

14-016

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

ORIGINAL**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION****RECEIVED****This Section must be completed for all projects.**

APR 24 2014

Facility/Project Identification

Facility Name: Community Dialysis of Harvey		FACILITIES & SERVICES REVIEW BOARD
Street Address: 16641 Halsted Street		
City and Zip Code: Harvey, Illinois 60426		
County: Cook	Health Service Area: 7	Health Planning Area: 7

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

Exact Legal Name: DaVita HealthCare Partners Inc
Address: 2000 16 th Street, Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 2000 16 th Street, Denver, CO 80202
Telephone Number: (303) 405-2100

Type of Ownership of Applicant/Co-Applicant

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

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

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

Primary Contact**[Person to receive ALL correspondence or inquiries]**

Name: Tim Tincknell
Title: Administrator, CON Projects
Company Name: DaVita HealthCare Partners Inc
Address: 1333 North Kingsbury Street, Suite 305, Chicago, Illinois 60642
Telephone Number: 312-649-9289
E-mail Address: timothy.tincknell@davita.com
Fax Number: 866-586-3214

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

Name: Ronny Philip
Title: Regional Operations Director
Company Name: DaVita HealthCare Partners Inc
Address: 13155 South LaGrange Road, Orland Park, Illinois 60462
Telephone Number: 708-923-0928
E-mail Address: ronny.philip@davita.com
Fax Number: 855-871-6348

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

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City and Zip Code: Harvey, Illinois 60426		
County: Cook	Health Service Area: 7	Health Planning Area: 7

Applicant /Co-Applicant Identification

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

Exact Legal Name: Total Renal Care Inc
Address: 2000 16 th Street, Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 2000 16 th Street, Denver, CO 80202
Telephone Number: (303) 405-2100

Type of Ownership of Applicant/Co-Applicant

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Fax Number: 855-871-6348

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: Charles Sheets
Title: Attorney
Company Name: Polsinelli PC
Address: 161 North Clark Street, Suite 4200, Chicago, Illinois 60601
Telephone Number: 312-873-3605
E-mail Address: csheets@polsinelli.com
Fax Number: 312-873-3793

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: 167 th and Halsted LLC
Address of Site Owner: 921 Broadway, Gary, IN 46402
Street Address or Legal Description of Site: 16641 Halsted Street, Harvey, Illinois 60426
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: Total Renal Care Inc
Address: 2000 16 th Street, Denver, CO 80202
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o 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:

- 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.

The proposed project contemplates a change in ownership of Community Dialysis of Harvey. Total Renal Care Inc, a subsidiary of DaVita HealthCare Partners Inc, will acquire substantially all of the assets of Community Dialysis of Harvey from Community Dialysis, LLC for \$4 million.

Community Dialysis of Harvey is an 18 station in-center hemodialysis facility located at 16641 Halsted Street, Harvey, Illinois 60426. The new operating entity will be Total Renal Care Inc.

The acquisition is projected to be completed by December 31, 2014.

This project has been classified as non-substantive because it proposes a change of ownership, which constitutes a facility conversion under 77 Ill. Admin. Code 1110.40(b).

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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	\$4,000,000		\$4,000,000
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$4,000,000		\$4,000,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$4,000,000		\$4,000,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$4,000,000		\$4,000,000
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 \$ _____.

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): August 1, 2014

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
 Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
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.

Facility Bed Capacity and Utilization NOT APPLICABLE

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. **Include observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME:		CITY:			
REPORTING PERIOD DATES:		From:	to:		
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

CERTIFICATION

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

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

This Application for Permit is filed on the behalf of DaVita HealthCare Partners 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.

Arturo Sida
SIGNATURE

Arturo Sida
PRINTED NAME

Assistant Corporate Secretary
PRINTED TITLE

PRINTED TITLE

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

See Attached
Signature of Notary

Seal

*Insert EXACT legal name of the applicant

Michael D. Staffieri
SIGNATURE

Michael D. Staffieri
PRINTED NAME

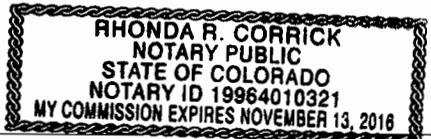
Chief Operating Officer – Kidney Care
PRINTED TITLE

STATE OF COLORADO
COUNTY OF DENVER
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 31st day of MARCH 2014

Rhonda R. Corrick
Signature of Notary

Seal



State of California
County of Los Angeles

On March 28, 2014 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared Arturo Sida

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kimberly Ann K. Burgo



(Seal)

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Secretary's Certificate - Community Dialysis of Harvey

Document Date: March 28, 2014 Number of Pages: one (1)

Signer(s) if Different Than Above: No

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s): Arturo Sida

- Individual
- Corporate Officer

(Title(s))

- Partner
- Attorney-in-Fact
- Trustee
- Guardian/Conservator
- Other: Assistant Corporate Secretary

SIGNER IS REPRESENTING:

Name of Person(s) or Entity(ies): DaVita HealthCare Partners Inc.

CERTIFICATION

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

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 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

Arturo Sida

PRINTED NAME

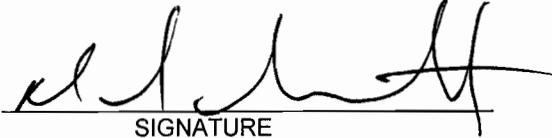
Assistant Corporate Secretary

PRINTED TITLE

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

Signature of Notary

Seal



 SIGNATURE

Michael D. Staffieri

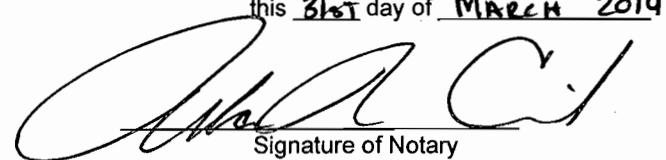
PRINTED NAME

Chief Operating Officer – Kidney Care

PRINTED TITLE

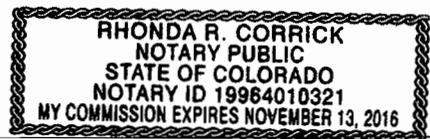
STATE OF COLORADO
COUNTY OF DENVER

Notarization:
 Subscribed and sworn to before me
 this 31st day of MARCH 2014



 Signature of Notary

Seal



*Insert EXACT legal name of the applicant

State of California

County of Los Angeles

On March 28, 2014 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared Arturo Sida

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Kimberly Ann K. Burgo*



(Seal)

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Secretary's Certificate - Community Dialysis of Harvey

Document Date: March 28, 2014 Number of Pages: one (1)

Signer(s) if Different Than Above: No

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s): Arturo Sida

- Individual
- Corporate Officer

(Title(s))

- Partner
- Attorney-in-Fact
- Trustee
- Guardian/Conservator
- Other: Assistant Corporate Secretary

SIGNER IS REPRESENTING:

Name of Person(s) or Entity(ies): Total Renal Care, Inc.

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 VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE COMPLETE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
 - a. the location (town and street address);
 - b. the number of beds;
 - c. a list of services; and
 - d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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:**

\$4,000,000	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;
_____	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.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	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.
_____	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;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$4,000,000	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				
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	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	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.

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 44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for the applicants are attached at Attachment – 1. Total Renal Care, Inc., a subsidiary of DaVita HealthCare Partners Inc. ("DaVita"), will acquire substantially all of the assets of Community Dialysis, LLC d/b/a Community Dialysis of Harvey. As the person with final control over the operator, DaVita HealthCare Partners Inc. is named as an applicant for this CON application. DaVita HealthCare Partners Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita HealthCare Partners Inc. from Delaware, the state of its incorporation, is attached.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA HEALTHCARE PARTNERS INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWELFTH DAY OF DECEMBER, A.D. 2012.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA HEALTHCARE PARTNERS INC." WAS INCORPORATED ON THE FOURTH DAY OF APRIL, A.D. 1994.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.



2391269 8300

121330793

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 0060461

DATE: 12-12-12



To all to whom these Presents Shall Come, Greeting:

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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, 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.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 31ST day of MARCH A.D. 2014 .



Authentication #: 1409000508
Authenticate at: <http://www.cyberdriveillinois.com>

Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the lease agreement for Community Dialysis of Harvey is attached at Attachment – 2.

LEASE AGREEMENT

This lease agreement was entered into on March 20, 2006, between 167th and Halsted LLC, a corporation organized under the laws of the State of Illinois, having its principal place of business at 921 Broadway, Gary, IN, 46402, referred to as "lessor," and Community Dialysis, LLC, a limited liability company organized under the laws of the State of Illinois, having its principal place of business at 16657 S. Halsted St., Harvey, IL, referred to as "lessee."

SECTION ONE

DESCRIPTION OF PREMISES

Lessor leases to lessee the premises located at 16657 South Halsted Street, Stores #1 through #7 comprising 6,864 sq. ft. in Harvey, Illinois.

SECTION TWO

TERM

The initial term of this lease agreement is five (5) years, beginning on April 1, 2006, and terminating on March 31, 2011, at 11:59pm.

Lessor grants to lessee an option to renew this lease agreement for an additional period of 5 years after expiration of the initial term. The lease agreement shall automatically renew for the additional five year period, unless lessee gives lessor written notice of its intention not to renew the lease at least 90 days before the expiration of the initial lease term.

Lessor grants to Lessee an additional option to renew this lease agreement for a second additional period of five (5) years after expiration of the initial option term. This option may be exercised by notice from Lessee to Lessor at least 90 days before the expiration of the initial option term. If the Lessee shall give Lessor such notice, the Lessor and Lessee shall agree upon the rental rate. All other terms shall be as set forth in this lease.

SECTION THREE

RENT

A. Rent shall be waived from April 1, 2006 to November 30, 2006. Lessee shall pay lessor monthly rent based on the following schedule, and monthly payments shall be due on the 1st day of each month during the term of the lease agreement

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	<u>Monthly Rent</u>	<u>Annual Rent</u>	<u>Rate/(sq. ft.)</u>
December 2006	\$9,438.00	n/a	
January and February 2007	\$4,719.00	n/a	
March 2007	\$9,438.00	n/a	
Year 2	\$9,438.00	\$113,256.00	\$16.50
	<u>Monthly Rent</u>	<u>Annual Rent</u>	<u>Rate/(sq. ft.)</u>
Year 3	\$9,438.00	\$113,256.00	\$16.50
Year 4	\$9,724.00	\$116,688.00	\$17.00
Year 5	\$9,724.00	\$116,688.00	\$17.00
Year 6 (if renewed)	\$10,210.17	\$122,522.00	\$17.85
Year 7 (if renewed)	\$10,719.28	\$128,631.00	\$18.74
Year 8 (if renewed)	\$11,256.92	\$135,083.00	\$19.68
Year 9 (if renewed)	\$11,817.50	\$141,810.00	\$20.66
Year 10 (if renewed)	\$12,412.42	\$148,949.00	\$21.70

In addition to the monthly rent, Tenant shall pay to Landlord as additional rent ("Additional Rent") such additional amounts as calculated on a monthly basis for Common Area Maintenance Costs under Section 8 herein and Tenant's Pro Rata Share of Real and Personal Property Taxes under Section 8 herein. Monthly Rent and Additional Rent are sometimes herein referred to collectively as "Rent".

B. Upon receiving the first property tax assessment, Lessor shall appeal and seek approval of the Class 8 tax incentive from the Cook County tax authorities, and Lessor shall use its best efforts to minimize the tax obligation for the demised premises throughout the term of the lease.

SECTION FOUR

USE OF PREMISES

The demised premises are to be used for the purposes of running an outpatient dialysis clinic. Lessee shall restrict its use to such purposes, and shall not use or permit the use of the demised premises for any other purpose without the prior, express, and written consent of lessor, or lessor's authorized agent.

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SECTION FIVE

RESTRICTIONS ON USE

A. Lessee shall not use the demised premises in any manner that will increase risks covered by insurance on the demised premises and result in an increase in the rate of insurance or a cancellation of any insurance policy, even if such use may be in furtherance of lessee's business purposes.

B. Lessee shall not keep, use, or sell anything prohibited by any policy of fire insurance covering the demised premises, and shall comply with all requirements of the insurers applicable to the demised premises necessary to keep in force the fire and liability insurance.

SECTION SIX

WASTE, NUISANCE, OR UNLAWFUL ACTIVITY

Lessee shall not allow any waste or nuisance on the demised premises, or use or allow the demised premises to be used for any unlawful purpose.

SECTION SEVEN

UTILITIES

Lessee shall arrange and pay for all utilities furnished to the demised premises for the term of this lease agreement, including, but not limited to, electricity, gas, water, sewer, medical waste disposal, and telephone service.

SECTION EIGHT

COMMON AREA MAINTENANCE & REAL ESTATE TAXES

- (a) Definition of Common Area. The term "Common Area" shall mean the improvements and portions of the Project which have been designated in this Lease or which are hereafter so designated by Landlord and provided for common use by or for the benefit of more than one occupant of the Project and including, without limitation (if and to the extent facilities therefor are provided at the time in question and are in or provided wholly or partially for the use or benefit of tenants in the Project), entrances and exits to and from the Project and to and from the public streets abutting the Project; parking areas and driveways; truck passageways, loading courts, loading platforms, truck docks and truck maneuvering areas; service corridors and stairways and/or loading facilities; landscaped areas; on-site or off-site signs identifying or advertising the Project; exterior walks, sidewalks and arcades; stairs, stairways, elevators, ramps and any other pedestrian direction and control

measures; interior corridors, arcades and balconies; directory signs and equipment, underground storm and sanitary sewers, utility lines and the like to the junction box serving one occupant exclusively, and any of the foregoing which services the Common Area; sprinkler systems, fire protection and security alarm systems; wash rooms, comfort rooms, drinking fountains, toilets; maintenance areas; custodial facilities.

(b) Management of Common Area. Landlord agrees to manage, operate and maintain the Common Area during the term of this Lease. The manner in which such areas and facilities shall be maintained and the expenditures therefore shall be performed in accordance with sound and prudent shopping center management practices. Landlord, who shall have the right to adopt and promulgate reasonable rules and regulations, from time to time, including the right to designate parking areas for the use of employees of tenants of the Project or the Retail Area, to restrict such employees from parking areas designated exclusively for customers or to prohibit entirely parking by such employees within the Common Area. Upon request by Landlord, Tenant shall furnish a complete list of the names of Tenant's employees at the Premises who have automobiles, and the state license numbers of all motor vehicles operated by Tenant. Tenant shall cause its agents, employees, contractors, licensees, concessionaires and subtenants to comply with all rules and regulations pertaining to the use of the Common Area and the parking of cars therein.

(c) Common Area Maintenance Costs. All costs and expenses ("Operating Expenses") of every kind and nature paid or incurred by Landlord in operating, managing, equipping, controlling, lighting, repairing, replacing, insuring and maintaining all Common Areas shall be apportioned among the Retail Area and other areas within the project and Tenant shall share in the portion of the Operating Expenses apportioned to the Retail Area in the manner provided under this Section 8. Operating Expenses shall likewise include (but not be limited to) all costs and expenses incident to securing, maintaining and repairing as reasonably required to maintain the Common Area in the same condition as the same were in as of the original completion thereof; water, sewer and utility charges; premiums for liability, business interruption, property damage, fire, extended coverage, malicious mischief, vandalism, workman's compensation, employees' liability and other casualty and/or risk insurance procured by Landlord in connection with the Retail Area; contractor fees, contractor costs and personnel compensation; unemployment taxes, social security taxes, and personal property taxes; fees for permits and licenses; scheduling and compensation of security personnel; all costs and expenses of replanting and replacing flowers and landscaping; repair and rental costs for reasonable depreciation of equipment used in the operation and maintenance of the Common Area; glass cleaning; costs and expenses of cleaning and removal or rubbish, dirt and debris from the

Common Area; but there shall be excluded costs of equipment properly chargeable to capital account and depreciation of the original cost of constructing the Common Areas.

Tenant's pro rata share of all Operating Expenses shall be 76% of the Total Operating Expenses for the property allocated by Landlord to the Retail Area in accordance with generally accepted accounting principles.

Tenant's pro rata share of Operating Expenses and other charges payable by Tenant under this Article 8 shall be paid as Additional Rent and Tenant agrees to pay such additional rental in advance in monthly installments, based upon Landlord's estimates of the Operating Expenses and other charges, as set forth in statements or bills submitted therefore by Landlord to Tenant, on or about the first day of each calendar month within the term of this Lease (or such other periodic intervals as shall be determined by Landlord, in its discretion). Landlord may estimate Operating Expenses for an entire lease year or other period and may revise any such estimates at any time and from time to time. Within 90 days after the end of each Lease Year during the term of this Lease, Landlord shall furnish to Tenant a statement in reasonable detail setting forth the computation of the actual Operating Expenses and such other sums for such lease year.

Notwithstanding anything in this Lease to the contrary, Common Area Costs shall not include (i) depreciation of the Center or any equipment used or located therein; (ii) real estate brokerage commissions; (iii) legal fees incurred in leasing or in disputes with tenants; (iv) capital expenditures except for replacements of Common Area items that are intended to reduce Common Area Costs, but subject to the amortization provision or reserves; (v) cost of construction allowances provided to other tenants; (vi) interest or principal payments on any mortgage or deed of trust or any ground lease payments; (vii) any cost or expenditure for which Landlord is reimbursed (other than Tax contributions or Common Area Costs); (viii) costs of any special services furnished to certain other tenants but which Landlord does not make available to Tenant; (ix) costs of any code compliance work for items initially built in violation of code; (x) the cost of any testing, removal or remediation of any Hazardous Substances present as of the date of this Lease in violation of then applicable law; or (xi) the cost of acquisition of the building site and any costs of original construction of the Center, the building in which the Premises are to be located or the initial construction of the Common Areas or any expansion thereof.

Notwithstanding the foregoing, Tenant's pro rata share of Common Area Costs for any Lease Year after the first Lease Year shall not increase by more than ten percent (10%) per year on a cumulative basis, excluding non-controllable increases in Common Area Costs such as for salting, snow and ice removal, utilities, security, insurance and taxes.

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- (d) Tenant's Pro Rata Share of Real Estate Taxes. Real estate taxes, including, but not limited to, ad valorem taxes, both general and special, levied or assessed against the Land, all improvements situated on the Land (including, but not limited to, the Building) and Building Facilities shall be apportioned to the Retail Area in accordance with the provisions of this paragraph, and Tenant's proportionate share of such apportioned sum shall constitute additional rent under this Lease. The portion of such taxes apportioned by Landlord to the Retail Area shall be binding on Tenant. In the event any Building Facilities are utilized in connection with the operation or maintenance of the Retail Area, the taxes levied or assessed against such Building Facilities shall be apportioned between the Retail Area and such other portions of the Project based upon the utilization of the same in connection with the operations or maintenance of the Retail Area and such other portions of the Project based upon the utilization of the same in connection with the operations or maintenance of the Retail Area, the relative values of the various portions of the Project (including the manner determined by Landlord which is in accordance with generally accepted accounting principles. Tenant's proportionate share of the taxes apportioned to the Retail Area in respect of any year shall bear the same proportion to the total taxes apportioned to the Retail Area that the number of square feet in the Premises bears to the total number of square feet of rental area in the Retail Area used for retail purposes on the first day of such year.

Tenant's pro rata share of all such taxes shall be paid as additional rental and Tenant agrees to pay such additional rental in advance in monthly installments, based upon Landlord's estimates of the taxes, on or about the first day of each calendar month within the term of this Lease (or such other periodic intervals as shall be determined by Landlord in its discretion). Landlord may estimate such taxes for an entire lease year or other period and may revise any such estimates at anytime and from time to time. Within 90 days of the receipt of the actual tax bill, Landlord shall furnish to Tenant a statement including a copy of the tax bill which sets forth the actual amount of Tenant's pro rata share of such taxes and the amount paid by Tenant. If the amount paid by Tenant is less than Tenant's actual pro rata share, Tenant shall remit the difference to Landlord within ten days of Landlord's request. If the amount paid by Tenant is greater than Tenant's actual pro rata share, Landlord shall apply the difference as a credit to the next installment of rent due, or shall refund the difference to Lessee within ten (10) days of Lessee's request.

- (e) Taxes on Additions to Premises. Tenant shall pay, as additional rent, any and all increases in the real estate taxes and assessments levied on the Land and/or building by reason of any addition or improvements to the Premises made by

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Tenant or any subtenant or other occupant of the Premises, whether or not such alterations or improvements have been made with the written consent of Landlord. The amount of such additional taxes levied against the Project by reason of such additions or improvements shall be determined by the assessor of the taxing authority.

- (f) Taxes on Leasehold Improvements. Tenant shall render to the applicable taxing authority for assessment as personal property all leasehold improvements to the Premises and shall provide any information relating to such leasehold improvements requested by such authority. Tenant shall pay all taxes levied or assessed by reason of such leasehold improvements (including, but not limited to, special assessments), prior to the time such taxes become delinquent. Tenant shall, upon request from Landlord, furnish to Landlord proof of payment of such taxes. In the event any leasehold improvements shall be deemed to be real estate, tenant shall reimburse Landlord on demand the amount of any taxes levied as against Landlord's property by reason thereof.
- (g) Other Taxes. Any excise, transaction, sales or privilege tax (except income tax) now or hereafter levied or imposed upon Landlord by any government or governmental agency on account of, attributed to or measured by rent or other charges or prorations payable under this Lease shall be paid by Tenant to Landlord, upon demand, along with the rent and other sums payable under this Lease.

SECTION NINE

DELIVERY, ACCEPTANCE, AND SURRENDER OF PREMISES

A. Lessor shall deliver the demised premises on or about June 7, 2006 upon the approval by the IL Health Facilities Planning Board of lessee's CON application.

B. Lessee shall surrender the demised premises at the end of the lease term, or any renewal of such term, in the same condition as when lessee took possession, allowing for reasonable use and wear, and damage by acts of God, including fires and storms. Before delivery, lessee shall remove all business signs placed on the demised premises by lessee and restore the portion of the demised premises on which they were placed in the same condition as when received.

C. Lessee shall accept the interior space of the demised premises "as is" and shall build-out the space at lessee's expense to render it suitable for lessee's business use.

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SECTION TEN

PARTIAL DESTRUCTION OF PREMISES

A. Partial destruction of the demised premises shall not render this lease agreement void or voidable, nor terminate it except as specifically provided in this lease agreement. If the demised premises are partially destroyed during the term of this lease agreement, lessor shall repair them when such repairs can be made in conformity with governmental laws and regulations, within 60 days of the partial destruction. Written notice of the intention of lessor to repair shall be given to lessee within 60 days after any partial destruction. Rent will be reduced proportionately to the extent to which the repair operations interfere with the business conducted on the demised premises by lessee. If the repairs cannot be made within the time specified above, lessor shall have the option to make them within a reasonable time and continue this lease agreement in effect with proportional rent rebate to lessee as provided for in this lease agreement. If the repairs cannot be made in 60 days by lessor, or lessor does not otherwise make the repairs in a commercially reasonable timeframe, lessee shall have the option of making the repairs at commercially reasonable rates and deducting the cost of such repairs from future rent payments, or terminating this lease agreement with thirty (30) days notice to Lessor.

B. Disputes between lessor and lessee relating to provisions of this section shall be arbitrated in Cook County, Illinois. The parties shall each select an arbitrator from the American Arbitrators Association, and the two arbitrators selected shall together select a third arbitrator. The three arbitrators shall determine the dispute through commercial rules accepted by the American Arbitrators Association, and their decisions shall be binding on the parties. The parties shall divide the costs of arbitration equally between them.

SECTION ELEVEN

ENTRY ON PREMISES BY LESSOR

A. Lessor reserves the right to enter on the demised premises at reasonable times to inspect them, perform required maintenance and repairs, or to make additions, alterations, or modifications to any part of the building in which the demised premises are located, and lessee shall permit lessor to do so.

B. Lessor may erect scaffolding, fences, and similar structures, post relevant notices, and place moveable equipment in connection with making alterations, additions, or repairs, all without incurring liability to lessee for disturbance of quiet enjoyment of the demised premises, or loss of occupation of the demised premises.

SECTION TWELVE

SIGNS, AWNINGS, AND MARQUEES INSTALLED BY LESSEE

A. Lessee shall not construct or place signs, awnings, marquees, or other structures projecting from the exterior of the demised premises without the prior, express, and

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written consent of lessor, which shall not be unreasonably withheld. Lessee shall be allowed to place a large sign identifying the business on the face of the building.

B. Lessee shall remove signs, displays, advertisements, or decorations it has placed on the premises that, in the opinion of lessor, are offensive or otherwise objectionable. If lessee fails to remove such signs, displays, advertisements, or decorations within 30 days after receiving written notice from lessor to remove them, lessor reserves the right to enter the demised premises and remove them at the expense of lessee.

SECTION THIRTEEN

BUSINESS SALE SIGNS

Lessee shall not conduct "Going out of Business," "Lost Our Lease," "Bankruptcy," or other sales of that nature on the demised premises without the written consent of lessor.

SECTION FOURTEEN

NONLIABILITY OF LESSOR FOR DAMAGES

Lessor shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the demised premises by lessee during the term of this lease agreement or any extension of such term. Lessee shall indemnify lessor from any and all liability, loss, or other damage claims or obligations resulting from any injuries or losses relating to the occupancy of the demised premises by lessee. Lessee shall not be liable for any and all liability, losses, or other damage claims or obligations resulting from any injuries or losses arising from the areas repaired and or maintained by lessor, including, but not limited to, all common areas as defined in Section 8 (a) herein. Lessor shall indemnify lessee from any and all liability, losses, or other damage claims or obligations resulting from any injuries or losses arising from the areas repaired and or maintained by lessor.

SECTION FIFTEEN

LIABILITY INSURANCE

A. Lessee shall procure and maintain in force at its expense during the term of this lease agreement and any extension of such term, public liability insurance with insurers approved by lessor. Such coverage shall be adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the demised premises, in a minimum amount of \$100,000 for each person injured, \$300,000 for any one accident, and \$1,000,000 for general liability. Lessor shall maintain adequate property insurance coverage for property damage, and general liability insurance in reasonable amounts. The insurance policies shall provide coverage for contingent liability of lessor on any claims or losses. Copies of the insurance policies shall be delivered to lessor for safekeeping. Lessee shall obtain a written obligation from the insurers to notify lessor in writing at least 30 days prior to cancellation or refusal to

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renew any policy. Lessor and lessee shall each name the other party as an additional insured in their respective insurance policies.

B. If the insurance policies required by this section are not kept in force during the entire term of this lease agreement or any extension of such term, lessor may procure the necessary insurance and pay the premium for it, and the premium shall be repaid to lessor as an additional rent installment for the month following the date on which the premiums were paid by lessor.

C. Lessee shall pay its pro rata share of the cost of property insurance for the demised premises.

SECTION SIXTEEN

ASSIGNMENT, SUBLEASE, OR LICENSE

A. Except for mergers, consolidations, or a sale of all or part of Lessee's business at the premises, in which no case Lessor consent shall be required, Lessee shall not assign or sublease the demised premises, or any right or privilege connected with the demised premises, or allow any other person except agents and employees of lessee to occupy the demised premises or any part of the demised premises without first obtaining the written consent of lessor, which shall not be unreasonably withheld. A consent by lessor shall not be a consent to a subsequent assignment, sublease, or occupation by other persons.

B. An unauthorized assignment, sublease, or license to occupy by lessee shall be void.

C. The interest of lessee in this lease agreement is not assignable by operation of law without the written consent of lessor.

SECTION SEVENTEEN

BREACH

The appointment of a receiver to take possession of the assets of lessee, a general assignment for the benefit of the creditors of lessee, any action taken or allowed to be taken by lessee under any bankruptcy act, or the failure of lessee to comply with each term and condition of this lease agreement shall constitute a breach of this lease agreement. Lessee shall have 30 days after receipt of written notice from lessor of any breach to correct the conditions specified in the notice. If the corrections cannot be made within the 30 day period, lessee shall have a reasonable time to correct the default if action is commenced by lessee within 30 days after receipt of the notice.

SECTION EIGHTEEN

ATTORNEY FEES

If lessor or lessee files an action to enforce any agreement contained in this lease agreement, or for breach of any covenant or condition, the prevailing party shall be

CA

entitled to collect reasonable attorney fees from the other party, all fees to be fixed by the court.

SECTION NINETEEN

CONDEMNATION

Eminent domain proceedings resulting in the condemnation of a part of the demised premises, but leaving the remaining premises usable by lessee for the purposes of its business, will not terminate this lease agreement unless lessor, at its option, terminates this lease agreement by giving written notice of termination to lessee. The effect of any condemnation, where the option to terminate is not exercised, will be to terminate this lease agreement as to the portion of the demised premises condemned, and the lease of the remainder of the demised premises shall remain intact. The rental for the remainder of the lease term shall be reduced by the amount that the usefulness of the demised premises has been reduced for the business purposes of lessee. Lessee assigns and transfers to lessor any claim it may have to compensation for damages as a result of any condemnation.

SECTION TWENTY

WAIVERS

Waiver by lessor of any breach of any covenant or duty of lessee under this lease is not a waiver of a breach of any other covenant or duty of lessee, or of any subsequent breach of the same covenant or duty.

SECTION TWENTY-ONE

GOVERNING LAW

It is agreed that this lease agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Illinois.

SECTION TWENTY-TWO

ENTIRE AGREEMENT

This lease agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this lease agreement shall not be binding upon either party except to the extent incorporated in this lease agreement.

SECTION TWENTY-THREE

MODIFICATION OF AGREEMENT

Any modification of this lease agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

SECTION TWENTY-FOUR

NOTICES

A. All notices, demands, or other writings that this lease agreement requires to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

To lessor: 167th and Halsted LLC, 921 Broadway, Gary, IN 46402

To lessee: Mr. Steve Bucher, Renal Therapies, 2500 N. Main St., STE 1A, East Peoria, IL 61611.

B. The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

SECTION TWENTY-FIVE

BINDING EFFECT

This lease agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties.

SECTION TWENTY-SIX

TIME OF THE ESSENCE

It is specifically declared and agreed that time is of the essence of this lease agreement.

SECTION TWENTY-SEVEN

SECURITY DEPOSIT AND FIRST MONTH RENT

Security deposit is equal to the first full month's gross rent which will be due to lessor from lessee within seven business days after lessee's CON approval by the IL Health Facilities Planning Board. The December 2006 rent payment shall be paid to lessor by lessee within seven business days after lessee's CON approval by the IL Health Facilities Planning Board.

CA

SECTION TWENTY-EIGHT

MECHANICS LIENS and OTHER LIENS

If any mechanics or other liens or order for the payment of money shall be filed against the premises by reason of or arising from any repair, improvement, replacement or change relating to said premises, then lessee shall have the same removed or insured or bonded over within 20 days or shall be in default of this lease agreement.

SECTION TWENTY-NINE

VOIDABLE LEASE

In the event that the Illinois Health Facilities Planning Board does not grant approval of lessee's Certificate of Need application to establish an outpatient dialysis clinic at the leased premises, this lease shall be deemed null and void, and lessor shall return to lessee any security deposit payment and rent payment within ten (10) business days at the request of lessee. Lessee shall notify lessor by June 15, 2006 of any action by the IL HFPB that does not result in an approved CON. Lessee shall provide lessor evidence of any CON denial provided to lessee by the HFPB. Lessor may void the lease agreement if lessee does not pay the security deposit and the December 2006 rent payment by June 15, 2006.

SECTION THIRTY

PARAGRAPH HEADINGS

The titles to the paragraphs of this lease agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this lease agreement.

In witness, each party to this lease agreement has caused it to be executed at _____ *[place of execution]* on the date indicated below.

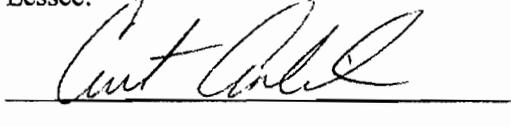
Lessor:



5-22-06

[Signatures and date(s) of signing]

Lessee:

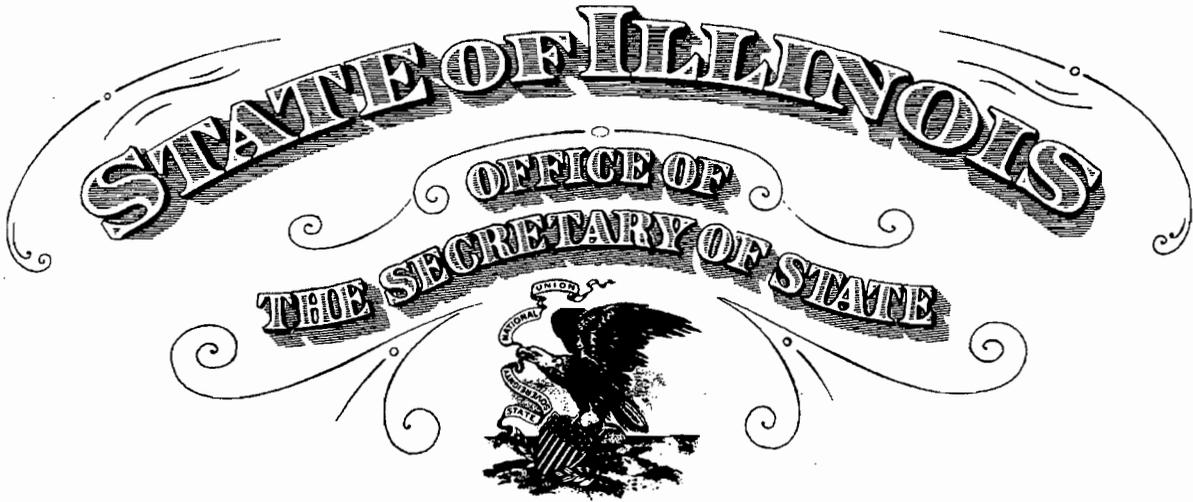


5-18-06

[Signatures and date(s) of signing]

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

The Illinois Certificate of Good Standing for Total Renal Care, Inc. is attached at Attachment – 3.



To all to whom these Presents Shall Come, Greeting:

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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, 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 #: 1409000508

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 31ST day of MARCH A.D. 2014

Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart for DaVita HealthCare Partners Inc. and Total Renal Care, Inc. is attached at Attachment – 4.

DaVita HealthCare Partners, Inc
Organizational Structure

DaVita
HealthCare
Partners, Inc



Total Renal
Care, Inc.

Section I, Identification, General Information, and Certification
Flood Plain Requirements

The Applicants propose a change of ownership of Community Dialysis of Harvey. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Applicants propose a change of ownership of Community Dialysis of Harvey. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

**Section I, Identification, General Information, and Certification
Cost Space Requirements**

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ESRD	\$4,000,000	6,864				6,864	
Total Clinical	\$4,000,000	6,864	0	0	0	6,864	0
NON CLINICAL	\$0	0	0	0	0	0	0
Total Non-clinical	\$0	0	0	0	0	0	0
TOTAL	\$4,000,000	6,864	0	0	0	6,864	0

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230, Project Purpose, Background and Alternatives

Background of the Applicant

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. The proposed project involves the acquisition of Community Dialysis of Harvey.

DaVita HealthCare Partners Inc is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2012 Community Care report, some of which is outlined below, details DaVita's commitment to quality, patient centric focus and community outreach, is attached hereto as Attachment – 11A.

DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and end stage renal disease ("ESRD"). These programs include the Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Information on the Kidney Smart, IMPACT and CathAway programs, in addition to two press releases: "DaVita Celebrates Extraordinary 2012" and "DaVita Celebrates Giving Back in 2012" are attached at Attachment – 11B.

There are over 26 million patients with CKD and that number is expected to rise. Current data reveals troubling trends, which help explain the growing need for dialysis services:

- Between 1988-1994 and 2005-2010, the overall prevalence estimate for CKD rose from 12.3 to 14.0 percent. The largest relative increase, from 25.4 to 40.8 percent, was seen in those with cardiovascular disease.¹
- Many studies have shown that diabetes, hypertension, cardiovascular disease, higher body mass index, and advancing age are associated with the increasing prevalence of CKD.²
- Over five times the number of new patients began treatment for ESRD in 2011 (approximately 116,000) versus 1980 (approximately 20,000).³
- Over ten times more patients are now being treated for ESRD than in 1980 (approximately 615,000 versus approximately 60,000).⁴
- U.S. patients newly diagnosed with ESRD were 1 in 2,800 in 2011 versus 1 in 11,600 in 1980.⁵
- U.S. patients treated for ESRD were 1 in 526 in 2011 versus 1 in 3,400 in 1980.⁶
- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD; 44% of new ESRD cases have a primary diagnosis of diabetes; 28% have a primary diagnosis of hypertension.⁷
- Nephrology care prior to ESRD continues to be a concern. Since the 2005 introduction of the new Medical Evidence form (2728), with fields addressing pre-ESRD care, there has been little progress made in this area (pre-ESRD data, however, should be interpreted with caution because of the potential for misreporting). Forty-two percent of new ESRD patients in 2011, for example, had not seen a nephrologist prior to beginning therapy. And among these patients, 51 percent of those on hemodialysis began therapy with a catheter, compared to 19 percent of those who had received a year or more of nephrology care. Among those with a year or more of pre-ESRD

¹ US Renal Data System, USRDS 2013 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 44 (2013)

² Id. at 46

³ Id. at 158

⁴ Id.

⁵ Id. at 160

⁶ Id.

⁷ Id. at 161

nephrologist care, 30 percent began therapy with a fistula – five times higher than the rate among non-referred patients.⁸

Additionally, DaVita's Kidney Smart program helps to improve intervention and education for pre-ESRD patients. Approximately 65-75% of CKD Medicare patients have never been evaluated by a nephrologist.⁹ Timely CKD care is imperative for patient morbidity and mortality. Adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may result in improved patient outcomes and reduce ESRD:

- Reduced GFR is an independent risk factor for morbidity and mortality,
- A reduction in the rate of decline in kidney function upon nephrologists referrals has been associated with prolonged survival of CKD patients,
- Late referral to a nephrologist has been correlated with lower survival during the first 90 days of dialysis, and
- Timely referral of CKD patients to a multidisciplinary clinical team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the Kidney Smart program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's Kidney Smart program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

To extend DaVita's CKD education and awareness programs to the Spanish-speaking population, DaVita launched its Spanish-language website (DaVita.com/Espanol) in November 2011. Similar to DaVita's English-language website, DaVita.com/Espanol provides easy-to-access information for Spanish-speaking kidney care patients and their families, including educational information on kidney disease, treatment options, and recipes.

DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. In fact, since piloting in October 2007, the program has not only shown to reduce mortality rates by 8 percent but has also resulted in improved patient outcomes.

DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII") to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NVAII through patient education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. DaVita has improved its patients' fistula-adoption rate by 91% between 2002 and 2011. At the end of 2012, 63.9% of DaVita patients were using fistulas, a 2.0% increase since 2011. In addition, only 13.9% of DaVita patients who had been on dialysis for more than 90 days were still using their typically hospital-given catheters as their form of vascular

⁸ *Id.* at 216-217

⁹ US Renal Data System, *USRDS 2011 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States*, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2011.

access – DaVita's best outcomes to date. DaVita is an industry leader in the rate of fistula use and has the lowest day-90 catheter rates among large dialysis providers.

In an effort to reduce the length of hospital inpatient stays and readmissions, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement through its Patient Pathways program. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, who specializes in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provide information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

DaVita currently partners with over 300 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. The program has resulted in a 0.5 day reduction in average length of stay for both new admissions and readmissions and an 11% reduction in average acute dialysis treatments per patient. Moreover, patients are better educated and arrive at the dialysis center more prepared and less stressed. They have a better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis facility. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

DaVita's transplant referral and tracking program ensures every dialysis patient is informed of transplant as a modality option and promotes access to transplantation for every patient who is interested and eligible for transplant. The social worker or designee obtains transplant center guidelines and criteria for selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/financial factors related to post-transplant functioning.

In an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which is more than \$1.5 billion in savings to the health care system and the American taxpayer since 2010.

DaVita Rx, the first and largest licensed, full-service U.S. renal pharmacy, focuses on the unique needs of dialysis patients. Since 2005, DaVita Rx has been helping improve outcomes by delivering medications to dialysis centers or to patients' homes, making it easier for patients to keep up with their drug regimens. As of 2012, DaVita Rx patients have an 82% adherence rate, compared to those who use chain pharmacies and have a 32% adherence rate, and those who use independent pharmacies and have a 36% adherence rate. In addition, better adherence may lead to fewer hospitalizations for patients using DaVita Rx versus those patients not on this service. Hospitalizations (per member per 1000) was 1.4 for Non-DaVita Rx patients versus 1.0 for DaVita Rx patients in 2012.

DaVita has been repeatedly recognized for its commitment to its employees (or teammates), particularly its more than 1,700 teammates who are reservists, members of the National Guard, military veterans, and military spouses. In June 2013, DaVita received the prestigious Secretary of Defense Employer Support Freedom Award. Presented annually by the Employer Support of the Guard and Reserve ("ESGR"), an arm of the Department of Defense, the Freedom Award recognizes employers for outstanding support of employees who serve in the Guard and Reserve. It is the highest military-friendly award presented by the U.S. government. Nearly 3,000 employers were nominated for a Freedom Award in 2013. An awards committee composed of senior Department of Defense officials, business leaders and prior honorees selected just 15 companies to receive the 2013 Freedom Award. DaVita also received the 2013 award for Best Military Recruiting Program from ERE Media and was recognized this year with Top 100 Military

Friendly Employer and 2013 Top 100 Military Friendly Spouse Employer awards from GI Jobs, a Most Valuable Employers award from CivilianJobs.com and a "Best for Vets" award from Military Times EDGE.

In June 2013, DaVita was recognized as one of the best employers in four cities: Denver, Nashville, Philadelphia and the San Francisco Bay Area. For a second year in a row, WorkplaceDynamics recognized DaVita as one of the "Top Workplaces" in Denver, ranking 7th, up two positions from 2012. DaVita also debuted on the WorkplaceDynamics Top Workplaces lists in Philadelphia and the San Francisco Bay Area, ranking 14th out of 20 large companies in both cities. Finally, DaVita received Quantum Workplace's "Best Places to Work" in Nashville award for the second year in a row.

DaVita is also committed to sustainability and reducing its carbon footprint. In fact, it is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In 2010, DaVita opened the first LEED-certified dialysis center in the U.S. Furthermore, it annually saves approximately 8 million pounds of medical waste through dialyzer reuse and it also diverts more than 85% of its waste through composting and recycling programs. It has also undertaken a number of similar initiatives at its offices and is seeking LEED Gold certification for its corporate headquarters. In addition, DaVita was also recognized as an "EPA Green Power Partner" by the U.S. Environmental Protection Agency.

DaVita consistently raises awareness of community needs and makes cash contributions to organizations aimed at improving access to kidney care. In 2011, DaVita donated more than \$2.5 million to kidney disease- awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. Its own employees, or members of the "DaVita Village," assisted in these initiatives and have raised approximately \$5 million, thus far, through the annual Tour DaVita bicycle ride, with \$1 million coming in 2013 alone. The Kidney Rock 5K Run/Walk raised an estimated \$1 million for Bridge of Life – DaVita Medical Missions in 2011 and 2012, combined. DaVita continued its "DaVita Way of Giving" program in 2013 with teammates at clinics across DaVita's 43-state footprint selecting more than 1100 charities from Ronald McDonald House to small community-support entities in their local areas, to receive approximately \$1.2 million in contributions.

DaVita does not limit its community engagement to the U.S. alone. It founded Bridge of Life, a 501(c)(3) nonprofit organization that operates on donations to bring care to those for whom it is out of reach. In addition to contributing dialysis equipment to DaVita Medical Missions, Bridge of Life has accomplished 24 Missions between 2006--2011, with more than 150 participating teammates. It provided these desperately needed services in Cameroon, India, Ecuador, Guatemala, the Philippines, South Africa, and Jamaica, and trained many health care professionals there as well.

Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application.

1. Health care facilities owned or operated by the Applicants:

A list of health care facilities owned or operated by the Applicants in Illinois is attached at Attachment – 11C.

Dialysis facilities are currently not subject to State Licensure in Illinois.

2. Certification that no adverse action has been taken against either of the Applicants or against any health care facilities owned or operated by the Applicants in Illinois within three years preceding the filing of this application is attached at Attachment – 11D.

3. An authorization permitting the Illinois Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11D.

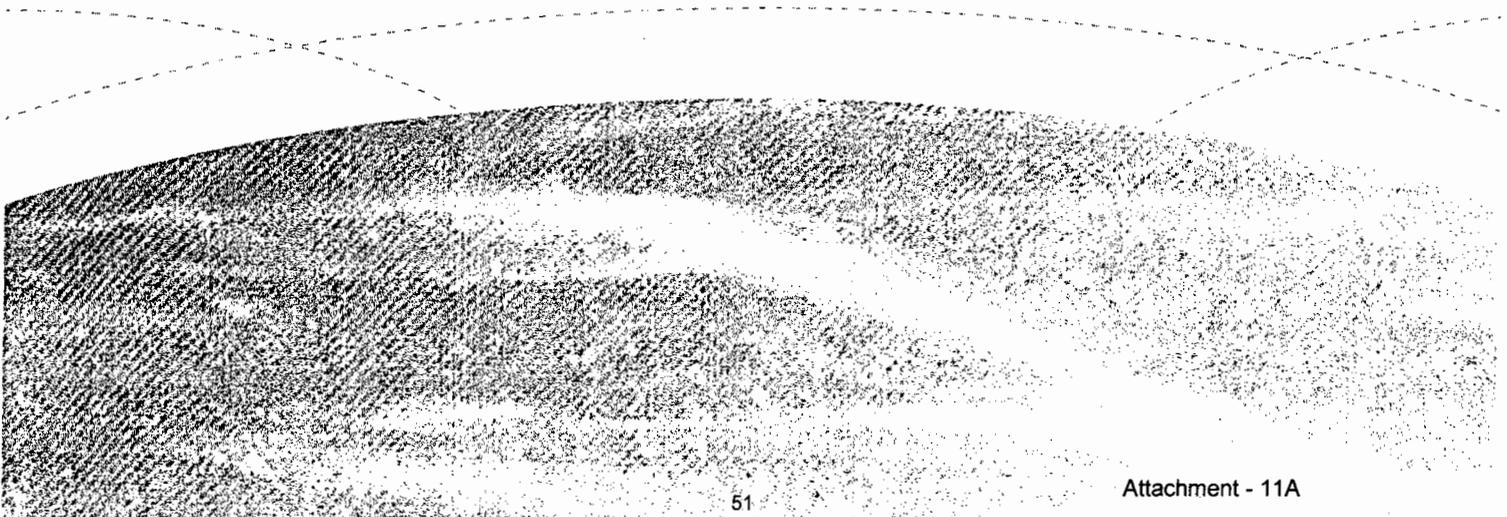
DaVita®

COMMUNITY CARE

The DaVita Vision for Global Citizenship



2012



DaVita

A COMMUNITY FIRST AND A COMPANY SECOND

At DaVita®, we do dialysis, but we are not about dialysis. We are about the lives of our patients, teammates (employees) and partners, and the communities in which we operate around the globe.

We believe that if we create an enriching community for our teammates, they will create a caring community for our patients and their families, and be inspired to help others. We call this vision for global citizenship and social responsibility our **Trilogy of Care: Caring for Our Patients, Caring for Each Other and Caring for Our World**. This trilogy is at the heart of what drives our industry-leading clinical outcomes, our goodwill initiatives and our environmental commitment.



Our Vision

To Build the Greatest Healthcare Community the World Has Ever Seen

Our Trilogy of Care

Caring for Our Patients | Caring for Each Other | Caring for Our World

ABOUT CHRONIC KIDNEY DISEASE (CKD)



1 in 10 U.S. adults has kidney disease, and many don't know it.

CKD has 5 stages, culminating in end stage renal disease (ESRD) or kidney failure.

Approximately 600,000 people in the U.S. have ESRD and require a transplant or dialysis to survive.

African Americans, Hispanic Americans and Native Americans are affected disproportionately.

Diabetes and hypertension are the two leading causes of CKD.

2010 CDC Report in reference to adults aged 20 years or older
2012 USRDS Annual Data Report



Our Mission

To Be the Provider, Partner and Employer of Choice

Our Core Values

Service Excellence | Integrity | Team | Continuous Improvement
Accountability | Fulfillment | Fun

BUILDING A GLOBAL VILLAGE

In our relentless pursuit to build a healthy, caring culture for our patients, our teammates and their communities, DaVita® has developed a variety of programs to effect positive change for people and the environment.

For our employees—and all kidney care patients—we strive to be a role model for healthcare delivery in the United States and beyond. By taking an integrated approach to care, we are improving quality of life for thousands while generating significant savings to the American healthcare system.

Through multiple support programs and our award-winning curriculum for clinical, personal and professional development, we seek to help our teammates be not only better professionals but better human beings—leaders who nurture themselves, each other, their patients, their neighbors and the environment.

We also believe in the importance of sending forth ripples of citizen leadership. By developing charitable initiatives, setting environmental goals and bringing kidney care to underserved countries, we aim to be responsible, invested members of our global community.

We invite you to read more about our global citizenship efforts through 2012 here and at DaVita.com/CommunityCare.





Caring for Our Patients



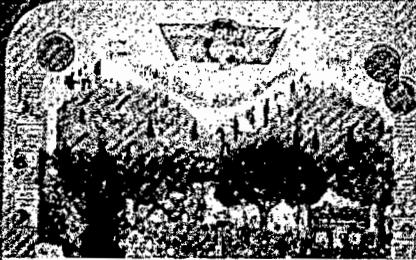
Caring for Each Other



Caring for Our World



The DaVita Village is established.



The first Wall of Fame is created at a DaVita center, with fun facts and pictures of teammates and patients to help them get to know each other a little better. More than 90,000 faces have appeared on Walls of Fame.



Village Service Days® holds its first community service project. The idea caught on across the organization, and DaVita teammates and their friends and families have spearheaded more than 600 volunteer efforts to improve their neighborhoods.

2000

2001

2002

2003

2004

2005



The DaVita Village Network launches and has since granted 435 teammates more than \$2M in times of personal crisis.



DaVita Children's Foundation and KT Family Foundation are founded to provide scholarships to students who are children or grandchildren of DaVita teammates.

DaVita establishes the independent 501(c)(3) Bridge of Life - DaVita Medical Missions™ to bring much-needed dialysis care to underserved communities abroad.



Chairman and CEO Kent Thiry and his wife, Denise O'Leary, create the KT Community Foundation to help support hands-on community service projects benefitting 501(c)(3) charities. To date, the foundation has funded more than \$275,000 toward 96 teammate-led projects that make a difference in the communities where teammates live as well as overseas.



Since the program's inception in 2004, Village Greeters have volunteered nearly 600,000 hours to welcome patients entering our dialysis centers.



To raise awareness about the often silent affliction that is chronic kidney disease, DaVita holds the first ever Tour DaVita 250-mile bike ride.



DaVita becomes the first and only healthcare company and Fortune 500 company on the WorldBlu list of Most Democratic Workplaces and has remained on the list ever since.



DaVita launches the DaVita Way of Giving, making up to \$1M per year available to teammates across the country to contribute to the local nonprofits of their choice.

2006

2007

2008

2009

2010



The first DaVita Kidney Rock® run/walks are held across the country to raise awareness about kidney disease. In 2011 they evolved into one megaweekend in Denver that provided no-cost kidney screenings to the community.

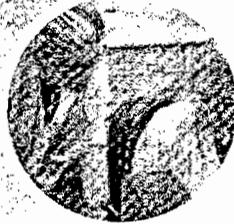
The DaVita Circle of Life program is established to assist patients with end-of-life planning, to memorialize deceased patients and physicians, and to celebrate babies who are born into the DaVita Village.



DaVita becomes the only kidney care services provider to make the Newsweek Green Rankings of the 500 largest publicly traded companies in America. DaVita has remained the only kidney care provider on the environmental ranking every year since.

2012 HIGHLIGHTS

DaVita vaccinates a record 91% of patients for influenza and/or pneumococcal pneumonia, reducing their risk of hospitalization.



DaVita.com

myDaVita.com and the DaVita Health Portal™ launch to provide our kidney patients and their caregivers more control of their health through online access to lab results, health records and a social support community.



DaVita has improved clinical outcomes for its 13th consecutive year, generating an estimated \$486M in net savings to the American healthcare system in 2012.

Together, DaVita Children's Foundation and KT Family Foundation have granted nearly \$1.4M in educational assistance to more than 700 outstanding student children and grandchildren of DaVita teammates.

Through Village Service Days, thousands of teammates and their friends around the country have volunteered nearly 44,000 hours to complete community service projects.

2011

2012

93% of patients polled say that they are satisfied with the quality of care they receive at DaVita.*

2011 DaVita patient satisfaction survey.



Bridge of Life—DaVita Medical Missions has trained 19 doctors, 111 nurses, 246 technicians and 19 biomedical technicians to expand access to dialysis in 11 countries on four continents.

DaVita sets its Environmental Goals to achieve by 2015:

- Reduce energy consumption by 15%
- Decrease business office paper consumption by 20% and operate paperless clinics
- Decrease water consumption by 10%
- Increase environmentally preferable procurement by 15%
- Implement one new sustainability program per year



The DaVita Way of Giving has given \$1.75M to local charities across the country that our own teammates selected themselves.

Since 2007, more than 2,000 Tour DaVita riders have raised more than \$4M to help fight kidney disease.

For more information about DaVita's approach to global citizenship, visit DaVita.com/CommunityCare.

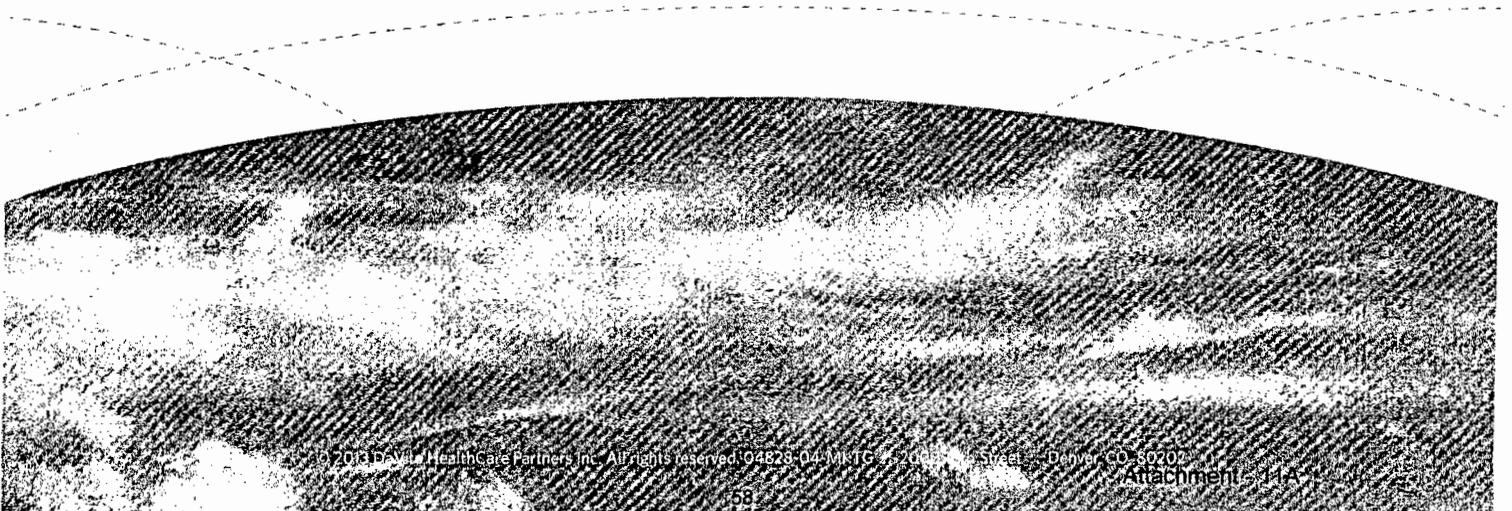
DaVita.

COMMUNITY CARE

The DaVita Vision for Global Citizenship

2012

DaVita.com/CommunityCare





Office of the Chief
Medical Officer (OCMO)
Allen R. Nissenson, MD
Chief Medical Officer
Meredith Mathews, MD
Robert Provenzano, MD
John Robertson, MD
David B. Van Wyck, MD

601 Hazard Street, B1, Sausalito, CA 94245 | 1-800-515-4872 | www.davita.com/physicians

April 30, 2009

Dear Medical Directors:

As your partner, DaVita® and OCMO are committed to helping you achieve unprecedented clinical outcomes with your patients. As part of OCMO's Relentless Pursuit of Quality™, DaVita will be launching our top two clinical initiatives; IMPACT, and CathAway™ at our annual 2009 Nationwide Meeting. Your facility administrators will be orienting you on both programs upon their return from the meeting in early May.



IMPACT: The goal of IMPACT is to reduce incident patient mortality. IMPACT stands for Incident Management of Patients Actions Centered on Treatment. The program focuses on three components: patient intake, education and management and reporting. IMPACT has been piloting since October 2007 and has demonstrated a reduction in mortality. The study recently presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN. In addition to lower mortality rates, patient outcomes improved - confirming this vulnerable patient population is healthier under DaVita's relentless pursuit of quality care.



CathAway: Higher catheter use is associated with increased infection, morbidity, mortality and hospitalizations⁽¹⁾⁽²⁾. The 7-step Cathaway Program supports reducing the number of patients with central venous catheters (CVCs). The program begins with patient education outlining the benefits of fistula placement. The remaining steps support the patient through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. For general information about the CathAway program, see the November 2008 issue of QUEST, DaVita's Nephrology Journal.

As Medical Directors, here is how you can support both initiatives in your facilities:

- **Assess incident patients regularly in their first 90 days:** At your monthly DaVita QIFMM meetings, discuss patients individually and regularly. Use the IMPACT scorecard to prompt these discussions.
- **Adopt "Facility Specific Orders":** Create new facility specific orders using the form that will be provided to you. Each of your attending physicians will also need to be educated on the use of the form for their new patients.
- **Minimize the "catheter-removal" cycle time:** At your monthly DaVita QIFMM meetings, review each of your catheter patients with the team and identify obstacles causing delays in catheter removal.
- **Plan fistula and graft placements:** Start AV placement plans early by scheduling vessel mapping and surgery evaluation appointments for Stage 4 CKD patients. Schedule fistula placement surgery for those patients where ESRD is imminent in the next 3-6 months. Share early fistula and graft placement expectations with attending physicians in your dialysis facilities.

Launch Kits:

In May, Launch Kits containing materials and tools to support both initiatives will be arriving at your facilities. IMPACT kits will include a physician introduction to the program, step by step implementation plan and a full set of educational resources. FAs and Vascular Access Leaders will begin training on a new tool to help identify root-causes for catheter removal delays.

As the leader in the dialysis center, your support of these efforts is crucial. As always, I welcome your feedback, questions and ideas. Together with you, our physician partners, we will drive catheter use to all-time lows and help give our incident patients the quality and length of life they deserve.

Sincerely,



Allen R. Nissenson, MD, FACP
Chief Medical Officer, DaVita

- (1) Dialysis Outcomes and Practice Patterns Study (DOPPS): 2 yrs/7 Countries / 10,000 pts.
- (2) Pastan et al: Vascular access and increased risk of death among hemodialysis patients.



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Welcome

Kidney Smart™ Education Program

Your comprehensive guide to
Chronic Kidney Disease (CKD)

 *Introduction*
lay Video

I am in the **Early**
Stage of CKD

 Start

 *Not sure?*
lay Section Guide

Few or no symptoms
Not on dialysis
CKD Stage 1, 2 or 3

I am in the **Late**
Stage of CKD

 Start

 *Not sure?*
lay Section Guide

Considering or on dialysis
Considering transplant
GFR < 30, CKD Stage 4 or 5

I am a
Care Partner

 Start

 *Not sure?*
lay Section Guide

Family and friends of people
with chronic kidney disease

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Kidney Smart was produced by a multi-disciplinary team of healthcare providers and health education professionals who are teammates of DaVita, Inc.
The content presented here is intended to be informational only, and does not replace the advice of your doctor.





Content Guide

I am in the **Early Stage of CKD**

Living

- [What Does My Diagnosis Mean?](#)
- [Home, Family, and Work Life](#)
- [Adjusting to Life with CKD](#)
- [Preparing for the Future Starts Now](#)

Learning

- [About Your Kidneys](#)
- [The Stages of CKD](#)
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Choices

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- [Make a Plan - Diet and Exercise](#)
- [Make a Plan - Insurance and Benefits](#)
- [Make a Plan - Current and Future Treatment Choices](#)
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I am in the **Late Stage of CKD**

Living

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- [Adjusting to Treatment](#)
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- [The Stages of CKD](#)
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- [Make a Plan - Dialysis Choices](#)
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- [Make a Plan - Hemodialysis](#)
- [Make a Plan - Home Hemodialysis](#)
- [Make a Plan - Palliative Care/Conservative Choice](#)
- [Stay Your Course](#)

I am a **Care Partner**

Caring for Someone with CKD

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- [Support for Home Hemodialysis](#)
- [Support for Home Peritoneal Dialysis](#)
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Caring for Yourself

- [Take Care of Yourself](#)
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I Have Early-Stage Kidney Disease | I Have Late-Stage Kidney Disease

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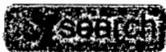
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116



Davita[®]



Dear Physician Partners:

IMPACT™ is an initiative focused on reducing incident patient mortality. The program provides a comprehensive onboarding process for incident patients, with program materials centered on four key clinical indicators—access, albumin, anemia, and adequacy.

Medical Directors: How can you support IMPACT in your facilities?

- Customize the new Standard Admission Order template into facility-specific orders. Drive use of the standard order with your attending physicians
- Review your facility IMPACT scorecard at your monthly QIFMM meeting
- Talk about IMPACT regularly with your attending physicians

Attending Physicians: How can you support IMPACT in your facilities?

- Use the IMPACT scorecard to assess incident patients
- Educate teammates about the risk incident patients face and how IMPACT can help

How was IMPACT developed? What are the initial results?

From October 2007 to April 2009, IMPACT was piloted in DaVita® centers. Early results, presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN this April, showed an 8% reduction in annualized mortality. In addition to lower mortality, IMPACT patients showed improvements in fistula placement rates and serum albumin levels. The results are so impressive that we are implementing this program throughout the Village.

Your support of this effort is crucial.

If you have not seen the IMPACT order template and scorecard by the end of June, or if you have additional questions about the program, email impact@davita.com. Together we can give our incident patients the quality and length of life they deserve.

Sincerely,

Dennis Kogod
Chief Operating Officer

Allen R. Nissenson, MD, FACP
Chief Medical Officer

Corporate Office : 601 Hawaii Street, El Segundo, CA 90245 ; 1-800-313-4872 ; DaVita.com/physicians



FOR IMMEDIATE RELEASE

DaVita's IMPACT Program Reduces Mortality for New Dialysis Patients

Study Shows New Patient Care Model Significantly Improves Patient Outcomes

El Segundo, Calif., (March, 29, 2009) – DaVita Inc., a leading provider of kidney care services for those diagnosed with chronic kidney disease (CKD), today released the findings of a study revealing DaVita's IMPACT™ (Incident Management of Patients, Actions Centered on Treatment) pilot program can significantly reduce mortality rates for new dialysis patients. The study presented at the National Kidney Foundation's Spring Clinical Meeting in Nashville, TN details how the IMPACT patient care model educates and manages dialysis patients within the first 90 days of treatment, when they are most unstable and are at highest risk. In addition to lower mortality rates, patient outcomes improved - confirming the health of this vulnerable patient population is better supported under DaVita's *Relentless Pursuit of Quality*™ care.

The pilot program was implemented with 606 patients completing the IMPACT program over a 12 month period in 44 DaVita centers around the nation. IMPACT focuses on patient education and important clinical outcomes - such as the measurement of adequate dialysis, access placement, anemia, and albumin levels - monitoring the patient's overall health in the first 90 days on dialysis. Data reflects a reduction in annualized mortality rates by eight percent for IMPACT patients compared with non-IMPACT patients in the DaVita network. Given that DaVita has roughly 28,000 new patients starting dialysis every year, this reduction affects a significant number of lives.

In addition, a higher number of IMPACT patients versus non-IMPACT patients had an arteriovenous fistula (AVF) in place. Research shows that fistulas - the surgical connection of an artery to a vein - last longer and are associated with lower rates of infection, hospitalization and death compared to all other access choices.

Allen R. Nissenson, MD, Chief Medical Officer at DaVita says, "The IMPACT program is about quality patient care starting in the first 90 days and extending beyond. Improved outcomes in new dialysis patients translates to better long term results and healthier patients overall."

Researchers applaud the IMPACT program's inclusion of all patients starting dialysis, regardless of their cognitive ability or health status. Enrolling all patients at this early stage in their treatment allows them to better understand their disease and care needs while healthcare providers work to improve their outcomes. Through this program, DaVita mandates reporting on this particular population to better track and manage patients through their incident period.

Dennis Kogod, Chief Operating Officer of DaVita says, "We are thrilled by the promising results IMPACT has had on our new dialysis patients. DaVita continues to be the leader in the kidney care community, and we look forward to rolling out this program to all facilities later this year, to improve the health of all new dialysis patients."

DaVita, IMPACT and *Relentless Pursuit of Quality* are trademarks or registered trademarks of DaVita Inc. All other trademarks are the properties of their respective owners.

Poster Presentation
NKF Spring Clinical Meeting
Nashville, TN
March 26-28, 2009

Incident Management of Hemodialysis Patients: Managing the First 90 Days

John Robertson¹, Pooja Goel¹, Grace Chen¹, Ronald Levine¹, Debbie Benner¹, and Amy Burdan¹
¹DaVita Inc., El Segundo, CA, USA

IMPACT (Incident Management of Patients, Actions Centered on Treatment) is a program to reduce mortality and morbidity in new patients during the first 3 months of dialysis, when these patients are most vulnerable. IMPACT was designed to standardize the onboarding process of incident patients from their 0 to 90-day period. We report on an observational (non-randomized), un-blinded study of 606 incident patients evaluated over 12 months (Oct77-Oct08) at 44 US DaVita facilities.

The study focused on 4 key predictive indicators associated with lower mortality and morbidity —anemia, albumin, adequacy and access (4As). IMPACT consisted of:

- (1) Structured New Patient Intake Process with a standardized admission order, referral fax, and an intake checklist;
- (2) 90-day Patient Education Program with an education manual and tracking checklist;
- (3) Tools for 90-day Patient Management Pathway including QOL; and
- (4) Data Monitoring Reports.

Data as of July, 2008 is reported. Patients in the IMPACT group were 60.6 ± 15.1 years old (mean±3SD), 42.8% Caucasian, 61% male with 25% having a fistula. Results showed a reduction in 90-day mortality almost 2 percentage points lower (6.14% vs. 7.98%; $p < 0.10$) among IMPACT versus nonIMPACT patients. Changes among the 4As showed higher albumin levels from 3.5 to 3.6 g/dL (note that some IMPACT patients were on protein supplementation during this period) and patients achieving fistula access during their first 90-days was 25% vs. 21.4%, IMPACT and nonIMPACT, respectively ($p \leq 0.05$). However, only 20.6% of IMPACT patients achieved Hct targets ($33 \leq 3 \times \text{Hb} \leq 36$) vs. 23.4% for controls ($p < 0.10$); some IMPACT patients may still have > 36 -level Hcts. Mean calculated Kt/V was 1.54 for IMPACT patients vs. 1.58 for nonIMPACT patients ($p \leq 0.05$).

IMPACT is a first step toward a comprehensive approach to reduce mortality of incident patients. We believe this focus may help us to better manage CKD as a continuum of care. Long-term mortality measures will help determine if this process really impacts patients in the intended way, resulting in longer lives and better outcomes.

IMPACT Tools

Here's how the IMPACT program will help the team record data, educate patients and monitor their progress in your facilities.

- 1 Standard Order Template, a two-page form with drop-down menus that can be customized into a center-specific template
- 2 Intake Checklist to gather registration and clinical data prior to admission
- 3 Patient Announcement to alert teammates about new incident patients
- 4 Patient Education Book and Flip Chart to teach patients about dialysis
- 5 Tracking Checklist for the team to monitor progress over the first 90 days
- 6 IMPACT Scorecard to track monthly center summary and patient level detail for four clinical indicators: access, albumin, adequacy, anemia

A two-page form with various fields and checkboxes for patient registration and clinical data. It includes sections for patient information, insurance, and medical history.

A checklist form titled 'INTAKE CHECKLIST' with multiple rows of checkboxes for tracking patient progress over the first 90 days. It includes sections for patient information, clinical data, and patient education.

A graphic titled 'Attention, teammates!' with a baseball and the text: 'A new IMPACT patient is about to step up to the plate. Let's become their biggest fans. Let's coach and encourage them. And let's cheer them along every step of their first 90 days.' It includes a 'GO' button and a 'FIRST TREATMENT TEAM' section.

A graphic titled 'Optimal Education Guide' with a baseball and the text: 'Let's become their biggest fans. Let's coach and encourage them. And let's cheer them along every step of their first 90 days.' It includes a 'GO' button and a 'FIRST TREATMENT TEAM' section.

IMPACT SCORECARD

Facility: XYZ - Sample Facility
Group: Sample Group
Division: Sample Division
Region: Sample Region
Period: March 2002

Indicator	Actual	Target	Score
Access	100%	100%	100%
Albumin	85%	90%	95%
Adequacy	95%	95%	100%
Anemia	90%	90%	95%

IMPACT Management Checklist

Indicator	Actual	Target	Score
Access	100%	100%	100%
Albumin	85%	90%	95%
Adequacy	95%	95%	100%
Anemia	90%	90%	95%



Headquarters
1627 Cole Blvd, Bldg 18
Lakewood CO 80401
1-888-200-1041

IMPACT

For more information, contact
1-800-400-8331

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Our Mission
To be the Provider,
Partner and Employer
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Core Values
Service Excellence
Integrity
Team
Continuous Improvement
Accountability
Fulfillment
Fun

DaVita HealthCare Partners, Inc.
Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Arlington Heights Renal Center	17 WEST GOLF ROAD		ARLINGTON HEIGHTS	COOK	IL	60005-3905	14-2628
Barrington Creek	28160 W. NORTHWEST HIGHWAY		LAKE BARRINGTON	LAKE	IL	60010	14-2736
Belvidere Dialysis	1755 BELOIT ROAD		BELVIDERE	BOONE	IL	61008	
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Buffalo Grove Renal Center	1291 W. DUNDEE ROAD		BUFFALO GROVE	COOK	IL	60089-4009	14-2650
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Churchview Dialysis	5970 CHURCHVIEW DR	STE A	ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST		ELGIN	KANE	IL	60120-2125	14-2715
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	14-2599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
Driftwood Dialysis	1808 SOUTH WEST AVE		FREEPORT	STEPHENSON	IL	61032-6712	14-2747
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Evanston Renal Center	1715 CENTRAL STREET		EVANSTON	COOK	IL	60201-1507	14-2511
Grand Crossing Dialysis	7319 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60619-1909	14-2728
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Garfield Kidney Center	3250 WEST FRANKLIN BLVD		CHICAGO	COOK	IL	60624-1509	
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Hazel Crest Renal Center	3470 WEST 183rd STREET		HAZEL CREST	COOK	IL	60429-2428	14-2622
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Kenwood Dialysis	4259 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60653	14-2717

DaVita HealthCare Partners, Inc.

Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Lake County Dialysis Services	565 LAKEVIEW PARKWAY	STE 176	VERNON HILLS	LAKE	IL	60061	14-2552
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lawndale Dialysis	3934 WEST 24TH ST		CHICAGO	COOK	IL	60623	14-2768
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD	MONTGOMERY	IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2838 NORTH KIMBALL AVE		CHICAGO	COOK	IL	60618	14-2534
Loop Renal Center	1101 SOUTH CANAL STREET		CHICAGO	COOK	IL	60607-4901	14-2505
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Markham Renal Center	3053-3055 WEST 159th STREET		MARKHAM	COOK	IL	60428-4026	14-2575
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 DEVELOPMENT DRIVE		CHARLESTON	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674
Olympia Fields Dialysis Center	457B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Palos Park Dialysis	13155 S LaGRANGE ROAD		ORLAND PARK	COOK	IL	60462-1162	14-2732
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Carpentersville Dialysis	2203 RANDALL ROAD		CARPENTERSVILLE	KANE	IL	60110	
Marengo City Dialysis	910 GREENLEE STREET	STE B	MARENGO	MCHENRY	IL	60152	
Red Bud Dialysis	LOT 4 IN 1ST ADDITION OF EAST INDUSTRIAL PARK		RED BUD	RANDOLPH	IL	62278	14-2772
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665

DaVita HealthCare Partners, Inc.									
Illinois Facilities									
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number		
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620		
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINTE CLAIR	IL	62206-2822	14-2561		
Schaumburg Renal Center	1156 S ROSELLE ROAD		SCHAUMBURG	COOK	IL	60193-4072	14-2654		
Shiloh Dialysis	1095 NORTH GREEN MOUNT RD		SHILOH	ST CLAIR	IL	62269	14-2753		
Silver Cross Renal Center - Morris	1551 CREEK DRIVE		MORRIS	GRUNDY	IL	60450	14-2740		
Silver Cross Renal Center - New Lenox	1890 SILVER CROSS BOULEVARD		NEW LENOX	WILL	IL	60451	14-2741		
Silver Cross Renal Center - West	1051 ESSINGTON ROAD		JOLIET	WILL	IL	60435	14-2742		
South Holland Renal Center	16136 SOUTH PARK AVENUE		SOUTH HOLLAND	COOK	IL	60473-1511	14-2544		
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586		
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590		
Springfield South	2930 SOUTH 6th STREET		SPRINGFIELD	SANGAMON	IL	62703	14-2733		
Stoncrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615		
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661		
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718		
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639		
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587		
Tazewell County Dialysis	1021 COURT STREET		PEKIN	TAZEVELL	IL	61554	14-2767		
Timber Creek Dialysis	1001 S. ANNIE GLIDDEN ROAD		DEKALB	DEKALB	IL	60115	14-2763		
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604		
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693		
Waukegan Renal Center	1616 NORTH GRAND AVENUE	STE C	Waukegan	COOK	IL	60085-3676	14-2577		
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688		
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719		
West Side Dialysis	1600 W 13TH STREET		CHICAGO	COOK	IL	60608			
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648		
Woodlawn Dialysis	5060 S STATE ST		CHICAGO	COOK	IL	60609	14-2310		

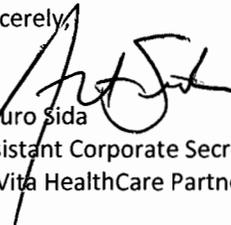
Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chairwoman Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by DaVita HealthCare Partners Inc., or Total Renal Care, Inc. during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,


Arturo Sida
Assistant Corporate Secretary
DaVita HealthCare Partners Inc.

State of California
County of Los Angeles

On March 28, 2014 before me, Kimberly Ann K. Burgo, Notary Public, personally appeared *** Arturo Sida *** who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



Section III, Project Purpose, Background and Alternatives – Information Requirements.
Criterion 1110.230(b), Project Purpose, Background and Alternatives

Purpose of the Project

1. The purpose of the proposed acquisition of the Community Dialysis of Harvey is to ensure ESRD patients in Cook County, Illinois have continued access to life sustaining dialysis services. The acquisition will create economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies, redesign patient care delivery and allow the systems to share the resources and benefits of DaVita's infrastructure and quality initiatives. Given recent trends in the delivery of dialysis services including the demands the revised federal payment policies place on dialysis operations, many independent dialysis providers in Illinois, including the University of Chicago, Sherman Hospital, and Silver Cross Hospital have reviewed options for this service line and have decided it can be best managed by a strategic partner, like DaVita, which is better positioned to serve the growing needs of patients suffering from end stage renal disease ("ESRD") and to preserve the services in the community.

Further, large dialysis companies, have advantages over smaller providers. Because they purchase supplies and equipment in huge volume, they can provide dialysis services at a lower cost. The government needs to provide dialysis services at a lower cost particularly with the increased incidence and prevalence of CKD in recent years. To thrive in the new reimbursement environment, providers will need to provide dialysis in the most cost effective manner and DaVita is one of the best positioned providers to meet that challenge.

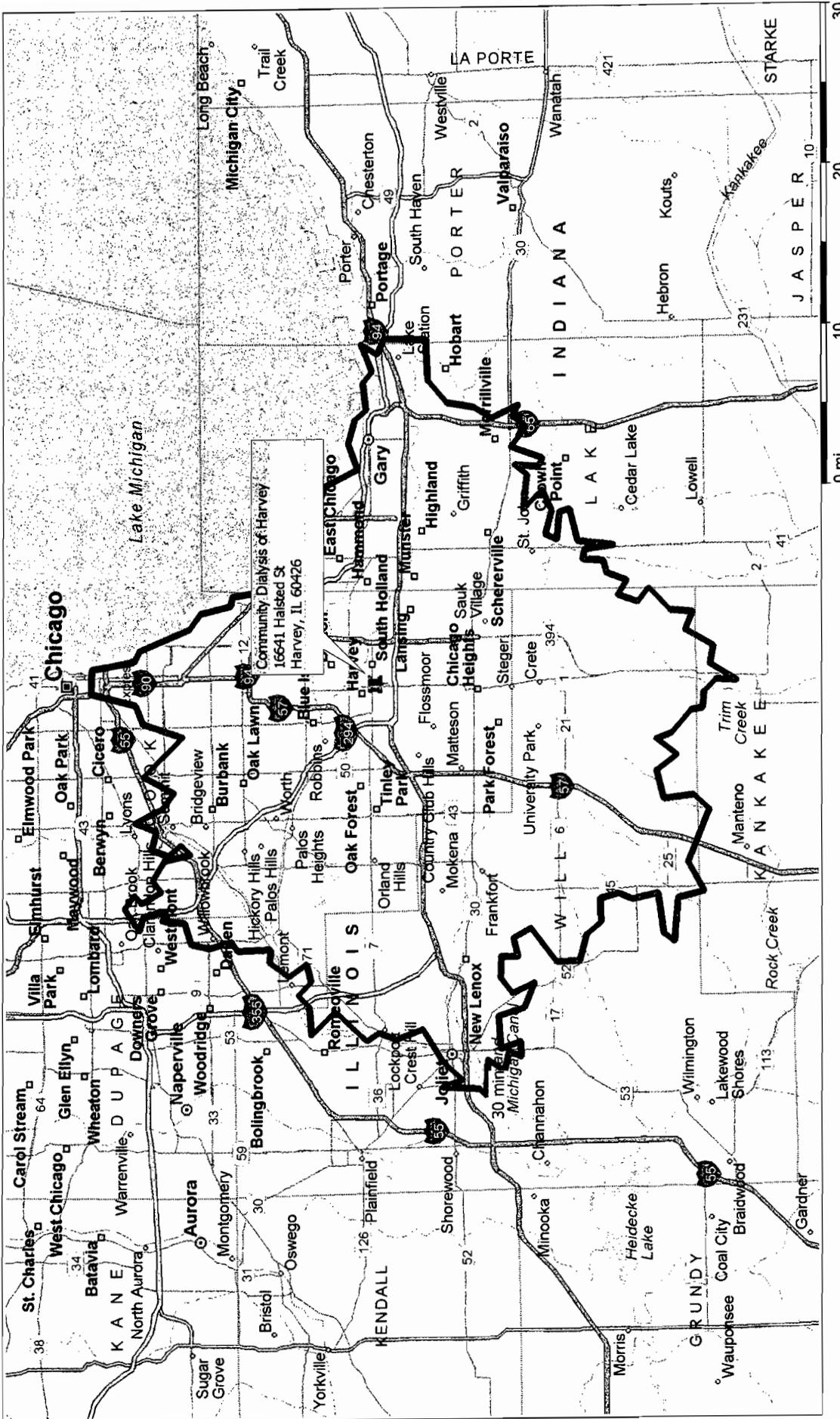
2. A map of the market area for Community Dialysis of Harvey is attached at Attachment – 12. The market area encompasses approximately an 18 mile radius (with the exception of Lake Michigan 10 miles to the Northeast) around the proposed facility. The boundaries of the market area of are as follows:
 - North approximately 30 minutes normal travel time to Route I-94 & 63rd Street
 - Northwest approximately 30 minutes normal travel time to Burr Ridge
 - West approximately 30 minutes normal travel time to Lockport
 - Southwest approximately 30 minutes normal travel time to Andres
 - South approximately 30 minutes normal travel time to Grant Park
 - Southeast approximately 30 minutes normal travel time to St John, IN
 - East approximately 30 minutes to Gary, IN
 - Northeast approximately 23 minutes to East Chicago, IN (Lakefront)
3. Community Dialysis of Harvey is located in HSA 7. Based upon the March 13, 2014 Update to Inventory of Other Health Services, there is currently a need for 83 stations in HSA 7. The proposed change of ownership will ensure ESRD patients residing in HSA 7 retain access to life sustaining dialysis.
4. Reference

Illinois Health Facilities and Services Review Board, Update to Inventory of Other Health Services (March 13, 2014) *available at* <http://www.hfsrb.illinois.gov/pdf/Other%20Services%20Update%203-13-14.pdf> (last visited March 28, 2014).
5. The integration of Community Dialysis of Harvey into DaVita will allow DaVita to improve the unit's operational efficiency, improve quality and ensure dialysis patients have continued access to life sustaining dialysis services.

6. The acquired facility will be integrated into DaVita's normal operational processes, including DaVita's quality outcomes programs, and, thus, is anticipated to have outcomes comparable to other DaVita facilities.

Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients, the monetary result of which was more than \$1 billion in savings to the health care system and the American taxpayer between 2010 and 2013.

Community Dialysis of Harvey GSA



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 Certain mapping and direction data © 2010 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario, NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2010 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2010 by Applied Geographic Systems. All rights reserved.

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(c), Project Purpose, Background and Alternatives

Alternatives

1. Do Nothing

Community Dialysis of Harvey is an independent dialysis facility in Illinois, which is located in HSA 7. Given recent trends in the delivery of dialysis services, including the demands the revised federal payment policies place on dialysis operations, Community Dialysis of Harvey has decided to divest its dialysis business. DaVita is well-positioned to serve the growing needs of dialysis patients and their families. DaVita can provide access to a broad array of kidney disease health and wellness programs that are not currently available to Community Dialysis of Harvey patients, such as IMPACT, CathAway, the Kidney Smart website, and Spanish language kidney disease education materials on its Spanish language website. Further, DaVita has greater economies of scale and can integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and share the resources and benefits of DaVita's infrastructure and processes and quality initiatives. Without an acquisition, these objectives cannot be achieved and, therefore, this option was rejected.

There is no cost associated with this alternative.

2. Joint Venture With Community Dialysis of Harvey

DaVita is open to joint venture relationships; however, this option was not desirable to Community Dialysis of Harvey. Community Dialysis of Harvey is an independent dialysis facility in Illinois. Given recent trends in the delivery of dialysis services including the demands the revised federal payment policies place on dialysis operations, Community Dialysis of Harvey has decided to divest its dialysis business.

DaVita has greater economies of scale and can integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and share the resources and benefits of DaVita's infrastructure and processes and quality initiatives. Because of Community Dialysis of Harvey's desire to divest its dialysis facility, this option was rejected.

This alternative was rejected. Therefore, the cost of a potential joint venture was not determined. However, the cost of a potential joint venture would be the fair market value of DaVita's ownership interest in Community Dialysis of Harvey.

3. Acquire Community Dialysis of Harvey.

DaVita carefully considered whether to acquire Community Dialysis of Harvey. Acquisition of this facility will allow DaVita to reach a new patient-base and will improve operational efficiencies of Community Dialysis of Harvey. Through the acquisition, DaVita will be able to bring the broader line of chronic kidney disease services to the currently operated Community Dialysis of Harvey patients with the goal to improve operational efficiencies and broaden the service options for the existing and future patients. These services will be beneficial for patients, physicians, payors, and taxpayers in providing more effective care and helping to reduce costs to the health care system. Accordingly, DaVita decided the acquisition of Community Dialysis of Harvey was the most feasible option.

The cost of this alternative is \$4,000,000.

Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(b), Impact Statement

1. Transactional Documents

The executed letter of intent between DaVita and Community Dialysis, LLC for the acquisition of Community Dialysis of Harvey and the Purchase Price Valuation are attached at Attachments 19A and 19B.

2. Change in Services Currently Offered

No change in the number of ESRD stations is anticipated as a result of the proposed acquisition. The Applicants may decide to add stations under the Health Facilities Planning Act at a later date, should the need arise based upon capacity and utilization trends.

3. Operating Entity

Total Renal Care, Inc. will be the operating entity of Community Dialysis of Harvey. The facility will be fully integrated with DaVita, the parent of Total Renal Care, Inc.

4. Reason for the Transaction

As set forth in Criterion 1110.230(b), the purpose for the transaction is to ensure ESRD patients have continued access to dialysis services. Given recent trends in the delivery of dialysis services including the demands the revised federal payment policies place on dialysis operations, many independent providers in the State, including Community Dialysis of Harvey, have decided their dialysis operations would be better managed by a strategic partner who is better positioned to serve the growing needs of patients suffering from ESRD and have opted to divest this service. Acquisition of Community Dialysis of Harvey will permit Community Dialysis, LLC to divest its dialysis facility while allowing DaVita to create greater economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and allow the systems to share the resources and benefits of DaVita's infrastructure and processes and quality initiatives.

5. Anticipated Additions or Reductions of Employees

No significant additions or reductions in employees are anticipated now or for the next two years as a result of the proposed acquisition. All current employees at Community Dialysis of Harvey, who pass DaVita's new employee intake screening will have the opportunity to continue their employment with DaVita after the acquisition. DaVita determines its staffing needs according to treatment needs. Going forward, staffing hours and/or positions will be added or reduced according to patient census and care needs. The Applicants anticipate no reduction in employees.

6. Cost-Benefit Analysis

As set forth throughout this application, the proposed transaction contemplates a change of ownership of Community Dialysis of Harvey. Total Renal Care, Inc. will acquire substantially all of the assets of Community Dialysis of Harvey for \$4 million. While DaVita will incur costs inherent in operating Community Dialysis of Harvey, the facility will likely achieve cost savings due to economies of scale and shared resources.



February 17, 2014

Community Dialysis, LLC
d/b/a Community Dialysis of Harvey
16641 Halsted Street
Harvey, Illinois 60426
Attention: Curt Anliker, Chief Operating Officer

Dear Mr. Anliker:

Reference is made to that certain Letter of Intent dated, September 24, 2012 (the "**Letter of Intent**") between DaVita HealthCare Partners Inc. and Community Dialysis, LLC. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Letter of Intent.

By executing this letter of amendment, the parties hereby agree, for good and valuable consideration, to amend the terms of the Letter of Intent as follows:

- 1) Paragraph 1 (Purchase Price) of the Letter of Intent is hereby amended by deleting the stated purchase price of "Six Million Eight Hundred Thousand Dollars (\$6,800,000)" and replacing it with "Four Million Dollars (\$4,000,000)".
- 2) Paragraph 7 (Medical Director Agreement) of the Letter of Intent is hereby deleted in its entirety and replaced with the following:

"DaVita will enter into a ten (10) year agreement (the "**Medical Director Agreement**") with William Evans, M.D. to serve as the medical director of the Center (the "**Medical Director**"), pursuant to which the Medical Director shall agree to provide oversight and responsibility for all medical and patient care aspects of the Center. The compensation payable to Medical Director shall be Eighty-Eight Thousand Dollars (\$88,000) per year (provided such amount is the fair market value of such services, consistent with DaVita's policies and procedures for medical director compensation).

Medical Director also shall agree to be subject to certain non-competition and non-solicitation restrictive covenants within the Restricted Area during the term of the Medical Director Agreement, and for two (2) years thereafter (the "**MDA Restricted Period**"), as more specifically set forth in the Medical Director Agreement mutually agreed upon by DaVita and Medical Director, provided, that the foregoing shall not prohibit Medical Director from holding an ownership interest in or providing medical director services to Chicago Heights Renal Center located at 177B Joe Orr Road, Chicago Heights, Illinois. In addition, each physician who is or becomes an employee of the Medical Director or an employee

or owner of Medical Director's group practice shall agree to be individually bound by the terms of the Medical Director Agreement."

- 3) Paragraph 8 (Non-Competition and Non-Solicitation Covenant) of the Letter of Intent is hereby deleted in its entirety and replaced with the following:

"Pursuant to the Purchase Agreement, the Seller and each Equity Owner will agree that for a period of ten (10) years following the Closing Date (the "**Period**"), Seller and each Equity Owner will be subject to certain non-competition and non-solicitation restrictive covenants within the Restricted Area, as defined below, and more specifically set forth in the Purchase Agreement mutually agreed upon by DaVita, Seller and each Equity Owner; provided, that, the foregoing shall not prohibit William Evans, M.D. from holding an ownership interest in or providing medical director services to Chicago Heights Renal Center located at 177B Joe Orr Road, Chicago Heights, Illinois; provided, further, that the foregoing shall not prohibit Affiliated Dialysis Centers, LLC, Renal Therapies, LLC or any of their respective members or managers from providing dialysis or renal care services to patients in nursing homes in the Restricted Area whether under existing or new contracts. Seven percent (7%) of the Purchase Price will be allocated to the covenant not to compete. "Restricted Area" shall mean a radius of ten (10) miles of the Center (the "**Restricted Area**")."

- 4) Paragraph 16 (Exclusivity) of the Letter of Intent is hereby amended by deleting the first sentence and replacing it with the following:

"Until the earlier of: (i) the execution of the Purchase Agreement by DaVita, Seller and the Equity Owners, (ii) ninety (90) days from the date of this letter of amendment, or (iii) such earlier date on which DaVita provides written notice to the Seller that it has ended its active efforts to consummate the Transaction (the "**Exclusivity Period**"), neither the Seller nor any of its affiliates or agents or representatives, shall, directly or indirectly, enter into any agreement, commitment or understanding with respect to, or engage in any discussions or negotiations with, or encourage or respond to any solicitations from, any other party with respect to the direct or indirect (including, without limitation by way of stock sale, merger, consolidation or otherwise) sale, lease or management of the Dialysis Business or any material portion of the Assets."

- 5) Paragraph 19 (Sale or Joint Venture of Nursing Home Business) is hereby deleted in its entirety.
- 6) Paragraph 20 (Right of First Offer) is hereby deleted in its entirety.

The parties acknowledge and agree that all of the other terms and conditions of the Letter of Intent are hereby ratified and confirmed in all respects.

[Signatures on Following Page]

If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned no later than February 17, 2014.

Very truly yours,

DAVITA HEALTHCARE PARTNERS INC.

By: 
Name: Singleton A. Cox
Title: Director, Corporate Development

ACCEPTED AND AGREED TO:

COMMUNITY DIALYSIS, LLC

RENAL THERAPIES, LLC

By: _____
Name: Curt Anliker
Title: Chief Operating Officer

By: _____
Name: _____
Title: _____

WILLIAM EVANS, M.D.

ABDOL AZARAN, M.D.

ACCEPTED AND AGREED TO SOLELY FOR PURPOSES OF THE REVISIONS TO PARAGRAPH 8 OF THE LETTER OF INTENT, AS DETAILED HEREIN:

AFFILIATED DIALYSIS CENTERS, LLC

By: _____
Name: _____
Its: _____

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If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned no later than February 17, 2014.

Very truly yours,

DAVITA HEALTHCARE PARTNERS INC.

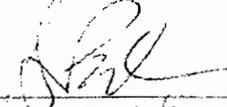
By: _____
Name: Singleton A. Cox
Title: Director, Corporate Development

ACCEPTED AND AGREED TO:

COMMUNITY DIALYSIS, I.L.C

By: 
Name: Curt Anliker
Title: Chief Operating Officer

RENAL THERAPIES, LLC

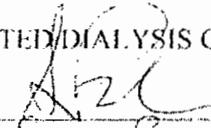
By: 
Name: Steven Pucitell
Title: CEO

WILLIAM EVANS, M.D.

ABDOL AZARAN, M.D.

ACCEPTED AND AGREED TO SOLELY FOR PURPOSES OF THE REVISIONS TO PARAGRAPH 8 OF THE LETTER OF INTENT, AS DETAILED HEREIN:

AFFILIATED DIALYSIS CENTERS, LLC

By: 
Name: Steven Pucitell
Its: CEO

If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned no later than February 17, 2014.

Very truly yours,

DAVITA HEALTHCARE PARTNERS INC.

By: _____
Name: Singleton A. Cox
Title: Director, Corporate Development

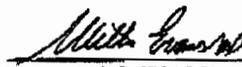
ACCEPTED AND AGREED TO:

COMMUNITY DIALYSIS, LLC

RENAL THERAPIES, LLC

By: _____
Name: Curt Anliker
Title: Chief Operating Officer

By: _____
Name: _____
Title: _____



WILLIAM EVANS, M.D.

ABDOL AZARAN, M.D.

ACCEPTED AND AGREED TO SOLELY FOR PURPOSES OF THE REVISIONS TO PARAGRAPH 8 OF THE LETTER OF INTENT, AS DETAILED HEREIN:

AFFILIATED DIALYSIS CENTERS, LLC

By: _____
Name: _____
Its: _____

If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned no later than February 17, 2014.

Very truly yours,

DAVITA HEALTHCARE PARTNERS INC.

By: _____
Name: Singleton A. Cox
Title: Director, Corporate Development

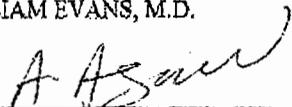
ACCEPTED AND AGREED TO:

COMMUNITY DIALYSIS, LLC

RENAL THERAPIES, LLC

By: _____
Name: Curt Anliker
Title: Chief Operating Officer

By: _____
Name: _____
Title: _____

WILLIAM EVANS, M.D.


ABDOL AZARAN, M.D.

ACCEPTED AND AGREED TO SOLELY FOR PURPOSES OF THE REVISIONS TO PARAGRAPH 8 OF THE LETTER OF INTENT, AS DETAILED HEREIN:

AFFILIATED DIALYSIS CENTERS, LLC

By: _____
Name: _____
Its: _____

September 24, 2012

Community Dialysis, LLC
d/b/a Community Dialysis of Harvey
16641 Halsted Street
Harvey, Illinois 60426
Attention: Curt Anliker, Chief Operating Officer

Dear Mr. Anliker:

This letter of intent will serve to express our mutual understandings with respect to the proposed acquisition by DaVita Inc. or one of its subsidiaries (“**DaVita**”) of substantially all of the assets (the “**Assets**”) of Community Dialysis, LLC (the “**Seller**”) relating to the renal dialysis center located at 16641 Halsted Street, Harvey, Illinois 60426 (the “**Center**”).

1. **Purchase Price.** Subject to further due diligence, the purchase price (the “**Purchase Price**”) for the Assets shall be Six Million Eight Hundred Thousand Dollars (\$6,800,000), which shall be payable in cash at the closing (the “**Closing**”) of the Transaction. In addition, payment of the Purchase Price will be subject to usual and customary adjustments for any payments to third parties triggered by or upon the consummation of the transaction and usual and customary indemnity and escrow provisions.

2. **Assets.** The Assets to be acquired by DaVita at Closing will include all of the tangible and intangible assets which comprise or are used or are held for use in connection with or are necessary to the operation of the business at the Center (the “**Dialysis Business**”), including, without limitation, all real property leasehold rights, improvements, furniture, fixtures, equipment, supplies, inventory, claims and rights under contracts and leases to be assigned to DaVita as set forth below, tradenames, trademarks, and service marks, patient lists, copies of patient files and records, telephone numbers, trade secrets, other proprietary rights or intellectual property, goodwill, Medicare and Medicaid provider numbers and agreements (if DaVita shall elect, in its sole discretion, to accept them), and, to the extent permitted by law, all permits, licenses and other rights held by the Seller with respect to the ownership or operation of any or all of the Dialysis Business, and all of the Seller’s books and records to the extent relating to the foregoing, in each case, regardless of whether they are on the Seller’s or a related party’s books. All of the Assets shall be transferred to DaVita free and clear of all liens, claims and encumbrances. At or prior to the Closing, the Seller shall acquire all right, title and interest in and to any leased equipment that is used in connection with the Dialysis Business, and such acquired equipment shall constitute part of the Assets. Notwithstanding the foregoing, the Assets will not include cash, accounts receivable, contracts and leases that are not to be assigned to DaVita as set forth below, and inventory and supplies disposed of from the date hereof until Closing in the ordinary course of business consistent with past practice.

3. **Liabilities.** Except for obligations arising on or after the Closing Date under contracts assigned to DaVita, DaVita will not assume any of the Seller's Liabilities (as defined below), including, without limitation, any Liabilities arising out of the operation of the Dialysis Business (or any part thereof) or the ownership or use of any of the Assets prior to the Closing Date. "Liability" means any claim, lawsuit, liability, obligation or debt of any kind or nature whatsoever, including without limitation, (a) any malpractice, tort or breach of contract claim asserted by any patient, former patient, employee or any other party that is based on acts or omissions or events occurring before the Closing Date; (b) any amount (including, if applicable, any penalty or interest) due or that may become due to Medicare or Medicaid or Blue Cross/Blue Shield or any other health care reimbursement or payment intermediary or other person or entity on account of any overpayment or duplicate payment or otherwise attributable to any period prior to the Closing Date ("**Reimbursement Liabilities**"); (c) any obligation or liability attributable to any period prior to the Closing Date that arises out of any contract, whether or not such contract is assigned to DaVita; and (d) any account payable of the Seller.

4. **Purchase Agreement.** DaVita, the Seller and each of the equity owners of the Seller listed on Exhibit A hereto (the "**Equity Owners**") shall execute an asset purchase agreement for the Transaction (the "**Purchase Agreement**"), which shall provide for the purchase and sale of the Assets and assumption of the Liabilities as specified in Paragraphs 2 and 3, above, and contain such representations, warranties and other terms as are customary for a transaction of this nature.

5. **Contracts.** Prior to the execution of the Purchase Agreement, the Seller shall provide DaVita with copies of all contracts and leases of the Seller relating to the Dialysis Business, including, without limitation, managed care contracts, employment agreements, and vendor agreements. Upon execution of the Purchase Agreement, DaVita shall designate which of the listed contracts and leases it shall assume at the Closing (it being anticipated that DaVita will designate relatively few, if any, of said contracts and leases). The Seller shall be responsible for obtaining any necessary consents for the assignment of such designated contracts and leases to DaVita at the Closing.

6. **Employees.** On or before the Closing, DaVita will offer to hire, in its sole discretion, those of Seller's employees (other than physicians) who are employed principally in the Dialysis Business as of the Closing and who DaVita desires to employ for the Dialysis Business ("**Dialysis Employees**") on such terms and conditions as DaVita generally offers to its employees. Notwithstanding the generality of the foregoing, DaVita will not offer to hire those of Seller's employees who do not have the unrestricted ability to provide federally reimbursed services, who do not release their personnel files to DaVita prior to Closing, or who do not pass a pre-employment drug test, background check and physical exam. At Closing, DaVita will assume up to eighty (80) hours of vacation and other payable time off ("**PTO**") accrued as of the Closing Date by each Dialysis Employee who accepts employment with DaVita, and the Seller shall pay to DaVita an amount equal to such accrued PTO or, alternatively, shall apply a credit to DaVita against the Purchase Price hereunder. The Seller will be responsible for paying any accrued PTO in excess of eighty (80) hours to each Dialysis

Employee in the next Seller disbursed payroll at or following the Closing. If DaVita is unable to process the transition of the Dialysis Employees who accept the offers from DaVita to DaVita's payroll and benefit plans by the Closing, then the Seller will maintain such Dialysis Employees on its payroll and in its benefit plans until such transition is completed, in each case, solely at the cost and expense of DaVita, but in no event for longer than two (2) months following the Closing.

7. **Medical Director Agreement.** DaVita will enter into a ten (10) year agreement (the "**Medical Director Agreement**") with William Evans, M.D. to serve as the medical director of the Center (the "**Medical Director**"), pursuant to which the Medical Director shall agree to provide oversight and responsibility for all medical and patient care aspects of the Center. The compensation payable to Medical Director shall be Eighty Thousand Dollars (\$80,000) per year (provided such amount is the fair market value of such services, consistent with DaVita's policies and procedures for medical director compensation). Medical Director also shall agree (a) not to compete with the Center, directly or indirectly, or otherwise take any action that results or may reasonably be expected to result in owning any interest in, leasing, operating, managing, extending credit to, or otherwise participating (e.g., as a medical director, contractor, consultant or employee) in a competitor of DaVita or the Center during the term of the Medical Director Agreement, and for two (2) years thereafter, anywhere within a radius of ten (10) miles of the Center (the "**Restricted Area**") and (b) not to take any action that results or may reasonably be expected to result in soliciting, diverting, or interfering with any relationship that DaVita has with any physicians, employees, patients, customers or vendors of Center; provided, that the foregoing shall not prohibit Medical Director from holding an ownership interest in or providing medical director services to Chicago Heights Renal Center located at 177B Joe Orr Road, Chicago Heights, Illinois. In addition, each physician who is or becomes an employee of the Medical Director or Medical Director's group practice or an owner of Medical Director's group practice shall agree to be individually bound by the terms of the Medical Director Agreement.

8. **Non-Competition and Non-Solicitation Covenant.** Pursuant to the Purchase Agreement, the Seller and each Equity Owner shall agree not to compete with the business of the Center, directly or indirectly, or otherwise take any action that may result in owning any interest in, leasing, operating, managing, extending credit to, or otherwise participating (e.g., as a medical director, contractor, consultant, or employee) in a competitor of DaVita or the Center, anywhere within a radius of ten (10) miles of the Center, for a period of ten (10) years following the Closing Date (the "**Period**"). The Seller and each Equity Owner shall further agree that they will not, during the Period, directly or indirectly, take any action that may induce any patient, customer, employee or vendor of the Center (either individually or in the aggregate) to discontinue his, her or its affiliation with the Center; provided that the foregoing is not intended to prohibit any Equity Owner who is a practicing physician or any physician employed by the Seller from engaging in the professional practice of nephrology or exercising such person's independent medical judgment, without consideration for any pecuniary interests of said physician, nor to require the referral of any patients for any dialysis service provided by, or to any dialysis center owned by, DaVita or any of DaVita's affiliates; provided, further, that the foregoing shall not prohibit Dr. Evans from holding an ownership interest in or providing medical director services to Chicago Heights Renal Center located at 177B Joe Orr Road,

Chicago Heights, Illinois. Seven percent (7%) of the Purchase Price will be allocated to the covenant not to compete and provided, further, that the foregoing shall not prohibit Affiliated Dialysis Centers, LLC (“**Affiliated**”) from providing dialysis or renal care services to patients in nursing homes in the Restricted Area whether under existing or new contracts.

9. **Closing.** The parties intend to begin negotiation of the Purchase Agreement immediately following full execution of this letter. Upon the execution of the Purchase Agreement, the parties shall immediately pursue in good faith all regulatory approvals required for the transaction that is contemplated in this letter, including without limitation the submission of an application for Certificate of need pertaining to the acquisition of the Center from the Illinois Health Facilities and Services Review Board (the “**CON**”). The transaction shall be consummated effective at 12:01 a.m. on the date designated by the parties in the definitive agreements which shall be a date that accounts for the time reasonably necessary to obtain the required approvals (the “**Closing Date**”).

10. **Conditions to Closing.** DaVita’s obligation to close the Transaction shall be subject to the satisfaction of the following conditions:

(a) **Due Diligence.** DaVita shall have completed to its satisfaction its due diligence review of the Dialysis Business, including, without limitation, the assets and liabilities relating thereto, and the Seller shall have furnished to DaVita and its representatives such information and access to such books and records and personnel as DaVita may reasonably request for such purpose, including, without limitation, with respect to financial matters, litigation and loss contingencies, employee matters, tax and ERISA matters, vendors and patient information, legal and healthcare regulatory compliance, licenses, insurance, contracts, and other matters as DaVita may reasonably request.

(b) **Documentation.** The negotiation, execution, and delivery of the Purchase Agreement, Medical Director Agreement, and related documents, setting forth the terms and conditions of the Transaction and containing such customary provisions, representations, warranties, covenants, and indemnifications, and providing for the receipt by the parties of such ancillary documents, as shall be reasonably acceptable to the parties and their respective counsel.

(c) **Regulatory Matters.** DaVita shall have received and reviewed to its satisfaction copies of all licenses, permits, and other regulatory materials and approval requirements pertaining to the Dialysis Business. The Seller shall be in material compliance with all standards of licensure and other applicable legal requirements, including, without limitation, all building, zoning, occupational safety and health, environmental, and health care laws, ordinances, and regulations relating to the Dialysis Business, its assets, its personnel and its operations. In addition, DaVita shall have been issued all necessary licenses, permits and approvals for its operation of the Dialysis Business after the change of control contemplated hereunder. Furthermore, the sale of the Assets to DaVita shall be in compliance with all applicable federal and state laws.

(d) **Board and Lender Approvals.** DaVita shall have received prior to the Closing all necessary board of director approvals and all required lender approvals.

(e) **Personnel.** Substantially all of the Dialysis Employees shall have accepted employment with DaVita on the terms and conditions offered by DaVita, and each of such employees shall have all licenses and permits required to carry out his or her obligations and none of them shall be on the OIG List of Excluded Individuals/Entities.

(f) **Inventory.** The Assets shall include that quantity of useable inventories and supplies, including, without limitation, EPO and other drugs and supplies used for dialysis treatments, as shall be sufficient to operate the Center for a period of eighteen (18) days in a manner consistent with prior practice.

(g) **Material Adverse Change.** There shall not have been any material adverse change in the condition (financial or otherwise) of the assets, properties or operations of the Dialysis Business or the Assets.

11. **Indemnification.** The Purchase Agreement will provide that the Seller and each of the Equity Owners will indemnify and hold harmless DaVita with respect to all losses arising out of any breach of any representation, warranty or covenant of the Seller made pursuant to the Purchase Agreement, or arising out of any Liabilities, including without limitation, Reimbursement Liabilities. The Purchase Agreement will also provide that DaVita will indemnify and hold harmless the Seller with respect to all losses arising out of any breach of any representation, warranty or covenant of DaVita made pursuant to the Purchase Agreement. Any claim for indemnification for any breach of a representation or warranty must be asserted by written notice within five (5) years following the Closing Date, except that, with regard to those representations and warranties pertaining to the Seller's payment programs, compliance with laws, benefit plans, and taxes, a claim for indemnification may be asserted at any time within the applicable statute of limitations.

12. **Maintenance of Business.** Between the date of this letter and the Closing Date or the termination of the exclusivity period referred to in Paragraph 16 below, whichever occurs first, the Seller (a) shall continue to operate the Dialysis Business and maintain the Assets in the usual and customary manner consistent with past operations, (b) shall use its reasonable efforts to preserve the business operations of the Dialysis Business intact, to keep available the services of its current personnel, and to preserve the good will and relationships of its suppliers, patients and others having business relations with the Dialysis Business, (c) shall notify DaVita in writing of any event involving the Dialysis Business or Assets that has had or may be reasonably expected to have a material adverse effect on the business or financial condition of the Dialysis Business or the Assets, and (d) shall not sell, encumber, or otherwise dispose of any assets, without DaVita's consent, except in the ordinary course of business consistent with past practice.

13. **Transition Period.** From the date hereof, through the Closing Date and thereafter for a reasonable period of time, the parties will work cooperatively with each other to develop specific transition and integration plans to assure continued quality of care and operating

effectiveness following the Closing, including but not limited to a plan to ensure that DaVita does not experience an interruption in reimbursement from Medicare after the Closing Date.

14. Public Announcements. Subject to requirements of law, any news releases or other announcements prior to Closing by DaVita, the Seller, or any of their respective affiliates or agents pertaining to this letter or the transactions contemplated herein shall be approved in writing by all parties prior to release. DaVita and the Seller agree that, prior to Closing, they shall keep the existence of this letter and its contents confidential, except as may be necessary to comply with applicable law.

15. Confidentiality. DaVita, Community Dialysis, and each of the Equity Owners hereby reaffirm their respective obligations under that certain Confidentiality Agreement, dated as of August 23, 2010 which agreement remains in full force and effect.

16. Exclusivity. Until December 1, 2012 or such earlier date on which DaVita provides written notice to the Seller that it has ended its active efforts to consummate the Transaction (the "**Exclusivity Period**"), neither the Seller nor any of its affiliates or agents or representatives, shall, directly or indirectly, enter into any agreement, commitment or understanding with respect to, or engage in any discussions or negotiations with, or encourage or respond to any solicitations from, any other party with respect to the direct or indirect (including, without limitation by way of stock sale, merger, consolidation or otherwise) sale, lease or management of the Dialysis Business or any material portion of the Assets. The Seller shall promptly advise DaVita of any unsolicited offer or inquiry received by it or any of its affiliates, agents or representatives, including the terms thereof.

17. Procedure. As soon as possible after execution and delivery of this letter, the parties will cooperate in the negotiation and preparation of the Purchase Agreement and other necessary documentation and will use all reasonable efforts to satisfy the conditions set forth in Paragraph 10 which are in their respective control.

18. Expenses. Each party shall bear its own expenses arising out of this letter and the Transaction, with no liability for such expenses to the other party, whether or not the Transaction or any part thereof shall close.

19. Sale or Joint Venture of Nursing Home Business. The Purchase Agreement shall contain the following provision:

"If at any time during the Period, Affiliated desires to sell or enter into a joint venture with an unrelated third party for that portion of its business pursuant to which it provides, or facilitates the provision of, dialysis or renal care services to patients in nursing homes (the "**Nursing Home Business**"), Affiliated shall provide DaVita with written notice of such intent (including applicable diligence information necessary for DaVita to evaluate the Nursing Home Business), and DaVita shall have a period of forty-five (45) days from the date of such written notice to submit a proposal to Affiliated to either acquire or enter into a joint venture with Affiliated for the Nursing Home Business. The preceding sentence is no way a guarantee,

covenant or promise of Affiliated that DaVita will be selected to acquire or enter into a joint venture for the Nursing Home Business; provided, however, Affiliated agrees to give good faith consideration to any proposal submitted by DaVita related to any such acquisition or joint venture.”

20. Right of First Offer. The Purchase Agreement shall contain the following provision:

“If at any time during the Period, Renal Therapies, LLC (“**Renal Therapies**”) desires to sell or enter into a joint venture with an unrelated third party for Shelbyville Community Dialysis (“**Shelbyville Dialysis**”), then Renal Therapies shall provide written notice to DaVita of its intent to do so (including applicable diligence information necessary for DaVita to evaluate Shelbyville Dialysis). DaVita may, within forty-five (45) days from the date of such written notice, submit a written proposal to Renal Therapies to acquire Shelbyville Dialysis or enter into a joint venture for Shelbyville Dialysis, and the parties will negotiate with each other exclusively and in good faith, for a period not to exceed forty-five (45) days from the date Renal Therapies receives DaVita’s proposal, to determine the terms for such a transaction that are mutually acceptable to the parties. If the parties are unable to reach agreement during the aforementioned period, then Renal Therapies may proceed to contract with a third party for the sale or joint venture of Shelbyville Dialysis.”

21. Non-Binding Effect. It is understood that this letter merely constitutes a statement of the mutual intentions of the parties with respect to the proposed Transaction, does not contain all matters upon which agreement must be reached in order for the proposed transactions to be consummated and, except in respect of Paragraphs 12, 14, 15, 16, 18, 19, and 20 above, and this Paragraph 21, creates no binding rights in favor of any party. It is further understood that if, following good faith negotiations on the part of all parties to this letter, the parties mutually decide to terminate negotiations with respect to the Transaction, the provisions of Paragraphs 19 and 20 shall be null and void following the date on which negotiations were terminated. A binding commitment with respect to the Transaction will result only if the parties come to mutual agreement with respect to the definitive agreements and such agreements are thereafter executed and delivered, and then, only subject to the terms and conditions contained therein. This letter may be executed in counterparts, each of which shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same letter of intent. Signatures sent by facsimile transmission shall be deemed to be original signatures.

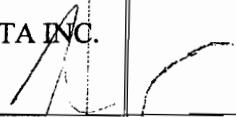
[SIGNATURES ON NEXT PAGE]

Community Dialysis of Harvey
September 24, 2012
Page 9

This letter will be void and the terms contained herein revoked unless accepted and returned by 5:00 p.m. (Pacific Daylight Time) on September 30, 2012. If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned.

Very truly yours,

DAVITA INC.

By: 
Singleton A. Cox
Director, Corporate Development

ACCEPTED AND AGREED TO:

COMMUNITY DIALYSIS, LLC

By: _____
Name: Curt Anliker
Title: Chief Operating Officer

WILLIAM EVANS, M.D.

ABDOL AZARAN, M.D.

ACCEPTED AND AGREED TO SOLELY FOR PURPOSES OF PARAGRAPHS 8, 19, and 21:

AFFILIATED DIALYSIS CENTERS, LLC

By: _____
Name: _____
Its: _____

RENAL THERAPIES, LLC

By: _____
Name: _____
Title: _____

Community Dialysis of Harvey
September 24, 2012
Page 8

This letter will be void and the terms contained herein revoked unless accepted and returned by 5:00 p.m. (Pacific Daylight Time) on September 30, 2012. If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned.

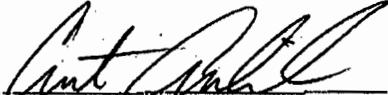
Very truly yours,

DAVITA INC.

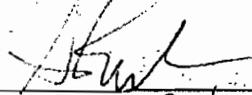
By: _____
Singleton A. Cox
Director, Corporate Development

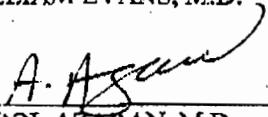
ACCEPTED AND AGREED TO:

COMMUNITY DIALYSIS, LLC

By: 
Name: Curt Anliker
Title: Chief Operating Officer

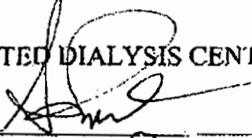
RENAL THERAPIES, LLC

By: 
Name: Steven Bucher
Title: CEO

WILLIAM EVANS, M.D.


ABDOL AZARKAN, M.D.

ACCEPTED AND AGREED TO SOLELY FOR PURPOSES OF PARAGRAPHS 8, 19, and 21:

AFFILIATED DIALYSIS CENTERS, LLC
By: 
Name: Steven Bucher
Its: CEO

This letter will be void and the terms contained herein revoked unless accepted and returned by 5:00 p.m. (Pacific Daylight Time) on September 30, 2012. If the foregoing is acceptable to you, please so indicate by signing a copy of this letter and returning it to the undersigned.

Very truly yours,

DAVITA INC.

By: _____
Singleton A. Cox
Director, Corporate Development

ACCEPTED AND AGREED TO:

COMMUNITY DIALYSIS, LLC

RENAL THERAPIES, LLC

By: _____
Name: Curt Anliker
Title: Chief Operating Officer

By: _____
Name: _____
Title: _____



WILLIAM EVANS, M.D.

ABDOL AZARAN, M.D.

ACCEPTED AND AGREED TO SOLELY FOR PURPOSES OF PARAGRAPHS 8, 19, and 21:

AFFILIATED DIALYSIS CENTERS, LLC

By: _____
Name: _____
Its: _____

**EXHIBIT A
EQUITY OWNERS EXECUTING PURCHASE AGREEMENT**

William Evans, M.D.
Abdol Azaran, M.D.
Renal Therapies, LLC

EXHIBIT A
EQUITY OWNERS EXECUTING PURCHASE AGREEMENT

William Evans, M.D.
Abdol Azaran, M.D.
Renal Therapies, LLC



Corporate Development
4041 Powder Mill Road, Suite 410
Calverton, Maryland 20705
Tel: 301-902-9100 | Fax: 301-931-3503
www.davita.com

April 16, 2014

Ms. Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson, 2nd Floor
Springfield, IL 62761

Re: DaVita HealthCare Partners Inc. Purchase Price Valuation for Community Dialysis of Harvey

Dear Ms. Olson:

This letter provides additional information in support of the Certificate of Need application for the planned acquisition of Community Dialysis of Harvey by DaVita HealthCare Partners Inc. ("DaVita"). The purchase price of the facility is \$4.0 million (the "Valuation"). DaVita participated in a competitive bidding process and the Valuation is the result of a negotiated transaction with Community Dialysis, LLC. In determining the final negotiated Valuation, DaVita relied on its standard valuation methods, including a discounted cash flow ("DCF") analysis. A DCF projects the future cash flows of a business and discounts those cash flows at an appropriate discount rate to determine their present value.

Thank you for your time and attention to this matter. We appreciate all of your and your staff's efforts to keep this application on track for prompt consideration by the Illinois Health Facilities and Services Review Board.

Very truly yours,

David R. Finn
Vice President, Mergers & Acquisitions

Attachment-19B



Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(c), Access

1. Current Admissions Policy

A copy of the current admissions policy and financial assistance policy for Community Dialysis of Harvey is attached as Attachment 19C.

2. Proposed Admissions Policy

A copy of the admissions policy and financial assistance policy for DaVita is attached as Attachment 19D. DaVita accepts patients for dialysis treatment at its outpatient dialysis facilities as long as those patients are appropriate for admission to an outpatient hemodialysis center.

3. Admission Policy Certification

A letter from Arturo Sida, Assistant Corporate Secretary, DaVita HealthCare Partners Inc., certifying the admissions policies of Community Dialysis of Harvey will not become more restrictive after acquisition by DaVita is attached as Attachment 19E.

Community Dialysis

Policy Number 200.00

Policy Name: ADMISSION AND DISCHARGE OF PATIENTS

Page 1 of 1

Issue Date 01/2008

Last Revision Date

PURPOSE

To ensure that there is an adequate mix and number of staff to provide appropriate care for the number and acuity of the program's patients.

PROCEDURE

1. A patient will be considered by the Regional Manager or designee for acceptance as a patient upon application. The applications may be reviewed by the Medical Director. All patients must have a treating physician with admitting privileges to the program at all times. The Regional Manager or designee will assess staff availability, space availability, and type of space available, to determine the total number and type of patients who may be accepted.
2. Patients are accepted without regard to national origin, race, age, sex, religion, disability, or other factors unrelated to the provision of appropriate medical care. Patients will be required to comply with the Patient Financial Policy as well as any and all other guidelines that are in effect.
3. Patients may be disapproved for admission or may be transferred or discharged to another program if the Medical Director, Regional Manager or designee and the Area Director/CEO determines any of the following:
 - o The patient's overall status has been assessed and it has been determined that treatment in the program is inappropriate.
 - o The patient's welfare of that or other patients or staff are endangered by words or behavior exhibited repeatedly by a patient that does not respond to normal interventions.
 - o The patient has a communicable disease and the program does not have the type of isolation measures recommended/required for that disease. Patients will not be disapproved for admission, transferred or discharged to another facility solely on the basis of HIV status.
4. When a patient is sent to another facility on a temporary or permanent basis, current information will be sent as requested by the facility and/or required/allowed by law in accordance with the policy for releasing information to third parties.
5. Medical records will be retained on all discharged patients for the length of time prescribed by law per the policy for Medical Record Initiation and Maintenance.
6. Any patient who feels that he or she has been improperly disapproved for admission, or once admitted, transferred or discharged to another facility in an improper manner, may file an appeal as outlined in the policy for Patient Grievance.

Patient Financial Policy

PURPOSE:

To outline the financial responsibilities and rules for patients treated in dialysis facilities owned or managed by Community Dialysis of Harvey. This facility will be referred to as a CDH facility.

POLICY:

- 1) CDH will accept for treatment at each CDH facility, from a physician with admitting privileges to the facility, all patients who require dialysis services and who legally and permanently reside in the community served by the CDH facility without regard to age, national origin, disability, race, creed, religion, or other factors unrelated to the provision of appropriate medical care per the CDH policy for Admission and Discharge of Patients.

Where....

- **“referring physician”** means any physician who has been granted admitting privileges to a CDH facility in accordance with the CDH Medical Staff Bylaws/ Rules and Regulations.
 - **“legally and permanently reside in the community served by the facility”** means all United States citizens (any individual born in the United States or its territories, born of a parent who is a U.S. citizen, or naturalized), or an individual who is not a citizen but who has been lawfully admitted for permanent residence; is permanently residing in the United States under color of law; or has been granted lawful permanent resident status under section 234A, 210, 210A of the Immigration and Nationality Act (INA) and maintains a valid immigration status, who live within the clinic service area.
- 2) Exceptions to the above can only be made with the advance approval of the responsible CDH Administrator. Such exceptions will be done on a case-by case basis only.
 - 3) CDH’s goal is to obtain compliance with this policy, not to discharge patients. However, if all efforts to encourage and ensure cooperation fail, non-compliant patients may be discharged from the CDH clinic.
 - 4) Transient patients are addressed in this policy/procedure and the CDH policy for Financial Responsibility: Transient Patients. Transient patients do not live within the clinic service area; therefore, CDH will not accept responsibility to treat these patients unless they comply with all applicable policies and procedures related to transient patients.

Responsibility for Payment:

- 5) The patient (or guardian/ guarantor, if applicable) is responsible for full payment of all services provided by CDH.
- 6) Any deductibles, co-insurance, co-pays and uninsured amounts are the responsibility of the patient and should be paid in full within 30 days of receipt of the billing statement by the patient unless other arrangements have been made.
- 7) If during the course of ascertaining the appropriate patient demographic and third party insurance information, it is discovered that the patient is a foreign national without proper authority and documentation, immediately notify the Corporate Office and refer the patient to the local social services offices.
- 8) CDH shall not knowingly submit claims for payment based on false information. If, however, any CDH employee later learns that claims have been submitted for payment based on inappropriate information (e.g., social security number or insurance policy ID number), the employee shall immediately notify the Corporate Office in the Accounts Receivable (AR) Department. The AR Department shall ensure that the following actions are taken immediately:
 - Notify the insurance company of the invalidity of the claim
 - Steps are taken to either withdraw the claim, or repay or have the insurance company recoup any monies collected.
 - The patient's financial information is revised to delete all erroneous information
 - The AR Department shall document all steps taken in the claims comment area
- 9) Patients who do not have insurance coverage for 100% of their financial liability will be offered financial counseling by a CDH Social Worker or other appropriate personnel to determine if any other programs or benefits may be available to the patient to assist in full payment for the patient's medical services and needs.
- 10) The patient or the guardian/ guarantor are expected to pay the full amount due within 30 days of receipt of the statement. Patients who fail to pay their liabilities may be offered an option of payment terms. Payment terms and liability will be based on a patient's ability to pay as determined by the Patient Financial Report. The patient will be required to provide CDH with full, verifiable financial disclosure. If a satisfactory payment schedule is not agreed upon, CDH will pursue and expect full payment from the patient or legal guardian/ guarantor.
- 11) If the patient receives insurance monies from the insurance company to pay a specified claim due to CDH and refuses to turn said money over to CDH, the patient will be contacted by Corporate AR Department and may be referred to an external collection agency.

- 12) Financial liabilities for deceased patients will be billed to the patient's estate or legal guardian/ guarantor.

Patient Assistance:

- 13) After counseling with a CDH Social Worker or other appropriate personnel, patients may be eligible to submit a request for financial assistance to pay all or part of their insurance premiums per the CDH policy for the American Kidney Fund Health Insurance Premium Program.

Patient Compliance:

- 14) Patients are expected to cooperate fully with CDH efforts to secure appropriate reimbursement for treatment. Cooperation includes, but is not limited to:
- Supplying CDH with all insurance coverage information in a timely manner.
 - Applying for Medicare, state Medicaid Assistance or state renal programs where applicable.
 - Paying insurance coverage premiums on time; and/ or seeking aid or assistance from the clinic's Social Worker or other appropriate personnel and the American Kidney Fund Health Insurance Premium Program.
 - Supplying all requested information to third party payers.
 - Notifying the facility Social Worker or other appropriate personnel of changes in insurance or financial status that may affect healthcare.
 - Providing required documentation of all home care treatments.
- 15) When a patient refuses to cooperate with CDH financial policies, discharge from the CDH facility may result per this policy and the CDH policy for patient Admission and Discharge.

Other:

- 16) To the extent that this policy may not be in compliance with the terms and provisions of any agreement between CDH and a third party payer, the provisions of the third party payer agreement will prevail with respect to patients served by the CDH facilities to which the third party agreement applies.
- 17) To the extent that this policy may be in conflict with local, state, or federal law(s), the provisions of such law(s), if any, shall prevail with respect to patients served by the CDH facility.

Patient Overpayments:

- 18) CDH will make every effort to refund overpayments made by patients in a timely manner.

Dialysis Regulatory and Ancillary Policies & Procedures
Policy: 3-01-03
DaVita HealthCare Partners Inc.

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

TITLE: ACCEPTING END STAGE RENAL DISEASE PATIENTS FOR TREATMENT

PURPOSE: To establish requirements for admitting End Stage Renal Disease (ESRD) patients to a DaVita dialysis facility and to allow DaVita to obtain necessary information from the patient/personal representative and to enter the correct information into the appropriate information system prior to providing dialysis treatment to a patient at a DaVita dialysis facility.

DEFINITION(S):

Guest patient: A patient who is visiting a facility and plans to return to his/her home facility within 30 days. A guest patient refers to patients visiting from a non-DaVita facility to a DaVita facility as well as visiting from a DaVita facility to another DaVita facility.

Medical Evidence Report Form (CMS 2728): Required by Medicare to determine if an individual is medically entitled to Medicare under the ESRD provisions of the law and to register patients with the United States Renal Data System. The 2728 form is used as the primary source in determining the COB for patient's insurance. Physicians have a 45 day grace period to sign the 2728 form when the patients are new to dialysis. A patient is generally only required to complete the 2728 form once, not for every facility visit or transfer (Refer to *Completion of Centers for Medicare & Medicaid Services (CMS) 2728*, available on the Clinical P&P website in Vol. 3. on the VillageWeb).

Medicare Secondary Payor Form (MSP): Determines if a commercial Employer Group Health Plan (EGHP) (or other insurance carrier) will be primary payer. This form is completed online in the Registration System and must be completed for all patients who have Medicare coverage when they start treatment at DaVita.

Patient Authorization and Financial Responsibility Form (PAFR): Document that informs patients of their financial obligations regarding services provided to them by DaVita. The form must be signed and witnessed prior to the start of the first dialysis treatment. By signing the PAFR, the patient/personal representative is assigning the payment for services provided by DaVita, directly to DaVita from insurance companies. The PAFR form must be signed each year at each DaVita facility where the patient receives treatments.

Note: California facilities: For all Medi Cal patients (Medicaid program for California), a new form must be signed the first full week in January regardless of dialysis start date. Example: First date of DaVita Dialysis 12-31-2011, need PAFR for December and one for January 2012.

Property of DaVita HealthCare Partners Inc.

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Origination Date: September 2006

Revision Date: March 2008, September 2008, December 2008, April 2009, September 2009, October 2010, September 2011, September 2012, March 2013, September 2013, March 2014

Page 1 of 7

Policy: 3-01-03

Attachment - 19D

Dialysis Regulatory and Ancillary Policies & Procedures
Policy: 3-01-03
DaVita HealthCare Partners Inc.

Permanent patient: A patient who has selected a DaVita dialysis facility as his/her home facility.

Personal Representative: An individual who is legally appointed, designated and/or authorized pursuant to state law to: (a) make health care decisions on behalf of a patient, or (b) act on behalf of a deceased individual or a deceased individual's estate. Reference: *Personal Representatives of Patients* (available on the HIPAA website on the VillageWeb).

Transfer patient: An existing dialysis patient who is permanently relocating from any dialysis facility to a DaVita dialysis facility. Once the transfer is complete, the patient will become a "permanent patient."

POLICY:

1. DaVita will accept and dialyze patients with renal failure needing a regular course of dialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, or disability if:
 - a. The patient's care can be managed in an outpatient dialysis facility according to individual modality;
 - b. The patient is under the care of a nephrologist who is credentialed in the DaVita facility;
 - c. There is adequate treatment space, equipment and appropriately trained staff available to provide appropriate care to the patient;
 - d. The patient (a) has been verified as Medicare or Medicaid eligible and/or has private insurance coverage issued by an Insurance Provider licensed and operating in the United States or United States Territories which has been verified, and from which an authorization for treatment has been received by DaVita as required, (b) accepts financial responsibility for care by signing the *Patient Authorization & Financial Responsibility (PAFR)* Form.
 - i. Patients who are uninsured must be authorized at the facility level with written approval by the facility's Divisional Vice President (DVP), or their designee, prior to treatment. (*Cash Payment Fee Schedule for Patients with no Insurance Coverage Policy* (available on the ROPS website on the VillageWeb).
 - ii. Patients who have an out-of-state Medicaid plan that will not pay for treatment(s) cannot be requested to pay for these services, either as primary or secondary to Medicare. Admittance to the facility must be

Dialysis Regulatory and Ancillary Policies & Procedures
Policy: 3-01-03
DaVita HealthCare Partners Inc.

authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.

- iii. Patients who are out-of-network and have no out of network benefits must be authorized at the facility level with written approval by the facility's DVP, or their designee, prior to treatment.
2. Patients without adequate medical insurance coverage will be responsible to pay their portion of the cost prior to actual treatment.
3. All visiting patients, including patients visiting a non-contracted facility, will be responsible to sign a new PAFR Form specific to the visiting facility.
4. The facility will obtain height and weight on all visiting patients, including patients visiting a non-contracted facility. This information will be recorded in Snappy on the first treatment in the visiting facility.
5. A Purchase Order for services and treatments outside of their area is required prior to treatment for patients who have Indian Health Services coverage.
6. Any new patient who is uninsured must be approved for treatment by the facility's DVP, or their designee, prior to treatment.
7. DaVita dialysis facility will transmit the required information to the corresponding Corporate Business Office (CBO) ROPS registration teammate upon notification of a new or visiting patient.
8. ROPS registration teammate will verify all insurances and obtain authorization if needed to complete the registration process.
9. Guest patients must make payment for non-covered, and out of network services in the form of cashier's check, money order, travelers check, American Express, Visa, Discover or MasterCard prior to treatment. Please see *Money Received at Centers Policy* and *Credit Card Process Policy* (available on the ROPS website on the VillageWeb).
10. DaVita will bill using the name and number as it appears on the beneficiary Medicare card or other document confirming the patient's health care coverage through a third party, and as the patient's name is confirmed by two (2) additional forms of identification which has the patient's current legal name listed on it. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folder) for acceptable forms of personal identification. Reference DaVita's *Entering Patient's Name Policy* (available on the ROPS website on the VillageWeb) for guidance on entering patient name into DaVita systems.

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Origination Date: September 2006

Revision Date: March 2008, September 2008, December 2008, April 2009, September 2009, October 2010, September 2011, September 2012, March 2013, September 2013, March 2014

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Policy: 3-01-03

Dialysis Regulatory and Ancillary Policies & Procedures
Policy: 3-01-03
DaVita HealthCare Partners Inc.

11. If any information on the beneficiary Medicare card is incorrect, DaVita will advise the beneficiary to contact their local servicing Social Security Office to obtain a new Medicare card.
12. If information contained on the insurance card is incorrect, DaVita will advise the policyholder to contact their insurance company to obtain a new insurance card. All insurance cards should match the patient's identification. The patient must produce evidence that a change was initiated with the appropriate insurance carrier within 90 days of the noted discrepancy.
13. There are three (3) mandatory data elements for any patient to be registered in Registration System. These fields must be completed accurately prior to treatment. Required Registration System fields are:
 - a. First and last name;
 - b. DOB (date of birth), and
 - c. Anticipated start date at DaVita.
14. Listed below are the following documents that are required for in-center dialysis patients and home dialysis patients prior to admission to a DaVita Dialysis facility:
 - a. Patient demographics and insurance information;
 - b. Copy of History and Physical (within the last year – must be legible);
 - c. Hepatitis and TB Testing Results: For Hepatitis and TB testing requirements, refer to policies: *Hepatitis Surveillance, Vaccination and Infection Control Measures* and *Tuberculosis Infection Control Policy* (available on the eP&P site Incenter Hemodialysis Policies & Procedures, Peritoneal Dialysis and Home Hemodialysis folders); Note: Hepatitis C testing is recommended, but not required; and
 - d. Copy of current hemodialysis orders for treatment

The following are required upon arrival of patient, prior to first treatment:

- a. Two (2) forms of personal identification, in addition to the patient's insurance card, verifying the patient's legal name and current legal residence, one of which is a picture ID. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the eP&P site Dialysis Regulatory and Ancillary Policies and Procedures folder) for acceptable forms of personal identification;
- b. All copies of patient's current insurance cards-front and back;

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- c. Initiation of CMS 2728. Once completed, within the 45-day guideline, it should include the patient's and nephrologists' signature and date. This is the official document of the patient's first date of dialysis ever, first dialysis modality, and provides transplant information, if applicable; *Patient Authorization & Financial Responsibility Form* (PAFR). Must be signed and witnessed prior to the start of the first dialysis treatment. This form allows DaVita to receive payment from insurance companies and informs the patient of the financial responsibilities regarding treatment provided to them. Without a signed PAFR Form, DaVita may not be reimbursed for services provided to the patient;
- d. Medicare Secondary Payor Form (MSP). Determines if a commercial Employer Group Health Plan (EGHP) will be primary payor. Must be completed for all patients who have Medicare coverage when they start treatment at DaVita;
- e. DaVita's *Notice of Privacy Practices*. Each patient/personal representative will be provided with the notice.

For patients who have dialyzed before* (permanent transfers or visiting patients) the following will also be required:

- a. Copies of most recent Plan of Care, Nursing, Dietary and Social Work Assessments and most recent progress notes;
- b. Copies of three (3) flowsheets within two (2) weeks of requested treatment(s);
- c. Monthly labs within 30 days prior to first treatment date including hematocrit, hemoglobin, URR and electrolytes.

*For patients displaced by disaster/emergency event, please see policy: *Disaster and Emergency Preparedness Business Continuity Policy*

15. The following documents are to be requested (but not required) for a safe transition of care for in-center dialysis patients and home dialysis patients prior to admission to a DaVita Dialysis facility:

- a. If patient is a new end stage renal disease (ESRD) patient, pre dialysis labs including hematocrit or hemoglobin, albumin, BUN, creatinine;
- b. Consultations (Hematology, GI, Cardiology);
- c. Discharge Instruction Sheet (to be brought in by the patient);
- d. EKG, if available; and
- e. Advance Directives, if applicable.

16. The following are to be requested or asked of the patient:

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- a. Current list of medications being administered to patient in-center and at home (recommended for patient to bring in current medications at time of first treatment);
 - b. Allergies; and
 - c. Access Information.
17. Unless otherwise provided for under this policy, prior to the admission to the facility, all patients, including Transfer, Guest, and Permanent Patients will be given the following documents to read and sign:
- a. Patient Rights;
 - b. Patient Responsibilities;
 - c. Patient Authorization and Financial Responsibility Form (PAFR);
 - d. Patient Standards of Conduct;
 - e. Patient Grievance Procedure;
 - f. Authorization for and Verification of Consent to Hemodialysis/Peritoneal Dialysis;
 - g. Reuse Information Consent form;
 - h. Caretaker Authorization form;
 - i. HIPAA Notice Acknowledgement form; and
 - j. Affidavit of Patient Identification form (Note: This form is only given if the patient or Personal Representative on behalf of the patient is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence upon admission or within seven (7) days of admission).
18. The patient/personal representative will agree to follow the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure*. (Refer to *Patient's Standards of Conduct; Patient Grievance Procedure; Patient Rights and Responsibilities* available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folder).
19. Guest Patients are only required to sign the *Patient's Rights and Responsibilities, Patient's Standards of Conduct and the Patient Grievance Procedure* one time for each DaVita facility they visit, as long as these forms are visibly posted at the facility, unless

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there are changes made to any of those forms/policies, or state specifications require otherwise.

20. If the patient, or Personal Representative on behalf of the patient, is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence, the teammate admitting the patient should follow the procedures set forth in the *Patient Identification and Verification Policy* (available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folders), and any other relevant policies based on the situation at hand.
21. Any conflict with the criteria established or refusal to sign appropriate consents and authorization to bill would constitute a need for prior written authorization by the facility's DVP or designee.
22. Other than a PAFR which is always required, a permanent DaVita patient may be treated at a DaVita facility other than his /her home facility without completing the required documentation, when:
 - a. The attending nephrologist has privileges at both the facilities in question (the patient's home facility and the anticipated visiting facility);
 - b. A visiting record is generated by the home facility at least one hour before the scheduled treatment;
 - c. The Facility Administrator (FA) at the visiting facility agrees to treat the patient; and
 - d. The visiting facility has the space and resources to treat the patient.
23. All other exceptions to this policy are subject to approval by the DVP for the region/division.

ATTACHMENTS:

Attachment A: Procedures for Accepting Patients for Treatment

Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager, to the Corporate Compliance Hotline (1-888-458-5848 or DaVitaComplianceHotline.com.) DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality. Questions regarding this policy should be directed to the QUESTionLine at 1-855-687-9645 or QUESTionLine@davita.com.

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Printed copies are for reference only. Please refer to the electronic copy for the latest version.

**TITLE: PROCEDURE FOR ACCEPTING END STAGE RENAL
DISEASE PATIENTS FOR TREATMENT**

PURPOSE: To establish procedure for accepting patients for treatment in accordance with the *Accepting End Stage Renal Disease Patients for Treatment* policy.

DEFINITIONS:

Personal Representative: An individual who is legally appointed, designated and/or authorized pursuant to state law to: (a) make health care decisions on behalf of a patient, or (b) act on behalf of a deceased individual or a deceased individual's estate. Reference the *Personal Representatives of Patients* (available on the HIPAA website on the VillageWeb).

POLICY:

1. DaVita dialysis facility will gather all the required documents and patient information (for new patients) to properly register the patient into the Registration System and Snappy information systems.

PROCEDURE:

A. Patient Registration Procedures for all New or Visiting patients:

1. The facility's Social Worker (SW) or designee will interview all new patients to determine whether a patient has adequate medical insurance coverage.
2. If patient is an established DaVita patient, the patient's current Patient Financial Evaluation (PFE) will follow the patient to the DaVita facility they are visiting.
3. Prior to scheduling the patient for treatment, the following fields must be completed:
 - a. First and last name;
 - b. Date of birth; and
 - c. Anticipated start date at DaVita.
4. Insurance information is required on all patients regardless of insurance type or coverage. The insurance information must include:
 - a. Insurance Company/Companies and phone number(s) (patient may have more than one type of insurance); and

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- b. Insurance Policy ID number (for each insurance).
5. The facility will then transmit the initial key information to the appropriate CBO/Registration Teammate as soon as notified of intent to treat a patient at a DaVita dialysis facility. The transmission of the additional information listed below will help complete the registration process.
 - a. Demographics;
 - b. Address, permanent and billing;
 - c. Social Security number;
 - d. Ethnicity;
 - e. Emergency numbers;
 - f. Provider information;
 - g. Credentialed nephrologist;
 - h. Clinical Information;
 - i. First Date of Dialysis (FDOD);
 - j. Modality type;
 - k. Primary diagnosis for dialysis;
 - l. Primary cause for ESRD found on CMS 2728 form;
 - m. Method (home patient supplies);
 - n. Employed Status (required on patient, spouse, guardian or child) if there is an Employer Group Health Plan (EGHP). A Registration Teammate can unlock the Insurance Change Request (ICR) so the facility may complete this information. If the insurance subscriber is someone other than the patient, Registration Teammate will require the DOB of the subscriber;
 - o. Date(s) of previous transplant(s), if applicable; and
 - p. MSP Form completed online in Registration System (if patient is Medicare eligible).
6. If the patient does not have a Social Security Number (SSN); please call Palms Customer Support at DaVita Laboratories @ 1-800-944-5227 to obtain a Reflab number. The

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Reflab number will be used by DaVita Laboratories and populated into Registration System.

7. Prior to the start of the first dialysis treatment, the patient or the patient's Personal Representative must sign, and have witnessed by a Registered Nurse, the *Authorization for and Verification of Consent to Hemodialysis* Procedure Form or the *Authorization for and Verification of Consent to Peritoneal Dialysis* Procedure Form.
8. The *Patient Authorization & Financial Responsibility (PAFR) Form* must be signed and dated by the patient or the patient's Personal Representative annually at each DaVita facility the patient is treated, and witnessed, prior to the start of the first dialysis treatment.
9. The facility will give the patient or the patient's Personal Representative DaVita's *Notice of Privacy Practices* (available on the HIPAA website on the VillageWeb). The HIPAA Notice Acknowledgement Form must be signed by the patient or the patient's Personal Representative or by a teammate prior to the start of the first dialysis treatment.
10. The patient/Personal Representative or a DaVita teammate must sign the Notice of Acknowledgement Form attesting that the patient received DaVita's *Notice of Privacy Practices*.
11. All additional forms, specific to the patient's modality, are to be signed prior to, or within 30 days of the first treatment.
12. The following documents must be photocopied and scanned into Registration System prior to or within seven (7) days of the first treatment:
 - a. An insurance card for each insurance;
 - b. Insurance letter for Authorization/Referral if the insurance carrier requires an authorization; and
 - c. Two (2) forms of personal identification, in addition to the patient's insurance card, verifying the patient's legal name and current legal residence, one of which is a picture ID. Reference DaVita's *Patient Identification and Verification Policy Attachment A: Acceptable Forms of Personal Identification* (available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folders) for acceptable forms of personal identification.

Note: All photocopies of the documents must be maintained in the patient medical record.

13. If the patient, or Personal Representative on behalf of the patient, is not able to produce the requested two (2) forms of personal identification verifying the patient's legal name and current legal residence, the teammate admitting the patient will follow the procedures

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set forth in the *Patient Identification and Verification Policy* (available on the eP&P site Dialysis Regulatory and Ancillary Policies & Procedures folders).

14. A signed CMS 2728 form must be completed and scanned into Registration System within 45 days of the first treatment date. This is scanned into Registration System one (1) time only.
15. The dialysis facility will fax the following required documents to 1-888-720-4008 for electronic imaging:
 - a. Patient Authorization & Financial Responsibility Form (PAFR);
 - b. Authorization for and Verification of Consent to Hemodialysis Procedure Form (if applicable);
 - c. Authorization for and Verification of Consent to Peritoneal Dialysis Procedure Form (if applicable);
 - d. Reuse Information Consent Form (if applicable);
 - e. Patient's Rights;
 - f. Patient's Responsibilities;
 - g. Patient's Standards of Conduct;
 - h. Patient Grievance Procedure;
 - i. Dialysis Emergency Form/Emergency Evacuation Acknowledgement (Hemodialysis patients);
 - j. Patient's Choice of Transportation; and/or
 - k. Caretaker Authorization.
16. The facility will file all original documents in the patient's medical record.

B. Visiting DaVita Patient Procedures:

1. The facility will verify that the documents and patient information for existing patients are current within the Registration System.
2. PAFR must be signed specific to the facility being visited.
3. The home facility must setup a transfer record for a returning DaVita patient. This may be entered up to 30 days in advance.

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4. The facility will transmit the required information to the corresponding CBO/Registration Teammate as soon as possible upon notification of a returning visiting patient.
5. Height and weight must be entered into Snappy at the facility being visited in order for Medicare to be billed at the visiting facility.
6. ROPS registration teammate will verify all insurances and obtain authorization if needed to complete the registration process.

C. Registration Teammate Procedures:

1. Registration teammate will complete the system driven tasks generated from Registration System for the new patient to continue the patient intake process within 48 hours of receipt of patient information.
 - a. Registration teammate will complete one Benefits Verification Form (BVF) for each insurance.

Registration teammate will obtain authorization if required by the insurance carrier. If no authorization can be obtained, the Registration teammate Representative will update Registration System Notes and notify the Facility Administrator with the information as described in *ROPS Patient Limited Benefit Alert process*.
 - b. Contact the facility for any additional information required to register the patient into Registration System.
 - c. Registration Teammate will respond to inquiries made by the dialysis facility within a 24-hour period.

D. Exceptions to these Procedures:

1. The documentation requirement for visiting DaVita to DaVita patients may be waived by the Facility Administrator under specific conditions described here:
 - a. The referring physician has privileges at both the home and the visiting facility;
 - b. A transfer record has been created at least one (1) hour before the patient arrives for treatment; and
 - c. The visiting facility has the resources and space to accept the patient for dialysis.
2. Under this exception, the visiting facility must have the patient sign:
 - a. *Patient Authorization & Financial Responsibility Form (PAFR)*; and

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b. *Authorization and Consent for Treatment (Hemodialysis / Peritoneal Dialysis)*

Teammates are expected to report possible violations of this policy and procedure. You may make your report to an appropriate DaVita manager or to the Corporate Compliance Hotline (888-458-5848 or DaVitaComplianceHotline.com). DaVita has a Non-Retaliation policy and will not tolerate any form of retaliation against anyone who files a Compliance report in good faith. Reports can be made anonymously or you may request confidentiality. Questions regarding this policy should be directed to the QUESTionLine at 855-687-9645 or QUESTionLine@davita.com

TITLE: FINANCIAL RESPONSIBILITIES: PATIENTS

PURPOSE: To outline the financial responsibilities and rules for patients treated in dialysis facilities owned or managed by DaVita Inc. Each of these facilities will be referred to as a DaVita facility.

POLICY:

1. DaVita will accept for treatment at each DaVita facility, from a physician with admitting privileges to the facility, all patients who (a) require dialysis services; (b) comply with the patient financial responsibilities as set forth in this policy; (c) meet all other patient responsibilities required by DaVita policies; and (d) either permanently reside in the community served by the DaVita facility or satisfy DaVita's visiting patient criteria. Acceptance for treatment shall be without regard to age, national origin, disability, race, creed, religion or other factors unrelated to the provision of appropriate medical care per DaVita policies: *Accepting Patients for Treatment and Patient Discharge*.
 - "Referring physician" means any physician who has been granted admitting privileges to a DaVita facility in accordance with the DaVita Medical Staff Bylaws/Rules and Regulations.
2. Exceptions to the above can only be made with the advance approval of the responsible DaVita Regional Director. Such exceptions will be done on a case-by case basis only.
3. DaVita's goal is to obtain compliance with this policy and other DaVita policies governing patient responsibilities, not to discharge patients. However, if all efforts to encourage and ensure cooperation fail, non-compliant patients may be discharged from the DaVita facility.
4. Visiting patients are addressed in this policy/procedure and the DaVita policy for *Financial Responsibility: Visiting Patients*. Visiting patients do not live within the facility service area; therefore, DaVita will not accept responsibility to treat these patients unless they comply with all applicable policies and procedures related to visiting patients.

Responsibility for Payment:

1. The patient (or guardian/guarantor, if applicable) is responsible for full payment of all services provided by DaVita.
2. Any deductibles, co-insurance, co-pays and uninsured amounts are the responsibility of the patient and should be paid in full within 30 days of receipt of the billing statement by the patient unless other arrangements have been made.

3. If during the course of ascertaining the appropriate patient demographic and/or third party insurance information, it is suspected that the patient is providing false information to obtain DaVita's services, the teammate will notify the Facility Administrator immediately, who will then conduct further activity in accordance with the *Potential Misuse of Public and Private Health Care Program Benefits to Obtain Health Care Services from DaVita* policy.
4. DaVita will not knowingly submit claims for payment based on false information.
5. Patients who do not have insurance coverage for 100% of their financial liability will be offered financial counseling by a DaVita Social Worker or other appropriate teammate to determine if any other programs or benefits may be available to the patient to assist in full payment for the patient's medical services and needs.
6. The patient or the guardian/guarantor is expected to pay the full amount due within 30 days of receipt of the statement. Patients who fail to pay their liabilities may be offered an option of payment terms. Payment terms and liability will be based on a patient's ability to pay as determined by the Patient Financial Report. The patient will be required to provide DaVita with full, verifiable financial disclosure. If a satisfactory payment schedule is not agreed upon or a Patient Financial Report is not completed, DaVita will pursue and expect full payment from the patient or legal guardian/guarantor.
7. If the patient receives insurance monies from the insurance company to pay a specified claim due DaVita and refuses to turn said money over to DaVita, the patient will be added to the Patient Liability Report and may be referred to an external collection agency.
8. Financial liabilities for deceased patients will be billed to the patient's estate or legal guardian/guarantor.

Patient Assistance:

1. After counseling with a DaVita Social Worker or other appropriate teammate, patients may be eligible to submit a request for financial assistance per DaVita's Patient Financial Evaluation Policy, the policy for the American Kidney Fund Health Insurance Premium Program and other assistance programs as are made available to patients.

Patient Compliance:

1. Patients are expected to cooperate fully with DaVita efforts to secure appropriate reimbursement for treatment. Cooperation includes, but is not limited to:

- Supplying DaVita with true, correct, accurate, and valid identification, demographic and insurance coverage information in a timely manner.
 - Applying for any and all available health care program benefits and other sources of financial aid or subsidy available to the patient that would improve the individual patient's health care coverage, including but not limited to Medicare, state Medicaid Assistance or state renal programs where applicable.
 - Paying insurance coverage premiums on time; and/or requesting assistance from the facility's Social Worker or other appropriate teammate for seeking aid from other sources, including but not limited to, the American Kidney Fund Health Insurance Premium Program.
 - Supplying true, correct, accurate, and valid information in response to all requests for information made by third party payers.
 - Notifying the facility Social Worker or other appropriate teammate of changes in insurance, demographic or financial status that may affect healthcare.
 - Providing required documentation of all home care treatments.
2. When a patient refuses to cooperate with DaVita financial policies and/or other DaVita policies governing patient responsibilities, discharge from the facility may result per this policy and the policy for *Patient Discharge*.

Other:

1. To the extent that this policy may not be in compliance with the terms and provisions of any agreement between DaVita and a third party payer, the provisions of the third party payer agreement will prevail with respect to patients served by the DaVita facilities to which the third party agreement applies.
2. To the extent that this policy may be in conflict with local, state or federal law(s), the provisions of such law(s), if any, prevail with respect to patients served by the DaVita facility.

Patient Overpayments:

1. DaVita will make every effort to refund overpayments made by patients in a timely manner.

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

Re: Admission Policies

Dear Chairwoman Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that the admissions policy for Community Dialysis of Harvey will not become more restrictive as a result of the proposed change of ownership.

Sincerely,


Arturo Sida
Assistant Corporate Secretary
DaVita HealthCare Partners Inc.

State of California
County of Los Angeles

On March 28, 2014 before me, Kimberly Ann K. Burgo, Notary Public, personally appeared *** Arturo Sida *** who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature





Section VI, Mergers, Consolidations and Acquisitions/Changes of Ownership
Criterion 1110.240(d), Health Care System

1. Impact on Other Area Providers

There will be no change in the scope of services as a result of the acquisition of the Community Dialysis of Harvey. DaVita intends to continue to provide dialysis services to patients in Cook County and surrounding areas through the existing facility. All anticipated changes will be operational to align the Community Dialysis of Harvey with the operations and resources available within DaVita and which are customary for all DaVita facilities. The acquisition will not impact other unaffiliated area dialysis facilities as the transaction consists of a change of control of the operating entity.

2. Facilities within Applicant's Health Care System

A list of all DaVita facilities in Illinois is attached at Attachment – 19F. The list includes the name, address, number of stations, list of services, and utilization for the most recent 12 month period.

3. Present and Proposed Referral Agreements

There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

4. Time and Distance for Proposed Referrals

There are no current or proposed referral agreements for the facilities involved in this transaction. Therefore, this criterion is not applicable.

5. Use of Care System Providers

The change of ownership of Community Dialysis of Harvey will have no impact on area in-center hemodialysis facilities. The change of ownership will not restrict the use of other area health care providers, and the DaVita facilities, including the integrated Community Dialysis of Harvey, will have open medical staffs and admit patients pursuant to a non-discriminatory admission policy.

6. Duplication of Services

As set forth throughout this application, the proposed transaction contemplates a change of ownership of Community Dialysis of Harvey. Total Renal Care, Inc. will acquire substantially all of the assets of the Community Dialysis of Harvey. Because the proposed transaction involves the acquisition of an existing in-center hemodialysis facility, there will be no duplication of services.

7. Services Not Available to the Community

DaVita will continue to provide dialysis services currently provided at Community Dialysis of Harvey. No new services are planned for the acquired facility; however, as new treatment options and technology evolve, DaVita will implement new treatment modalities as warranted.

DaVita HealthCare Partners, Inc.

Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Arlington Heights Renal Center	17 WEST GOLF ROAD		ARLINGTON HEIGHTS	COOK	IL	60005-3905	14-2628
Barrington Creek	28160 W. NORTHWEST HIGHWAY		LAKE BARRINGTON	LAKE	IL	60010	14-2736
Belvidere Dialysis	1755 BELOIT ROAD		BELVIDERE	BOONE	IL	61008	
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Buffalo Grove Renal Center	1291 W. DUNDEE ROAD		BUFFALO GROVE	COOK	IL	60089-4009	14-2650
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	14-2599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
Driftwood Dialysis	1808 SOUTH WEST AVE		FREEPORT	STEPHENSON	IL	61032-6712	14-2747
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529
Evanston Renal Center	1715 CENTRAL STREET		EVANSTON	COOK	IL	60201-1507	14-2511
Grand Crossing Dialysis	7319 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60619-1909	14-2728
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Garfield Kidney Center	3250 WEST FRANKLIN BLVD		CHICAGO	COOK	IL	60624-1509	
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Hazel Crest Renal Center	3470 WEST 183rd STREET		HAZEL CREST	COOK	IL	60429-2428	14-2622
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Kenwood Dialysis	4259 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60653	14-2717

DaVita HealthCare Partners, Inc.

Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Lake County Dialysis Services	565 LAKEVIEW PARKWAY	STE 176	VERNON HILLS	LAKE	IL	60061	14-2552
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lawndale Dialysis	3934 WEST 24TH ST		CHICAGO	COOK	IL	60623	14-2768
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE		CHICAGO	COOK	IL	60657-3111	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD	MONTGOMERY	IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2838 NORTH KIMBALL AVE		CHICAGO	COOK	IL	60618	14-2534
Loop Renal Center	1101 SOUTH CANAL STREET		CHICAGO	COOK	IL	60607-4901	14-2505
Macdon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Markham Renal Center	3053-3055 WEST 159th STREET		MARKHAM	COOK	IL	60428-4026	14-2575
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 DEVELOPMENT DRIVE		CHARLESTON	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
Oliney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674
Olympia Fields Dialysis Center	457B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Palos Park Dialysis	13155 S LaGRANGE ROAD		ORLAND PARK	COOK	IL	60462-1162	14-2732
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Carpentersville Dialysis	2203 RANDALL ROAD		CARPENTERSVILLE	KANE	IL	60110	
Marengo City Dialysis	910 GREENLEE STREET	STE B	MARENGO	MCHENRY	IL	60152	
Red Bud Dialysis	LOT 4 IN 1ST ADDITION OF EAST INDUSTRIAL PARK		RED BUD	RANDOLPH	IL	62278	14-2772
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665

DaVita HealthCare Partners, Inc.

Illinois Facilities

Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Schaumburg Renal Center	1156 S ROSELLE ROAD		SCHAUMBURG	COOK	IL	60193-4072	14-2654
Shiloh Dialysis	1095 NORTH GREEN MOUNT RD		SHILOH	ST CLAIR	IL	62269	14-2753
Silver Cross Renal Center - Morris	1551 CREEK DRIVE		MORRIS	GRUNDY	IL	60450	14-2740
Silver Cross Renal Center - New Lenox	1890 SILVER CROSS BOULEVARD		NEW LENOX	WILL	IL	60451	14-2741
Silver Cross Renal Center - West	1051 ESSINGTON ROAD		JOLIET	WILL	IL	60435	14-2742
South Holland Renal Center	16136 SOUTH PARK AVENUE		SOUTH HOLLAND	COOK	IL	60473-1511	14-2544
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 SOUTH 6th STREET		SPRINGFIELD	SANGAMON	IL	62703	14-2733
Stonestrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
Tazewell County Dialysis	1021 COURT STREET		PEKIN	TAZEWELL	IL	61554	14-2767
Timber Creek Dialysis	1001 S. ANNIE GLIDDEN ROAD		DEKALB	DEKALB	IL	60115	14-2763
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Waukegan Renal Center	1616 NORTH GRAND AVENUE	STE C	Waukegan	COOK	IL	60085-3676	14-2577
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
West Side Dialysis	1600 W 13TH STREET		CHICAGO	COOK	IL	60608	
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648
Woodlawn Dialysis	5060 S STATE ST		CHICAGO	COOK	IL	60609	14-2310

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

The project will be funded entirely with cash and cash equivalents. A copy of DaVita's 2013 10-K Statement evidencing sufficient internal resources to fund the project is being submitted with this application.

Section IX, Financial Feasibility
Criterion 1120.130 – Financial Viability Waiver

The project will be funded entirely with cash. A copy of DaVita's 2013 10-K Statement evidencing sufficient internal resources to fund the project is being submitted with this application.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 39A is a letter from Arturo Sida, Assistant Corporate Secretary, DaVita HealthCare Partners Inc., attesting the total estimated project costs will be funded in total with cash.

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

Re: Reasonableness of Financing Arrangements

Dear Chairwoman Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents.

Sincerely,



Arturo Sida
Assistant Corporate Secretary
DaVita HealthCare Partners Inc.

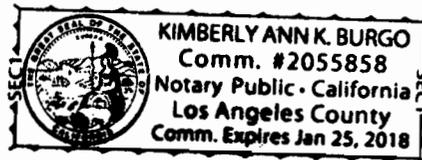
State of California
County of Los Angeles

On March 28, 2014 before me, Kimberly Ann K. Burgo, Notary Public, personally appeared *** Arturo Sida *** who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

The project will be funded entirely with cash. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(c), Reasonableness of Project and Related Costs

The Applicants propose a change in ownership of Community Dialysis of Harvey. The proposed project involves no construction or modernization. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: \$2,897,960

Treatments: 10,863

Operating Expense per Treatment: \$266.77

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs: \$235,304

Treatments: 10,863

Capital Costs per Treatment: \$21.66

Section XI, Safety Net Impact Statement

The Applicants propose a change of ownership of Community Dialysis of Harvey. A change of ownership constitutes a non-substantive project. Accordingly, this criterion is not applicable.

Section XII, Charity Care Information

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by the Applicants.

CHARITY CARE			
	2011	2012	2013
Net Patient Revenue	\$219,396,657	\$228,403,979	\$244,115,132
Amount of Charity Care (charges)	\$830,580	\$1,199,657	\$2,175,940
Cost of Charity Care	\$830,580	\$1,199,657	\$2,175,940

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
1	Applicant/Coapplicant Identification including Certificate of Good Standing	22-24
2	Site Ownership	25-38
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	39-40
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	41-42
5	Flood Plain Requirements	43
6	Historic Preservation Act Requirements	44
7	Project and Sources of Funds Itemization	N/A
8	Obligation Document if required	N/A
9	Cost Space Requirements	45
10	Discontinuation	N/A
11	Background of the Applicant	46-74
12	Purpose of the Project	75-77
13	Alternatives to the Project	78
14	Size of the Project	N/A
15	Project Service Utilization	N/A
16	Unfinished or Shell Space	N/A
17	Assurances for Unfinished/Shell Space	N/A
18	Master Design Project	N/A
19	Mergers, Consolidations and Acquisitions	79-123
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	N/A
21	Comprehensive Physical Rehabilitation	N/A
22	Acute Mental Illness	N/A
23	Neonatal Intensive Care	N/A
24	Open Heart Surgery	N/A
25	Cardiac Catheterization	N/A
26	In-Center Hemodialysis	N/A
27	Non-Hospital Based Ambulatory Surgery	N/A
28	Selected Organ Transplantation	N/A
29	Kidney Transplantation	N/A
30	Subacute Care Hospital Model	N/A
31	Children's Community-Based Health Care Center	N/A
32	Community-Based Residential Rehabilitation Center	N/A
33	Long Term Acute Care Hospital	N/A
34	Clinical Service Areas Other than Categories of Service	N/A
35	Freestanding Emergency Center Medical Services	N/A
	Financial and Economic Feasibility:	
36	Availability of Funds	124
37	Financial Waiver	125
38	Financial Viability	N/A
39	Economic Feasibility	126-131
40	Safety Net Impact Statement	132
41	Charity Care Information	133