



161 N. Clark Street, Suite 4200, Chicago, IL 60601-3316 • 312.819.1900

14-020

May 14, 2014

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Direct Fax
acooper@polsinelli.com

Via Federal Express

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Request for Expedited Review – Chicago Ridge Dialysis

Dear Ms. Avery:

On behalf of DaVita Healthcare Partners Inc. and Cagles Dialysis, LLC (collectively, the “Applicants”), we respectfully request the Illinois Health Facilities and Services Review Board (the “State Board”) grant expedited review of the Applicants’ certificate of need application to establish a 16-station dialysis facility to be located at 10511 South Harlem Avenue, Worth, Illinois (the “CON Application”). Under the terms of the letter of intent for the Chicago Ridge site, the Applicants must obtain a CON permit for the project prior to August 1, 2014. Accordingly, the Applicants respectfully request the State Board consider their CON Application at the July 15, 2014 State Board meeting.

As you are aware, the Applicants previously filed an application for a 16-station dialysis facility in Worth, Illinois on August 9, 2013 (the “Initial Application”). As part of the initial application, the Applicants executed a letter of intent for the site located at 10511 South Harlem Avenue in Worth (the “Chicago Ridge Site”) on July 31, 2013. Under the terms of the initial letter of intent, the Applicants were required to obtain a CON permit for the project by November 5, 2013. Due to modification of the application and the subsequent intent to deny, the landlord agreed to extend the term of the initial letter of intent to February 28, 2014. When the State Board denied the Applicants’ Initial Application, the initial letter of intent was terminated. Upon receipt of the State Board’s denial of the Initial Application, the Applicants began diligently working with the landlord to negotiate a new letter of intent to secure the Chicago Ridge Site. While the landlord agreed to enter into a new letter of intent for the Chicago Ridge Site, the Applicants incurred additional costs to secure the site and must obtain a CON permit for Chicago Ridge Dialysis by August 1, 2014. Failure to obtain a CON permit by August 1, 2014



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could result in loss of the Chicago Ridge Site and significant and costly delays as the Applicants seek to secure a site in the Chicago Ridge/Worth area.

The Applicants' firmly believe a new dialysis facility is needed in the Chicago Ridge/Worth community. Significant delays in establishing a new dialysis facility in this community could create access issues for current and future dialysis patients. In the nine months since filing the Initial Application, sixty additional end-stage renal disease ("ESRD") patients have initiated dialysis at centers in the Chicago Ridge service area. Further, 42 additional chronic kidney disease ("CKD") patients treated by J.R. Nephrology & Associates, P.C., the primary referring nephrology practice, have advanced to Stage 4 or Stage 5 CKD and will likely initiate dialysis within the next 24 months.¹ Accordingly, a new dialysis facility is needed in the Chicago Ridge/Worth community to maintain access to much needed dialysis services.

Thank you for your time and consideration of our request for expedited review of the Chicago Ridge Dialysis CON application. If you have any questions or need any additional information, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

Anne M. Cooper

¹ J.R. Nephrology & Associates identified 137 Stage 4 and Stage 5 CKD patients in the August 1, 2013 physician referral letter and 179 Stage 4 and Stage 5 CKD patients in its April __ 2014 physician referral letter.