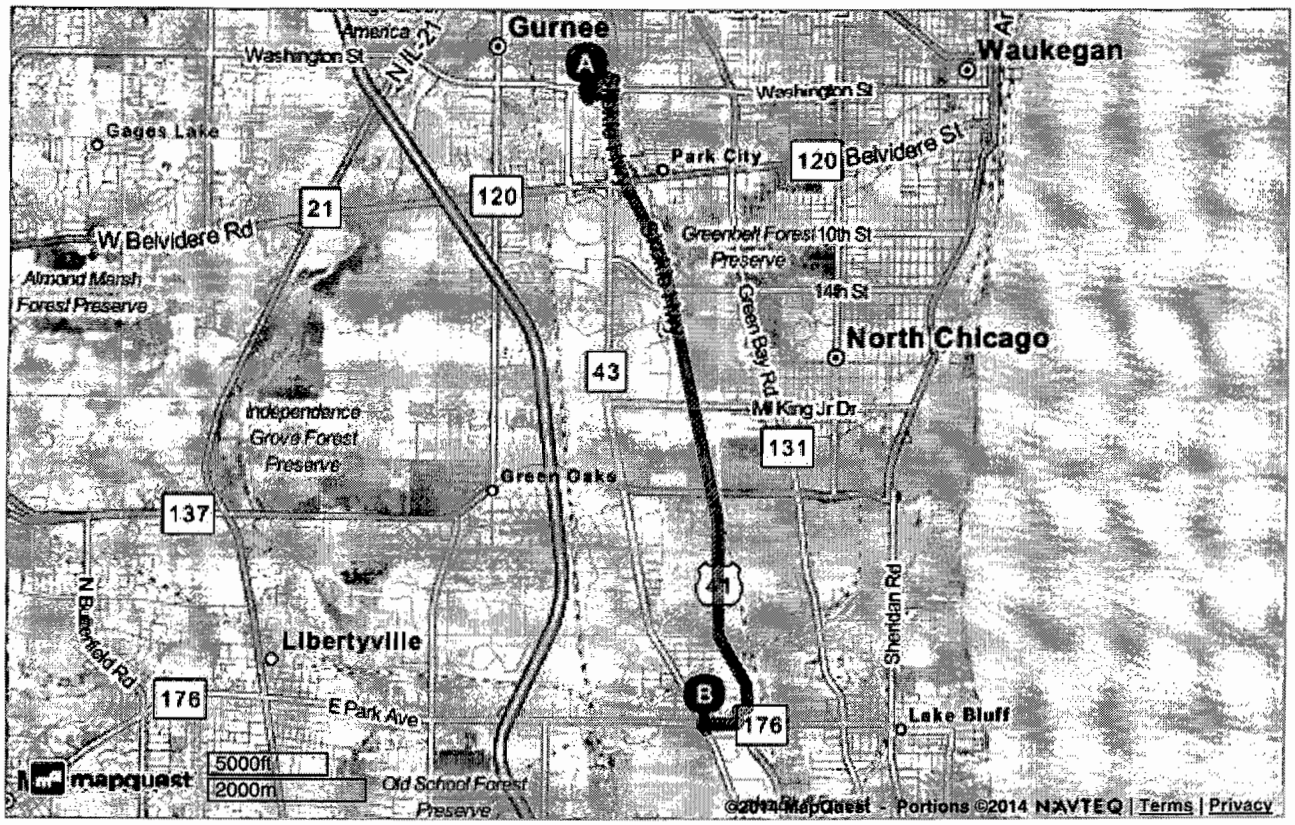

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Trip to:

565 Lakeview Pkwy
Vernon Hills, IL 60061-1822
13.03 miles / 20 minutes

Notes

TO DAVITA LAKE COUNTY

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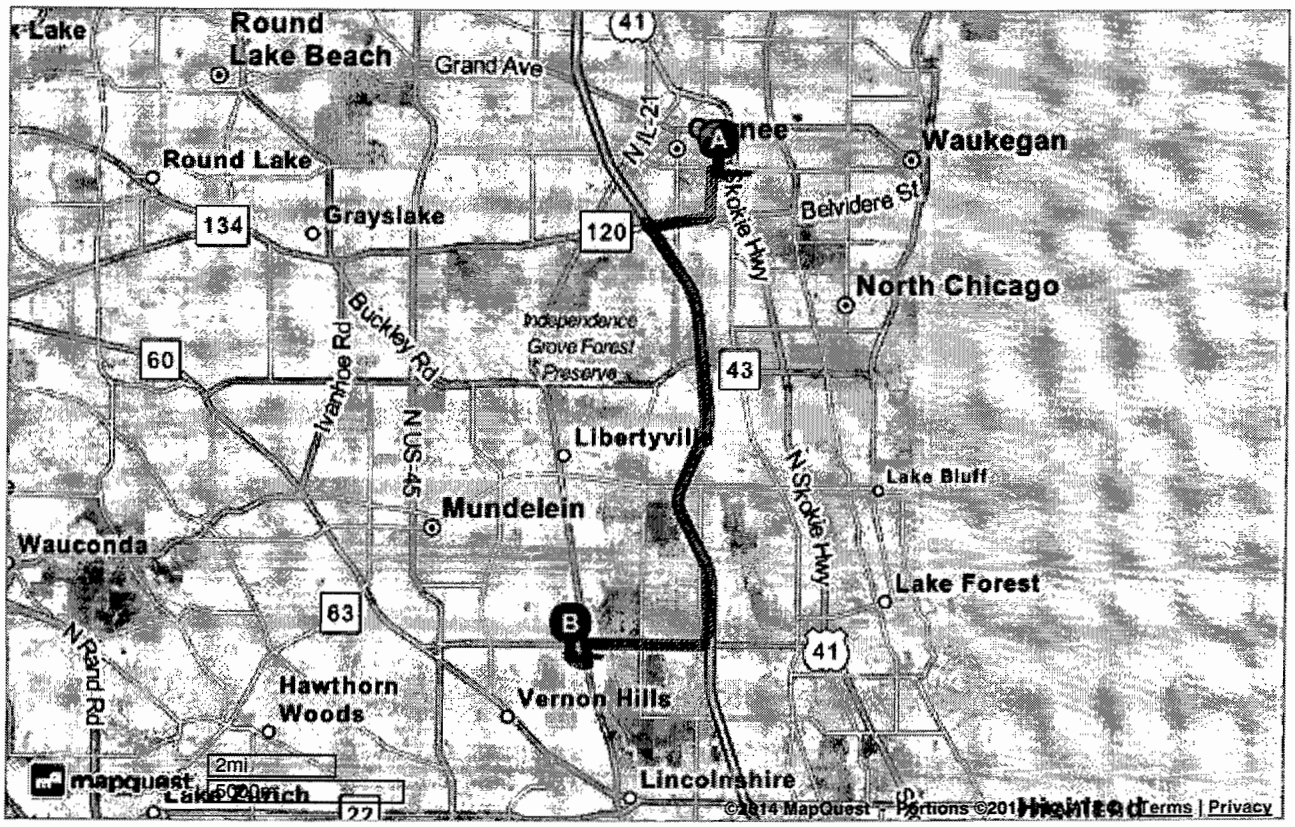

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118

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Trip to:

401 W Nippersink Rd
Round Lake, IL 60073-3280
11.00 miles / 21 minutes

Notes

TO FRESENIUS MEDICAL CARE ROUND LAKE

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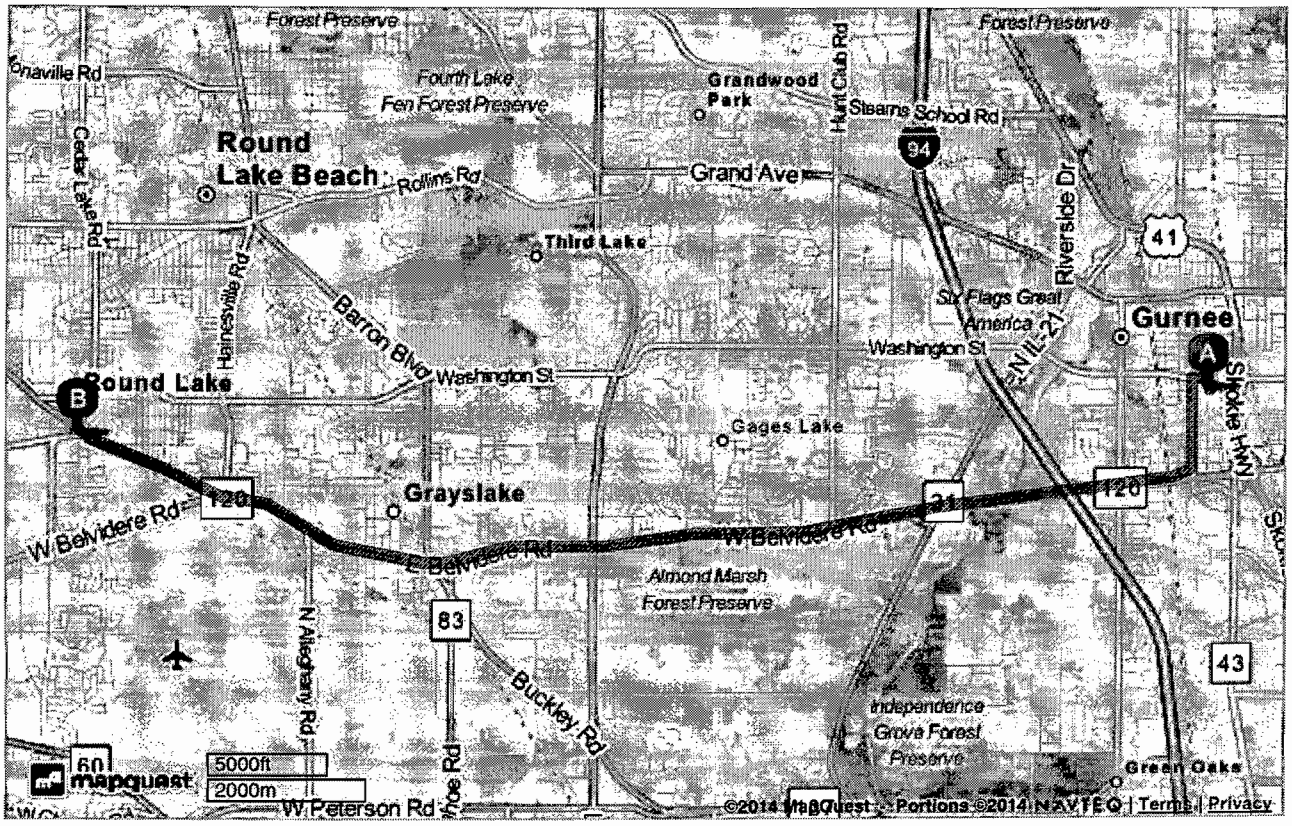

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Trip to:

718 Glenview Ave
Highland Park, IL 60035-2432
14.40 miles / 21 minutes

Notes
TO HIGHLAND PARK HOSPITAL DIALYSIS

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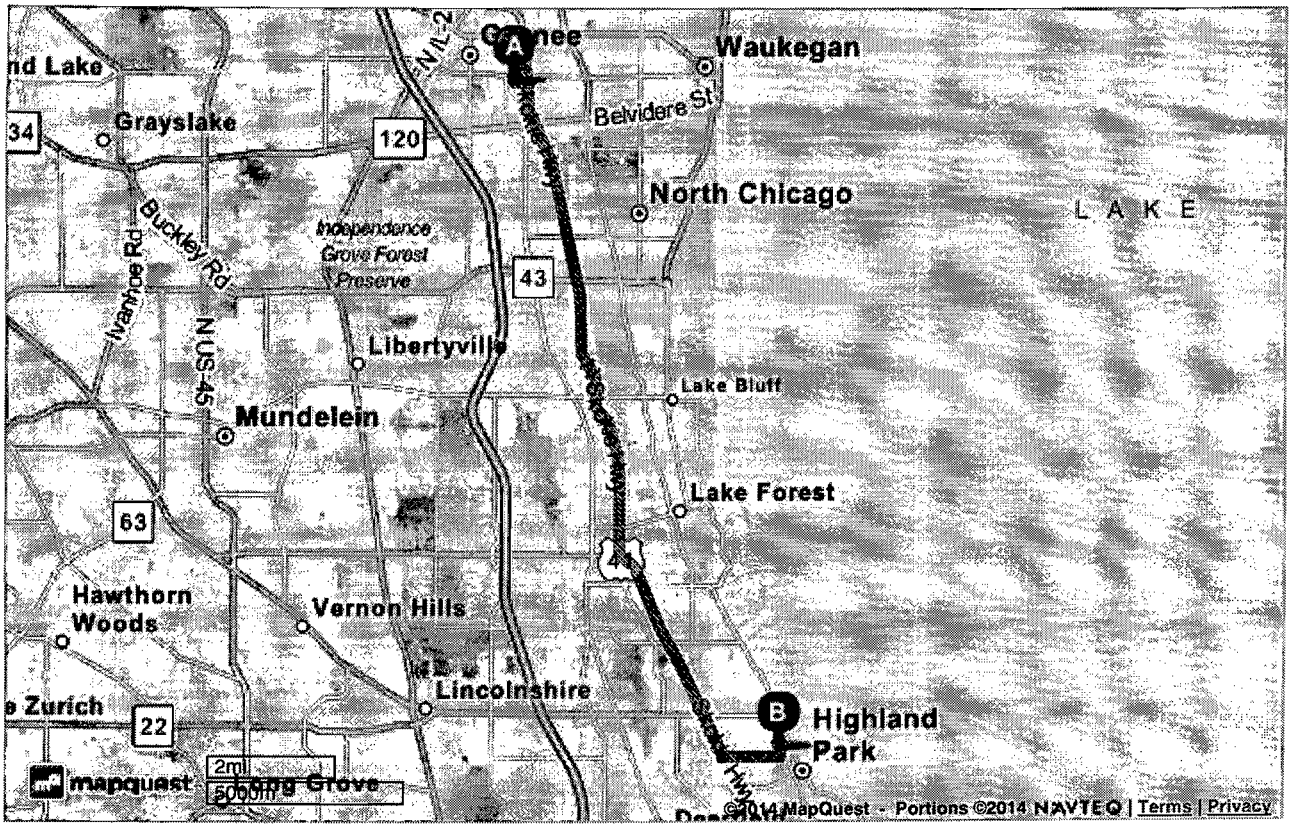

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Trip to:

1400 Townline Rd

Mundelein, IL 60060-4433

14.19 miles / 22 minutes

Notes

TO FRESENIUS MEDICAL CARE
MUNDELEIN

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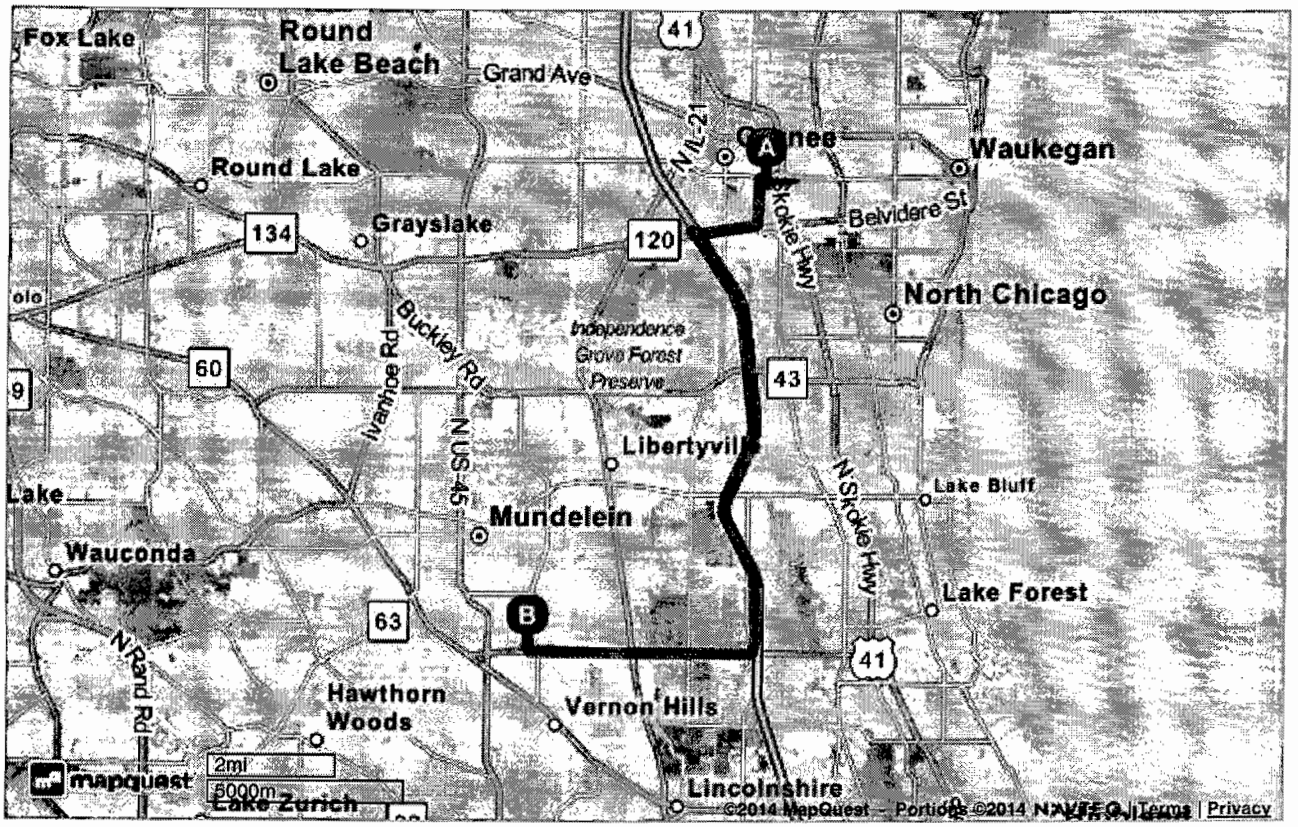

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Trip to:

405 Lake Cook Rd
Deerfield, IL 60015-4993
18.39 miles / 25 minutes

Notes

TO FRESENIUS MEDICAL CARE DEERFIELD

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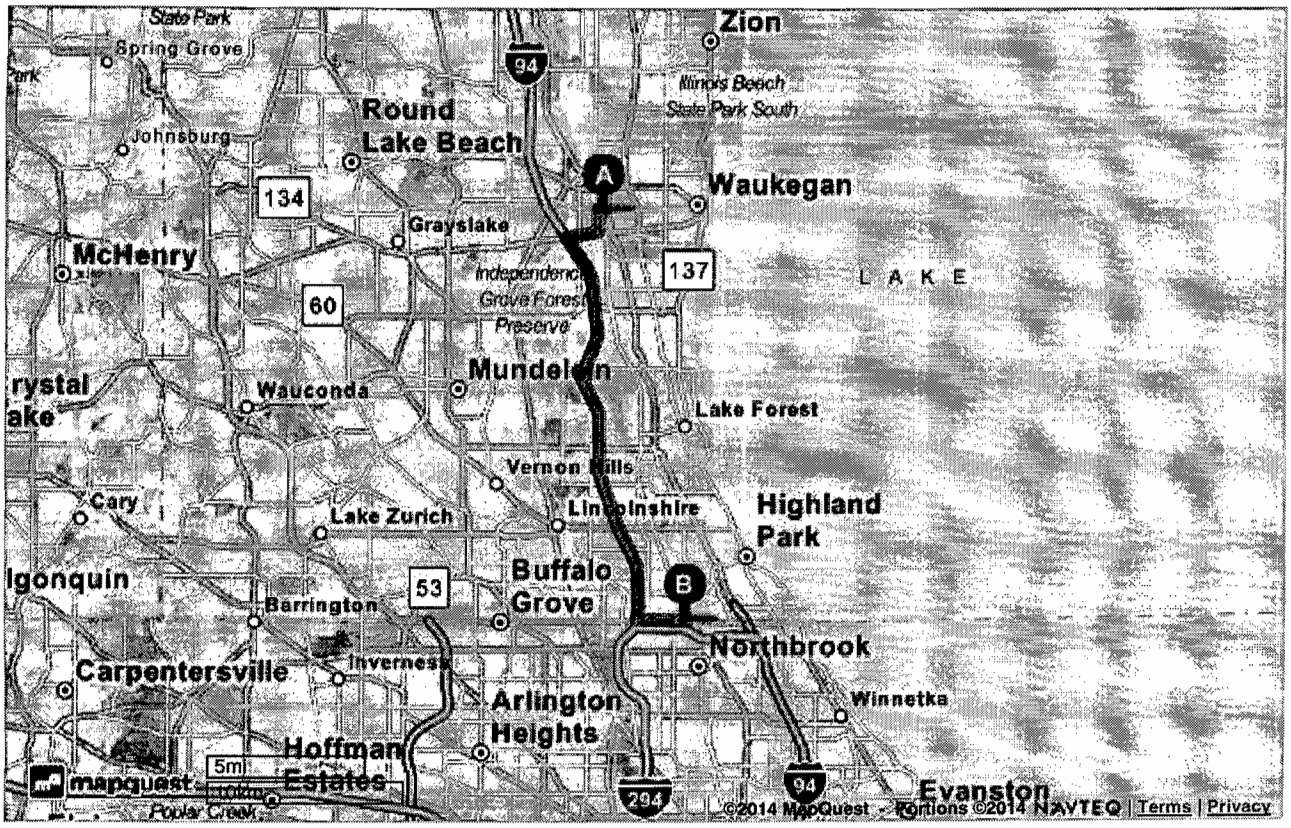

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Notes

TO DAVITA LAKE VILLA

Trip to:

Davita Lake Villa At Home
37809 N Il Route 59
Lake Villa, IL 60046
(888) 920-2996
13.99 miles / 25 minutes

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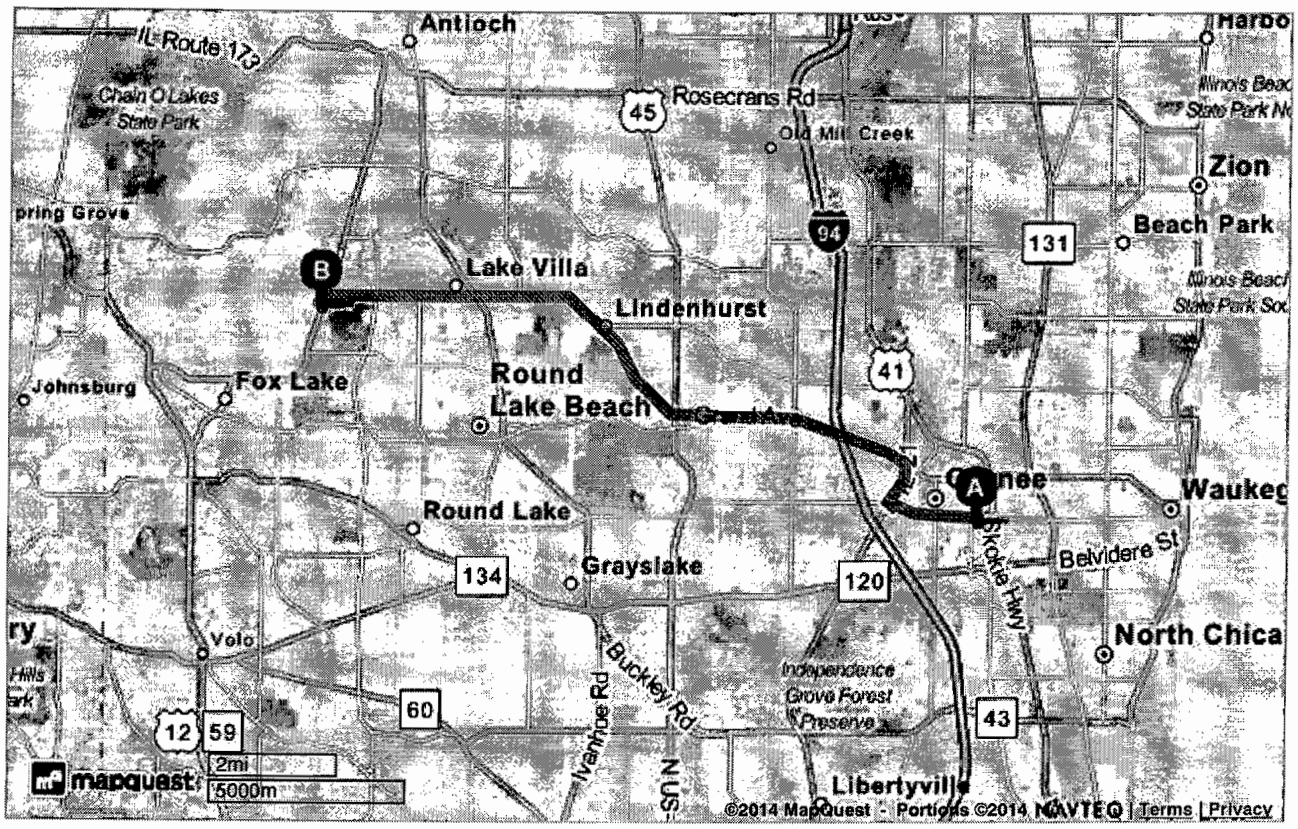

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Notes

TO FRESENIUS MEDICAL CARE ANTIOCH

Trip to:

311 W Depot St

Antioch, IL 60002-1500

17.36 miles / 26 minutes

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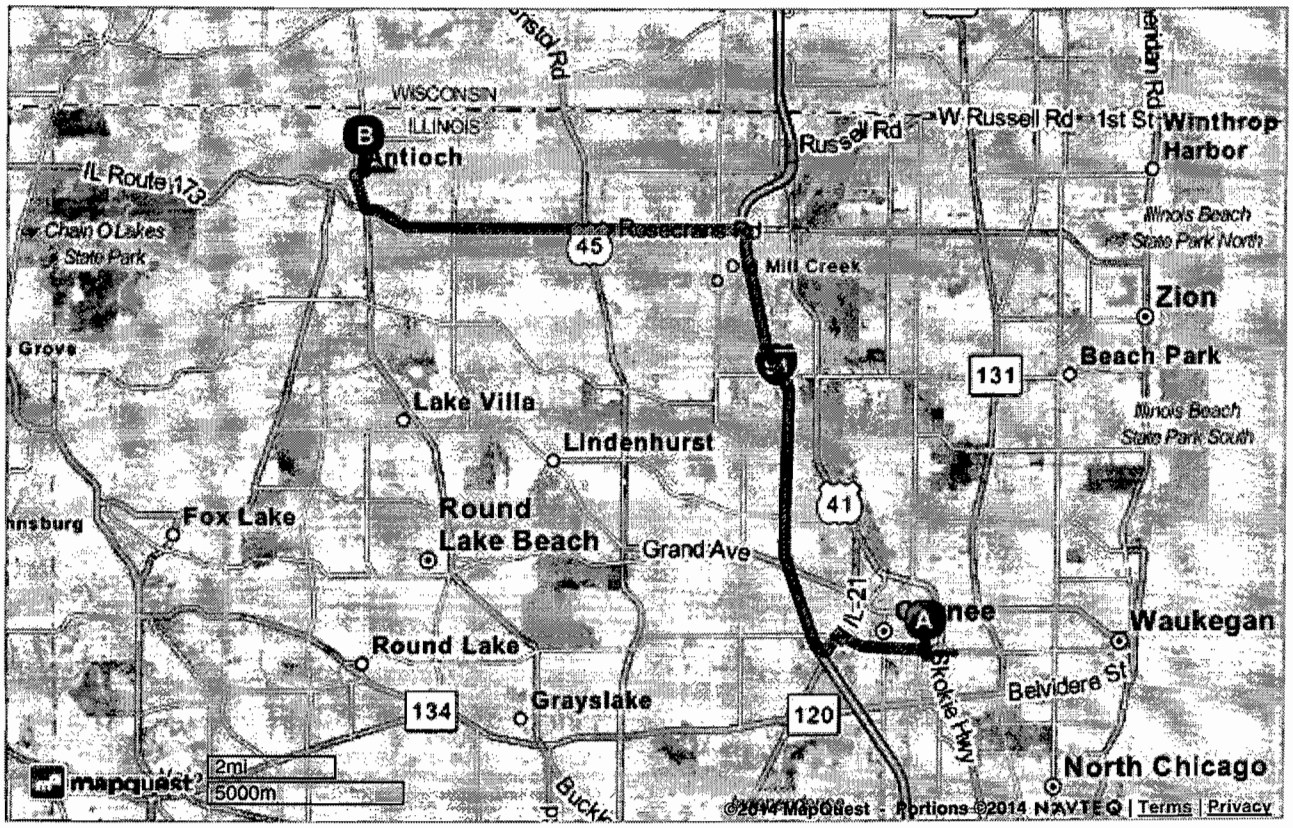

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NANI Nephrology Associates of Northern Illinois and Indiana

North Suburban Nephrology

1445 North Hunt Club Roads, Suite 201, Gurnee, IL 60031

Tele: 847-855-9152
Fax: 847-855-5275
WWW.KIDNEYPHYSICIANS.COM

R. KHANNA, DO
O. DEGANI, MD
N. ALAPISHVILI MD
P. THOMAS, M.M.S., PA-C

March 27, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL62761

Dear Ms. Avery:

I am a nephrologist in practice with Nephrology Associates of Northern Illinois (NANI) and am the Medical Director of the Fresenius Gurnee and Waukegan Harbor ESRD facilities. The Gurnee facility has long outgrown its current space with 14 stations squeezed into a space more suitable for 10. My partners (Dr. Alapishvili & Dr. Degani) and I have a large and expanding practice here in northeast Lake County. Thus, the Gurnee clinic has been operating around 100% utilization for the last five years. I am excited at the prospect of having a larger more modern space for my patients to dialyze in as well as the additional stations to give patients more treatment shift options.

We were treating 139 hemodialysis patients at the end of 2011, 165 patients at the end of 2012, and 190 at the end of 2013 as reported to The Renal Network at the Fresenius facilities listed on the following pages. Over the past twelve months we have referred 50 new hemodialysis patients for services to these same facilities. We also have approximately 25 home therapies patients. I expect that all 82 current patients of the Fresenius Medical Care Gurnee facility will relocate to the new site upon its opening.

We currently have over 400 patients in our practice in various stages of chronic kidney failure. There are 102 pre-ESRD patients that live in the zip codes surrounding the Gurnee area. Of these approximately 71 could begin dialysis at the Gurnee facility by the time the relocated facility has been in operation two years. Some of these may choose home treatment as we strongly encourage our patients who are good candidates for home therapies to dialyze at home.

Given the increase of pre-ESRD patients seen in our practice and small size of our current facility, I urge the Board to approve the relocation of the Gurnee facility in order to keep access available to this growing ESRD patient population. Thank you for your consideration.

Physician Referrals
APPENDIX - 2

NANI
Nephrology Associates of Northern Illinois and Indiana

North Suburban Nephrology

1445 North Hunt Club Roads, Suite 201, Gurnee, IL 60031

Tele: 847-855-9152
Fax: 847-855-5275
WWW.KIDNEYPHYSICIANS.COM

R. KHANNA, DO
O. DEGANI, MD
N. ALAPISHVILI MD
P. THOMAS, M.M.S., PA-C

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,

Rakhi Khanna, DO, FASN

Notarization:
Subscribed and sworn to before me
this 9th day of April, 2014

Michelle M. Hogan
Signature of Notary

Seal

OFFICIAL SEAL
MICHELLE M HOGAN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/12/17

CURRENT GURNEE PATIENTSPRE-ESRD PATIENTS TRANSFERRING TO THEIDENTIFIED FOR THE RELOCATION SITE RELOCATED FACILITY

Zip Code	Patients
60030	4
60031	14
60063	1
60064	9
60069	1
60073	1
60074	1
60083	1
60085	46
60087	2
60099	2
Total	**82**

Zip Code	Patients
60031	12
60048	3
60064	15
60083	6
60085	19
60087	7
60096	4
60099	5
Total	**71**

NEW HEMODIALYSIS REFERRALS OF THE SUPPORTING PHYSICIANS FOR THE PAST TWELVE MONTHS

Zip Code	Fresenius Medical Care					Total
	Gurnee	Round Lake	Antioch	McHenry	Waukegan Harbor	
60002			8			**8**
60030		2				**2**
60031	2		1		1	**4**
60060		1				**1**
60064	1				2	**3**
60073		1				**1**
60083			1			**1**
60084		1				**1**
60085	2		3		16	**21**
60087		1	1		2	**4**
60098				2		**2**
60099					2	**2**
Total	**5**	**6**	**14**	**2**	**23**	**50**

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2011

Zip Code	Fresenius Medical Care					Total
	Antioch	McHenry	Gurnee	Round Lake	Waukegan Harbor	
53158	1					1
53179	2					2
53182	1					1
60002	9					9
60020	1			2		3
60030	1			3		4
60031	1		7	1		9
60046	2					2
60047		1				1
60050		6				6
60061				1		1
60064			9	1	1	11
60071	2					2
60073	1			14		15
60074				1		1
60081	1					1
60083	1					1
60084				2		2
60085	1		42	1	1	45
60087			5	1		6
60096			1			1
60098		2				2
60099	8		3			11
60607			1			1
60640			1			1
Total	**32**	**9**	**69**	**27**	**2**	**139**

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2012

Zip Code	Fresenius Medical Care					Total
	Antioch	McHenry	Gurnee	Round Lake	Waukegan Harbor	
53179	2					2
60002	10					10
60018		1				1
60020	1			2		3
60030	1			2		3
60031	1		7	3	2	13
60041				1		1
60046	3	1		1		5
60047		1				1
60048					1	1
60050		4				4
60060				1		1
60061				1		1
60064			10		5	15
60071	1					1
60073	3		1	14		18
60083	1		1			2
60084				2		2
60085	1		39	1	14	55
60087			1	1	3	5
60096					1	1
60098		2				2
60099	6		2		5	13
60619					1	1
60623			1			1
60640			1			1
60646			1			1
60707		1				1
Total	**30**	**10**	**64**	**29**	**32**	**165**

PATIENTS OF SUPPORTING PHYSICIANS AS OF YEAR END 2013

Zip Code	Fresenius Medical Care					Total
	Antioch	McHenry	Gurnee	Round Lake	Waukegan Harbor	
53179	2					2
60002	12					12
60020	1			2		3
60030				2		2
60031			12	1	2	15
60041	1			1		2
60042		1				1
60046	3			1		4
60047		1				1
60050		5				5
60064		1	7		8	16
60071	1					1
60073	5		1	16		22
60081				1		1
60083	2		1			3
60084				2		2
60085	2		33	1	28	64
60087			2	2	5	9
60096					1	1
60098		2				2
60099	6		1		9	16
60102		1				1
60617					1	1
60619					1	1
60623				1		1
60625			1			1
60644	1					1
Total	**37**	**11**	**58**	**30**	**55**	**190**