

**ORIGINAL**

15-004

**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.**

JAN 28 2015

**Facility/Project Identification**

Facility Name: Machesney Park Dialysis	ILLINOIS HEALTH FACILITIES & SERVICES REVIEW BOARD	
Street Address: 6950 North Perryville Road		
City and Zip Code: Machesney Park, Illinois 61115		
County: Winnebago	Health Service Area: 1	Health Planning Area: 1

**Applicant /Co-Applicant Identification**

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

Exact Legal Name: DaVita HealthCare Partners Inc.
Address: 2000 16 <sup>th</sup> Street, Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 2000 16 <sup>th</sup> 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
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an <b>Illinois certificate of good standing</b>.</li> <li>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.</li> </ul>		
<p><b>APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>		

**Primary Contact**

[Person to receive ALL correspondence or inquiries]

Name: Tim Tincknell
Title: Administrator
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: Mary J. Anderson
Title: Divisional Vice President
Company Name: DaVita HealthCare Partners Inc.
Address: 1131 North Galena, Dixon, Illinois 61021
Telephone Number: 815-284-0595, Ext 20
E-mail Address: mary.j.anderson@davita.com
Fax Number: 866-594-1131

**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**

Facility Name: Machesney Park Dialysis		
Street Address: 6950 North Perryville Road		
City and Zip Code: Machesney Park, Illinois 61115		
County: Winnebago	Health Service Area: 1	Health Planning Area: 1

**Applicant /Co-Applicant Identification**

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

Exact Legal Name: Total Renal Care Inc.
Address: 2000 16 <sup>th</sup> Street, Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Name of Chief Executive Officer: Kent Thiry
CEO Address: 2000 16 <sup>th</sup> 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
Company Name: DaVita HealthCare Partners Inc.
Address: 1333 North Kingsbury Street, Suite 305 Chicago, Illinois 60642
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**Additional Contact**

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

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Title: Divisional Vice President
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Address: 1131 North Galena, Dixon, Illinois 61021
Telephone Number: 815-284-0595, Ext 20
E-mail Address: mary.j.anderson@davita.com
Fax Number: 866-594-1131

**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: Machesney Investments, LLC
Address of Site Owner: 6801 Spring Creek Road, Rockford, IL 61114
Street Address or Legal Description of Site:  Part of Section 16 and Part of Section 21, Township 45 North, Range 2 East of the 3 <sup>rd</sup> Principle Meridian, Machesney Park, Illinois
<b>APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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 <sup>th</sup> 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"> <li>○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>○ 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.</li> <li>○ <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
<b>APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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.

DaVita HealthCare Partners Inc. and Total Renal Care Inc. (the "Applicants") seek authority from the Illinois Health Facilities and Services Review Board (the "Board") to establish a 12-station dialysis facility located at 6950 North Perryville Road, Machesney Park, Illinois 61115. The proposed dialysis facility will include a total of **5,800** gross square feet.

This project has been classified as substantive because it involves the establishment of a health care facility.

**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.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	\$1,078,000		\$1,078,000
Modernization Contracts			
Contingencies	\$100,000		\$100,000
Architectural/Engineering Fees	\$82,200		\$82,200
Consulting and Other Fees	\$92,500		\$92,500
Movable or Other Equipment (not in construction contracts)	\$485,587		\$485,587
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$850,376		\$850,376
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$2,688,663</b>		<b>\$2,688,663</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>CLINICAL</b>
Cash and Securities	\$1,838,287		\$1,838,287
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$850,376		\$850,376
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$2,688,663</b>		<b>\$2,688,663</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service		
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, provide the dollar amount of all <b>non-capitalized</b> 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 \$ <u>1,885,088</u> .		

**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:

- |   |  |
|---|--|
| <input type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary   |
| <input checked="" type="checkbox"/> Schematics  | <input type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): April 30, 2017

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
<b>REVIEWABLE</b>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

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

### Facility Bed Capacity and Utilization

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**.

<b>FACILITY NAME:</b>		<b>CITY:</b>			
<b>REPORTING PERIOD DATES:</b>					
		<b>From:</b>		<b>to:</b>	
<b>Category of Service</b>	<b>Authorized Beds</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Bed Changes</b>	<b>Proposed Beds</b>
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)					
<b>TOTALS:</b>					

**CERTIFICATION**

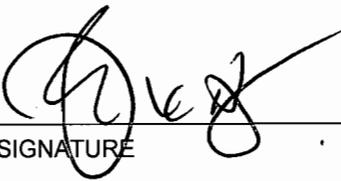
The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- 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.

  
\_\_\_\_\_  
SIGNATURE  
Arturo Sida

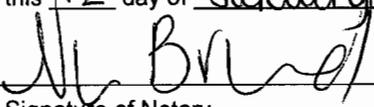
Assistant Corporate Secretary

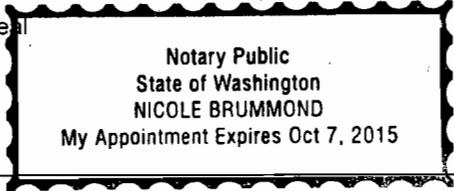
  
\_\_\_\_\_  
SIGNATURE  
James K. Hilger

Chief Accounting Officer

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_  
*See Attached*

Signature of Notary  
Seal

Notarization:  
Subscribed and sworn to before me  
this 12 day of January 2015  


Seal  


\*Insert EXACT legal name of the applicant

State of California  
County of Los Angeles

On January 7, 2015 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

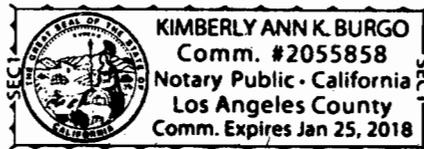
personally appeared Arturo Sida

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 - Machesney Park Dialysis / DaVita HealthCare Partners Inc.  
Document Date: January 7, 2015 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:**

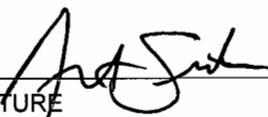
Name of Person(s) or Entity(ies): DaVita HealthCare Partners Inc.

**CERTIFICATION**

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

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

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

  
 \_\_\_\_\_  
 SIGNATURE  
 Arturo Sida

Assistant Corporate Secretary

  
 \_\_\_\_\_  
 SIGNATURE  
 James K. Hilger

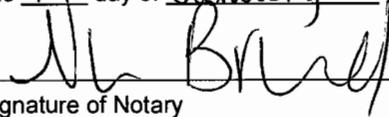
Chief Accounting Officer

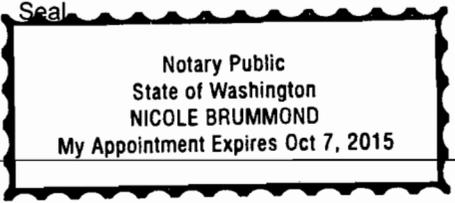
Notarization:  
 Subscribed and sworn to before me  
 this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
 Signature of Notary  
 Seal

*See Attached*

Notarization:  
 Subscribed and sworn to before me  
 this 12 day of January 2015

  
 \_\_\_\_\_  
 Signature of Notary  
 Seal



\*Insert EXACT legal name of the applicant

State of California  
County of Los Angeles

On January 7, 2015 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

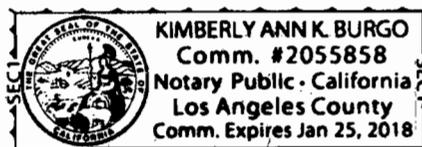
personally appeared Arturo Sida

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 - Machesney Park Dialysis / Total Renal Care, Inc.

Document Date: January 7, 2015 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.

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

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

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

##### PURPOSE OF PROJECT

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

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

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

**APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.**

**ALTERNATIVES**

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
  - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

**APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**

**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
  - c. The project involves the conversion of existing space that results in excess square footage.

**Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.**

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

**APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**PROJECT SERVICES UTILIZATION:**

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

**A table must be provided in the following format with Attachment 15.**

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

**APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**UNFINISHED OR SHELL SPACE:**

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data are available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**ASSURANCES:**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**G. Criterion 1110.1430 - In-Center Hemodialysis**

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	0	12

3. READ the applicable review criteria outlined below and submit the required documentation for the criteria:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

**APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

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



**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)
<b>Enter Historical and/or Projected Years:</b>				
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.

<b>A. Reasonableness of Financing Arrangements</b>									
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>B. Conditions of Debt Financing</b>									
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.								
<b>C. Reasonableness of Project and Related Costs</b>									
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).								
<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>									
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									
<b>TOTALS</b>									
* Include the percentage (%) of space for circulation									

**D. Projected Operating Costs**

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

**E. Total Effect of the Project on Capital Costs**

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

**APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XI. Safety Net Impact Statement**

**SAFETY NET IMPACT STATEMENT** that describes all of the following must be submitted for **ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:**

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

**Safety Net Impact Statements shall also include all of the following:**

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

**A table in the following format must be provided as part of Attachment 43.**

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

**XII. Charity Care Information**

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

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

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

**Section I, Identification, General Information, and Certification**  
**Applicants**

Certificates of Good Standing for DaVita HealthCare Partners Inc. and Total Renal Care Inc (collectively, the "Applicants" or "DaVita") are attached at Attachment – 1. Total Renal Care Inc. will be the operator of Machesney Park Dialysis. Machesney Park Dialysis is a trade name of Total Renal Care Inc. and is not separately organized. 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 the state of its incorporation, Delaware, 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 FIFTEENTH DAY OF JULY, A.D. 2014.

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

140958293



You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 1537962

DATE: 07-15-14



**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**  
**Site Ownership**

The letter of intent between Machesney Investments LLC and Total Renal Care Inc. to lease the facility located at 6950 North Perryville Road, Machesney Park, Illinois 61115 is attached at Attachment – 2.



**JOHNSON CONTROLS REAL ESTATE SERVICES INC.**  
*A JOHNSON CONTROLS COMPANY*

November 13, 2014

Bharat V Puri, SIOR  
 First Midwest Group, Inc.  
 6801 Spring Creek Road  
 Rockford, IL 61107  
 (815) 229-3000 Office  
 (815) 222-6900 Cell  
[bharat@firstmidwestgroup.com](mailto:bharat@firstmidwestgroup.com)  
[www.firstmidwestgroup.com](http://www.firstmidwestgroup.com)

***RE: LOI for a to be constructed building on part of Section 16 and part of Section 21, Township 45 North, Range 2 East of the 3<sup>rd</sup> Principal Meridian, Machesney Park, Illinois***

Dear Bharat:

Johnson Controls Real Estate Services, Inc., has been authorized by Total Renal Care, Inc – a subsidiary of DaVita Inc. to assist in securing a lease requirement. DaVita Inc. is a Fortune 500 company with more than 2,000 locations across the US and revenues of approximately \$11.5 billion.

Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

- PREMISES:** To be constructed building on part of PIN: 08-21-201-008, Machesney Park, Illinois
- TENANT:** “Total Renal Care, Inc. or related entity to be named”
- LANDLORD:** *Machesney Investments, L.L.C.*
- SPACE REQUIREMENTS:** **Approximately 5,800** rentable square feet.
- PRIMARY TERM:** 10 years
- BASE RENT:** *\$21.00/psf NNN for Years 1-5; with 10% bumps every 5 years.  
\$23.10/psf NNN for Years 6-10.*
- OPTION TO RENEW:** Tenant desires three, five-year options to renew the lease. Option rent shall be \$25.41/psf, \$27.95/psf, and \$30.75/psf, for the first second and third options, respectively.
- ADDITIONAL EXPENSES:** *Estimated CAMIT is \$5.00 psf. Tenant will be responsible for 100% of the operating expenses. As a single Tenant building, Tenant will be responsible for paying all utilities directly to the utility provider.*

Landlord to limit the cumulative operating expense costs to \$5.00/psf in the first full year and no greater than 5% increases annually thereafter on controllable expense costs not including snow plowing, taxes and insurance.

**LANDLORD'S MAINTENANCE:**

Landlord shall be responsible for the structural and capitalized items (per GAAP standards) for the Property, which costs shall be amortized over their useful life and the annual amortized amount will be included in the operating expenses.

**POSSESSION AND RENT COMMENCEMENT:**

Landlord shall deliver Possession of the building certified pad (please provide information on what certification standards are expected) to the Tenant within 90 days from CON permit date. Landlord shall have 90 days following Tenant's commencement of construction of the interior buildout to complete the Landlord's exterior Site Development Improvements. Rent Commencement shall be the earlier of (a) Tenant opening for business and (b) nine (9) months from delivery of Possession by Landlord and Tenant obtaining building permits for its intended improvements. Landlord's delivery obligations hereunder shall be subject to force majeure.

Possession is contingent upon successful receipt of building permit from Machesney Park.

**DUE DILLIGENCE:**

Tenant shall have the right to obtain Tenant's executive committee approval within 90 days following Lease execution. If Tenant does not receive executive committee approval during such 90 day period, Tenant may elect to terminate the Lease by written notice given not later than the 90<sup>th</sup> day following lease execution. Notwithstanding the foregoing, if Tenant receives its CON prior the end of such 90 day period and has not elected to terminate the lease prior to such receipt, this right to terminate shall be deemed null and void.

**LEASE FORM:**

Tenant's standard lease form as starting point for negotiations

**USE:**

Tenant may operate the Premises for the use as an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose.

*Use will require a Special Use Permit*

**PARKING:**

Tenant shall receive four (4) stalls per 1,000 rsf, and two (2) handicapped stalls or such greater number as is required by applicable law or regulation. Landlord will provide dedicated parking to Tenant.

**LANDLORD WORK:**

Any on and off-site improvements (parking lot, landscaping, lighting, sewer, utilities, street, curb, gutter, paving, irrigation, common area lighting, certified pad, etc) as required by the municipality to issue permits for the performance of Landlord's Work or Tenant Work will be incorporated into Landlord's Work. Landlord, at its sole cost, will prepare plans, specifications and working drawings for Landlord's Work ("**Landlord's Plans**") and the same will be subject to Tenant's approval. Landlord will perform Landlord's Work in a good and

workmanlike manner in conformity with Landlord's Plans, as approved by Tenant. Landlord will promptly repair all latent or patent defects in Landlord's Work, at Landlord's sole cost and expense.

Landlord will be solely responsible for and will pay all impact fees, charges, costs, assessments, and exactions charged, imposed or assessed in connection with the development and construction of the Building or Premises, but not including building permit fees for construction of the Building.

**TENANT IMPROVEMENTS:**

Landlord will pay to Tenant an allowance ("Tenant Allowance") for costs incurred by Tenant in connection with the construction of the Building. The Tenant Allowance will be an amount equal to \$110.00 per square foot of the Building Floor Area, payable in monthly draws on the first day of each month during the performance of Tenant's Improvements. With each draw request, Tenant shall include sworn statements and lien waivers from each contractor and subcontractor for which payments are being made. At the time of Lease execution, Landlord and Tenant will enter into an escrow agreement or tri-party agreement providing for the payment of the Tenant Allowance (the "Security Agreement"). If Landlord does not fund the escrow or fails to make any payment of the Tenant Allowance on a timely basis, Tenant will have the right to terminate the Lease, stop construction of Tenant's Improvements and/or offset any unpaid amounts against Rent. The Security Agreement will authorize payment of damages or any applicable portion of Tenant's Costs from the account established for Tenant Allowance. Tenant's plans will be subject to Landlord's approval. Post letter of credit. Pay against sworn statements/lien waivers.

**FAILURE TO DELIVER PREMISES:**

If Landlord has not delivered the premises to Tenant with all Landlord Work substantially completed within 120 days from the date on which Tenant commences construction of the Building, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive two days of rent abatement for every day of delay beyond the 120 day delivery period. Landlord's delivery obligations hereunder shall be subject to force majeure.

**HOLDING OVER:**

Tenant shall be obligated to pay 115% of the then current rate for the first ninety days and 125% of the then current rate for any holdover beyond ninety days

**TENANT SIGNAGE:**

Tenant shall have the right to install building, monument and pylon signage at the Premises, subject to compliance with all applicable laws and regulations.

**BUILDING HOURS:**

As a single Tenant building, Tenant will have access 24 hours a day, seven days a week and will have direct control of HVAC and other utilities.

**SUBLEASE/ASSIGNMENT:**

Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita, Inc. without the consent of the Landlord, or to unrelated entities with Landlord reasonable approval.

**ROOF RIGHTS:**

Tenant shall have the right to place a satellite dish on the roof at no additional fee.

**NON COMPETE:**

Landlord agrees not to lease space to another dialysis provider on either the lot being created adjacent to the Premises on the north or the lot being created adjacent to Premises on the south.

**GOVERNMENTAL COMPLIANCE:**

Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s). Notwithstanding the foregoing, if any governmental law, ordinance or regulation goes into effect as a result of Tenant's change in use of the Premises, Tenant shall be responsible for the costs of bring the Premises into compliance with such.

**CERTIFICATE OF NEED:**

Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

**BROKERAGE FEE:**

Landlord recognizes Johnson Controls Real Estate Services, Inc. as the Tenant's sole representatives and shall pay a brokerage fee equal to seventy cents (\$.70) per square foot per initial lease term year, 50% shall be due upon lease signatures and 50% shall be due upon rent commencement. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee.

**PLANS:**

*Please provide copies of site and construction plans or drawings.*

*Please submit your response to this Proposal via e-mail to:*

John Steffens  
Johnson Controls Real Estate Services, Inc.  
E-mail: [john.steffens@jci.com](mailto:john.steffens@jci.com)

It should be understood that this Proposal is subject to the terms of Exhibit A attached hereto. The information in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized.

Thank you for your time and consideration to partner with DaVita.

Sincerely,

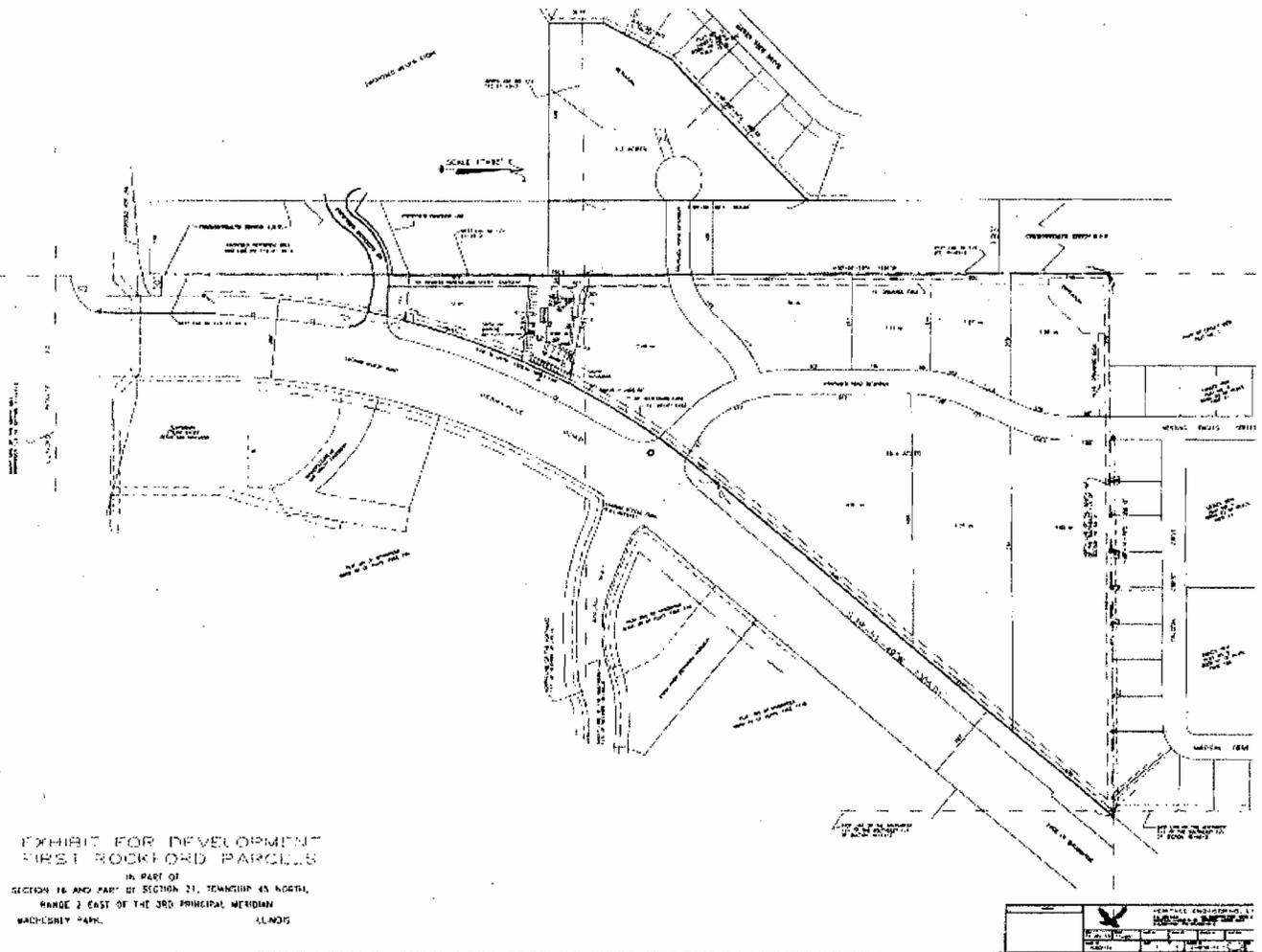


John Steffens

CC: Matthew J. Gramlich, Johnson Controls Real Estate Services, Inc.  
DaVita Regional Operational Leadership  
DaVita Team Genesis Real Estate



# PRELIMINARY SITE PLAN II



SIGNATURE PAGE

LETTER OF INTENT: TO BE CONSTRUCTED BUILDING ON PART OF PIN: 08-21-201-008  
MACHESNEY PARK, ILLINOIS

AGREED TO AND ACCEPTED THIS 18th DAY OF NOVEMBER 2014

By: Mary Anderson

On behalf of Total Renal Care, a wholly owned subsidiary of DaVita Healthcare Partners, Inc.  
("Tenant")

AGREED TO AND ACCEPTED THIS 16th DAY OF NOVEMBER 2014

By: [Signature]

MACHESNEY INVESTMENTS, LLC.  
("Landlord")

**EXHIBIT A**

**NON-BINDING NOTICE**

**NOTICE: THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPARATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR JCI) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD OR JCI INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. JCI IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES JCI HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD.**



**OPTION 1 FOR NEW BUILDING**

**[SUBJECT TO MODIFICATION BASED ON INPUT FROM LESSEE'S PROJECT MANAGER WITH RESPECT TO EACH CENTER PROJECT]**

**SCHEDULE B - TO WORK LETTER**

**MINIMUM BASE BUILDING IMPROVEMENT REQUIREMENTS**

**(Note: Sections with an Asterisk (\*) have specific requirements for I 1.2 in California and other select States – see end of document for changes to that section)**

At a minimum, the Lessor shall provide the following Site Development Improvements to meet Lessee's Site Development specifications at Lessor's sole cost:

All MBBi work completed by the Lessor will need to be coordinated and approved by the Lessee and their Consultants prior to any work being completed, including shop drawings and submittal reviews.

**1.0 - Building Codes & Design \***

All Minimum Base Building Improvements (MBBI) and Site Development are to be performed in accordance with all current local, state, and federal building codes including any related amendments, fire and life safety codes, ADA regulations, State Department of Public Health, and other applicable and codes as it pertains to Dialysis. All Lessor's work will have Governmental Authorities Having Jurisdiction ("GAHJ") approved architectural and engineering (Mechanical, Plumbing, Electrical, Structural, Civil, Environmental) plans and specifications prepared by a licensed architect and engineer and must be coordinated with the Lessee Improvement plans and specifications.

**2.0 - Zoning & Permitting**

Building and premises must be zoned to perform services as a dialysis clinic. Lessor to provide all permitting related to the site improvements.

**3.0 - Common Areas**

Lessee will have access and use of all common areas i.e. Lobbies Hallways, Corridors, Restrooms, Stairwells, Utility Rooms, Roof Access, Emergency Access Points and Elevators. All common areas must be code and ADA compliant for Life Safety per current federal, state and local code requirements.

**4.0 Foundation and Floor**

N/A

**5.0 - Structural \***

N/A

**6.0 - Exterior walls**

N/A

**7.0 - Demising walls \***

N/A

**8.0 - Roof Covering**

N/A

**9.0 – Parapet \***  
N/A

**10.0 - Façade**  
N/A

**11.0 - Canopy \***  
N/A

**12.0 – Waterproofing and Weatherproofing**  
N/A

**13.0 - Windows**  
N/A

**14.0 - Thermal Insulation**  
N/A

**15.0 - Exterior Doors**  
N/A

**16.0 - Utilities**

All utilities to be provided within five (5) feet of the building foundation. Lessor is responsible for all tap/connection and impact fees for all utilities. All Utilities to be coordinated with Lessee's Architect.

**17.0 - Plumbing**

Lessor shall stub the dedicated water line within five feet of the building foundation.

Building sanitary drain size will be determined by Lessee's Mech Engineer based on total combined drainage fixture units (DFU's) for entire building, but not less than 4 inch diameter. The drain shall be stubbed into the building per location coordinated by Lessee at an elevation no higher than 4 feet below finished floor elevation, to a maximum of 10 feet below finished floor elevation and within five feet from the building

**18.0 - Fire Suppression System \***  
N/A

**19.0 - Electrical**

Extend the primary to the transformer location selected by the utility. Tenant shall be responsible for the secondary to the Building.

**20.0 - Gas**

Natural gas service, at a minimum, will be rated to have 6" water column pressure and supply 800,000-BTU's. Natural gas pipeline shall be stubbed to within five feet of the building foundation

**21.0 - Mechanical /Heating Ventilation Air Conditioning \***  
N/A

**22.0 - Telephone**

Lessor shall provide a single 2" PVC underground conduit entrance into Lessee's utility room to serve as chase way for new telephone service. Entrance conduit location shall be coordinated with Lessee.

### **23.0 - Cable TV**

Lessor shall provide a single 2" PVC underground conduit entrance into Lessee utility room to serve as chase way for new cable television service. Entrance conduit location shall be coordinated with Lessee.

Lessee shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Lessor shall reasonably cooperate and grant "right of access" with Lessee's satellite or cable provider to ensure there is no delay in acquiring such services.

### **24.0 - Handicap Accessibility \***

Full compliance with ADA and all local jurisdictions' handicap requirements. Lessor shall comply with all ADA regulations affecting the entrance to Lessee space including, but not limited to, concrete curb cuts, ramps and walk approaches to / from the parking lot, parking lot striping for four (4) dedicated handicap stalls for a unit up to 20 station clinic and six (6) HC stalls for units over 20 stations handicap stalls inclusive of pavement markings and stall signs with current local provisions for handicap parking stalls, delivery areas and walkways.

Finish floor elevation is to be determined per Lessee's architectural plan in conjunction with Lessor's civil engineering and grading plans. If required, Lessor to construct concrete ramp of minimum 5' width, provide safety rails if needed, provide a gradual transitions from overhead canopy and parking lot grade to finish floor elevation. Concrete surfaces to be toweled for slip resistant finish condition according to accessible standards.

### **25.0 - Exiting**

N/A

### **26.0 - Site Development Scope of Requirements**

Lessor to provide Lessee with a site boundary and topographic ALTA survey, civil engineering and grading plans prepared by a registered professional engineer. Civil engineering plan is to include necessary details to comply with municipal standards. Plans will be submitted to Lessee Architect for coordination purposes. Site development is to include the following:

- Utility extensions, service entrance locations, inspection manholes;
- Parking lot design, stall sizes per municipal standard in conformance to zoning requirement;
- Site grading with Storm water management control measures (detention / retention / restrictions);
- Refuse enclosure location & construction details for trash and recycling;
- Handicap stall location to be as close to front entrance as possible;
- Side walk placement for patron access, delivery via service entrance;
- Concrete curbing for greenbelt management;
- Site lighting;
- Conduits for Lessee signage;
- Site and parking to accommodate tractor trailer 18 wheel truck delivery access to service entrance;
- Ramps and curb depressions.
- Landscaping shrub and turf as required per municipality;
- Irrigation system if Lessor so desires and will be designed by landscape architect and approved by planning department;
- Construction details, specifications / standards of installation and legends;
- Final grade will be sloped away from building.

### **27.0 - Refuse Enclosure \***

Lessor to provide a minimum 6" thick reinforced concrete pad approx 100 to 150SF based on Lessee's requirements' and an 8' x 12' apron way to accommodate dumpster and vehicle weight. Enclosure to be provided as required by local codes.

**28.0 - Generator**

Lessor to allow a generator to be installed onsite if required by code or Lessee chooses to provide one.

**29.0 - Site Lighting**

Lessor to provide adequate lighting per code and to illuminate all parking, pathways, and building access points readied for connection into Lessee power panel. Location of pole fixtures per Lessor civil plan to maximize illumination coverage across site. Parking lot lighting to include timer (to be programmed per Lessee hours of operation) or a photocell. Parking lot lighting shall be connected to and powered by Lessor house panel (if in a Multi tenant building) and equipped with a code compliant 90 minute battery back up at all access points.

**30.0 - Exterior Building Lighting**

Lessor to provide adequate lighting and power per code and to illuminate the building main, exit and service entrance, landings and related sidewalks. Lighting shall be connected to and powered by Lessor house panel and equipped with a code compliant 90 minute battery back up at all access points.

**31.0 - Parking Lot**

Provide adequate amount of handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, lot to receive traffic directional arrows and concrete parking bumpers. Bumpers to be firmly spike anchored in place onto the asphalt per stall alignment.

Asphalt wearing and binder course to meet geographical location design requirements for parking area and for truck delivery driveway.

Asphalt to be graded gradual to meet handicap and civil site slope standards, graded into & out of new patient drop off canopy and provide positive drainage to in place storm catch basins leaving surface free of standing water, bird baths or ice buildup potential.

**32.0 - Site Signage**

Lessor to allow for an illuminated site and/or façade mounted signs. A monument and/or the pylon structure to be provided by Lessor with power and a receptacle. Final sign layout to be approved by Lessee and the City.

**Section I, Identification, General Information, and Certification**  
**Operating Entity/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***

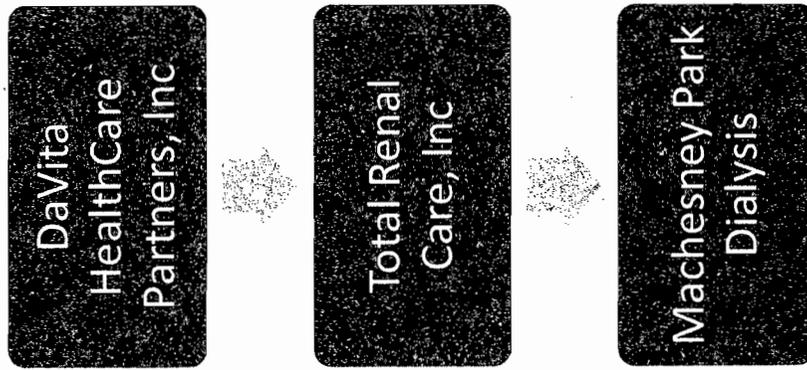
*Jesse White*

SECRETARY OF STATE

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

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

# Machesney Park Dialysis Organizational Chart

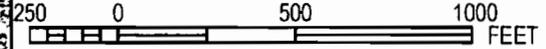


**Section I, Identification, General Information, and Certification**  
**Flood Plain Requirements**

The site of the proposed dialysis facility complies with the requirements of Illinois Executive Order #2005-5. The proposed dialysis facility will be located at 6950 North Perryville Road, Machesney Park, Illinois 61115. As shown on the FEMA flood plain map attached at Attachment – 5, the site of the proposed dialysis facility is located outside of a flood plain.



MAP SCALE 1" = 500'



PANEL 0276D

**FIRM**  
**FLOOD INSURANCE RATE MAP**  
**WINNEBAGO COUNTY,**  
**ILLINOIS**  
**AND INCORPORATED AREAS**

**PANEL 276 OF 415**  
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

**CONTAINS:**

COMMUNITY	NUMBER	PANEL	SUFFIX
LOVES PARK, CITY OF	170722	0276	D
MACHESNEY PARK VILLAGE OF	171009	0276	D
WINNEBAGO COUNTY	170720	0276	D

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



**MAP NUMBER**  
**17201C0276D**  
**EFFECTIVE DATE**  
**SEPTEMBER 6, 2006**

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at [www.msc.fema.gov](http://www.msc.fema.gov)



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

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment – 6.



ILLINOIS HISTORIC  
*Preservation*  
AGENCY

FAX 217/524-7525

Winnebago County  
Machesney Park  
6950 North Perryville Road  
IHFSRB  
New construction, 12-station dialysis facility

PLEASE REFER TO: IHPA LOG #006010215

January 9, 2015

Timothy Tincknell  
DaVita Healthcare Partners, Inc.  
1333 N. Kingsbury St., Suite 305  
Chicago, IL 60642

Dear Mr. Tincknell:

The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Rachel Leibowitz  
Deputy State Historic

Preservation Officer

1 Old State Capitol Plaza  
Springfield IL 62701

**Section I, Identification, General Information, and Certification**  
**Project Costs and Sources of Funds**

<b>Table 1120.110</b>			
<b>Project Cost</b>	<b>Clinical</b>	<b>Non-Clinical</b>	<b>Total</b>
New Construction Contracts	\$1,078,000		\$1,078,000
Site Survey and Soil Investigation			
Contingencies	\$100,000		\$100,000
Architectural/Engineering Fees	\$82,200		\$82,200
Consulting and Other Fees	\$92,500		\$92,500
Moveable and Other Equipment			
Communications	\$80,700		\$80,700
Water Treatment	\$117,375		\$117,375
Bio-Medical Equipment	\$8,885		\$8,885
Clinical Equipment	\$192,860		\$192,860
Clinical Furniture/Fixtures	\$18,780		\$18,780
Lounge Furniture/Fixtures	\$3,065		\$3,065
Storage Furniture/Fixtures	\$5,862		\$5,862
Business Office Fixtures	\$20,860		\$20,860
General Furniture/Fixtures	\$27,000		\$27,000
Signage	\$10,200		\$10,200
Total Moveable and Other Equipment	\$485,587		\$485,587
Fair Market Value of Leased Space	\$850,376		\$850,376
<b>Total Project Costs</b>	<b>\$2,688,663</b>		<b>\$2,688,663</b>

**Section I, Identification, General Information, and Certification**  
**Project Status and Completion Schedules**

The Applicants anticipate project completion within **24** months of project approval.

Further, although the Letter of Intent attached at Attachment – 2 provides for project obligation to occur after permit issuance, the Applicants will begin negotiations on a definitive lease agreement for the facility, with the intent of project obligation being contingent upon permit issuance.

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

<b>Cost Space Table</b>							
<b>Dept. / Area</b>	<b>Cost</b>	<b>Gross Square Feet</b>		<b>Amount of Proposed Total Gross Square Feet That Is:</b>			
		<b>Existing</b>	<b>Proposed</b>	<b>New Const.</b>	<b>Modernized</b>	<b>As Is</b>	<b>Vacated Space</b>
<b>CLINICAL</b>							
ESRD	\$2,688,663		5,800	5,800			
<b>Total Clinical</b>	<b>\$2,688,663</b>		<b>5,800</b>	<b>5,800</b>			
<b>NON REVIEWABLE</b>							
<b>NON-CLINICAL</b>							
<b>Total Non-Reviewable</b>							
<b>TOTAL</b>	<b>\$2,688,663</b>		<b>5,800</b>	<b>5,800</b>			

**Section III, Project Purpose, Background and Alternatives – Information Requirements**  
**Criterion 1110.230(a), 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. For this project, DaVita HealthCare Partners Inc. has partnered with Total Renal Care Inc. in their commitment to the Machesney Park community. The proposed project involves the establishment of a 12-station dialysis facility to be located at 6950 North Perryville Road, Machesney Park, Illinois 61115.

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 2013 Community Care report, some of which is outlined below, details DaVita's commitment to quality, patient centric focus and community outreach and was previously submitted with Proj. No. 14-024.

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 were previously submitted as part of the Applicants' application for Proj. No. 14-016. Four recent press releases: "DaVita Clinical Research and HealthCare Partners Clinical Research to Merge and Expand Clinical Trials and Data Analytics Capabilities" and "DaVita HealthCare Partners Celebrates Milestones of 2014" are attached at Attachment – 11A.

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.<sup>1</sup>
- Many studies have shown that diabetes, hypertension, cardiovascular disease, higher body mass index, and advancing age are associated with the increasing prevalence of CKD.<sup>2</sup>
- Nearly six times the number of new patients began treatment for ESRD in 2011 (approximately 116,000) versus 1980 (approximately 20,000).<sup>3</sup>
- Nearly eleven times more patients are now being treated for ESRD than in 1980 (approximately 615,000 versus approximately 60,000).<sup>4</sup>
- U.S. patients newly diagnosed with ESRD were 1 in 2,800 in 2011 versus 1 in 11,000 in 1980.<sup>5</sup>
- U.S. patients treated for ESRD were 1 in 526 in 2011 versus 1 in 3,400 in 1980.<sup>6</sup>
- 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.<sup>7</sup>

<sup>1</sup> 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).

<sup>2</sup> Id. at 46

<sup>3</sup> Id. at 158

<sup>4</sup> Id.

<sup>5</sup> Id. at 160

<sup>6</sup> Id.

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

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.<sup>9</sup> 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

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<sup>7</sup> Id at 161

<sup>8</sup> Id. at 216-217

<sup>9</sup> 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.

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. Since the inception of the program, DaVita has achieved a 45 percent reduction in the number of "Day 90+" catheter patients. As of November 2013, DaVita's catheter use rate is at an all-time low with 13 percent of patients dialyzing at DaVita for 90 days or more with a catheter in place. DaVita is an industry leader in the rate of fistula use and has the lowest day-90 catheter rates among large dialysis providers.

DaVita was recognized at the National Adult and Influenza Immunization Summit (NAIIS) as the national winner in the "Healthcare Personnel Campaign" category of the 2014 Immunization Excellence Awards. In 2013, DaVita was the first large dialysis provider to implement a comprehensive teammate vaccination order, requiring all teammates who work in or whose jobs require frequent visits to dialysis centers to either be vaccinated against influenza or wear surgical masks in patient-care areas. Last year, DaVita achieved 100 percent compliance with its teammate immunization-or-mask directive, with more than 86 percent of teammates choosing vaccination. As of the same date, 92.2 percent of patients were vaccinated for the flu, marking the fourth consecutive year that DaVita's patient vaccination rates exceeded the U.S. Department of Health and Human Services Healthy People 2020 recommendations.

In an effort to improve patient outcomes and experience during dialysis, on May 13, 2014, DaVita announced the first delivery of hemodiafiltration in the United States. It is delivering hemodiafiltration treatments to select patients at its North Colorado Springs Clinic as part of a six-month trial program. Hemodiafiltration incorporates the standard hemodialysis process but adds an extra step to remove even larger toxin particles. It is commonly practiced in Europe but until recently there was no FDA approved device for use in the U.S. Over the next six months, DaVita clinical experts will determine whether there are improved outcomes of dialysis treatment and patient quality of life compared to hemodialysis.

For more than a decade, DaVita has been investing and growing its integrated kidney care capabilities, and on May 5, 2014, DaVita's approach to integrated care was recognized with two Dorland Health "Case in Point" Platinum Awards for its Pathways Care Management and VillageHealth Integrated Care Management programs. The Dorland Health awards recognize the most successful and innovative case-management programs working to improve health care across the continuum.

Through Patient Pathways, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement to reduce the length of hospital inpatient stays and readmissions. 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 350 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. Since its creation in 2007, Patient Pathways has impacted over 130,000 patients. In 2012 alone, the Patient Pathways program reduced renal-related readmission rates by more than 73 percent and saved partnering hospitals a total of 40,800 bed days and 18,500 acute dialysis treatments. Combined, these efficiencies reduced the country's 2012 health care costs by more than \$50 million. 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.

Since 1996, Village Health has innovated to become the country's largest renal National Committee for Quality Assurance accredited disease management program. VillageHealth's Integrated Care

Management ("ICM") services partners with patients, providers and care team members to focus on the root causes of unnecessary hospitalizations such as unplanned dialysis starts, infection, fluid overload and medication management.

VillageHealth ICM services for payers and ACOs provide CKD and ESRD population health management delivered by a team of dedicated and highly skilled nurses who support patients both in the field and on the phone. Nurses use VillageHealth's industry-leading renal decision support and risk stratification software to manage a patient's coordinated needs. Improved clinical outcomes and reduced hospital readmission rates have contributed to improved quality of life for patients. VillageHealth ICM has delivered up to a 15 percent reduction in non-dialysis medical costs for ESRD patients. Applied to DaVita's managed ESRD population, this represents an annual savings of more than \$30 million.

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. DaVita has improved clinical outcomes each year since 2000, generating an estimated \$204 million in net savings to the American healthcare system in 2013.

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 April 2014, DaVita received three major national and local awards for its focus on its teammates: WorldBlu Most Democratic Workplaces, Top Workplaces Colorado and LearningElite Silver. For the seventh consecutive year, DaVita appeared on WorldBlu's list of most democratic work places. WorldBlu surveys organizations' teammates to determine the level of democracy practiced. For the third consecutive year, WorkplaceDynamics also recognized DaVita as one of the top workplaces in Colorado, based on employee input. DaVita was named a Silver LearningElite organization for 2014 by *Chief*

*Learning Officer* magazine for creating and implementing exemplary teammate development practices that deliver measurable business value. DaVita ranked No. 29 in a record breaking field of more than 200 companies. Finally, DaVita has been recognized as a one of *Fortune*® Magazine's Most Admired Companies in 2014. DaVita ranked first overall among health care facilities and was the second highest-rated company in Colorado.

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. DaVita provides significant funding 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 2013, nearly 50 volunteers from Bridge of Life- DaVita Medical Missions™ worked to complete 15 missions in 11 countries, during which volunteers and partners helped to install or repair 77 dialysis machines and train more than 50 kidney care professionals, bringing treatment and quality care to an additional 420 people around the world.

1. 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.

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

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 – 11C.
3. An authorization permitting the Illinois Health Facilities and Services Review Board (the "Board") 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 – 11C.



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

1001 Hawthorne Blvd., Suite 200, San Bruno, CA 94066 | 1-800-775-0872 | www.davita.com | ocmo@ocmo.com

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 <sup>(1) (2)</sup>. 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.

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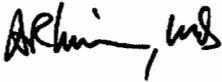


**Launch Kits:**

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.





# Welcome

## Kidney Smart™ Education Program

Your comprehensive guide to  
Chronic Kidney Disease (CKD)

 *Introduction*  
Play Video

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

[Start](#)

 *Not sure?*  
Play Section Guide

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

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

[Start](#)

 *Not sure?*  
Play Section Guide

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

I am a  
**Care Partner**

[Start](#)

 *Not sure?*  
Play Section Guide

Family and friends of people  
with chronic kidney disease





## 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](#)
- [Deeper Explanation of CKD](#)
- [Monitoring Laboratory Tests](#)

#### Choices

- [Take Control](#)
- [Make a Plan - Diet and Exercise](#)
- [Make a Plan - Insurance and Benefits](#)
- [Make a Plan - Current and Future Treatment Choices](#)
- [Stay Your Course](#)

### I am in the Late Stage of CKD

#### Living

- [What Do Diagnosis and Treatment Mean for Me?](#)
- [Home, Family, Work Life](#)
- [Adjusting to Treatment](#)
- [Preparing for the Future Starts Now](#)

#### Learning

- [About your Kidneys](#)
- [The Stages of CKD](#)
- [A Deeper Explanation of CKD](#)
- [Next Steps](#)

#### Choices

- [Take Control](#)
- [Make a Plan - Diet and Exercise](#)
- [Make a Plan - Transplant Choice](#)
- [Make a Plan - Dialysis Choices](#)
- [Make a Plan - Peritoneal Dialysis](#)
- [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

- [Being an Effective Care Partner](#)
- [Support for Home Hemodialysis](#)
- [Support for Home Peritoneal Dialysis](#)
- [Support for Post-Transplant](#)

#### Caring for Yourself

- [Take Care of Yourself](#)
- [Recognize Burnout](#)

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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.

I Have Early-Stage Kidney Disease | I Have Late-Stage Kidney Disease



DAVITA ESPAÑOL

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[input] Search

### Find a Kidney Smart<sup>SM</sup> Class

DaVita offers instructor-led classes in neighborhoods across the country. Finding a class is quick and easy. Begin your search below.

#### Find by State

STATE [Select One]

OR

#### Find by ZIP Code

ZIP CODE [input] WITHIN [30 Miles]

#### Include:

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- [CKD Stage 3: Taking Control of Kidney Disease](#)
- [CKD Stages 4 & 5: Making Healthy Choices](#)
- [Treatment Choices](#)



### Contact Us



Not all classes are currently listed in our online directory. To get the most up-to-date listing of classes in your area, please call:

1-888-MY-KIDNEY (1-888-695-4363)

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This site is for informational purposes only and is not intended to be a substitute for medical advice from a physician.

Please check with a physician if you need a diagnosis and/or for treatments as well as information regarding your specific condition. If you are experiencing urgent medical conditions, call 9-

1-1

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](mailto: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



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 show 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 Robertson<sup>1</sup>, Pooja Goel<sup>1</sup>, Grace Chen<sup>1</sup>, Ronald Levine<sup>1</sup>, Debbie Benner<sup>1</sup>, and Amy Burdan<sup>1</sup>  
<sup>1</sup>DaVita 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±SD), 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 ( $33 \leq \text{Hb} \leq 36$ ) 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.





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

## **IMPACT**

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

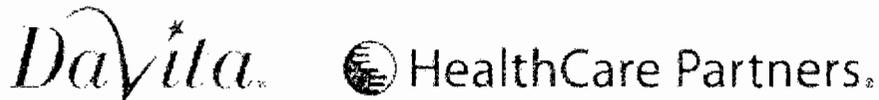
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## **Our Mission**

To be the Provider,  
Partner and Employer  
of Choice

## **Core Values**

Service Excellence  
Integrity  
Team  
Continuous Improvement  
Accountability  
Fulfillment  
Fun



## DaVita Clinical Research and HealthCare Partners Clinical Research to Merge and Expand Clinical Trials and Data Analytics Capabilities

MINNEAPOLIS, Dec. 15, 2014 /PRNewswire/ -- [DaVita HealthCare Partners Inc.](#) (NYSE: DVA), one of the nation's largest and most innovative health care communities, today announced that two of its business units, [DaVita Clinical Research](#) (DCR) and [HealthCare Partners Clinical Research](#), will merge capabilities to further expand its extensive clinical research and data analytics services, specifically in patients with chronic kidney disease (CKD) and end-stage renal disease (ESRD), as well as primary care and chronic disease patients treated in an integrated care organization.

The merger allows the two research organizations to offer comprehensive data analytics capabilities on the longitudinal, de-identified data of approximately one million active patients receiving care at DaVita HealthCare Partners centers, including 170,000 U.S. dialysis patients receiving care from DaVita Kidney Care and 836,000 multi-specialty patients receiving coordinated, integrated care from HealthCare Partners.

"Since 1997, DaVita Clinical Research has been a leader in kidney-related trials, epidemiology and data analytics, resulting in better patient outcomes," said Amy Young, vice president and general manager of DaVita Clinical Research. "Our clients appreciate the unique understanding of patient populations that a health care provider-based CRO like DCR can deliver."

Biopharmaceutical and medical device developers can gain insights through access to the analytics capabilities and understanding of patient data unique to a health care provider-based clinical research organization.

"HealthCare Partners' extensive patient database is diverse and reflects real-world evidence in an integrated care organization," said Riya Pulicharam, MD, medical director of late phase research and clinical outcomes at HealthCare Partners Clinical Research. "We have conducted clinical trials across multiple therapeutic areas for more than 10 years, and combining our clinical research and data analytics capabilities with DCR greatly enhances our ability to meet additional clients' needs."

The combined entity's capabilities – which include claims, pharmacy and electronic health record data analysis – offer strategic advantages primed to benefit recipients of its services. Including the following:

- The combined organization's assets will help boost research-study enrollment and retention.
- The combined entity offers access to nearly a million primary care and multi-specialty patients, as well as 280,000 CKD and ESRD patients, thereby expanding the breadth and depth of the research being conducted.
- This collaboration combines – and builds on – the intellectual, financial and human resources necessary to support comprehensive analysis of scenarios ranging from burden-of-illness studies to budget impact models to market-sizing assessments.

### About DaVita HealthCare Partners

DaVita HealthCare Partners Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. As of September 30, 2014, DaVita Kidney Care operated or provided administrative services at 2,152 outpatient dialysis centers located in the United States serving approximately 170,000 patients. The company also operated 87 outpatient dialysis centers located in 10 countries outside the United States. HealthCare Partners manages and operates medical groups and affiliated physician networks in Arizona, California, Nevada, New Mexico, and Florida in its pursuit to deliver excellent-quality health care in a dignified and compassionate manner. As of September 30, 2014, HealthCare Partners provided integrated care management for approximately 836,000 managed care patients. For more information, please visit [DaVitaHealthCarePartners.com](#).

### About DaVita Clinical Research

[DaVita Clinical Research](#) (DCR), a wholly owned subsidiary of [DaVita HealthCare Partners Inc.](#), uses its extensive, applied database and real-world healthcare experience to assist pharmaceutical and medical device companies in the design, recruitment, and completion of clinical trials including retrospective and prospective pragmatic trials. DCR's scientific and clinical expertise spans the lifecycle of product development with more than 175 client companies.

DCR's [Biorepository](#), [Early Clinical Research](#) unit (Phase I-IIa) and [Late Phase Clinical Research](#) (Phase IIb through post-

marketing) network of physicians and investigative sites, data research, Health Economics & Outcomes Research, and Medical Communications are focused on providing world-class research in both healthy and chronic disease populations and therapeutic areas, and especially in CKD and ESRD populations. To learn more about DCR, visit [www.davitaclinicalresearch.com](http://www.davitaclinicalresearch.com).

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**Contact Information**

Media:

Bianca Violante

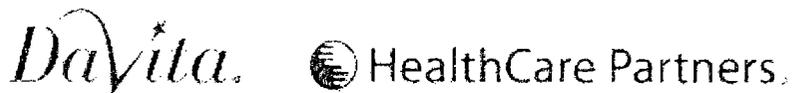
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SOURCE DaVita HealthCare Partners



## DaVita Kidney Care Offers Kidney-Friendly Recipes in New Winter Cookbook

### New Cookbook is Free to Download

DENVER, Dec. 18, 2014 /PRNewswire-USNewswire/ -- [DaVita Kidney Care](#), a division of [DaVita HealthCare Partners Inc.](#) (NYSE: DVA) and a leading provider of kidney care services, today announced the launch of its free winter cookbook, which includes a collection of kidney-friendly recipes that can be enjoyed during the winter months.

"In this new cookbook, we compiled some of our most popular recipes from [DaVita.com](#) along with brand new ones, to help readers manage a kidney-diet throughout the holidays," said Sara Colman, RDN, CDE, manager for [DaVita.com](#) nutrition.

Recipes in [Kidney Diet Delights: Winter Edition](#) bring together favorite seasonal dishes with new ideas and ingredients for kidney-friendly meals. The cookbook is free to download from [DaVita.com](#).

A sample of recipes in this cookbook include:

- [Fabulous Hot Cocoa](#)
- [Holiday Morning French Toast](#)
- [Winter Holiday Cranberry- Glazed Pork Roast](#)
- [Pumpkin Layer Cheesecake](#)

A collection of more than [900 recipes](#) can be found on [DaVita.com](#) along with other no-cost downloadable [cooking collections](#) that feature kidney- and diabetes-friendly recipes.

Anyone can sign up for [myDaVita.com](#) at [DaVita.com/register](#) to receive monthly Recipe Alerts that feature DaVita Kidney Care's newest kidney-friendly recipes.

An estimated 20 million U.S. adults have chronic kidney disease (CKD), which can progress to end stage renal disease (ESRD). Most are unaware of their condition, as the disease is often symptomless until the kidneys fail. Groups at highest risk for ESRD include those with diabetes or hypertension, as well as older adults, African Americans, Hispanics and Native Americans.

To find out more about DaVita Kidney Care, call 1-800-400-8331 or visit [DaVita.com](#)

### About DaVita Kidney Care

DaVita Kidney Care is a division of DaVita HealthCare Partners Inc., a Fortune 500(r) company that, through its operating divisions, provides a variety of health care services to patient populations throughout the United States and abroad. A leading provider of dialysis services in the United States, DaVita Kidney Care treats patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care strives to improve patients' quality of life by innovating clinical care, and by offering integrated treatment plans, personalized care teams and convenient health-management services. As of Sept. 30, 2014, DaVita Kidney Care operated or provided administrative services at 2,152 outpatient dialysis centers located in the United States serving approximately 170,000 patients. The company also operated 87 outpatient dialysis centers located in 10 countries outside the United States. DaVita Kidney Care supports numerous programs dedicated to creating positive, sustainable change in communities around the world. The company's leadership development initiatives and social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek and WorldBlu. For more information, please visit [DaVita.com](#).

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SOURCE DaVita Kidney Care



## Nearly 11,500 Children Receive New Shoes from DaVita HealthCare Partners Teammates

DENVER, Dec. 23, 2014 /PRNewswire-USNewswire/ -- [DaVita HealthCare Partners Inc.](#) (NYSE: DVA), a leading provider of kidney care and health care services, today announced that its teammates once again partnered with U.S. charity Shoes That Fit to provide nearly 11,500 pairs of new shoes to children in need through a company-wide initiative called "Shoes-a-palooza."

During the 2<sup>nd</sup> annual Shoes-a-palooza, DaVita HealthCare Partners teammates worked with [Shoes That Fit](#), a Claremont, California-based charity, to provide new shoes to children in need in order to help enhance self-confidence and boost development and growth. Shoes That Fit helped identify children and shoe sizes. DaVita HealthCare Partners teammates then collected and delivered shoes to more than 100 schools.

"Shoes That Fit offers an outstanding service to those who need our help most – our children," said Rich Seebold, division vice president for DaVita Kidney Care and Shoes-a-palooza pioneer. "After such a successful campaign last year, our teammates couldn't wait to participate again in Shoes-a-palooza. We are investing in the livelihood of our communities – helping to provide a sense of dignity and comfort so these children can learn better, play better and just be kids."

Students and their guardians and teachers were extremely grateful for the generosity of DaVita HealthCare Partners teammates. Many of them shared gratitude in a variety of ways, including writing thank you notes and making signs.

"I wanted to share a story about one of my many wonderful students," wrote one teacher. "He misses a lot of school and is often late. He has a hard time concentrating at school due to the distractions he is concerned with at home. When he opened his new shoes, he whispered in my ear, 'This is the first brand new shoes I have ever got.' His smile beamed the entire day... You made him feel very important and he will always remember that! All because of a new pair of shoes. Thank you!"

Many teammates went above and beyond to support schools in their communities. In Wisconsin, DaVita Badgerland Dialysis delivered shoes to a local school and noticed that many of the students did not have socks. They spent two days collecting new socks and went back to the school to distribute them to the students in need.

Since 2013, DaVita HealthCare Partners teammates have collected and delivered more than 24,000 pairs of new shoes to children in need through Shoes-a-palooza. Before then, DaVita HealthCare Partners teammates in California, under the direction of Seebold, partnered with Shoes That Fit on a regional level to provide thousands of new shoes to children between 2008 and 2012.

For more information about DaVita's community engagement, please visit [DaVita.com/CSR](http://DaVita.com/CSR).

For more information about Shoes That Fit, please visit [ShoesThatFit.org](http://ShoesThatFit.org).

### About DaVita HealthCare Partners

DaVita HealthCare Partners Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. As of Sept. 30, 2014, DaVita Kidney Care operated or provided administrative services at 2,152 outpatient dialysis centers located in the United States serving approximately 170,000 patients. The company also operated 87 outpatient dialysis centers located in 10 countries outside the United States. HealthCare Partners manages and operates medical groups and affiliated physician networks in Arizona, California, Nevada, New Mexico, and Florida in its pursuit to deliver excellent-quality health care in a dignified and compassionate manner. As of Sept. 30, 2014, HealthCare Partners provided integrated care management for approximately 836,000 patients. For more information, please visit [DaVitaHealthCarePartners.com](http://DaVitaHealthCarePartners.com).

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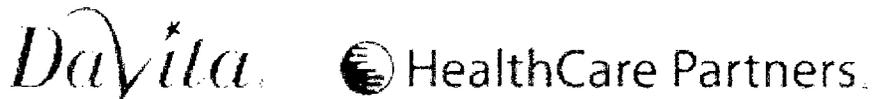
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SOURCE DaVita HealthCare Partners Inc.



## DaVita HealthCare Partners Celebrates Milestones of 2014

### Year Marked by Continued Clinical Excellence, Commitment to Patient Services, Innovative Partnerships, International Growth, Community Leadership

DENVER, Dec. 29, 2014 /PRNewswire/ -- [DaVita HealthCare Partners Inc.](#) (NYSE: DVA), a leading provider of kidney care and health care services, released a year-end recap of major milestones and achievements for the company in 2014.

"The strong results DaVita HealthCare Partners achieved in 2014 would not have been possible without the impressive efforts of our 60,000 teammates around the globe," said Kent Thiry, co-chairman and CEO of DaVita HealthCare Partners Inc. "Excellent clinical results and their benefit to patients will always be the foundation of our Village, but we're also proud of the numerous other ways we positively impact the broader health care community – both domestically and internationally."

Major initiatives and highlights for 2014 included:

#### Clinical Excellence:

**DaVita Kidney Care Outperforms All Dialysis Providers in Quality Incentive Program** – In June, [DaVita Kidney Care](#) announced its 2014 [Quality Incentive Program](#) results from the Centers for Medicare and Medicaid Services, the federal Medicare oversight agency. DaVita outperformed other kidney care providers in every category, with 98.4 percent of the company's centers ranking in the top clinical performance tier. The full report can be downloaded at [CMS.gov](#).

**DaVita Kidney Care Patient Vaccination Program Exceeds Goals** – DaVita Kidney Care once again proved its clinical leadership through its vaccination program for patients and teammates. This exceptional effort and consistent follow-through delivers immense clinical benefits. DaVita exceeded its goal of vaccinating 90 percent of its dialysis patients for influenza and pneumonia this flu season. Vaccinations are critical for protection against viruses in kidney patients and are offered at no cost to patients.

**DaVita Rx Delivers 15 Millionth Prescription** – [DaVita Rx](#) again led the kidney care community in the area of medication management. DaVita Rx is the only significant kidney care medication management program in existence and it announced mid-year that it filled its 15 millionth prescription since the company's inception in 2005. DaVita Rx provides specialized services that improve access and adherence to prescribed medication for chronically ill patients, with licensed, specially trained pharmacists on call 24 hours a day, seven days a week. A study published in the [American Journal of Kidney Diseases](#) in 2013 found that dialysis patients who use DaVita Rx spend 14 percent fewer days in the hospital and have a 21 percent lower risk of death compared to patients not using DaVita Rx.[1]

**New Program Drives Outstanding Fluid-Management Results for Dialysis Patients** – DaVita Kidney Care's FluidWise program focuses on educating physicians, patients and teammates on the importance of fluid management, sodium intake and weight management. Since launching FluidWise in January 2013, the program has led to a 21 percent decrease in the number of patients with frequent excessive fluid gain. [2] Most importantly, patients have experienced improved quality of life through the management of weight gain and thirst, and reduced rates of hospitalization.

**VillageHealth Reaches New Milestones** – VillageHealth, the integrated kidney care division of DaVita HealthCare Partners, completed a three-year review with the National Committee for Quality Assurance, earning 99.23 points out of 100 and reaccreditation. The Kidney Smart [kidney disease education program](#) reached 10 percent of new DaVita patients.

#### Research and Clinical Innovation:

**DaVita Kidney Care Announces Collaboration with Medtronic to Focus on Cardiovascular Health in ESRD Patients** – DaVita Kidney Care recently collaborated with Medtronic, Inc., to better understand cardiovascular health in end stage renal disease (ESRD) patients. The companies will collaboratively focus on developing a pilot program using Medtronic's Reveal LINQ™ Insertable Cardiac Monitoring system to identify cardiac arrhythmias in patients receiving dialysis.

**DaVita Labs Uses Roche Technology to Launch Molecular Diagnostics Testing** – [DaVita Labs](#) has implemented molecular diagnostic testing using technology from Roche Diagnostics, which will make it the first dialysis laboratory in the

country to test for Hepatitis C (HCV) virus levels in the blood (viral load) using the COBAS Ampliprep/COBAS TaqMan HCV v.2 test. This DNA-based technology will enable DaVita Kidney Care to help nephrologists manage patients with chronic HCV in conjunction with clinical and laboratory markers of infection.

**DaVita Clinical Research Presents 13 Abstracts at American Society of Nephrology Kidney Week** – In November, representatives and collaborators from [DaVita Clinical Research](#) (DCR) presented 13 abstracts at [American Society of Nephrology's](#) (ASN) Kidney Week. ASN's Kidney Week is the world's premier annual nephrology meeting, bringing together more than 13,000 kidney care professionals from around the world to share and discuss new developments related to all aspects of nephrology.

**DaVita Clinical Research Boosts Clinical Trials by Nearly 25 Percent** – In 2014 DaVita Clinical Research (DCR) worked to advance the practice of medicine with clinical papers published in 39 publications. DCR pursues life-enhancing discoveries and creates predictive models that allow early intervention in patient care to improve outcomes and mortality.

**DaVita Clinical Research and Pyxant Labs to Collaborate on Clinical Trials** – DCR announced an agreement through which Pyxant Labs Inc. will provide bioanalytical laboratory services for DCR's early clinical trials. Pyxant Labs is a contract research laboratory specializing in good laboratory practice bioanalytical chemistry support for life science clients. As part of the relationship, Pyxant will provide bioanalytical method development, sample analysis and formulation development for early clinical trials conducted at DCR's clinical research units.

**DaVita Rx Opens State-of-the-Art Orlando Pharmacy** – In late October, DaVita Rx announced the grand opening of its new Orlando, Florida, pharmacy. The new facility adds customer service and clinical operations to the existing dispensing operations, and increases capacity from 35 to 225 teammates. DaVita Rx's Orlando pharmacy uses the latest technology from recognized leaders in pharmacy design to increase operational efficiency, allowing pharmacists more time to focus on providing exceptional patient care.

**DaVita Labs Expands Footprint in DeLand** – In early 2014, [DaVita Labs](#) announced an expansion of its laboratory operations in DeLand, Florida, to accommodate future teammate growth. DaVita Labs performs more than 47 million laboratory tests each year and employs more than 500 teammates between Ft. Lauderdale and DeLand – a number that has grown by nearly 15 percent since the beginning of 2012.

#### **Patient Service:**

**Lifeline Continues to Set Standard for Vascular Access** – [Lifeline Vascular Access](#) was created to improve the delivery of vascular access care to patients by coordinating care among nephrologists, dialysis units and surgeons. Lifeline had a year filled with successes. Its clinicians completed 130,000 procedures with an overall 98.6 percent success rate. Lifeline also earned system-wide accreditation by The Joint Commission for the 12th continuous year.

**DaVita.com Redesigned and Now Mobile Friendly** – [DaVita.com](#), the award-winning flagship site for kidney disease information, received a makeover to enhance user-friendliness and the overall site experience. Highlights include new interfaces and updated tools that simplify and expedite [finding a kidney doctor](#) or a [DaVita Kidney Care center](#). Whether on a laptop, cell phone or a tablet, the new site will adjust to any device's screen size.

**DaVita Offers Innovative Tool for Those at Risk for Kidney Disease** – One in 10 adults age 20 or older in the U.S. has kidney disease, but many don't know it because the disease is often symptomless in its early stages. To address this issue, DaVita developed an interactive quiz at [DaVita.com/LearnYourRisk](#) for those interested in learning if they are at risk for kidney disease. In 2014 more than 9,500 people took the quiz, and more than 1,800 quiz-takers pledged to get their kidneys screened because they learned they were at risk.

**Unique Training Program Prepares Patients for Starting Dialysis** – [Kidney Smart](#) offers instructor-led kidney disease education classes in neighborhoods across the country. In 2014, more than 18,000 patients attended a Kidney Smart class and over 10 percent of new patients received Kidney Smart education prior to their first dialysis treatment.

**DaVita Celebrates Social Workers and Dietitians** – DaVita Kidney Care celebrated its more than 3,000 social worker and dietitian teammates during the entire month of March. March is National Kidney Month and also marks both National Social Work Month and National Nutrition Month, recognizing the important roles of dietitians and social workers in kidney care. These teammates provide specialized services to patients undergoing dialysis.

**HealthCare Partners California and HealthCare Partners Nevada on Becker's 100 ACOs to Know in 2014** – HealthCare Partners was included in the list of "100 Accountable Care Organizations (ACOs) to Know" published by *Becker's Hospital Review*. The list includes 100 of the 625 Medicare and commercial ACOs in the U.S.

**DaVita Response Team Prepares Patients for Emergencies** – The DaVita Village Emergency Response Team (DaVERT) had another eventful year in 2014. DaVERT minimized the impact on patient care in the face of a wide variety of natural and manmade challenges, including earthquakes, hurricanes, water contamination, civil disturbance and historic snowfall levels in Buffalo, New York.

#### **Business Growth and Thought Leadership:**

DaVita HealthCare Partners enjoyed a robust year of growth on both the HealthCare Partners (HCP) and DaVita Kidney Care sides of the business. By year's end, HCP was treating nearly 850,000 patients in six states and DaVita Kidney Care had 170,000 patients in more than 2,100 centers across the U.S. and in 10 countries around the globe. DaVita HealthCare Partners as a whole is now 60,000 teammates strong.

DaVita HealthCare Partners announced the following new business relationships in 2014:

- **DaVita HealthCare Partners Acquires Colorado Springs Health Partners** – In late October, DaVita HealthCare Partners announced that HealthCare Partners has entered into an agreement to acquire Colorado Springs Health Partners, a multi-specialty medical group with more than 100 physicians at 11 locations throughout the Pikes Peak region.
- **Centura Health and DaVita HealthCare Partners Form New Joint Venture in Colorado and Kansas** – In early November, Centura Health and DaVita HealthCare Partners announced a new joint venture that will offer a differentiated health care delivery model to help optimize health care value and lower costs for consumers in Colorado and Kansas.
- **Independence Blue Cross and DaVita HealthCare Partners Announce Joint Venture** – In early 2014, Independence Blue Cross and DaVita HealthCare Partners announced the creation of Tandigm Health, uniting a major health insurer and a recognized leader in physician-led integrated care.
- **DaVita HealthCare Partners and SCAN Health Plan Announce Expansion of VillageHealth C-SNP into Los Angeles and Orange Counties** – Beginning Jan. 1, 2014, DaVita HealthCare Partners Inc. and SCAN Health Plan expanded their chronic condition special needs plan (C-SNP) for individuals with ESRD into Los Angeles and Orange Counties.

#### **Commitment to International Patients:**

**DaVita Kidney Care to Treat Thousands in Saudi Arabia** – In February, DaVita Kidney Care announced it signed a major tender from the Kingdom of Saudi Arabia's Ministry of Health to treat half of the approximately 10,000 dialysis patients at as many as 80 centers currently operated by the Ministry.

**DaVita Expands Kidney Care Services in Malaysia** – In April, DaVita Kidney Care announced it acquired three hemodialysis centers from Malaysian dialysis provider Sinar Indentiti Sbn Bhd, further expanding its care of kidney patients in Malaysia.

**DaVita Kidney Care Partners with Leading Physicians in Germany** – Praxis mit Nahe joined DaVita Kidney Care in Germany with its world-class physicians, including Prof. Werner Kleophas, Dr. Andreas Westhoff, Prof. Gerd Hetzel and Prof. Frank Dellanna. Its clinics located in Dusseldorf specialize in dialysis, nephrology and diabetology, and are some of the largest privately held groups in Germany.

**DaVita Kidney Care India Honored as Dialysis Service Provider Company of the Year** – DaVita Kidney Care India received recognition from India Healthcare Excellence Awards as the Dialysis Service Provider Company of the Year in the specialty chain category by Frost and Sullivan.

**DaVita Kidney Care Center Becomes First Accredited Stand-Alone Dialysis Clinic in Malaysia** – In May, DaVita Kidney Care's Jalan Tun Razak dialysis center in Kuala Lumpur, Malaysia became the first stand-alone dialysis center in the country to receive a four-year accreditation in chronic dialysis treatment from the Malaysian Society for Quality in Health.

#### **Corporate Citizenship, Education, Empowerment:**

**DaVita Village Trust Breaks Surgery Record During Mission to Jamaica** – In late November, the [DaVita Village Trust](#) (DVT) completed a weeklong surgical mission in Jamaica that included one record-breaking day of surgeries. Four vascular surgeons and an ultrasound technician performed 63 fistula-placement surgeries at three hospitals through the DVT [Bridge of Life](#) program. Surgeons completed 27 arteriovenous fistula (AVF) surgeries in one day at Mandeville Regional Hospital in Mandeville – a record-breaking number of surgeries within one day for the hospital.

**DaVita Kidney Care Reports on Corporate Social Responsibility Progress** – DaVita Kidney Care announced the release of its [2013 Community Care report](#), which highlights progress on key initiatives supporting the company's vision for corporate social responsibility (CSR). The report is available at [DaVita.com/CommunityCare](#). This approach drives industry-leading clinical outcomes, multiple goodwill initiatives and a robust environmental commitment.

**DaVita HealthCare Partners Gives \$1.5 Million to Nonprofits Across the U.S.** – In early December, DaVita HealthCare Partners teammates directed \$1.5 million of company donations to charities across the United States as part of the "DaVita Way of Giving" program. Clinical teammates from DaVita Kidney Care and HealthCare Partners were encouraged to democratically choose charities in their communities to receive contributions.

**500 Cyclists Rode in Eighth Annual Tour DaVita in Oregon** – The eighth annual [Tour DaVita®](#) – a three-day, 250-mile bike ride to raise awareness of kidney disease and funds for medical missions in the U.S. and abroad – kicked off on Sept. 14 at the Waterloo County Park in Lebanon, Oregon. To date, Tour DaVita has helped raise more than \$6 million for nonprofits and participants have collectively ridden more than 550,000 miles over the course of eight years. For every mile on this year's route, 33 patient lives will be impacted by the [DaVita Village Trust](#).

**DaVita Kidney Care Continues Focus on Reducing Environmental Impact** – In 2014, DaVita Kidney Care supported its [environmental sustainability efforts](#) through a number of strategic projects. Highlights include the following:

- In support of the company's efforts to achieve the 15 percent energy-reduction goal by year-end 2015, DaVita Kidney Care's environmentally focused team, Village Green, launched a Building Management System pilot to over 130 clinics in the Northwest to increase comfort and reduce energy use.
- Through strategic water efficiency efforts, the average DaVita Kidney Care dialysis center is now using 20 percent fewer gallons in 2014 compared to 2013.

**DaVita HealthCare Partners Honors and Supports Service Members** – DaVita HealthCare Partners is active with the "100,000 Jobs Mission," one of the largest private sector coalitions dedicated to veteran employment. Once hired, DaVita HealthCare Partners' Village Veterans program allows new teammates to receive mentorship from company leaders as they transition to new roles within the company. And on Veterans Day, DaVita HealthCare Partners honored the men and women of the armed forces by building a "Wall of Honor for Veterans" to display at its World Headquarters in Denver.

**DaVita HealthCare Partners Celebrates New Teammate Training and Leadership Milestone** – In October, DaVita HealthCare Partners hosted the 150th DaVita University Academy – the company's award-winning, leadership development and cultural orientation program for new teammates. Nearly 2,000 DaVita teammates from around the globe attended the event.

**DaVita University Witnesses Record-Breaking Year in Teammate Development** – Through DaVita's School of Leadership, School of Clinical Education and Village Gatherings, the company directly touched over 19,500 teammates in 2014, all at average service excellence rating of 4.5 (out of 5). DaVita University also launched a dozen new and innovative leadership and educational programs, streamlined the onboarding process for its educational offerings, expanded the availability of distance learning and rolled out leadership and development programs to international teammates in multiple countries – all while improving training quality.

**DaVita Raises Awareness About the Importance of Organ Donation** – On Feb. 14, DaVita Kidney Care recognized National Donor Day, with the goal of raising awareness for the tens of thousands of individuals awaiting a kidney transplant. According to the [Organ Procurement and Transplantation Network \(OPTN\)](#), there are nearly 100,000 candidates waiting for a kidney, which makes kidneys the most in-demand organ.

**Wisdom Team Deepens Reach of DaVita HealthCare Partners' Culture** – DaVita's Wisdom department coordinated the makeover of patient waiting rooms in 1,164 DaVita dialysis centers nationwide through the DaVita Experience program.

**DaVita Educational Programs, Award Winning Cultural Displays** – In 2014, DaVita's Wisdom department won numerous awards for its representation of the DaVita culture, including Platinum and Gold Hermes Creative Awards as well as Platinum and Gold Marcom Awards.

### Village-wide Awards:

In 2014, DaVita won nearly 40 awards, including the following:

#### Business Excellence

- **Harvard Business Review Reputation Institute Award** – DaVita placed 37<sup>th</sup> overall in company reputation and Kent Thiry also placed 37<sup>th</sup> on the list of 100 Best Performing CEOs in the World. *Harvard Business Review's* analysis was performed by the Reputation Institute and measured more than 2,000 companies from 25 industries across 40 countries.
- **World's Most Admired Companies** – DaVita was named the most innovative company on *FORTUNE*® Magazine's World's Most Admired Companies' 2014 ranking of health care facilities. This marked the fifth consecutive year DaVita has been ranked No. 1 in innovation and the ninth consecutive year DaVita has been recognized on the World's Most Admired Companies industry list.
- **100 Most Influential People in Health Care** – We believe this should be called the "most influential companies" list because this recognition is both a testament to our teammates' hard work and commitment to patients, and an indication of growing acknowledgement of the contributions DaVita HealthCare Partners makes to the health care industry and to the world at large. However, Kent Thiry was ranked number 10 among the most influential people in U.S. health care by *Modern Healthcare*.

#### Caring for Our Patients

- **National Adult and Influenza Summit Immunization Excellence Award** – DaVita was named the 2014 national champion in the HealthCare Personnel category. In 2013, DaVita became the first large dialysis provider to require all teammates who work in, or whose jobs require frequent visits to, DaVita dialysis clinics to either be vaccinated against influenza or wear surgical masks in patient care areas. By March 2014, the company achieved 100 percent compliance with the vaccination or mask mandate.
- **Case in Point Platinum Award** – DaVita was honored with two platinum awards in 2014: Patient Pathways' Pathways Care Management was named the winner in the Best Case Management in Acute Settings, Provider Program category, and VillageHealth Integrated Care Management was named the winner in the Best Disease Management/Population Health category.
- **National Health Information Awards** – DaVita took home two awards, a bronze for the Patient Pathways Navigator book and a merit for the Kidney Disease Awareness article "A Simple Blood Test Can Detect Early Kidney Disease."

#### Caring for Each Other

- **Top Workplaces** – DaVita was named to the Colorado list for the third consecutive year and to the Bay Area list for the second consecutive year.
- **2014 Training Top 125** – For the tenth consecutive year, *Training Magazine* named DaVita a leading organization that excels at employee development.
- **Aon Hewitt Top Company for Leaders-Special Recognition award** – DaVita was honored in the Special Recognition category by overcoming challenges and demonstrating enormous progress toward becoming one of the best companies for leaders in North America. This is the second year DaVita has achieved recognition from Aon Hewitt's Top Company for Leaders.
- **Most Democratic Workplaces** – For the seventh straight year DaVita was ranked among the world's most democratically operated workplaces by WorldBlu.
- **Becker's Hospital Review 150 Great Places to Work in Healthcare** – 2014 was the first year that DaVita was named to this list, and DaVita remains the only Fortune 500 company to be named to this list.
- **LearningElite** – DaVita was named a Silver LearningElite organization in 2014 by *Chief Learning Officer* magazine. Lauded for creating and implementing exemplary teammate development practices that deliver measurable business value, DaVita HealthCare Partners ranked 29<sup>th</sup> in a record-breaking field of more than 200 companies that applied.

#### Caring for Our World

- **Newsweek Green Rankings** – DaVita has been recognized every year the program has run since 2009, which ranks the world's largest companies on corporate sustainability and environmental impact.

- **Congressional Black Caucus Fall Health Braintrust Corporate Leadership Award** – The Congressional Black Caucus Foundation recognized DaVita HealthCare Partners for its "visionary leadership and commitment to helping improve the health, health care and thus life opportunities for millions of our nation's most medically and financially vulnerable residents."

### **Military Awards**

- **Best for Vets** – DaVita was recognized by *Military Times Edge* as a "Best for Vets" employer for the fifth consecutive year.
- **Top Military Spouse Friendly Employers** – DaVita was recognized as a top employer for military spouses by *Military Spouse Magazine* for the second consecutive year.
- **Top Veteran-Friendly Companies** – DaVita was named a top veteran-friendly company by *U.S. Veterans Magazine*.
- **Most Valuable Employer for Military** – [CivilianJobs.com](http://CivilianJobs.com) named DaVita to this list for the fourth consecutive year in 2014.

### **Community Capitalism:**

In 2014, DaVita HealthCare Partners remained steadfastly committed to sharing its lessons learned and best demonstrated cultural practices with the broader business community, as well as the next generation of business leaders. Examples of the company's commitment to building its capital in the community include the following:

- **Stanford Business School Case Study on Values-Based Culture** – In December, Stanford released a case study focused on DaVita HealthCare Partners and the importance of a values-based culture.
- **Harvard Business School (HBS) Case Study on Unique Public-Private Partnerships** – In late 2014, HBS published a case study detailing the partnership between DaVita Kidney Care and Denver Public Schools. The focus of the study is on the value of a for-profit corporation sharing its values-based culture with the employees of a public education system.
- **Harvard Business School (HBS) Case Study on Cultural Differences Within Various Business Units of a Major Enterprise** – At the end of 2014, HBS was in the process of creating a case study that focuses on how smaller business units within a larger enterprise incorporate the parent company's values-rich corporate culture into their teams. This study will spotlight the efforts of Josh Golomb, who serves as president of both Paladina Health and DaVita Rx.
- **Dynamic Volunteerism Launches in Denver** – Through Dynamic Volunteerism, DaVita HealthCare Partners is leveraging the unique capabilities of its village citizens, both individually and collectively, to help non-profit organizations perform at a higher level. This effort multiplies the impact the company has on the community and enhances the satisfaction its teammates gain through their efforts.
- **Executives Speak on Values-Rich Culture** – Throughout 2014, DaVita HealthCare Partners executives were asked to speak to numerous groups, including undergraduate and graduate students, chambers of commerce, and women's organizations about how DaVita creates a community of culture for its teammates and the true value of a values-based culture and how it can drive change in an organization.

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[1] Weinhandl ED, Arneson TJ, St. Peter WL. Clinical Outcomes Associated with Receipt of Integrated Pharmacy Services: Potential Quality Improvement in Hemodialysis Patient Care. *Am J of Kidney Dis.* 2013.

[2] "Frequent" is defined as >10% of treatments over the trailing three calendar months. "Excessive" is defined as >5% weight gain (as a % of target weight) between treatments.

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SOURCE DaVita HealthCare Partners Inc.

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
Carpentersville Dialysis	2203 RANDALL ROAD		CARPENTERSVILLE	KANE	IL	60110-3355	14-2598
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
Chicago Ridge Dialysis	10511 SOUTH HARLEM AVE		WORTH	COOK	IL	60482	
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
Country Hills Dialysis	4215 W 167TH ST		COUNTRY CLUB HILLS	COOK	IL	60478-2017	14-2575
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	14-2777
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Harvey Dialysis	16641 S HALSTED ST		HARVEY	COOK	IL	60426-6174	14-2698
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

**DaVita HealthCare Partners Inc.**

**Illinois Facilities**

<b>Regulatory Name</b>	<b>Address 1</b>	<b>Address 2</b>	<b>City</b>	<b>County</b>	<b>State</b>	<b>Zip</b>	<b>Medicare Certification Number</b>
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
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
Marengo City Dialysis	910 GREENLEE STREET	STE B	MARENGO	MCHENRY	IL	60152-8200	14-2643
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
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	4557B 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
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
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

DaVita HealthCare Partners Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
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
Stonecrest 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
Tinley Park Dialysis	16767 SOUTH 80TH AVENUE		TINLEY PARK	COOK	IL	60477	
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 Chair 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 as defined in 77 IAC 1130.140 has been taken against any in-center dialysis facility owned or operated by DaVita HealthCare Partners Inc. or Total Renal Care Inc. in the State of Illinois during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.1430(b)(3)(J), 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,



Print Name: Arturo Sida  
Its: Assistant Corporate Secretary  
DaVita HealthCare Partners Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2015

Notary Public

State of California

County of Los Angeles

On January 7, 2015 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

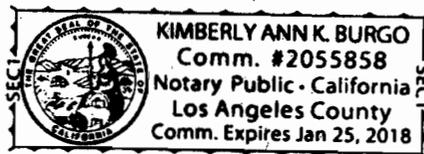
personally appeared Arturo Sida

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 - Ltr to K. Olson re Machesney Park Dialysis

Document Date: January 7, 2015 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.

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

Purpose of Project

1. The purpose of the project is to improve access to life sustaining dialysis services to the residents of the Machesney Park community. Currently, there are five existing or approved dialysis facilities within 30 minutes of the proposed Machesney Park Dialysis. Average utilization as of September 30, 2014 was 79 percent. Excluding Belvidere Dialysis, which is not projected to be operational until the first quarter of 2016, average utilization increases to 92 percent. Importantly, Belvidere Dialysis will be operational a year prior to the proposed Machesney Park Dialysis coming online. Belvidere Dialysis, which will be a 12 station facility, will need 58 patients to achieve the Board's target utilization of 80%. As a primary purpose of the Belvidere facility is to alleviate overutilization at the existing Rockford area dialysis facilities, at least 26 Rockford area patients are projected to transfer to Belvidere Dialysis upon project completion. (See Belvidere Dialysis CON application p 80). Additionally, as of December 2013, Dr. Ahmad, the primary referring physician for Belvidere Dialysis, was treating 102 Stage 4 and Stage 5 pre-ESRD patients. Assuming all 26 patients transfer to Belvidere Dialysis, only 32 (or 31%) of the 102 Stage 4 and Stage 5 pre-ESRD patients will need to initiate dialysis within a year of project completion for the facility to reach target utilization. Accordingly, Belvidere Dialysis will not fully address the high utilization in Rockford and the surrounding areas, which includes Machesney Park.

Additionally, utilization in the Machesney Park geographic service area continues to increase. From December 2011 through September 2014, the existing facilities patient census increased 26 percent (or 82 patients). This translates an 8.5 percent (or 27 patients) annual increase. Importantly, this trend is projected to continue for the foreseeable future. Based upon data from the U.S. Centers for Disease Control and Prevention, 10% of American adults have some level of CKD. Further, the National Kidney Fund of Illinois estimates over 1 million Illinoisans have CKD and most do not know it. Kidney disease is often silent until the late stages when it can be too late to head off kidney failure. As more working families obtain health insurance through the Affordable Care Act (or ACA)<sup>10</sup> and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care,<sup>11</sup> more individuals in high risk groups will have better access to primary care and kidney screening. As a result of these health care reform initiatives, there will likely be tens of thousands of newly diagnosed cases of CKD in the years ahead. Once diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough stations are available to treat this new influx of ESRD patients, who will require dialysis in the next couple of years.

Dr. Michael Robertson's practice, Rockford Nephrology Associates, treated 650 CKD patients in 2014, who reside within approximately 12 minutes of Machesney Park. 119 of these patients are at Stage 4 or 5 CKD. See Appendix – 1. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, Dr. Robertson anticipates that at least 72 of these patients will initiate dialysis at the proposed facility within 12 to 24 months following project completion.

The establishment of a 12-station dialysis facility will improve access to necessary dialysis treatment for those individuals in the Machesney Park community who suffer from ESRD. ESRD

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<sup>10</sup> According to data from the federal government 61,111 Illinois residents enrolled in a health insurance program through the ACA.

<sup>11</sup> In January 2011, the Illinois General Assembly passed legislation mandating 50% of the Medicaid population to be covered by a managed care program by 2015.

patients are typically chronically ill individuals and adequate access to dialysis services is essential to their well-being.

2. A map of the market area for the proposed facility is attached at Attachment – 12A. The market area encompasses an approximate 20 mile radius around the proposed facility. The boundaries of the market area are as follows:
  - North approximately 15 minutes normal travel time to the WI border.
  - Northeast approximately 20 minutes normal travel time to the WI border.
  - East approximately 30 minutes normal travel time to Harvard, IL.
  - Southeast approximately 30 minutes normal travel time to Irene, IL.
  - South approximately 30 minutes normal travel time to Davis Junction, IL.
  - Southwest approximately 30 minutes normal travel time to Winnebago, IL.
  - West approximately 30 minutes normal travel time to Pecatonica, IL.
  - Northwest approximately 30 minutes normal travel time to Durand, IL.

The purpose of this project is to improve access to life sustaining dialysis to residents of the community of Machesney Park and the immediately surrounding areas. As discussed more fully above, there is insufficient capacity within the GSA to accommodate all of Dr. Robertson's projected referrals.

3. The minimum size of a GSA is 30 minutes; however, many of the patients reside within the immediate vicinity of the proposed facility. The proposed facility is located in Machesney Park, IL. Dr. Robertson expects at least 72 of the of the current 119 Stage 4 and 5 CKD patients that reside within approximately 12 minutes of the proposed site to require dialysis within the next 12 to 24 months.
4. Source Information

Illinois Health Facilities and Services Review Board, Update to Inventory of Other Health Services (11/13/2014) available at [http://hfsrb.illinois.gov/hfsrbinvent\\_data.htm](http://hfsrb.illinois.gov/hfsrbinvent_data.htm) (last visited December 23, 2014).

U.S. Census Bureau, American FactFinder, Fact Sheet, *available at* <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited January 16, 2015).

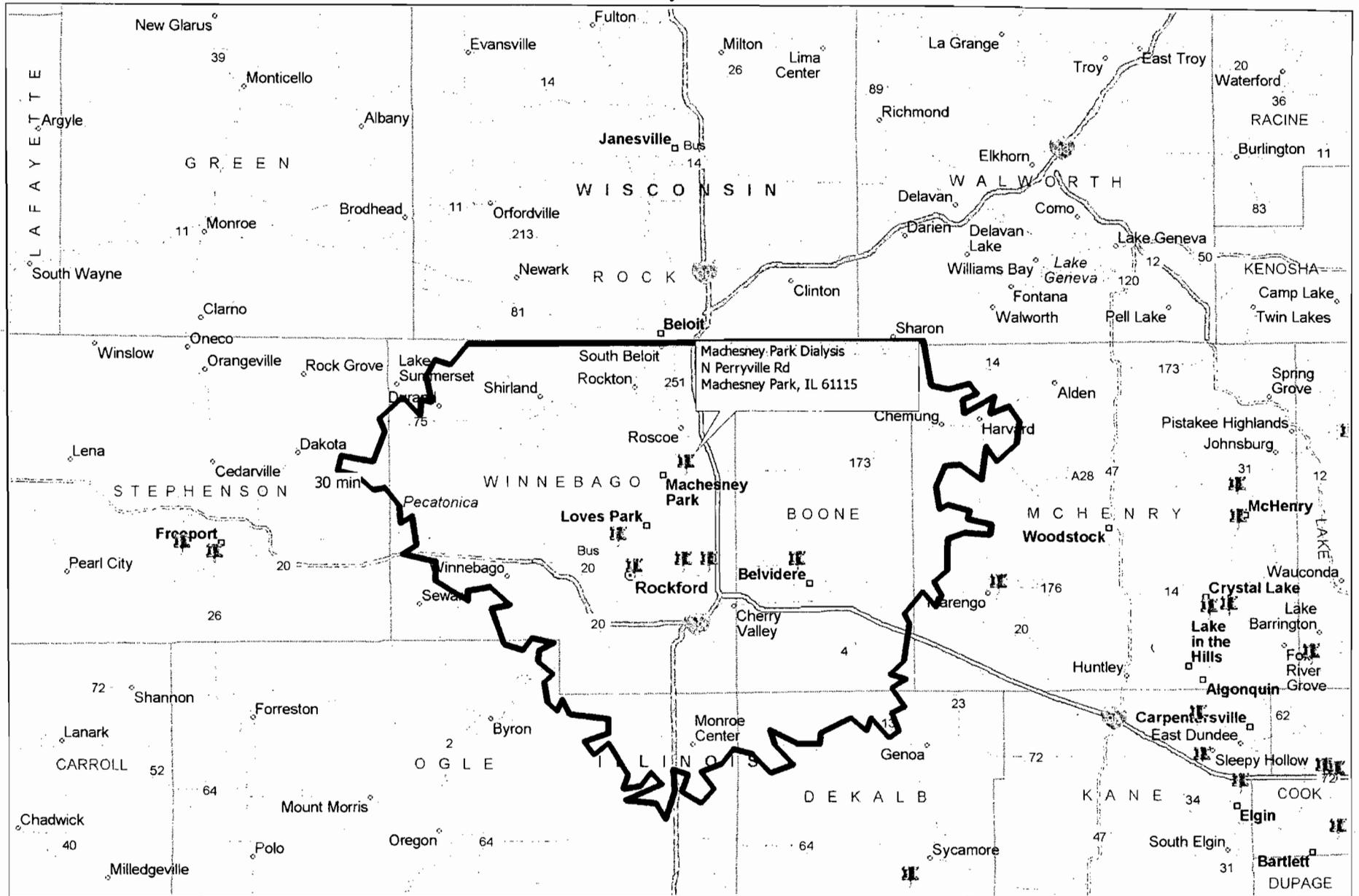
US Renal Data System, USRDS 2011 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2011.

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, 2013.

5. The proposed facility will improve access to dialysis services to the residents of the Machesney Park community and the surrounding area by establishing the proposed facility. Given the high utilization in the GSA and the increasing size of Dr. Robertson's patient-base, this facility is necessary to ensure sufficient access to dialysis services in this community.
6. The Applicants anticipate the proposed facility will have quality outcomes comparable to its other 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 is more than \$1.5 billion in savings to the health care system and the American taxpayer from 2010 – 2012.

# Machesney Park GSA



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Attachment - 12A

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**Section III, Background, Purpose of the Project, and Alternatives**  
**Criterion 1110.230(c) – Background, Purpose of the Project, and Alternatives**

Alternatives

The Applicants considered two options prior to determining to establish a 12-station dialysis facility. The options considered are as follows:

1. Utilize Existing Facilities.
2. Establish a new facility.

After exploring these options, which are discussed in more detail below, the Applicants determined to establish a 12-station dialysis facility. A review of each of the options considered and the reasons they were rejected follows.

Utilize Existing Facilities

Currently, there are five existing or approved dialysis facilities within 30 minutes of the proposed Machesney Park Dialysis. Average utilization as of September 30, 2014 was 79 percent. Excluding Belvidere Dialysis, which is not projected to be operational until the first quarter of 2016, average utilization increases to 92 percent. Importantly, Belvidere Dialysis will be operational a year prior to the proposed Machesney Park Dialysis coming online. Belvidere Dialysis, which will be a 12 station facility, will need 58 patients to achieve the Board's target utilization of 80%. As a primary purpose of the Belvidere facility is to alleviate overutilization at the existing Rockford area dialysis facilities, at least 26 Rockford area patients are projected to transfer to Belvidere Dialysis upon project completion. (See Belvidere Dialysis CON application p 80). Additionally, as of December 2013, Dr. Ahmad, the primary referring physician for Belvidere Dialysis, was treating 102 Stage 4 and Stage 5 pre-ESRD patients. Assuming all 26 patients transfer to Belvidere Dialysis, only 32 (or 31%) of the 102 Stage 4 and Stage 5 pre-ESRD patients will need to initiate dialysis within a year of project completion for the facility to reach target utilization.

Additionally, utilization in the Machesney Park geographic service area continues to increase. From December 2011 through September 2014, the existing facilities patient census increased 26 percent (or 82 patients). This translates an 8.5 percent (or 27 patients) annual increase. Importantly, this trend is projected to continue for the foreseeable future. Based upon data from the U.S. Centers for Disease Control and Prevention, 10% of American adults have some level of CKD. Further, the National Kidney Fund of Illinois estimates over 1 million Illinoisans have CKD and most do not know it. Kidney disease is often silent until the late stages when it can be too late to head off kidney failure. As more working families obtain health insurance through the ACA<sup>12</sup> and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care,<sup>13</sup> more individuals in high risk groups will have better access to primary care and kidney screening. As a result of these health care reform initiatives, there will likely be tens of thousands of newly diagnosed cases of CKD in the years ahead. Once diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough stations are available to treat this new influx of ESRD patients, who will require dialysis in the next couple of years.

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<sup>12</sup> According to data from the federal government 61,111 Illinois residents enrolled in a health insurance program through the ACA.

<sup>13</sup> In January 2011, the Illinois General Assembly passed legislation mandating 50% of the Medicaid population to be covered by a managed care program by 2015.

Dr. Michael Robertson's practice, Rockford Nephrology Associates, treated 650 CKD patients in 2014, who reside within approximately 12 minutes of Machesney Park. 119 of these patients are at Stage 4 or 5 CKD. See Appendix – 1. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, Dr. Robertson anticipates that at least 72 of these patients will initiate dialysis at the proposed facility within 12 to 24 months following project completion.

Given the high utilization of the existing facilities coupled with the historical growth, which is anticipated to continue for the foreseeable future, the existing and approved facilities within the GSA will not have sufficient capacity to accommodate Dr. Robertson's projected referrals. As a result, DaVita rejected this option.

There is no capital cost with this alternative.

#### Establish a New Facility

Based upon current 79.0% utilization of all existing and approved facilities (92.0% when excluding the not yet operational Belvidere Dialysis facility) and the projected number of CKD patients that will require in-center hemodialysis within the next 12 to 24 months following project completion, the only feasible option is to establish a 12-station in-center hemodialysis facility. This alternative will ensure residents of the Machesney Park community and the surrounding area have continued access to life sustaining dialysis treatment.

The cost of this alternative is **\$2,688,663**.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(a), Size of the Project**

The Applicants propose to establish a 12-station dialysis facility. Pursuant to Section 1110, Appendix B of the HFSRB's rules, the State standard is 450-650 gross square feet per dialysis station for a total of 5,400 – 7,800 gross square feet for 12 dialysis stations. The total gross square footage of the proposed dialysis facility is 5,800 gross square feet (or 483.33 GSF per station). Accordingly, the proposed Facility meets the State standard per station.

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD	5,800	5,400 – 7,800	N/A	Meets State Standard

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(b), Project Services Utilization**

By the second year of operation, annual utilization at the proposed facility shall exceed HFSRB's utilization standard of 80%. Pursuant to Section 1100.1430 of the HFSRB's rules, facilities providing in-center hemodialysis should operate their dialysis stations at or above an annual utilization rate of 80%, assuming three patient shifts per day per dialysis station, operating six days per week. Dr. Robertson is currently treating 650 CKD patients that reside within approximately 12 minutes of the proposed facility, and whose condition is advancing to ESRD. 119 of these CKD patients are at Stage 4 or 5 CKD. See Appendix - 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, it is estimated that 72 of these patients will initiate dialysis within 12 to 24 months following project completion.

	<b>Dept./ Service</b>	<b>Historical Utilization (Treatments)</b>	<b>Projected Utilization</b>	<b>State Standard</b>	<b>Met Standard?</b>
<b>Year 1</b>	ESRD	N/A	<b>7,488</b>	8,986	No
<b>Year 2</b>	ESRD	N/A	<b>11,232</b>	8,986	Yes

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(c), Unfinished or Shell Space**

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.234(d), Assurances**

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430, In-Center Hemodialysis Projects – Review Criteria**

1. Planning Area Need

The Applicants propose to establish a 12-station dialysis facility to be located at 6950 North Perryville Road, Machesney Park, IL 61115. As shown in Attachment – 26A, there are five existing or approved dialysis facilities within 30 minutes of the proposed Machesney Park Dialysis. Average utilization as of September 30, 2014 was 79 percent. Excluding Belvidere Dialysis, which is not projected to be operational until the first quarter of 2016, average utilization increases to 92 percent. Importantly, Belvidere Dialysis will be operational a year prior to the proposed Machesney Park Dialysis coming online. Belvidere Dialysis, which will be a 12 station facility, will need 58 patients to achieve the Board's target utilization of 80%. As a primary purpose of the Belvidere facility is to alleviate overutilization at the existing Rockford area dialysis facilities, at least 26 Rockford area patients are projected to transfer to Belvidere Dialysis upon project completion. (See Belvidere Dialysis CON application p 80). Additionally, as of December 2013, Dr. Ahmad, the primary referring physician for Belvidere Dialysis, was treating 102 Stage 4 and Stage 5 pre-ESRD patients. Assuming all 26 patients transfer to Belvidere Dialysis, only 32 (or 31%) of the 102 Stage 4 and Stage 5 pre-ESRD patients will need to initiate dialysis within a year of project completion for the facility to reach target utilization. Accordingly, Belvidere Dialysis will not fully address the high utilization in Rockford and the surrounding areas, which includes Machesney Park.

Additionally, utilization in the Machesney Park geographic service area continues to increase. From December 2011 through September 2014, the existing facilities patient census increased 26 percent (or 82 patients). This translates an 8.5 percent (or 27 patients) annual increase. Importantly, this trend is projected to continue for the foreseeable future. Based upon data from the U.S. Centers for Disease Control and Prevention, 10% of American adults have some level of CKD. Further, the National Kidney Fund of Illinois estimates over 1 million Illinoisans have CKD and most do not know it. Kidney disease is often silent until the late stages when it can be too late to head off kidney failure. As more working families obtain health insurance through the Affordable Care Act (or ACA)<sup>14</sup> and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care,<sup>15</sup> more individuals in high risk groups will have better access to primary care and kidney screening. As a result of these health care reform initiatives, there will likely be tens of thousands of newly diagnosed cases of CKD in the years ahead. Once diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough stations are available to treat this new influx of ESRD patients, who will require dialysis in the next couple of years.

Dr. Michael Robertson's practice, Rockford Nephrology Associates, treated 650 CKD patients in 2014, who reside within approximately 12 minutes of Machesney Park. 119 of these patients are at Stage 4 or 5 CKD. See Appendix – 1. Conservatively, based upon attrition due patient death, transplant, return of function, or relocation, Dr. Robertson anticipates that at least 72 of these patients will initiate dialysis at the proposed facility within 12 to 24 months following project completion.

The establishment of a 12-station dialysis facility will improve access to necessary dialysis treatment for those individuals in the Machesney Park community who suffer from ESRD. ESRD patients are typically chronically ill individuals and adequate access to dialysis services is essential to their well-being.

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<sup>14</sup> According to data from the federal government 61,111 Illinois residents enrolled in a health insurance program through the ACA.

<sup>15</sup> In January 2011, the Illinois General Assembly passed legislation mandating 50% of the Medicaid population to be covered by a managed care program by 2015.

2. Service to Planning Area Residents

The primary purpose of the proposed project is to maintain access to life-sustaining dialysis services to the residents of the Machesney Park community and the surrounding area. As evidenced in the physician referral letter attached at Appendix - 1, all 119 pre-ESRD patients reside within approximately 12 minutes of the proposed facility.

3. Service Demand

Attached at Appendix - 1 is a physician referral letter from Dr. Robertson and a schedule of pre-ESRD and current patients by zip code. A summary of CKD patients projected to be referred to the proposed dialysis facility within the first two years after project completion is provided in Table 1110.1430(b)(3)(B) below.

<b>Zip Code</b>	<b>Total Patients</b>
61073	21
61111	48
61115	50
<b>Total</b>	<b>119</b>

5. Service Accessibility

As set forth throughout this application, the proposed facility is needed to maintain access to life-sustaining dialysis for residents in the Machesney Park community and the surrounding area. Currently, there are five existing or approved dialysis facilities within 30 minutes of the proposed Machesney Park Dialysis. Average utilization as of September 30, 2014 was 79 percent. Excluding Belvidere Dialysis, which is not projected to be operational until the first quarter of 2016, average utilization increases to 92 percent. Importantly, Belvidere Dialysis will be operational a year prior to the proposed Machesney Park Dialysis coming online. Belvidere Dialysis, which will be a 12 station facility, will need 58 patients to achieve the Board's target utilization of 80%. As a primary purpose of the Belvidere facility is to alleviate overutilization at the existing Rockford area dialysis facilities, at least 26 Rockford area patients are projected to transfer to Belvidere Dialysis upon project completion. (See Belvidere Dialysis CON application p 80). Additionally, as of December 2013, Dr. Ahmad, the primary referring physician for Belvidere Dialysis, was treating 102 Stage 4 and Stage 5 pre-ESRD patients. Assuming all 26 patients transfer to Belvidere Dialysis, only 32 (or 31%) of the 102 Stage 4 and Stage 5 pre-ESRD patients will need to initiate dialysis within a year of project completion for the facility to reach target utilization. With the increasing prevalence of ESRD and CKD within the immediate area around Machesney Park, a new dialysis facility is needed to improve access to dialysis services to residents in the Machesney Park community.

End Stage Renal Disease Facility	Address	City	Distance	Drive Time	Adjusted Drive Time	09-30-2014 Stations	09-30-2014_Patients	09-30-2014 Utilization
Stonecrest Dialysis	1302 East State Street	Rockford	8.52	13	14.95	11	62	93.94%
Rockford Memorial Hospital	2400 North Rockton Avenue	Rockford	8.83	14	16.1	22	115	87.12%
Roxbury Dialysis	612 Roxbury Road	Rockford	7.33	12	13.8	16	102	106.25%
Churchview Dialysis - East Rockford	5970 Churchview Drive	East Rockford	5.09	7	8.05	24	124	86.11%
Belvidere Dialysis*	1755 Beloit Road	Belvidere	12.06	17	19.55	12	0	0.00%
<b>TOTAL</b>						<b>85</b>	<b>403</b>	<b>79.02%</b>
<b>TOTAL excluding Facilities Operational &lt; 2 Yrs*</b>						<b>73</b>	<b>403</b>	<b>92.01%</b>

**Section VII, Service Specific Review Criteria  
In-Center Hemodialysis  
Criterion 1110.1430(c), Unnecessary Duplication/Maldistribution**

1. Unnecessary Duplication of Services

- a. The proposed dialysis facility will be located at 6950 North Perryville Road, Machesney Park, IL 61115. A map of the proposed facility's market area is attached at Attachment – 26B. A list of all zip codes located, in total or in part, within 30 minutes normal travel time of the site of the proposed dialysis facility as well as 2010 census figures for each zip code is provided in Table 1110.1430(d)(1)(A).

<b>Table 1110.1430(d)(1)(A) Population of Zip Codes within 30 Minutes of Proposed Facility</b>		
<b>ZIP Code</b>	<b>City</b>	<b>Population</b>
61016	CHERRY VALLEY	4,837
61102	ROCKFORD	20,538
61101	ROCKFORD	21,593
61024	DURAND	2,620
61079	SHIRLAND	188
61072	ROCKTON	11,797
61104	ROCKFORD	19,269
61109	ROCKFORD	28,333
61103	ROCKFORD	24,578
61108	ROCKFORD	28,550
61112	ROCKFORD	86
61107	ROCKFORD	30,439
61114	ROCKFORD	15,776
61111	LOVES PARK	23,492
61080	SOUTH BELOIT	10,599
61115	MACHESNEY PARK	23,180
61073	ROSCOE	20,052
61008	BELVIDERE	34,311
61011	CALEDONIA	2,945
61065	POPLAR GROVE	11,156
61012	CAPRON	2,175
<b>Total</b>		<b>336,514</b>

Source: U.S. Census Bureau, Census 2010, American Factfinder available at <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk> (last visited January 20, 2015).

- b. A list of existing and approved dialysis facilities located within 30 minutes normal travel time of the proposed dialysis facility is provided at Attachment – 26A.

2. Maldistribution of Services

The proposed dialysis facility will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of facilities, stations, and services characterized by such factors as, but not limited to: (1) ratio of stations to population exceeds one and one-half times the State Average; (2) historical utilization for existing facilities and services is below the HFSRB's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards. As discussed more fully below, the ratio of stations to population in the GSA is 78.1% of the State average, the average utilization of existing and approved facilities is 79.0%, and sufficient population exists to achieve target utilization. Accordingly, the proposed dialysis facility will not result in a maldistribution of services.

a. Ratio of Stations to Population

As shown in Table 1110.1430(d)(2)(A), the ratio of stations to population is 78.1% of the State Average.

	<b>Population</b>	<b>Dialysis Stations</b>	<b>Stations to Population</b>
Geographic Service Area	336,514	85	1:3,959
State	12,830,632	4,151	1:3,091

b. Historic Utilization of Existing Facilities

The average utilization for all facilities in the geographical service area is 79.0%. When excluding the lone not yet operational facility (Belvidere Dialysis), the average utilization of existing facilities is 92.0%. There will be no maldistribution of services. Additional stations are necessary to adequately meet the rising demand of the pre-ESRD patient population in the area.

c. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish a 12-station dialysis facility. To achieve the HFSRB's 80% utilization standard within the first two years after project completion, the Applicants would need 58 patient referrals. Dr Robertson is presently treating 650 Stage 3, 4, and 5 pre-ESRD patients who all reside within approximately 12 minutes of the proposed facility. As set forth above in Table 1110.1430(c)(3)(B), 119 of these patients have reached CKD stage 4 or 5. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, it is estimated that at least 72 of the 119 Stage 4 and Stage 5 patients will initiate dialysis within 12 to 24 months following project completion.

3. Impact to Other Providers

- a. The proposed dialysis facility will not have an adverse impact on existing facilities in the GSA. As discussed throughout this application, the average utilization of the facilities within the geographical service area is 79.0%. When excluding the lone not yet operational facility (Belvidere Dialysis), the average utilization of existing facilities is 92.0%. Dr. Robertson is presently treating 650 pre-ESRD patients who all reside within approximately 12 minutes of the proposed facility. With the current high utilization of existing facilities in the GSA and the continued growth of CKD in the surrounding community, this warrants the establishment of a new dialysis facility.

- b. The proposed facility will not lower the utilization of other area providers that are operating below the occupancy standards.



**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(e), Staffing**

1. The proposed facility will be staffed in accordance with all State and Medicare staffing requirements.
  - a. Medical Director: Michael Robertson, M.D. will serve as the Medical Director for the proposed facility. A copy of Dr. Robertson's curriculum vitae is attached at Attachment – 26C.

- b. Other Clinical Staff: Initial staffing for the proposed facility will be as follows:

Administrator  
Registered Nurse (2.3 FTE)  
Patient Care Technician (5.2 FTE)  
Biomedical Technician (0.3 FTE)  
Social Worker (licensed MSW) (0.6 FTE)  
Registered Dietitian (0.6 FTE)  
Administrative Assistant (1 FTE)

As patient volume increases, nursing and patient care technician staffing will increase accordingly to maintain a ratio of at least one direct patient care provider for every 4 ESRD patients. At least one registered nurse will be on duty while the facility is in operation.

- c. All staff will be training under the direction of the proposed facility's Governing Body, utilizing DaVita's comprehensive training program. DaVita's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in-depth theory on the structure and function of the kidneys; including, homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis; components of hemodialysis system; water treatment; dialyzer reprocessing; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. A summary of the training program is attached at Attachment – 26D.
    - d. As set forth in the letter from Arturo Sida, Assistant Corporate Secretary of DaVita HealthCare Partners Inc. and Total Renal Care Inc., attached at Attachment – 26E, Machesney Park Dialysis will maintain an open medical staff.

**Michael J. Robertson, M.D.**  
**CURRICULUM VITAE**

**BIOGRAPHICAL INFORMATION:**

Office Address: RNA of Rockford, LLC  
612 Roxbury Road  
Rockford, IL 61107

Date of Birth: 10/25/73

**EMPLOYMENT:**

05/08-present	RNA of Rockford, LLC Rockford, IL	M.D.
07/05-present	University of Illinois College of Medicine Rockford, IL	Associate Professor
07/05-04/08	Nephrology Associates of Northern IL Rockford, IL	M.D.
03/05-06/05	MacNeal Hospital Berwyn, IL	Hospitalist
06/04-06/05	Saint Margaret Mercy Hospital Hammond, IN	Hospitalist

**EDUCATION:**

08/96-05/00	University of Illinois College of Medicine Chicago, IL	M.D.
08/92-08/96	Illinois Benedictine College Lisle, IL	B.S. Summa Cum Laude

**Michael J. Robertson, M.D.**

**CURRICULUM VITAE**

Page 2

POSTGRADUATE TRAINING:

07/03-06/05	University of Chicago Chicago, IL	Nephrology Fellowship
06/00-06/03	University of Chicago Chicago, IL	Internal Medicine Residency

CERTIFICATION AND LICENSURE:

Illinois License #036-108880

Wisconsin License #48343-20

Board Certified by American Board of Internal Medicine, 08/19/03

Board Certified by American Board of Internal Medicine, Subspecialty of  
Nephrology, 10/27/05

PROFESSIONAL ORGANIZATION MEMBERSHIPS:

American Society of Nephrology  
Renal Physicians Association

**TITLE: BASIC TRAINING PROGRAM OVERVIEW**

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**Mission**

DaVita's Basic Training Program for Hemodialysis provides the instructional preparation and the tools to enable teammates to deliver quality patient care. Our core values of *service excellence, integrity, team, continuous improvement, accountability, fulfillment and fun* provide the framework for the Program. Compliance with State and Federal Regulations and the inclusion of DaVita's Policies and Procedures (P&P) were instrumental in the development of the program.

**Explanation of Content**

Two education programs for the new nurse or patient care technician (PCT) are detailed in this section. These include the training of new DaVita teammates **without** previous dialysis experience and the training of the new teammates **with** previous dialysis experience. A program description including specific objectives and content requirements is included.

This section is designed to provide a *quick reference* to program content and to provide access to key documents and forms.

The **Table of Contents** is as follows:

- I. Program Overview (TR1-01-01)
- II. Program Description (TR1-01-02)
  - Basic Training Class Outline (TR1-01-02A)
  - Basic Charge Nurse Training Class Outline (TR1-01-02B)
- III. Education Enrollment Information (TR1-01-03)
- IV. Education Standards (TR1-01-04)
- V. Verification of Competency
  - New teammate without prior experience (TR1-01-05)
  - New teammate with prior experience (TR1-01-06)
  - Medical Director Approval Form (TR1-01-07)
- VI. Evaluation of Education Program
  - Program Evaluation
  - Basic Training Classroom Evaluation (TR1-01-08A)
  - Basic Charge Nurse Training Classroom Evaluation (TR1-01-08B)
  - Curriculum Evaluation
- VII. Additional Educational Forms
  - New Teammate Weekly Progress Report for the PCT (TR1-01-09)
  - New Teammate Weekly Progress Report for Nurses (TR1-01-10)
  - Training hours tracking form (TR1-01-11)
- VIII. State-specific information/forms (as applicable)

**TITLE: BASIC TRAINING FOR HEMODIALYSIS PROGRAM  
DESCRIPTION**

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**Introduction to Program**

The Basic Training Program for Hemodialysis is grounded in DaVita's Core Values. These core values include a commitment to providing *service excellence*, promoting *integrity*, practicing a *team* approach, systematically striving for *continuous improvement*, practicing *accountability*, and experiencing *fulfillment* and *fun*.

The Basic Training Program for Hemodialysis is designed to provide the new teammate with the theoretical background and clinical skills necessary to function as a competent hemodialysis patient care provider.

DaVita hires both non-experienced and experienced teammates. Newly hired teammates must meet all applicable State requirements for education, training, credentialing, competency, standards of practice, certification, and licensure in the State in which he or she is employed. For individuals with experience in the armed forces of the United States, or in the national guard or in a reserve component, DaVita will review the individual's military education and skills training, determine whether any of the military education or skills training is substantially equivalent to the Basic Training curriculum and award credit to the individual for any substantially equivalent military education or skills training.

A **non-experienced teammate** is defined as:

- A newly hired patient care teammate without prior dialysis experience.
- A rehired patient care teammate who left prior to completing the initial training.
- A newly hired or rehired patient care teammate with previous dialysis experience who has not provided at least 3 months of hands on dialysis care to patients within the past 12 months.

An **experienced teammate** is defined as:

- A newly hired or rehired teammate who can show proof of completing a dialysis training program and has provided at least 3 months of hands on dialysis care to patients within the past 12 months.

The curriculum of the Basic Training Program for Hemodialysis is modeled after Federal Law and State Boards of Nursing requirements, the American Nephrology Nurses Association Core Curriculum for Nephrology Nursing, and the Board of Nephrology Examiners Nursing and Technology guidelines. The program also incorporates the policies, procedures, and guidelines of DaVita HealthCare Partners Inc.

“Day in the Life” is DaVita’s learning portal with videos for RNs, LPN/LVNs and patient care technicians. The portal shows common tasks that are done throughout the workday and provides links to policies and procedures and other educational materials associated with these tasks thus increasing their knowledge of all aspects of dialysis. It is designed to be used in conjunction with the “Basic Training Workbook.”

### **Program Description**

The education program for the newly hired patient care provider teammate **without prior dialysis experience** is composed of at least (1) 120 hours didactic instruction and a minimum of (2) 240 hours clinical practicum, unless otherwise specified by individual state regulations.

The **didactic phase** consists of instruction including but not limited to lectures, readings, self-study materials, on-line learning activities, specifically designed hemodialysis workbooks for the teammate, demonstrations and observations. This education may be coordinated by the Clinical Services Specialist (CSS), a nurse educator, the administrator, or the preceptor.

Within the clinic setting this training includes

- Principles of dialysis
- Water treatment and dialysate preparation
- Introduction to the dialysis delivery system and its components
- Care of patients with kidney failure, including assessment, data collection and interpersonal skills
- Dialysis procedures and documentation, including initiation, monitoring, and termination of dialysis
- Vascular access care including proper cannulation techniques
- Medication preparation and administration
- Laboratory specimen collection and processing
- Possible complications of dialysis
- Infection control and safety
- Dialyzer reprocessing, if applicable

The program also introduces the new teammate to DaVita Policies and Procedures (P&P), and the Core Curriculum for Dialysis Technicians.

The **didactic phase** also includes classroom training with the CSS or nurse educator. Class builds upon the theory learned in the Workbooks and introduces the students to more advanced topics. These include:

- Acute Kidney Injury vs. Chronic Renal Failure
- Manifestations of Chronic Renal Failure
- Normal Kidney Function vs. Hemodialysis
- Documentation & Flow Sheet Review

**Training Program Manual**  
**Basic Training for Hemodialysis**  
**DaVita HealthCare Partners Inc.**

**TR1-01-02**

- Patient Self-management
- Motivational Interviewing
- Infection Control
- Data Collection and Assessment
- Water Treatment and Dialyzer Reprocessing
- Fluid Management
- Pharmacology
- Vascular Access
- Renal Nutrition
- Laboratory
- The Hemodialysis Delivery System
- Adequacy of Hemodialysis
- Complications of Hemodialysis
- Importance of P&P
- Role of the Renal Social Worker
- Conflict Resolution
- The DaVita Quality Index

Also included are workshops, role play, and instructional videos. Additional topics are included as per specific state regulations.

A final comprehensive examination score of 80% (unless state requires a higher score) must be obtained to successfully complete this portion of the didactic phase. If a score of less than 80% is attained, the teammate will receive additional appropriate remediation and a second exam will be given.

Also included in the **didactic phase** is additional classroom training covering Health and Safety Training, systems/applications training, One For All orientation training, Compliance training, Diversity training, mandatory water classes, emergency procedures specific to facility, location of disaster supplies, and orientation to the unit.

The **didactic phase** for nurses includes three days of additional classroom training and covers the following topics:

- Nephrology Nursing, Scope of Practice, Delegation and Supervision, Practicing according to P&P
- Nephrology Nurse Leadership
- Impact – Role of the Nurse
- Care Planning including developing a POC exercise
- Achieving Adequacy with focus on assessment, intervention, available tools
- Interpreting laboratory Values and the role of the nurse

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Origination Date: 1995

Revision Date: August 2014, October 2014

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**TR1-01-02**

- Hepatitis B – surveillance, lab interpretation, follow up, vaccination schedules
- TB Infection Control for Nurses
- Anemia Management – ESA Hyporesponse: a StarLearning Course
- Survey Readiness
- CKD-MBD – Relationship with the Renal Dietitian
- Pharmacology for Nurses – video
- Workshop
  - Culture of Safety, Conducting a Homeroom Meeting
  - Nurse Responsibilities, Time Management
  - Communication – Meetings, SBAR (Situation, Background, Assessment, Recommendation)
  - Surfing the VillageWeb – Important sites and departments, finding information

The **clinical practicum phase** consists of supervised clinical instruction provided by the facility preceptor, and/or a registered nurse. During this phase the teammate will demonstrate a progression of skills required to perform the hemodialysis procedures in a safe and effective manner. A *Procedural Skills Verification Checklist* will be completed to the satisfaction of the preceptor, and a registered nurse overseeing the training. The Basic Training workbook for Hemodialysis will also be utilized for this training and must be completed to the satisfaction of the preceptor and the registered nurse.

Those teammates who will be responsible for the Water Treatment System within the facility are required to complete the Mandatory Educational Water courses and the corresponding skills checklists.

Both the didactic phase and/or the clinical practicum phase will be successfully completed, along with completed and signed skills checklists, prior to the new teammate receiving an independent assignment. The new teammate is expected to attend all training sessions and complete all assignments and workbooks.

The education program for the newly hired patient care provider teammate **with previous dialysis experience** is individually tailored based on the identified learning needs. The initial orientation to the *Health Prevention and Safety Training* will be successfully completed prior to the new teammate working/receiving training in the clinical area. The new teammate will utilize the Basic Training Workbook for Hemodialysis and progress at his/her own pace. This workbook should be completed within a timely manner as to also demonstrate acceptable skill-level. The *Procedural Skills Verification Checklist* including verification of review of applicable P&P will be completed by the preceptor, and the registered nurse in charge of the training upon demonstration of an acceptable skill-level by the new teammate, and then signed by the new teammate, the RN trainer and the facility administrator.

Ideally teammates will attend Basic Training Class, however, teammates with experience may opt-out of class by successful passing of the *Initial Competency Exam* with a score of 80% or higher. The CSS or RN Trainer responsible for teaching Basic Training Class will enroll the new teammate with experience in the Initial Competency Exam on the LMS. The new teammate's preceptor will proctor the exam. The new experienced teammate should complete all segments of the workbook including the recommended resources to prepare for taking the *Initial Competency Exam* as questions not only assess common knowledge related to the hemodialysis treatment but also knowledge related to specific DaVita P&P, treatment outcome goals based on clinical initiatives and patient involvement in their care. Prior to the new teammate receiving an independent patient-care assignment, the skills checklist must be completed and signed along with a passing score from the classroom or the *Initial Competency Exam*. If the new teammate receives a score of less than 80% on the *Initial Competency Exam*, this teammate will be required to attend Basic Training Class. If the new teammate receives a score of less than 80% on the final comprehensive classroom exam, this teammate will receive theory instruction pertaining to the area of deficiency and a second competency exam will then be given. If the new teammate receives a score of less than 80% on the second exam, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate.

Following completion of the training, a *Verification of Competency* form will be completed (see forms TR1-01-05, TR1-01-06). In addition to the above, further training and/or certification will be incorporated as applicable by state law.

The goal of the program is for the trainee to successfully meet all training requirements. Failure to meet this goal is cause for dismissal from the training program and subsequent termination by the facility.

### **Process of Program Evaluation**

The Hemodialysis Education Program utilizes various evaluation tools to verify program effectiveness and completeness. Key evaluation tools include the DaVita Basic Training Class Evaluation (TR1-01-08A) and Basic Training Nursing Fundamentals (TR1-0108B), the New Teammate Satisfaction Survey and random surveys of facility administrators to determine satisfaction of the training program. To assure continuous improvement within the education program, evaluation data is reviewed for trends, and program content is enhanced when applicable to meet specific needs.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(f), Support Services**

Attached at Attachment – 26E is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita HealthCare Partners Inc. and Total Renal Care Inc. attesting that the proposed facility will participate in a dialysis data system, will make support services available to patients, and will provide training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training.

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

**Re: Certification of Support Services**

Dear Chair 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 § 1110.1430(g) that Machesney Park Dialysis will maintain an open medical staff.

I also certify the following with regard to needed support services:

- DaVita utilizes an dialysis electronic data system;
- Machesney Park Dialysis will have available all needed support services required by CMS which may consist of clinical laboratory services, blood bank, nutrition, rehabilitation, psychiatric services, and social services; and
- Patients, either directly or through other area DaVita facilities, will have access to training for self-care dialysis, self-care instruction, and home hemodialysis and peritoneal dialysis.

Sincerely,

  
Print Name: Arturo Sida  
Its: Assistant Corporate Secretary  
DaVita HealthCare Partners Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Notary Public

State of California  
County of Los Angeles

On January 7, 2015 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

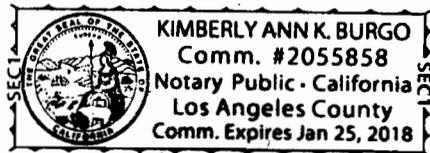
personally appeared Arturo Sida

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**

Machesney Park Dialysis

Title or Type of Document: Secretary's Certificate - Ltr to K. Olson - Certification of Support Services re

Document Date: January 7, 2015 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.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(g), Minimum Number of Stations**

The proposed dialysis facility will be located in the Rockford metropolitan statistical area ("MSA"). A dialysis facility located within an MSA must have a minimum of eight dialysis stations. The Applicants propose to establish a 12-station dialysis facility. Accordingly, this criterion is met.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(h), Continuity of Care**

DaVita HealthCare Partners Inc. has an agreement with OSF Healthcare System d/b/a St. Anthony Medical Center to provide inpatient care and other hospital services. Attached at Attachment – 26F is a copy of the service agreement with this area hospital.

**FOR COMPANY USE ONLY:  
Clinic #: 1112**

## **PATIENT TRANSFER AGREEMENT**

This **PATIENT TRANSFER AGREEMENT** (the "Agreement") is made as of the last date of execution of this Agreement (the "Effective Date"), by and between **OSF Healthcare System d/b/a St. Anthony Medical Center** (hereinafter "Hospital") and **Total Renal Care, Inc.**, a subsidiary of DaVita HealthCare Partners Inc. ("Company").

### **RECITALS**

**WHEREAS**, the parties hereto desire to enter into this Agreement governing the transfer of patients between Hospital and the following free-standing dialysis clinic owned and operated by Company (the "Center"):

*Belvidere Dialysis  
1755 Beloit Rd.  
Belvidere, IL 61008*

**WHEREAS**, the parties hereto desire to enter into this Agreement in order to specify the rights and duties of each of the parties and to specify the procedure for ensuring the timely transfer of patients between the Hospital and the Center; and

**WHEREAS**, the parties wish to facilitate the continuity of care and the timely transfer of patients and records between the Hospital and the Center; and

**WHEREAS**, the parties acknowledge that only a patient's attending physician (not Company or the Hospital) can refer such patient to Company for dialysis treatments.

**NOW THEREFORE**, in consideration of the premises herein contained and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **HOSPITAL OBLIGATIONS.** In accordance with the policies and procedures as hereinafter provided, and upon the recommendation of an attending physician, a patient of Company may be transferred to Hospital.

(a) Hospital agrees to exercise its best efforts to provide for prompt admission of patients provided that all usual, reasonable conditions of admission are met. All transfers between the facilities shall be made in accordance with applicable federal and state laws and regulations, the standards of The Joint Commission ("TJC") and any other applicable accrediting bodies, and reasonable policies and procedures of the facilities. Transfer record forms shall be completed in detail and signed by the physician or nurse in charge at Company and must accompany the patient to the receiving institution.

(b) Neither the decision to transfer a patient nor the decision to not accept a request to transfer a patient shall be predicated upon arbitrary, capricious or unreasonable

discrimination or based upon the patient's inability to pay for services rendered by either facility.

**2. COMPANY OBLIGATIONS.**

(a) Upon transfer of a patient to Hospital, Company agrees:

- i. That it shall transfer any needed personal effects of the patient, and information relating to the same, and shall be responsible therefor until signed for by a representative of Hospital;
- ii. Original medical records kept by each of the parties shall remain the property of that institution; and
- iii. That transfer procedures shall be made known to the patient care personnel of each of the parties.

(b) Company agrees to transmit with each patient at the time of transfer, or in case of an emergency, as promptly as possible thereafter, an abstract of pertinent medical and other records necessary to continue the patient's treatment without interruption and to provide identifying and other information, to include:

- i. current medical findings;
- ii. diagnosis;
- iii. rehabilitation potential;
- iv. discharge summary;
- v. a brief summary of the course of treatment followed;
- vi. nursing and dietary information;
- vii. ambulating status; and
- viii. administrative and pertinent social information.

(c) Company agrees to readmit to the Center patients who have been transferred to Hospital for medical care as clinic capacity allows. Hospital agrees to keep the administrator or designee of Company advised of the condition of the patients that will affect the anticipated date of transfer back to Company and to provide as much notice of the transfer date as possible. Company shall assign readmission priority for its patients who have been treated at Hospital and who are ready to transfer back to the Center.

**3. BILLING, PAYMENT, AND FEES.** Hospital and Company each shall be responsible for billing the appropriate payor for the services it provides, respectively,

hereunder. Company shall not act as guarantor for any charges incurred while the patient is a patient in Hospital.

4. **HIPAA.** Hospital and Company agree to comply with the patient privacy and security requirements set forth in the Health Insurance Portability and Accountability Act of 1996, and attendant regulations at 45 C.F.R. Parts 160 and 164, as amended by the federal Health Information Technology for Economic and Clinical Health Act and its implementing regulations, as may be modified or amended, including future issuance of regulations and guidance by HHS (collectively "HIPAA"), and any applicable state patient privacy and security laws. Hospital and Company acknowledge and agree that from time to time, HIPAA may require modification to this Agreement for compliance purposes. Hospital and Company each agrees to comply with requests by the other party hereto related to HIPAA.

5. **STATUS AS INDEPENDENT CONTRACTORS.** The parties acknowledge and agree that their relationship is solely that of independent contractors. Governing bodies of Hospital and Company shall have exclusive control of the policies, management, assets, and affairs of their respective facilities. Nothing in this Agreement shall be construed as limiting the right of either to affiliate or contract with any other hospital or facility on either a limited or general basis while this Agreement is in effect. Neither party shall use the name of the other in any promotional or advertising material unless review and approval of the intended use shall be obtained from the party whose name is to be used and its legal counsel.

6. **INSURANCE.** Each party shall secure and maintain, or cause to be secured and maintained during the term of this Agreement, comprehensive general liability, property damage, and workers compensation insurance in amounts generally acceptable in the industry, and professional liability insurance providing minimum limits of liability of \$1,000,000 per occurrence and \$3,000,000 in aggregate. Each party shall deliver to the other party certificate(s) of insurance evidencing such insurance coverage upon execution of this Agreement, and annually thereafter upon the request of the other party. Each party shall provide the other party with not less than thirty (30) days prior written notice of any change in or cancellation of any of such insurance policies. Said insurance shall survive the termination of this Agreement.

7. **INDEMNIFICATION.**

(a) **Hospital Indemnity.** Hospital hereby agrees to defend, indemnify and hold harmless Company and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any claim, loss, liability, cost and expense including, without limitation, costs of investigation and reasonable attorney's fees (collectively, "Loss"), directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Hospital and its staff regardless of whether or not it is caused in part by Company or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective

as to any Loss attributable exclusively to the negligence or willful act or omission of Company.

(b) Company Indemnity. Company hereby agrees to defend, indemnify and hold harmless Hospital and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any Loss directly or indirectly relating to, resulting from or arising out of any action or failure to act arising out of this Agreement by Company and its staff regardless of whether or not it is caused in part by or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any Loss attributable exclusively to the negligence or willful act or omission of Hospital.

(c) Survival. The indemnification obligations of the parties shall continue in full force and effect notwithstanding the expiration or termination of this Agreement with respect to any such expenses, costs, damages, claims and liabilities which arise out of or are attributable to the performance of this Agreement prior to its expiration or termination.

**8. DISPUTE RESOLUTION**. Any dispute which may arise under this Agreement shall first be discussed directly with representatives of the departments of the parties that are directly involved. If the dispute cannot be resolved at this level, it shall be referred to administrative representatives of the parties for discussion and resolution.

(a) Informal Resolution. Should any dispute between the parties arise under this Agreement, written notice of such dispute shall be delivered from one party to the other party and thereafter, the parties, through appropriate representatives, shall first meet and attempt to resolve the dispute in face-to-face negotiations. This meeting shall occur within thirty (30) days of the date on which the written notice of such dispute is received by the other party.

(b) Resolution Through Mediation. If no resolution is reached through informal resolution, pursuant to Section 8(a) above, the parties shall, within forty-five (45) days of the first meeting referred to in Section 8(a) above, attempt to settle the dispute by formal mediation. If the parties cannot otherwise agree upon a mediator and the place of the mediation within such forty-five (45) day period, the American Arbitration Association (“AAA”) in the **State of Illinois** shall administer the mediation. Such mediation shall occur no later than ninety (90) days after the dispute arises. All findings of fact and results of such mediation shall be in written form prepared by such mediator and provided to each party to such mediation. In the event that the parties are unable to resolve the dispute through formal mediation pursuant to this Section 8(b), the parties shall be entitled to seek any and all available legal remedies.

**9. TERM AND TERMINATION**. This Agreement shall be effective for an initial period of one (1) year from the Effective Date and shall continue in effect indefinitely after such initial term, except that either party may terminate by giving at least sixty (60) days notice in writing to the other party of its intention to terminate this Agreement. If

this Agreement is terminated for any reason within one (1) year of the Effective Date of this Agreement, then the parties hereto shall not enter into a similar agreement with each other for the services covered hereunder before the first anniversary of the Effective Date. Termination shall be effective at the expiration of the sixty (60) day notice period. However, if either party shall have its license to operate its facility revoked by the State or become ineligible as a provider of service under Medicare or Medicaid laws, this Agreement shall automatically terminate on the date such revocation or ineligibility becomes effective.

**10. AMENDMENT.** This Agreement may be modified or amended from time to time by mutual written agreement of the parties, signed by authorized representatives thereof, and any such modification or amendment shall be attached to and become part of this Agreement. No oral agreement or modification shall be binding unless reduced to writing and signed by both parties.

**11. ENFORCEABILITY/SEVERABILITY.** The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provisions hereto in any jurisdiction shall in no way affect the validity or enforceability of any other terms or provisions in that jurisdiction, or of this entire Agreement in any other jurisdiction.

**12. COMPLIANCE RELATED MATTERS.** The parties agree and certify that this Agreement is not intended to generate referrals for services or supplies for which payment maybe made in whole or in part under any federal health care program. The parties will comply with statutes, rules, and regulations as promulgated by federal and state regulatory agencies or legislative authorities having jurisdiction over the parties.

**13. EXCLUDED PROVIDER.** Each party represents that neither that party nor any entity owning or controlling that party has ever been excluded from any federal health care program including the Medicare/Medicaid program or from any state health care program. Each party further represents that it is eligible for Medicare/Medicaid participation. Each party agrees to disclose immediately any material federal, state, or local sanctions of any kind, imposed subsequent to the date of this Agreement, or any investigation which commences subsequent to the date of this Agreement, that would materially adversely impact Company's ability to perform its obligations hereunder.

**14. NOTICES.** All notices, requests, and other communications to any party hereto shall be in writing and shall be addressed to the receiving party's address set forth below or to any other address as a party may designate by notice hereunder, and shall either be (a) delivered by hand, (b) sent by recognized overnight courier, or (c) by certified mail, return receipt requested, postage prepaid.

If to Hospital:

OSF Healthcare System  
d/b/a St. Anthony Medical Center  
5666 E. State St.

Rockford, IL 61108  
Attention: Administrator

If to Company: Total Renal Care, Inc.  
C/o: DaVita HealthCare Partners Inc.  
2000 16<sup>th</sup> St., 12<sup>th</sup> Floor  
Denver, CO 80202  
Attention: Group General Counsel

With copies to: Belvidere Dialysis  
C/o: DaVita HealthCare Partners Inc.  
1755 Beloit Rd.  
Belvidere, IL 61008  
Attention: Facility Administrator

DaVita HealthCare Partners Inc.  
2000 16<sup>th</sup> St., 12<sup>th</sup> Floor  
Denver, CO 80202  
Attention: General Counsel

All notices, requests, and other communication hereunder shall be deemed effective (a) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (b) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (c) if sent by certified mail, five (5) business days following the day such mailing is made.

**15. ASSIGNMENT.** This Agreement shall not be assigned in whole or in part by either party hereto without the express written consent of the other party, except that Company may assign this Agreement to one of its affiliates or subsidiaries without the consent of Hospital.

**16. COUNTERPARTS.** This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies of signatures sent by facsimile shall be deemed to be originals.

**17. NON-DISCRIMINATION.** All services provided by Hospital hereunder shall be in compliance with all federal and state laws prohibiting discrimination on the basis of race, color religion, sex national origin, handicap, or veteran status.

**18. WAIVER.** The failure of any party to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant, or condition, and the obligations of such party with respect thereto shall continue in full force and effect.

19. **GOVERNING LAW.** The laws of the **State of Illinois** shall govern this Agreement.

20. **HEADINGS.** The headings appearing in this Agreement are for convenience and reference only, and are not intended to, and shall not, define or limit the scope of the provisions to which they relate.

21. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or written, between the parties (including, without limitation, any prior agreement between Hospital and Company or any of its subsidiaries or affiliates) with respect to the subject matter hereof.

22. **APPROVAL BY DAVITA HEALTHCARE PARTNERS INC. ("DAVITA") AS TO FORM.** The parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita HealthCare Partners Inc. as to the form hereof.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**Hospital:**

**Company:**

**OSF Healthcare System  
d/b/a St. Anthony Medical Center**

**Total Renal Care, Inc.**

By: DocuSigned by:  
Paula Carynski  
7E8CF313E20D4AC...

By: DocuSigned by:  
Mary J. Anderson  
4B75B28535E142C...

Name: Paula Carynski

Name: Mary J. Anderson

Its: President

Its: Divisional Vice President

Date: December 11, 2013

Date: December 11, 2013

**APPROVED AS TO FORM ONLY:  
DaVita HealthCare Partners Inc.**

By: DocuSigned by:  
Marcie Damisch  
F0580FB4BC6A43D...

Name: Marcie Damisch

Its: Group General Counsel

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(i), Relocation of Facilities**

The Applicants propose the establishment of a 12-station dialysis facility. Thus, this criterion is not applicable.

**Section VII, Service Specific Review Criteria**  
**In-Center Hemodialysis**  
**Criterion 1110.1430(j), Assurances**

Attached at Attachment – 26G is a letter from Arturo Sida, Assistant Corporate Secretary, DaVita HealthCare Partners Inc. certifying that the proposed facility will achieve target utilization by the second year of operation.

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

**Re: In-Center Hemodialysis Assurances**

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1430(k), I hereby certify the following:

- By the second year after project completion, Machesney Park Dialysis expects to achieve and maintain 80% target utilization; and
- Machesney Park Dialysis also expects hemodialysis outcome measures will be achieved and maintained at the following minimums:
  - $\geq 85\%$  of hemodialysis patient population achieves urea reduction ratio (URR)  $\geq 65\%$  and
  - $\geq 85\%$  of hemodialysis patient population achieves Kt/V Daugirdas II .1.2

Sincerely,

  
Print Name: Arturo Sida  
Its: Assistant Corporate Secretary  
DaVita HealthCare Partners Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Notary Public

State of California

County of Los Angeles

On January 7, 2015 before me, Kimberly Ann K. Burgo, Notary Public  
(here insert name and title of the officer)

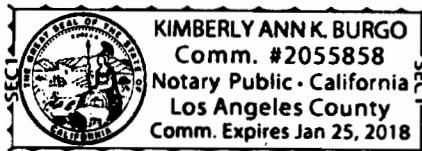
personally appeared Arturo Sida

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

Machesney Park Dialysis

Title or Type of Document: Secretary's Certificate - Ltr to K. Olson - In-Center Hemodialysis Assurances re

Document Date: January 7, 2015 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.

**Section VIII, Financial Feasibility**  
**Criterion 1120.120 Availability of Funds**

The project will be funded entirely with cash and cash equivalents, and a lease from Machesney Investments LLC. A copy of DaVita's 2013 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the application 14-016. A letter of intent to lease the facility is attached at Attachment – 36.



**JOHNSON CONTROLS REAL ESTATE SERVICES INC.**  
*A JOHNSON CONTROLS COMPANY*

November 13, 2014

Bharat V Puri, SIOR  
 First Midwest Group, Inc.  
 6801 Spring Creek Road  
 Rockford, IL 61107  
 (815) 229-3000 Office  
 (815) 222-6900 Cell  
[bharat@firstmidwestgroup.com](mailto:bharat@firstmidwestgroup.com)  
[www.firstmidwestgroup.com](http://www.firstmidwestgroup.com)

**RE: LOI for a to be constructed building on part of Section 16 and part of Section 21, Township 45 North, Range 2 East of the 3<sup>rd</sup> Principal Meridian, Machesney Park, Illinois**

Dear Bharat:

Johnson Controls Real Estate Services, Inc., has been authorized by Total Renal Care, Inc – a subsidiary of DaVita Inc. to assist in securing a lease requirement. DaVita Inc. is a Fortune 500 company with more than 2,000 locations across the US and revenues of approximately \$11.5 billion.

Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

- PREMISES:** To be constructed building on part of PIN: 08-21-201-008, Machesney Park, Illinois
- TENANT:** “Total Renal Care, Inc. or related entity to be named”
- LANDLORD:** *Machesney Investments, L.L.C.*
- SPACE REQUIREMENTS:** **Approximately 5,800** rentable square feet.
- PRIMARY TERM:** 10 years
- BASE RENT:** *\$21.00/psf NNN for Years 1-5; with 10% bumps every 5 years.  
\$23.10/psf NNN for Years 6-10.*
- OPTION TO RENEW:** Tenant desires three, five-year options to renew the lease. Option rent shall be \$25.41/psf, \$27.95/psf, and \$30.75/psf, for the first second and third options, respectively.
- ADDITIONAL EXPENSES:** *Estimated CAMIT is \$5.00 psf. Tenant will be responsible for 100% of the operating expenses. As a single Tenant building, Tenant will be responsible for paying all utilities directly to the utility provider.*

Landlord to limit the cumulative operating expense costs to \$5.00/psf in the first full year and no greater than 5% increases annually thereafter on controllable expense costs not including snow plowing, taxes and insurance.

**LANDLORD'S MAINTENANCE:**

Landlord shall be responsible for the structural and capitalized items (per GAAP standards) for the Property, which costs shall be amortized over their useful life and the annual amortized amount will be included in the operating expenses.

**POSSESSION AND RENT COMMENCEMENT:**

Landlord shall deliver Possession of the building certified pad (please provide information on what certification standards are expected) to the Tenant within 90 days from CON permit date. Landlord shall have 90 days following Tenant's commencement of construction of the interior buildout to complete the Landlord's exterior Site Development Improvements. Rent Commencement shall be the earlier of (a) Tenant opening for business and (b) nine (9) months from delivery of Possession by Landlord and Tenant obtaining building permits for its intended improvements. Landlord's delivery obligations hereunder shall be subject to force majeure.

Possession is contingent upon successful receipt of building permit from Machesney Park.

**DUE DILLIGENCE:**

Tenant shall have the right to obtain Tenant's executive committee approval within 90 days following Lease execution. If Tenant does not receive executive committee approval during such 90 day period, Tenant may elect to terminate the Lease by written notice given not later than the 90<sup>th</sup> day following lease execution. Notwithstanding the foregoing, if Tenant receives its CON prior the end of such 90 day period and has not elected to terminate the lease prior to such receipt, this right to terminate shall be deemed null and void.

**LEASE FORM:**

Tenant's standard lease form as starting point for negotiations

**USE:**

Tenant may operate the Premises for the use as an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose.

*Use will require a Special Use Permit*

**PARKING:**

Tenant shall receive four (4) stalls per 1,000 rsf, and two (2) handicapped stalls or such greater number as is required by applicable law or regulation. Landlord will provide dedicated parking to Tenant.

**LANDLORD WORK:**

Any on and off-site improvements (parking lot, landscaping, lighting, sewer, utilities, street, curb, gutter, paving, irrigation, common area lighting, certified pad, etc) as required by the municipality to issue permits for the performance of Landlord's Work or Tenant Work will be incorporated into Landlord's Work. Landlord, at its sole cost, will prepare plans, specifications and working drawings for Landlord's Work ("**Landlord's Plans**") and the same will be subject to Tenant's approval. Landlord will perform Landlord's Work in a good and

workmanlike manner in conformity with Landlord's Plans, as approved by Tenant. Landlord will promptly repair all latent or patent defects in Landlord's Work, at Landlord's sole cost and expense.

Landlord will be solely responsible for and will pay all impact fees, charges, costs, assessments, and exactions charged, imposed or assessed in connection with the development and construction of the Building or Premises, but not including building permit fees for construction of the Building.

**TENANT IMPROVEMENTS:**

Landlord will pay to Tenant an allowance ("Tenant Allowance") for costs incurred by Tenant in connection with the construction of the Building. The Tenant Allowance will be an amount equal to \$110.00 per square foot of the Building Floor Area, payable in monthly draws on the first day of each month during the performance of Tenant's Improvements. With each draw request, Tenant shall include sworn statements and lien waivers from each contractor and subcontractor for which payments are being made. At the time of Lease execution, Landlord and Tenant will enter into an escrow agreement or tri-party agreement providing for the payment of the Tenant Allowance (the "Security Agreement"). If Landlord does not fund the escrow or fails to make any payment of the Tenant Allowance on a timely basis, Tenant will have the right to terminate the Lease, stop construction of Tenant's Improvements and/or offset any unpaid amounts against Rent. The Security Agreement will authorize payment of damages or any applicable portion of Tenant's Costs from the account established for Tenant Allowance. Tenant's plans will be subject to Landlord's approval. Post letter of credit. Pay against sworn statements/lien waivers.

**FAILURE TO DELIVER PREMISES:**

If Landlord has not delivered the premises to Tenant with all Landlord Work substantially completed within 120 days from the date on which Tenant commences construction of the Building, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive two days of rent abatement for every day of delay beyond the 120 day delivery period. Landlord's delivery obligations hereunder shall be subject to force majeure.

**HOLDING OVER:**

Tenant shall be obligated to pay 115% of the then current rate for the first ninety days and 125% of the then current rate for any holdover beyond ninety days

**TENANT SIGNAGE:**

Tenant shall have the right to install building, monument and pylon signage at the Premises, subject to compliance with all applicable laws and regulations.

**BUILDING HOURS:**

As a single Tenant building, Tenant will have access 24 hours a day, seven days a week and will have direct control of HVAC and other utilities.

**SUBLEASE/ASSIGNMENT:**

Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita, Inc. without the consent of the Landlord, or to unrelated entities with Landlord reasonable approval.

**ROOF RIGHTS:**

Tenant shall have the right to place a satellite dish on the roof at no additional fee.

**NON COMPETE:**

Landlord agrees not to lease space to another dialysis provider on either the lot being created adjacent to the Premises on the north or the lot being created adjacent to Premises on the south.

**GOVERNMENTAL COMPLIANCE:**

Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s). Notwithstanding the foregoing, if any governmental law, ordinance or regulation goes into effect as a result of Tenant's change in use of the Premises, Tenant shall be responsible for the costs of bring the Premises into compliance with such.

**CERTIFICATE OF NEED:**

Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

**BROKERAGE FEE:**

Landlord recognizes Johnson Controls Real Estate Services, Inc. as the Tenant's sole representatives and shall pay a brokerage fee equal to seventy cents (\$.70) per square foot per initial lease term year, 50% shall be due upon lease signatures and 50% shall be due upon rent commencement. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee.

**PLANS:**

*Please provide copies of site and construction plans or drawings.*

*Please submit your response to this Proposal via e-mail to:*

John Steffens  
Johnson Controls Real Estate Services, Inc.  
E-mail: [john.steffens@jci.com](mailto:john.steffens@jci.com)

It should be understood that this Proposal is subject to the terms of Exhibit A attached hereto. The information in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized.

Thank you for your time and consideration to partner with DaVita.

Sincerely,



John Steffens

CC: Matthew J. Gramlich, Johnson Controls Real Estate Services, Inc.  
DaVita Regional Operational Leadership  
DaVita Team Genesis Real Estate

SED MEIJER STORE

NORTH LINE NW 1/4  
SEC 21-45-2

DETENTION

4.3 ACRES

SCALE 1"=80'

PROPOSED PROPERTY LINE

WEST LINE NE 1/4  
21-45-2

1.12 ac

30' INGRESS EGRESS AND UTILITY EASEMENT

temp. no parking  
for turn-around

0.80 ac

2.48 ac

future circulation

RADIUS = 2009.86'

10' WATERMAIN

12' UTILIT'

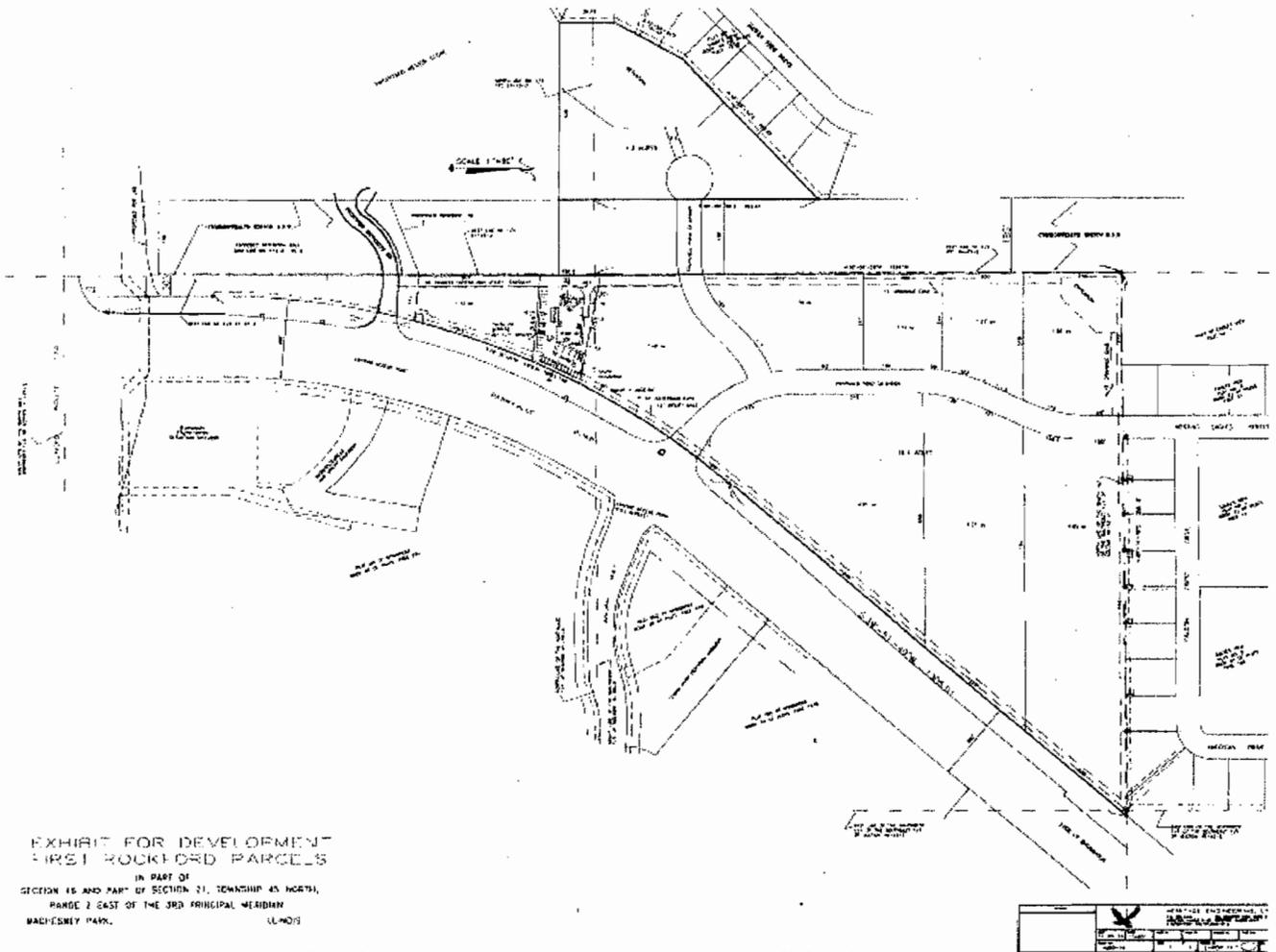
PERRYVILLE ROAD

ROAD

EXISTING ACCESS POINT  
(FULL ACCESS)

PRELIMINARY SITE PLAN I

# PRELIMINARY SITE PLAN II



SIGNATURE PAGE

LETTER OF INTENT: TO BE CONSTRUCTED BUILDING ON PART OF PIN: 08-21-201-008  
MACHESNEY PARK, ILLINOIS

AGREED TO AND ACCEPTED THIS 18th DAY OF NOVEMBER 2014

By: Mary Anderson

On behalf of Total Renal Care, a wholly owned subsidiary of DaVita Healthcare Partners, Inc.  
("Tenant")

AGREED TO AND ACCEPTED THIS 16th DAY OF NOVEMBER 2014

By: Bronath

MACHESNEY INVESTMENTS, LLC.  
("Landlord")

**EXHIBIT A**

**NON-BINDING NOTICE**

**NOTICE: THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPARATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR JCI) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD OR JCI INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. JCI IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES JCI HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD.**



**OPTION 1 FOR NEW BUILDING**  
**[SUBJECT TO MODIFICATION BASED ON INPUT FROM LESSEE'S PROJECT MANAGER WITH RESPECT TO EACH CENTER PROJECT]**

**SCHEDULE B - TO WORK LETTER**

**MINIMUM BASE BUILDING IMPROVEMENT REQUIREMENTS**

(Note: Sections with an Asterisk (\*) have specific requirements for 1.1.2 in California and other select States – see end of document for changes to that section)

At a minimum, the Lessor shall provide the following Site Development Improvements to meet Lessee's Site Development specifications at Lessor's sole cost:

All MBBI work completed by the Lessor will need to be coordinated and approved by the Lessee and their Consultants prior to any work being completed, including shop drawings and submittal reviews.

**1.0 - Building Codes & Design \***

All Minimum Base Building Improvements (MBBI) and Site Development are to be performed in accordance with all current local, state, and federal building codes including any related amendments, fire and life safety codes, ADA regulations, State Department of Public Health, and other applicable codes as it pertains to Dialysis. All Lessor's work will have Governmental Authorities Having Jurisdiction ("GAHJ") approved architectural and engineering (Mechanical, Plumbing, Electrical, Structural, Civil, Environmental) plans and specifications prepared by a licensed architect and engineer and must be coordinated with the Lessee Improvement plans and specifications.

**2.0 - Zoning & Permitting**

Building and premises must be zoned to perform services as a dialysis clinic. Lessor to provide all permitting related to the site improvements.

**3.0 - Common Areas**

Lessee will have access and use of all common areas i.e. Lobbies Hallways, Corridors, Restrooms, Stairwells, Utility Rooms, Roof Access, Emergency Access Points and Elevators. All common areas must be code and ADA compliant for Life Safety per current federal, state and local code requirements.

**4.0 Foundation and Floor**

N/A

**5.0 - Structural \***

N/A

**6.0 - Exterior walls**

N/A

**7.0 - Demising walls \***

N/A

**8.0 - Roof Covering**

N/A

**9.0 - Parapet \***  
N/A

**10.0 - Façade**  
N/A

**11.0 - Canopy \***  
N/A

**12.0 - Waterproofing and Weatherproofing**  
N/A

**13.0 - Windows**  
N/A

**14.0 - Thermal Insulation**  
N/A

**15.0 - Exterior Doors**  
N/A

**16.0 - Utilities**  
All utilities to be provided within five (5) feet of the building foundation. Lessor is responsible for all tap/connection and impact fees for all utilities. All Utilities to be coordinated with Lessee's Architect.

**17.0 - Plumbing**  
Lessor shall stub the dedicated water line within five feet of the building foundation.

Building sanitary drain size will be determined by Lessee's Mech Engineer based on total combined drainage fixture units (DFU's) for entire building, but not less than 4 inch diameter. The drain shall be stubbed into the building per location coordinated by Lessee at an elevation no higher than 4 feet below finished floor elevation, to a maximum of 10 feet below finished floor elevation and within five feet from the building

**18.0 - Fire Suppression System \***  
N/A

**19.0 - Electrical**  
Extend the primary to the transformer location selected by the utility. Tenant shall be responsible for the secondary to the Building.

**20.0 - Gas**  
Natural gas service, at a minimum, will be rated to have 6" water column pressure and supply 800,000-BTU's. Natural gas pipeline shall be stubbed to within five feet of the building foundation

**21.0 - Mechanical /Heating Ventilation Air Conditioning \***  
N/A

**22.0 - Telephone**

Lessor shall provide a single 2" PVC underground conduit entrance into Lessee's utility room to serve as chase way for new telephone service. Entrance conduit location shall be coordinated with Lessee.

### **23.0 - Cable TV**

Lessor shall provide a single 2" PVC underground conduit entrance into Lessee utility room to serve as chase way for new cable television service. Entrance conduit location shall be coordinated with Lessee.

Lessee shall have the right to place a satellite dish on the roof and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Lessor shall reasonably cooperate and grant "right of access" with Lessee's satellite or cable provider to ensure there is no delay in acquiring such services.

### **24.0 - Handicap Accessibility \***

Full compliance with ADA and all local jurisdictions' handicap requirements. Lessor shall comply with all ADA regulations affecting the entrance to Lessee space including, but not limited to, concrete curb cuts, ramps and walk approaches to / from the parking lot, parking lot striping for four (4) dedicated handicap stalls for a unit up to 20 station clinic and six (6) HC stalls for units over 20 stations handicap stalls inclusive of pavement markings and stall signs with current local provisions for handicap parking stalls, delivery areas and walkways.

Finish floor elevation is to be determined per Lessee's architectural plan in conjunction with Lessor's civil engineering and grading plans. If required, Lessor to construct concrete ramp of minimum 5' width, provide safety rails if needed, provide a gradual transitions from overhead canopy and parking lot grade to finish floor elevation. Concrete surfaces to be toweled for slip resistant finish condition according to accessible standards.

### **25.0 - Exiting**

N/A

### **26.0 - Site Development Scope of Requirements**

Lessor to provide Lessee with a site boundary and topographic ALTA survey, civil engineering and grading plans prepared by a registered professional engineer. Civil engineering plan is to include necessary details to comply with municipal standards. Plans will be submitted to Lessee Architect for coordination purposes. Site development is to include the following:

- Utility extensions, service entrance locations, inspection manholes;
- Parking lot design, stall sizes per municipal standard in conformance to zoning requirement;
- Site grading with Storm water management control measures (detention / retention / restrictions);
- Refuse enclosure location & construction details for trash and recycling;
- Handicap stall location to be as close to front entrance as possible;
- Side walk placement for patron access, delivery via service entrance;
- Concrete curbing for greenbelt management;
- Site lighting;
- Conduits for Lessee signage;
- Site and parking to accommodate tractor trailer 18 wheel truck delivery access to service entrance;
- Ramps and curb depressions.
- Landscaping shrub and turf as required per municipality;
- Irrigation system if Lessor so desires and will be designed by landscape architect and approved by planning department;
- Construction details, specifications / standards of installation and legends;
- Final grade will be sloped away from building.

### **27.0 - Refuse Enclosure \***

Lessor to provide a minimum 6" thick reinforced concrete pad approx 100 to 150SF based on Lessee's requirements' and an 8' x 12' apron way to accommodate dumpster and vehicle weight. Enclosure to be provided as required by local codes.

**28.0 - Generator**

Lessor to allow a generator to be installed onsite if required by code or Lessee chooses to provide one.

**29.0 - Site Lighting**

Lessor to provide adequate lighting per code and to illuminate all parking, pathways, and building access points readied for connection into Lessee power panel. Location of pole fixtures per Lessor civil plan to maximize illumination coverage across site. Parking lot lighting to include timer (to be programmed per Lessee hours of operation) or a photocell. Parking lot lighting shall be connected to and powered by Lessor house panel (if in a Multi tenant building) and equipped with a code compliant 90 minute battery back up at all access points.

**30.0 - Exterior Building Lighting**

Lessor to provide adequate lighting and power per code and to illuminate the building main, exit and service entrance, landings and related sidewalks. Lighting shall be connected to and powered by Lessor house panel and equipped with a code compliant 90 minute battery back up at all access points.

**31.0 - Parking Lot**

Provide adequate amount of handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, lot to receive traffic directional arrows and concrete parking bumpers. Bumpers to be firmly spike anchored in place onto the asphalt per stall alignment.

Asphalt wearing and binder course to meet geographical location design requirements for parking area and for truck delivery driveway.

Asphalt to be graded gradual to meet handicap and civil site slope standards, graded into & out of new patient drop off canopy and provide positive drainage to in place storm catch basins leaving surface free of standing water, bird baths or ice buildup potential.

**32.0 - Site Signage**

Lessor to allow for an illuminated site and/or façade mounted signs. A monument and/or the pylon structure to be provided by Lessor with power and a receptacle. Final sign layout to be approved by Lessee and the City.

**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 was previously submitted with the application for Project No. 14-016.

**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 of DaVita HealthCare Partners, Inc. attesting that the total estimated project costs will be funded entirely 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 Chair 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,



Print Name: Arturo Sida  
Its: Assistant Corporate Secretary  
DaVita HealthCare Partners Inc.

Subscribed and sworn to me  
This \_\_\_ day of \_\_\_\_\_, 2015

*See Attached*

\_\_\_\_\_  
Notary Public

State of California
County of Los Angeles

On January 7, 2015 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

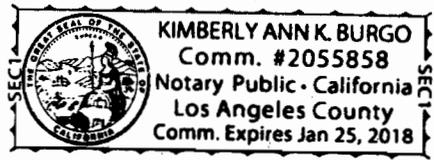
personally appeared Arturo Sida

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 [Handwritten Signature]



(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

Machesney Park Dialysis

Title or Type of Document: Secretary's Certificate - Ltr to K. Olson - Reasonableness of Financing Arrangements re

Document Date: January 7, 2015 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.

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

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(c), Reasonableness of Project and Related Costs**

1. The Cost and Gross Square Feet by Department is provided in the table below.

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. Foot	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD	185.86		5,800				\$1,078,000		\$1,078,000
Contingency	17.24		5,800				\$100,000		\$100,000
TOTALS	203.10		5,800				\$1,178,000		\$1,178,000

\* Include the percentage (%) of space for circulation

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
New Construction Contracts & Contingencies	\$1,178,000	\$262.22 per gsf x 5,800 gsf = \$262.22 x 5,800 = \$1,520,876	Below State Standard
Contingencies	\$100,000	10% of New Construction Contracts = 10% x \$1,078,000 = \$107,800	Below State Standard
Architectural/Engineering Fees	\$82,200	6.77% - 10.17% x (New Construction Costs + Contingencies) = 6.77% - 10.17% x (\$1,078,000 + \$100,000) = = 6.77% - 10.17% x \$1,178,000 = \$79,750 - \$119,802	Meets State Standard
Consulting and Other Fees	\$92,500	No State Standard	No State Standard
Moveable Equipment	\$485,587	\$50,601.13 per station x 12 stations \$50,601.13 x 12 = \$607,213	Below State Standard

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

Operating Expenses: \$2,464,052

Treatments: 11,232

Operating Expense per Treatment: \$219.38

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

Capital Costs:

Depreciation:	\$157,086
Amortization:	\$ 11,607
Total Capital Costs:	\$168,693

Treatments: 11,232

Capital Costs per Treatment: \$15.02

**Section XI, Safety Net Impact Statement**

1. This criterion is required for all substantive and discontinuation projects. DaVita HealthCare Partners Inc. and its affiliates are safety net providers of dialysis services to residents of the State of Illinois. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and Kidney Smarting patients, and community outreach. A copy of DaVita's 2013 Community Care report, which details DaVita's commitment to quality, patient centric focus and community outreach, was previously submitted on April 24, 2014 as part of Applicants' application for Proj. No. 14-016. DaVita has taken on many initiatives to improve the lives of patients suffering from CKD and ESRD. These programs include the Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Furthermore, DaVita is an industry leader in the rate of fistula use and had the lowest day-90 catheter rates among large dialysis providers in 2013. Its commitment to improving clinical outcomes directly translated into 7% reduction in hospitalizations among DaVita patients. DaVita has improved clinical outcomes each year since 2000, generating an estimated \$204 million in net savings to the American healthcare system in 2013.
  
2. The proposed project will not impact the ability of other health care providers or health care systems to cross-subsidize safety net services. As shown in Table 1110.1430(b), average utilization of the existing and approved dialysis facility within 30 minutes normal travel time of the Proposed Facility is currently 79.0%. When excluding the not yet operational facility (Belvidere Dialysis), the average utilization of existing facilities is 92.0%. Dr. Robertson has identified 650 patients from his practice who are suffering from Stage 3, 4, or 5 CKD, who all reside within an approximate 12 minute commute of the proposed facility. At least 72 of these patients will be referred to the Proposed Facility within 12 to 24 months. This represents a 100% utilization rate, which exceeds the State's 80% standard. As such, the proposed facility is necessary to allow existing facilities to operate at their optimum capacity while at the same time accommodating the growing demand for dialysis services. Accordingly, the proposed dialysis facility will not impact other general health care providers' ability to cross-subsidize safety net services.
  
3. The proposed project is for the establishment of Machesney Park Dialysis. As such, this criterion is not applicable.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2011	2012	2013
Charity (# of patients)	96	152	187
Charity (cost in dollars)	\$830,580	\$1,199,657	\$2,175,940
MEDICAID			
	2011	2012	2013
Medicaid (# of patients)	729	651	679
Medicaid (revenue)	\$14,585,645	\$11,387,229	\$10,371,416

**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.

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

**Appendix I – Physician Referral Letter**

Attached as Appendix 1 is the physician referral letter from Dr. Michael Robertson projecting 72 pre-ESRD patients will be referred to Machesney Park Dialysis within the next 12 to 24 months.

Michael Robertson, M.D.  
Rockford Nephrology Associates  
612 Roxbury Road  
Rockford, Illinois 61107

Kathryn J. Olson  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Dear Chair Olson:

I am pleased to support DaVita's establishment of Machesney Park Dialysis. The proposed 12-station chronic renal dialysis facility, to be located at 6950 North Perryville Road, Machesney Park, Illinois 61115 will directly benefit my patients.

DaVita's proposed facility will improve access to necessary dialysis services in the Machesney Park community. DaVita is well-positioned to provide these services, as it delivers life sustaining dialysis for residents of similar communities throughout the country and abroad. It has also invested in many quality initiatives to improve its patients' health and outcomes.

The site of the proposed facility is close to Interstates 39 (I-39) and 90 (I-90) and will provide better access to patients residing in Northern Illinois and the greater Rockford area. Utilization of facilities within 30 minutes of the proposed facility was 79.0%, according to September 30, 2014 reported census data.

I have identified 650 patients from my practice who are suffering from Stage 3, 4 or 5 CKD who all reside within an approximate 12 minute commute of the proposed facility. 119 of these patients are at Stage 4 or 5 CKD. Conservatively, I predict at least 72 of these 119 patients will progress to dialysis within the next 12 to 24 months. My large patient base and the significant utilization at nearby facilities demonstrate considerable demand for this facility.

A list of patients who have received care at existing facilities in the area over the past 3 3/4 years is provided at Attachment – 1. A list of new patients my practice has referred for in-center hemodialysis for the past 1 3/4 years is provided at Attachment – 2. The list of zip codes for the 119 pre-ESRD patients previously referenced is provided at Attachment – 3.

These patient referrals have not been used to support another pending or approved certificate of need application. The information in this letter is true and correct to the best of my knowledge.

DaVita is a leading provider of dialysis services in the United States and I support the proposed establishment of Machesney Park Dialysis.

Sincerely,



Michael Robertson, M.D.  
Nephrologist  
Rockford Nephrology Associates  
612 Roxbury Road  
Rockford, Illinois 61107

Subscribed and sworn to me  
This 19 day of January, 2015

Notary Public:



**Attachment 1**  
**Historical Patient Utilization**

Churchview Dialysis							
2011		2012		2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count
33629	1	39206	1	61008	8	61002	1
39206	1	60135	1	61012	1	61008	12
43614	1	60180	1	61016	1	61010	1
44109	1	61008	7	61061	1	61012	1
61008	4	61012	1	61065	3	61016	1
61012	1	61038	1	61072	1	61020	1
61038	1	61063	1	61073	4	61065	7
61035	3	61065	4	61080	4	61073	3
61071	1	61071	1	61088	1	61080	1
61073	5	61073	6	61101	7	61088	1
61080	1	61080	1	61102	7	61101	6
61101	7	61101	8	61103	5	61102	5
61102	5	61102	5	61104	4	61103	6
61103	4	61103	4	61106	1	61104	6
61104	5	61104	5	61107	15	61107	16
61107	11	61107	15	61108	10	61108	12
61108	11	61108	11	61109	8	61109	11
61109	6	61109	5	61111	9	61111	11
61111	4	61111	6	61114	9	61114	12
61114	6	61114	12	61115	8	61115	10
61115	8	61115	9	61132	1		
62069	1	62069	1				
62711	1	62711	1				
77018	1						

**Historical Patient Utilization**

Rockford Dialysis							
2011		2012		2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count
32210	1	34653	1	61008	1	60644	1
34653	1	46208	1	61010	1	61008	1
53511	1	55404	1	61019	1	61010	1
55404	1	61008	1	61063	1	61063	1
60625	1	61010	1	61072	4	61072	4
61008	1	61063	1	61073	2	61073	3
61063	1	61072	2	61080	1	61101	33
61072	2	61073	1	61101	30	61102	26
61073	4	61080	1	61102	26	61103	22
61080	2	61101	30	61103	25	61104	5
61101	26	61102	23	61104	6	61107	3
61102	20	61103	20	61107	3	61108	4
61103	16	61104	8	61108	3	61109	2
61104	8	61107	5	61109	3	61111	2
61105	1	61108	6	61111	2	61114	2
61107	3	61109	2	61114	1	61115	4
61108	4	61111	5	62206	1	88201	1
61109	2	61115	2				
61111	3						
61114	1						
61115	2						
75056	1						

**Historical Patient Utilization**

Roxbury Dialysis							
2011		2012		2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count
60014	1	60014	1	34238	1	61008	14
61008	16	61008	12	61008	14	61011	1
61010	1	61010	1	61011	1	61016	3
61016	2	61011	1	61012	1	61049	1
61020	1	61015	1	61016	2	61052	1
61038	1	61016	2	61020	1	61068	2
61052	1	61020	2	61024	1	61073	1
61065	1	61032	1	61052	1	61088	2
61073	2	61038	1	61068	1	61101	3
61084	3	61052	1	61073	3	61102	3
61101	4	61065	1	61084	1	61103	5
61102	3	61073	3	61101	5	61104	3
61103	4	61084	3	61102	3	61107	13
61104	4	61101	3	61103	5	61108	18
61107	15	61102	4	61104	4	61109	13
61108	20	61103	4	61107	10	61111	6
61109	13	61104	2	61108	26	61114	9
61111	6	61107	12	61109	12	61115	4
61114	7	61108	22	61111	4		
61126	1	61109	14	61114	6		
65788	1	61111	5	61115	4		
78216	1	61114	7	61126	1		
		61115	1	76248	1		
		61126	2				
		62226	1				
		78216	1				

**Historical Patient Utilization**

Stonecrest Dialysis							
2011		2012		2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count
53224	1	61008	2	61008	2	61101	6
60133	1	61068	1	61101	5	61102	12
61008	2	61073	1	61102	11	61103	7
61068	1	61101	6	61103	8	61104	14
61073	1	61102	12	61104	13	61107	4
61084	1	61103	4	61107	5	61108	13
61101	6	61104	12	61108	11	61109	6
61102	10	61107	3	61109	8		
61103	7	61108	6	61111	1		
61104	10	61109	7				
61107	2	61115	1				
61108	4						
61109	7						
61115	1						

**Attachment 2**  
**New Patients**

<b>Churchview Dialysis</b>			
2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count
61008	2	61008	5
61011	1	61020	1
61016	1	61065	4
61038	1	61101	1
61061	1	61103	2
61073	3	61104	3
61080	2	61107	3
61088	1	61108	3
61101	2	61109	2
61102	2	61111	3
61103	1	61114	4
61106	1	61115	2
61107	4	61125	1
61108	6		
61109	1		
61111	7		
61114	8		
61115	1		

Rockford Dialysis			
2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count
61019	1	60644	1
61063	1	61072	1
61072	2	61073	2
61101	13	61101	4
61102	5	61102	2
61103	7	61103	5
61108	1	61114	1
61109	2	61115	3
62206	1	88201	1

Roxbury Dialysis			
2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count
34238	1	60073	1
60033	1	61008	1
61008	6	61016	1
61016	1	61049	1
61068	1	61065	1
61073	1	61102	2
61101	2	61104	1
61102	1	61107	4
61103	2	61108	3
61104	2	61109	4
61107	5	61111	3
61108	9	61114	4
61109	3	61115	1
61114	1		
61115	4		

Stonecrest Dialysis			
2013		2014 YTD 9/30	
Zip Code	Pt Count	Zip Code	Pt Count
61008	1	61010	2
61010	2	61101	2
61073	1	61102	3
61101	1	61103	1
61102	2	61104	5
61103	1	61107	3
61104	6	61108	2
61107	2	61109	3
61108	6	61112	1
61109	3	61114	1
61111	1		
61114	1		
61115	1		

**Attachment 3**  
**Pre-ESRD Patients**

<b>Zip Code</b>	<b>Total</b>
61073	21
61111	48
61115	50
<b>Total</b>	<b>119</b>

**Appendix 2 – Time & Distance Determination**

Attached as Appendix 2 are the distance and normal travel time from all existing dialysis facilities in the GSA to the proposed facility, as determined by MapQuest.



**mapquest**

Notes

Stonecrest Dialysis to approximate proposed site (6950 N Perryville Rd) for Machesney Park Dialysis

Trip to:

**[5451 - 5499] N Perryville Rd**

Machesney Park, IL 61115

8.52 miles / 13 minutes



**1302 E State St, Rockford, IL 61104-2228**

Download  
Free App



1. Start out going west on **E State St / US-20 Bus W** toward **9th St.** [Map](#)

**0.09 Mi**

*0.09 Mi Total*



2. Turn **right** onto **N 9th St.** [Map](#)

**0.2 Mi**

*Walgreens is on the corner*

*0.3 Mi Total*

*If you reach Barker Pl you've gone a little too far*



3. Turn **slight right** onto **N Longwood St.** [Map](#)

**0.4 Mi**

*N Longwood St is just past Revell Ave*

*0.6 Mi Total*



**251** 4. Merge onto **N 2nd St / IL-251.** [Map](#)

**1.9 Mi**

*2.6 Mi Total*



5. Stay **straight** to go onto **Forest Hills Rd.** [Map](#)

**3.8 Mi**

*6.4 Mi Total*



6. Turn **right** onto **Harlem Rd.** [Map](#)

**0.5 Mi**

*Harlem Rd is 0.2 miles past Forest Hills Ct*

*6.9 Mi Total*

*Grand Prix is on the right*

*If you reach Henry St you've gone a little too far*



7. Turn **left** onto **N Perryville Rd.** [Map](#)

**1.6 Mi**

*If you reach Roy's Rdg you've gone about 0.1 miles too far*

*8.5 Mi Total*

8. **[5451 - 5499] N PERRYVILLE RD.** [Map](#)

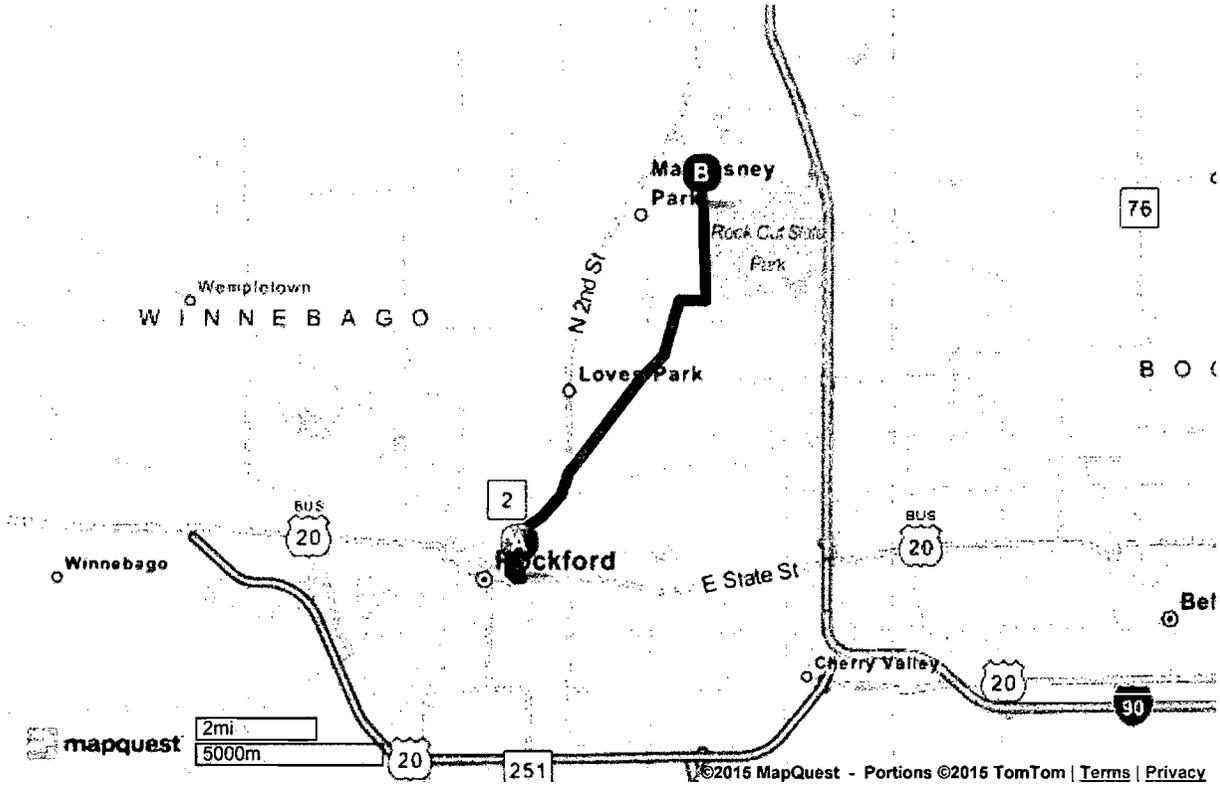
*Your destination is 0.1 miles past Rock Cut Xing*

*If you reach W Lane Rd you've gone about 0.1 miles too far*



**[5451 - 5499] N Perryville Rd, Machesney Park, IL 61115**

Total Travel Estimate: **8.52 miles - about 13 minutes**



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Notes

Rockford Memorial Hospital Dialysis to approximate proposed site (6950 N Perryville Rd) for Machesney Park Dialysis

Trip to:

**[5451 - 5499] N Perryville Rd**

Machesney Park, IL 61115

8.83 miles / 14 minutes



**2400 N Rockton Ave, Rockford, IL 61103-3655**

Download Free App



1. Start out going **north** on **N Rockton Ave** toward **Sharon Ave.** [Map](#)

**1.2 Mi**  
*1.2 Mi Total*



2. Turn **right** onto **W Riverside Blvd.** [Map](#)  
*W Riverside Blvd is 0.1 miles past Quail Run*  
*If you reach City View Dr you've gone a little too far*

**1.0 Mi**  
*2.2 Mi Total*



2

3. Turn **left** onto **N Main St / IL-2.** [Map](#)  
*N Main St is 0.1 miles past Latham St*  
*CVS Pharmacy is on the left*  
*If you reach Robey Ave you've gone a little too far*

**1.4 Mi**  
*3.6 Mi Total*



4. Turn **right** onto **Braur Pkwy.** [Map](#)  
*Braur Pkwy is 0.2 miles past Elmwood Rd*  
*If you reach Castle Dr you've gone about 0.4 miles too far*

**0.6 Mi**  
*4.2 Mi Total*



5. **Braur Pkwy** becomes **Harlem Rd.** [Map](#)

**3.0 Mi**  
*7.2 Mi Total*



6. Turn **left** onto **N Perryville Rd.** [Map](#)  
*If you reach Roy's Rdg you've gone about 0.1 miles too far*

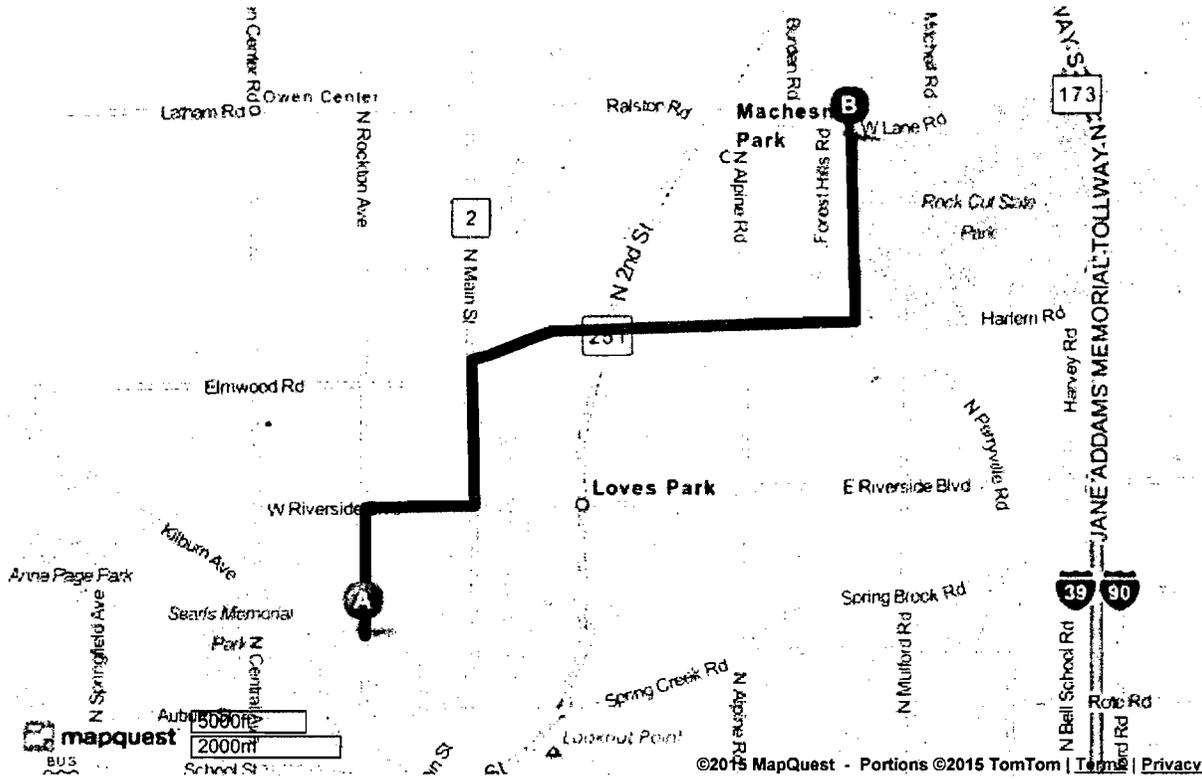
**1.6 Mi**  
*8.8 Mi Total*

7. **[5451 - 5499] N PERRYVILLE RD.** [Map](#)  
*Your destination is 0.1 miles past Rock Cut Xing*  
*If you reach W Lane Rd you've gone about 0.1 miles too far*



**[5451 - 5499] N Perryville Rd, Machesney Park, IL 61115**

Total Travel Estimate: **8.83 miles - about 14 minutes**



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**mapquest**

Notes

Roxbury Dialysis to approximate proposed site  
(6950 N Perryville Rd) for Machesney Park  
Dialysis

Trip to:

**[5451 - 5499] N Perryville Rd**

Machesney Park, IL 61115

7.33 miles / 12 minutes



**612 Roxbury Rd, Rockford, IL 61107-5089**

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1. Start out going **north** on **Roxbury Rd** toward **Parliament Pl.** [Map](#)

**0.8 Mi**

*0.8 Mi Total*



2. Turn **right** onto **Guilford Rd.** [Map](#)

**0.6 Mi**

*1.4 Mi Total*



3. Turn **left** onto **N Mulford Rd.** [Map](#)

**3.6 Mi**

*N Mulford Rd is 0.2 miles past Coachman Dr*

*If you reach Featherstone Rd you've gone about 0.1 miles too far*

*4.9 Mi Total*



4. Turn **left** onto **N Perryville Rd.** [Map](#)

**2.4 Mi**

*7.3 Mi Total*

5. **[5451 - 5499] N PERRYVILLE RD.** [Map](#)

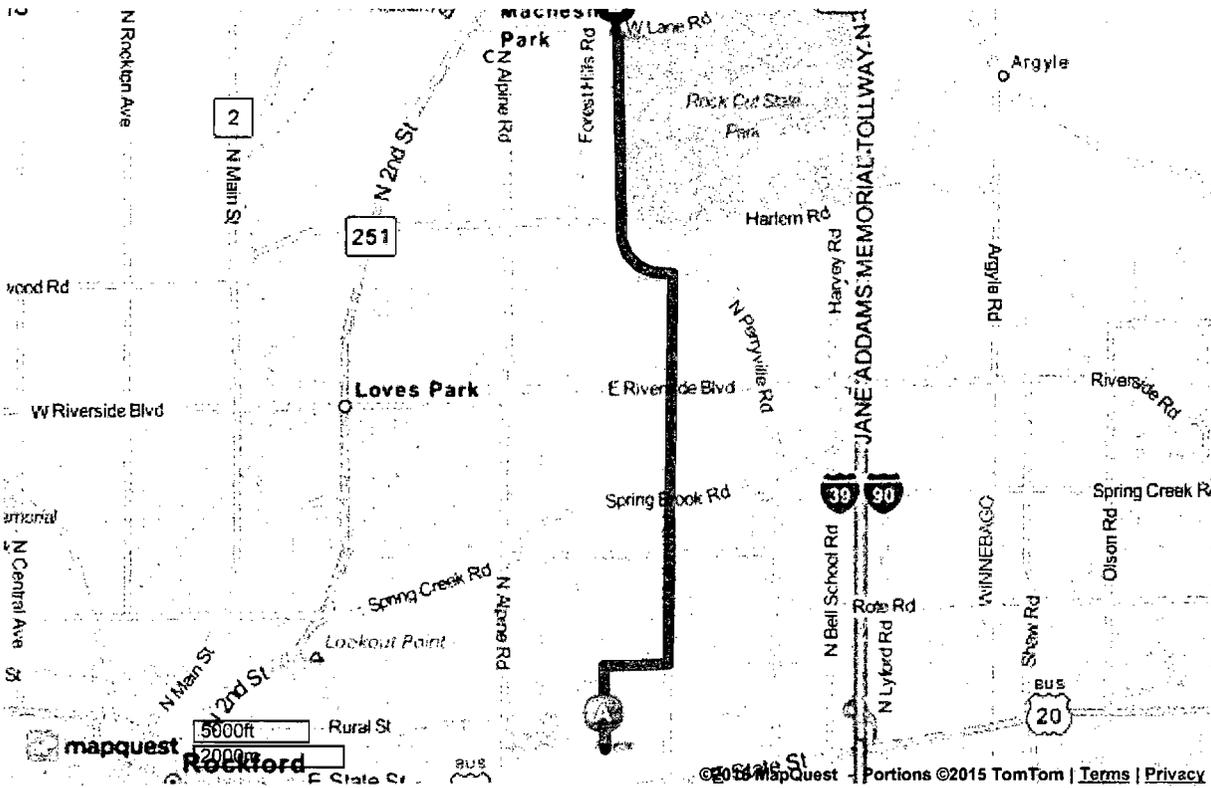
*Your destination is 0.1 miles past Rock Cut Xing*

*If you reach W Lane Rd you've gone about 0.1 miles too far*



**[5451 - 5499] N Perryville Rd, Machesney Park, IL  
61115**

Total Travel Estimate: 7.33 miles - about 12 minutes



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**mapquest**

Trip to:

**[5451 - 5499] N Perryville Rd**

Machesney Park, IL 61115

5.09 miles / 7 minutes

Notes

Churchview Dialysis to approximate proposed site (6950 N Perryville Rd) for Machesney Park Dialysis



**5970 Churchview Dr, Rockford, IL 61107-2574**

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1. Start out going **north** on **Churchview Dr** toward **Spring Creek Rd**. [Map](#) **0.01 Mi**  
*0.01 Mi Total*



2. Take the 1st **right** onto **Spring Creek Rd**. [Map](#) **0.1 Mi**  
*If you are on Spring Creek Rd and reach Dior Dr you've gone about 0.1 miles too far*  
*0.1 Mi Total*



3. Turn **left** onto **N Mulford Rd**. [Map](#) **2.6 Mi**  
*If you reach Breckenridge Ln you've gone about 0.1 miles too far*  
*2.7 Mi Total*



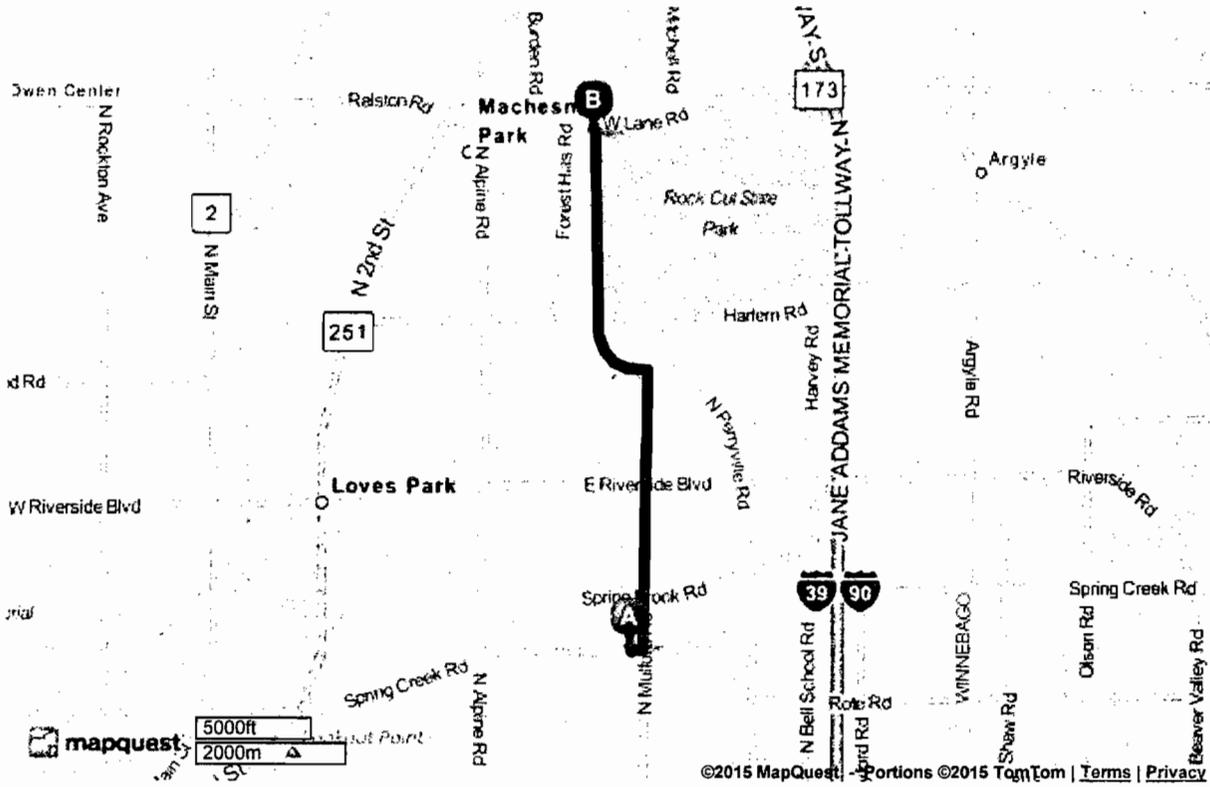
4. Turn **left** onto **N Perryville Rd**. [Map](#) **2.4 Mi**  
*5.1 Mi Total*

5. **[5451 - 5499] N PERRYVILLE RD**. [Map](#)  
*Your destination is 0.1 miles past Rock Cut Xing*  
*If you reach W Lane Rd you've gone about 0.1 miles too far*



**[5451 - 5499] N Perryville Rd, Machesney Park, IL 61115**

Total Travel Estimate: **5.09 miles - about 7 minutes**



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**mapquest**

Trip to:

**[5451 - 5499] N Perryville Rd**

Machesney Park, IL 61115

12.06 miles / 17 minutes

Notes

Approximate proposed site (1755 Beloit Road in Belvidere) to approximate proposed site (6950 N Perryville Rd) for Machesney Park Dialysis



**[1179 - 1199] Beloit Rd, Belvidere, IL 61008**

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Free App



1. Start out going **north** on **Beloit Rd** toward **W Hills Blvd**. [Map](#)

**1.5 Mi**  
1.5 Mi Total



2. Turn **left** onto **Spring Creek Rd**. [Map](#)  
*Spring Creek Rd is 0.5 miles past Squaw Prairie Rd  
If you reach Olive Dr you've gone about 0.1 miles too far*

**5.2 Mi**  
6.7 Mi Total



3. **Spring Creek Rd** becomes **Olde Creek Rd**. [Map](#)

**0.5 Mi**  
7.1 Mi Total



4. Turn **right** onto **N Perryville Rd**. [Map](#)  
*N Perryville Rd is 0.1 miles past McFarland Rd  
PERRY CREEK 66 is on the corner  
If you reach Roth Rd you've gone a little too far*

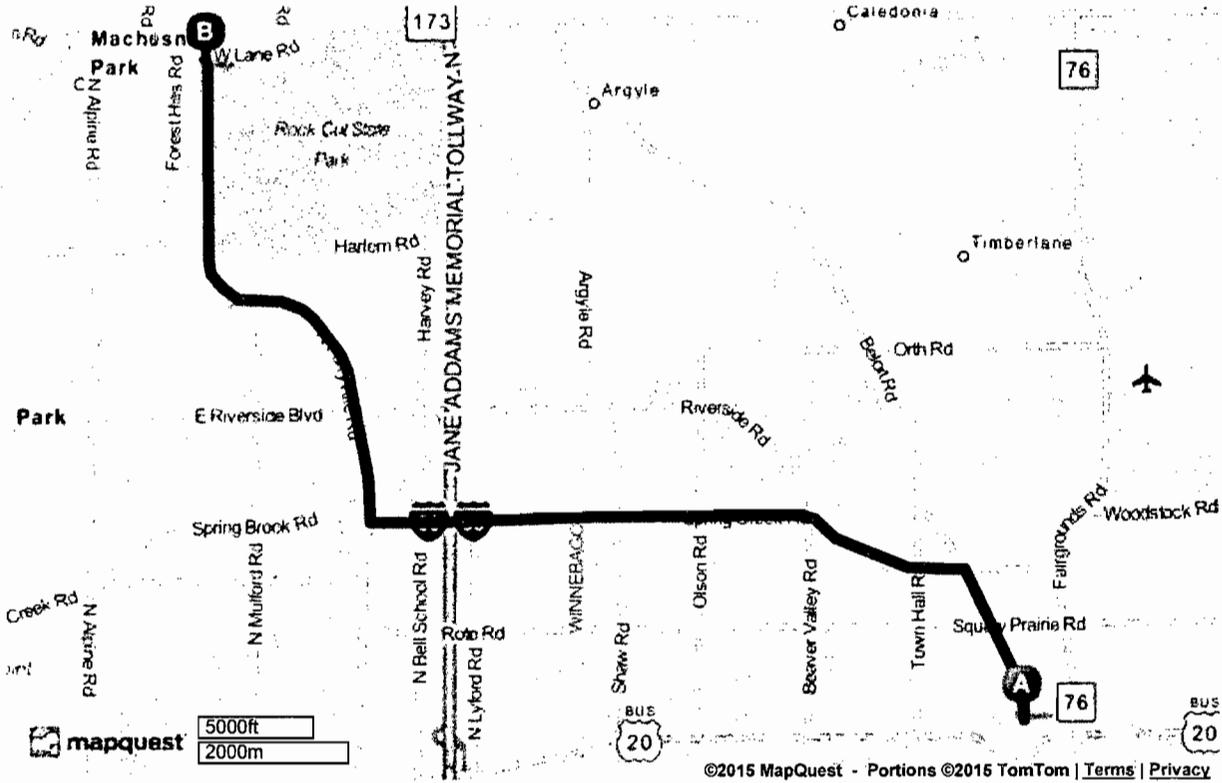
**4.9 Mi**  
12.1 Mi Total

5. **[5451 - 5499] N PERRYVILLE RD**. [Map](#)  
*Your destination is 0.1 miles past Rock Cut Xing  
If you reach W Lane Rd you've gone about 0.1 miles too far*



**[5451 - 5499] N Perryville Rd, Machesney Park, IL 61115**

Total Travel Estimate: **12.06 miles - about 17 minutes**



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