



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

|   |                                       |                              |   |
|---|---------------------------------------|------------------------------|---|
| <b>DOCKET NO:</b><br>H-03                                   | <b>BOARD MEETING:</b><br>June 2, 2015 | <b>PROJECT NO:</b><br>15-022 | <b>PROJECT COST:</b><br>Original: \$601,631 |
| <b>FACILITY NAME:</b><br>Fresenius Medical Care Blue Island |                                       | <b>CITY:</b><br>Blue Island  |   |
| <b>TYPE OF PROJECT:</b> Non Substantive                     |                                       |                              | <b>HSA:</b> VII                             |

**PROJECT DESCRIPTION:** WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island and Fresenius Medical Care Holdings, Inc. (the applicants) are proposing to add 4 ESRD stations to a 24 station facility for a total of 28 ESRD stations in a total of 10,459 GSF of leased space in Blue Island. The cost of the project is \$601,631.

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION:**

- WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island and Fresenius Medical Care Holdings, Inc. (the applicants) are proposing to add 4 ESRD stations to a 24 station facility for a total of 28 ESRD stations in a total of 10,459 GSF of leased space in Blue Island. The cost of the project is \$601,631. **The anticipated project completion date is December 31, 2016.**

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The applicants are before the State Board because the proposed project is a substantial change in the scope of the facility.

### **PURPOSE OF THE PROJECT:**

- The proposed project seeks to maintain access to life-sustaining ESRD services in the HSA-VII ESRD service area.

### **SUMMARY:**

- FMC Blue Island is currently operating at 89% occupancy. There is a calculated need for 18 stations in the HSA VII ESRD planning area, and the applicants note another 121 pre-ESRD patient living in the immediate vicinity, which are expected to require dialysis within the first two years of the new station's operation. From the documentation provided it appears that the applicants can justify the additional stations based upon the historical utilization and future demand for the service in the planning area.

### **BACKGROUND/COMPLIANCE ISSUES**

- Neither applicant has outstanding compliance issues with the State Board.

### **PUBLIC HEARING/COMMENT**

- No public hearing was requested and no letters of support or opposition were received by the State Board Staff.

### **FINANCIAL AND ECONOMIC FEASIBILITY**

- The entirety of the project will be funded through internal sources (Cash and Securities/Fair Market Value of the Leases and a review of the financial statements indicate sufficient cash is available to fund the project.

### **CONCLUSIONS:**

- The applicants addressed a total of 17 review criteria and have met all of the State Board Requirements.



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**STATE BOARD STAFF REPORT**  
**Fresenius Medical Care Blue Island**  
**PROJECT #15-022**

| <b>APPLICATION SUMMARY/CHRONOLOGY</b>                 |   |
|---|---|
| Applicants  | WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island and Fresenius Medical Care Holdings, Inc. |
| Facility Name   | Fresenius Medical Care Blue Island  |
| Location  | 12200 S. Western Avenue   |
| Application Received                                  | April 29, 2015  |
| Application Deemed Complete                           | April 29, 2015  |
| Permit Holder   | WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island   |
| Operating Entity                                      | WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island   |
| Owner of the Site                                     | Blue Island Retail Ventures, LLC  |
| Can Applicants Request Another Deferral?              | Yes   |
| Has the Application been extended by the State Board? | No  |

**I. The Proposed Project**

WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island and Fresenius Medical Care Holdings, Inc. (the applicants) are proposing to add 4 ESRD stations to a 24 station facility for a total of 28 ESRD stations in a total of 10,459 GSF of leased space in Blue Island. The cost of the project is \$601,631. **The anticipated project completion date is December 31, 2016.**

**II. Summary of Findings**

- A. The State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1120.

**III. General Information**

The applicants are WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island and Fresenius Medical Care Holdings, Inc. The owner of the site is Blue Island Retail Ventures, LLC and the operating entity is WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island. The facility is located at 12200 S. Western Avenue,

Blue Island, Illinois in Health Service Area VII. Health Service Area VII is comprised of DuPage, and suburban Cook County. The April 2015 update to the IDPH Inventory of Health Care Facilities (“Inventory”) shows a computed need for 18 ESRD stations in HSA VII ESRD Planning Area.

There is no land acquisition cost for this project, as the proposed facility will be an expansion of an existing facility. This is a substantive project subject to both a Part 1110 and Part 1120 review. Project obligation is contingent on permit issuance. **The anticipated project completion date is December 31, 2016.**

**Below are the current Fresenius projects that have been approved by the State Board.**

| <b>TABLE ONE</b>                  |                                 |                                    |                        |
|-----------------------------------|---------------------------------|------------------------------------|------------------------|
| <b>Current Fresenius Projects</b> |                                 |                                    |                        |
| <b>Project Number</b>             | <b>Name</b>                     | <b>Project Type</b>                | <b>Completion Date</b> |
| #10-063                           | Fresenius Lakeview              | Expansion                          | 4/15/2015              |
| #12-029                           | Fresenius SW Illinois           | Relocation                         | 5/1/2015               |
| #12-095                           | Fresenius Waterloo              | Establishment                      | 2/28/2015              |
| #12-098                           | Fresenius Monmouth              | Establishment                      | 2/28/2015              |
| #13-008                           | Fresenius Chicago Kidney Center | Relocation                         | 12/31/2015             |
| #14-010                           | Fresenius Highland Park         | Establishment                      | 11/30/2015             |
| #14-012                           | Fresenius Gurnee                | Relocation/Expansion Establishment | 12/31/2015             |
| #14-019                           | Fresenius Summit                | Establishment                      | 12/31/2015             |
| #13-040                           | Fresenius Lemont                | Establishment                      | 9/30/2016              |
| #14-041                           | Fresenius Elgin                 | Expansion                          | 6/30/2016              |
| #14-026                           | Fresenius New City              | Establishment                      | 6/30/2016              |
| #14-047                           | Fresenius Humboldt Park         | Establishment                      | 12/31/2016             |
| #14-059                           | Fresenius Glendale Heights      | Expansion                          | 1/31/2016              |
| #15-011                           | Fresenius McLean County         | Change of Ownership                | 12/31/2015             |

**IV. The Proposed Project - Details**

WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Blue Island and Fresenius Medical Care Holdings, Inc. (the applicants) are proposing to add 4 ESRD stations to a 24 station facility for a total of 28 ESRD stations in a total of 10,459 GSF of leased space in Blue Island. The cost of the project is \$601,631.

**V. Project Costs and Sources of Funds**

The total estimated project cost is \$601,631. The proposed project is being funded with cash and securities totaling \$290,943 and the fair market value of the lease totaling \$310,688. Table Two outlines the project’s costs and uses of funds. The State Board Staff notes all costs are classified as being clinical.

| <b>TABLE TWO</b>                         |                  |
|--|------------------|
| <b>Project Uses and Sources of Funds</b> |                  |
| <b>Uses of Funds</b>                     | <b>Clinical</b>  |
| Modernization Contracts                  | \$170,499        |
| Contingencies                            | \$16,944         |
| A & E Fees                               | \$18,500         |
| Moveable Equipment                       | \$85,000         |
| FMV Leased Space & Equipment             | \$310,688        |
| <b>Total Uses of Funds</b>               | <b>\$601,631</b> |
| <b>Sources of Funds</b>                  | <b>Clinical</b>  |
| Cash and Securities                      | \$290,943        |
| FMV Leased Space & Equipment             | \$310,688        |
| <b>Total Sources of Funds</b>            | <b>\$601,631</b> |

**VI. Section 1110.230 - Project Purpose, Safety Net Impact Statement and Alternatives**

**A. Criterion 1110.230(a) – Purpose of the Project**

The applicants state that the purpose of the proposed project is to keep dialysis services accessible to a growing ESRD population in the service area (HSA-07), and alleviate the continued high utilization at the Fresenius Medical Care Blue Island dialysis facility. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. It is expected that this facility would continue to have similar quality outcomes after the relocation. Currently the Blue Island patients have the quality outcomes below:

- o 93% of patients had a URR / 65%
- o 95% of patients had a Kt/V greater than 1.2.

**B. Criterion 1110.230 (b) - Safety Net Impact Statement/Charity Care**

The applicants attest that the proposed addition of 4 stations to an existing 28-station ESRD facility will have no impact on Safety Net services in the area. The applicants’ state:

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

| <b>TABLE THREE</b>                                   |                      |                      |                      |
|--|----------------------|----------------------|----------------------|
| <b>SAFETY NET INFORMATION</b>                        |                      |                      |                      |
| <b>Fresenius Medical Care Facilities in Illinois</b> |                      |                      |                      |
| <b>NET REVENUE</b>                                   | <b>\$362,977,407</b> | <b>\$387,393,758</b> | <b>\$398,570,288</b> |
| <b>CHARITY CARE</b>                                  |                      |                      |                      |
|  | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          |

| <b>TABLE THREE</b>                                   |                      |                      |                      |
|--|----------------------|----------------------|----------------------|
| <b>SAFETY NET INFORMATION</b>                        |                      |                      |                      |
| <b>Fresenius Medical Care Facilities in Illinois</b> |                      |                      |                      |
| <b>NET REVENUE</b>                                   | <b>\$362,977,407</b> | <b>\$387,393,758</b> | <b>\$398,570,288</b> |
| <b>Charity (# of self-pay patients)</b>              | 93                   | 203                  | 642                  |
| <b>Charity (self-pay) Cost</b>                       | \$642,947            | \$1,536,372          | \$5,346,976          |
| <b>% of Charity Care to Net Rev.</b>                 | 0.18%                | .4%                  | 1.34%                |
| <b>MEDICAID</b>                                      |                      |                      |                      |
|  | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          |
| <b>Medicaid (Patients)</b>                           | 1,865                | 1,705                | 1,660                |
| <b>Medicaid (Revenue)</b>                            | \$42,367,328         | \$36,254,633         | \$31,373,534         |
| <b>% of Medicaid to Net Revenue</b>                  | 12%                  | 9.36%                | 7.87%                |

**C. Criterion 1110.230(c) - Alternatives to the Proposed Project**

The applicants considered the following alternatives to the proposed project:

1. The alternative to **do nothing** will not address patient access issues due to the high utilization currently and historically at the Blue Island facility and therefore was not considered. There is no cost to this alternative.
2. The alternative of **adding just three stations** per the 2 year/10% rule was at first considered, however this would only reduce the clinic's utilization from 89% to 79%. As well, the cost of installing 3 or 4 stations is practically identical and it would be more cost effective to install them all at one time. The cost of installing only three stations would be approximately \$575,000.
3. **Relocating and building a new facility** versus expanding the current site is not a cost effective alternative. The facility relocated in 2006 into a space with ample square footage included to allow for future expansion if/when necessary. As mentioned above the facility expanded in 2009 and is now nearing capacity. Additional space can be leased adjacent to the facility. The cost of relocating into a larger space would be approximately \$5,000,000.
4. **Using Other Health Resources** Physicians already admit to other area facilities so this will not alleviate the high utilization at the Blue Island facility. Area access is limited as the clinics closest to Fresenius Blue Island operating at a combined utilization of 75%.
5. The facility is not currently a **joint venture** and simply adding stations does not warrant the creation of a joint venture nor would it address the needed access. The physicians do not desire to invest in the facility at this time. The cost of the project, if it were a joint venture, would be the same with the JV partner sharing the cost.

6. The **best alternative** for addressing the patient's need for additional access while maintaining cost containment is to add 4 stations at the current site by leasing adjacent space as outlined in this application. The cost of this project is minimal at \$601,631.

**VII. Section 1110.234 - Project Scope and Size, Utilization and Unfinished/Shell Space**

**A) Criterion 1110.234 (a) - Size of Project**

The applicants propose to add 4 stations to an existing 24 station facility for a total of 24 stations in 10,459 GSF of leased space. The State board standard is 360-520 GSF per station. The applicants note the project is allocating 374 GSF per station. The proposed project meets the spatial standards established by the State Board, and a positive finding has been made.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 IAC 1110.234 (a))**

**B) Criterion 1110.234 (b) - Project Services Utilization**

The applicants have documented by the second year after project completion (2017), they will be above the State Board's target occupancy of 80% (Application, P. 42).

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION PROJECTED SERVICES UTILIZATION (77 IAC 1110.234 (b))**

**VIII. Section 1110.1430 - In-Center Hemodialysis Projects**

**A) Criterion 1110.1430 (b) (1) (3) – Background of the Applicants**

***An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background and character, to adequately provide a proper standard of health care service for the community. [20 ILCS 3960/6]***

The applicants provided a list of all health care facilities currently owned and/or operated by the applicants, including licensing, certification and accreditation identification numbers, a certified statement from the applicants that no adverse action has been taken against any facility owned and/or operated by the applicants during the three years prior to the filing of the application, and authorization permitting HFPB and Illinois Department of Public Health (IDPH) access to any documents necessary to verify the information submitted. The applicants appear fit, willing and able and have the qualifications, background and character to adequately provide a proper standard of healthcare service for the community.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANT (77 IAC 1110.1430 (b)(3))**

**B) Criterion 1110.1430 (c) – Planning Area Need**

According to the April, 2015 Update to the Inventory of Health Care Facilities there is a need for 18 ESRD stations in the HSA 7 ESRD Planning Area. The facility is currently operating at 89% occupancy.

The primary purpose of this project is to provide in-center hemodialysis services to the residents of the Blue Island area in HSA 7. 65% of the pre-ESRD patients reside in HSA 7 and 62% of the current Blue Island clinic patients also reside in HSA 7. The applicants are currently providing service to 128 patients at the FMC Blue Island facility and have identified an additional 121 pre-ESRD patients expected to refer to the facility after project completion.

FMC Blue Island is currently operating at 89% occupancy. There is a calculated need for 18 stations in the HSA VII ESRD planning area, and the applicants note another 121 pre-ESRD patient living in the immediate vicinity, which are expected to require dialysis within the first two years of the new station's operation. From the documentation provided it appears that the applicants can justify the additional stations based upon the historical utilization and future demand for the service in the planning area.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE PLANNING AREA NEED CRITERION (77 IAC 1110.1430(c)).**

**C) Criterion 1110.1430 (e) - Staffing Availability**

The applicants have provided the necessary information as required by the criteria (application, p. 51-65). It appears that there will be sufficient staff to accommodate the additional patient load.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE STAFFING CRITERION (77 IAC 1110.1430 (e) (1)).**

**D) Criterion 1110.1430 (f) - Support Services**

Fresenius Medical Care utilizes a patient data tracking system in all of its Facilities. These support services are available at Fresenius Medical Care Blue Island during all six shifts:

- o Nutritional Counseling

- o Psychiatric/Social Services
- o Home/self training
- o Clinical Laboratory Services provided by Spectra Laboratories

The following services are provided via referral to Metro South Medical Center in Blue Island:

- o Blood Bank Services
- o Rehabilitation Services
- o Psychiatric Services

The applicants have provided all of the required documentation to address this criterion.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH THE SUPPORT SERVICES CRITERION (77 IAC 1110.1430 (f)).**

**E) Criterion 1110.1430 (j) - Assurances**

The applicants provided the required certification information on page 67 of the application for permit as required of the criterion. The applicants note Fresenius Medical Care Blue Island patients have achieved and will maintain the following adequacy outcomes.

- 93% of patients had a URR  $\geq$  65%
- 95% of patients had a Kt/V  $\geq$  1.2

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE ASSURANCES CRITERION (77 IAC 1110.1430 (j)).**

**FINANCIAL**

**IX. 1120.120 - Availability of Funds**

**The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources.**

The applicants are funding the project with cash and securities totaling \$290,943, and fair market values of a lease totaling \$310,688. A review of the applicants' audited financial statements indicates that sufficient cash is available to fund the project.

| <b>TABLE FIVE<br/>Fresenius Medical Care<br/>Audited Financial Information<br/>In Thousands (000)</b> |              |              |              |
|---|--------------|--------------|--------------|
| <b>Calendar Year</b>  | <b>2014</b>  | <b>2013</b>  | <b>2012</b>  |
| Cash and Investments  | \$195,280    | \$275,719    | \$341,071    |
| Current Assets  | \$4,027,091  | \$3,866,123  | \$5,673,703  |
| Total Assets  | \$12,669,858 | \$16,597,314 | \$17,808,635 |
| Current Liabilities   | \$2,058,123  | \$2,094,693  | \$2,510,111  |
| Long Term Debt  | \$2,686,923  | \$2,113,723  | \$2,030,126  |
| Total Liabilities   | \$9,569,927  | \$8,075,490  | \$8,401,166  |
| Total Revenues  | \$10,373,232 | \$9,433,192  | \$8,885,401  |
| Expenses  | \$9,186,489  | \$8,088,952  | \$7,384,745  |
| Income Before Tax   | \$1,186,743  | \$1,344,240  | \$1,500,656  |
| Income Tax  | \$399,108    | \$465,540    | \$497,177    |
| Net Income  | \$787,635    | \$878,700    | \$1,003,479  |

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120 (a)).**

**X. 1120.130 - Financial Feasibility**

**A. Criterion 1120.130 - Financial Viability**

The applicants are funding the project with cash and securities totaling \$290,943, and fair market values of a lease totaling \$310,688. A review of the applicants' financial statements indicates that sufficient cash is available to fund the project. Because the applicants are funding this project internally no financial viable ratios are required.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE CRITERION FINANCIAL FEASIBILITY (77 IAC 1120.130 (a)).**

**XI. Section 1120.140 - Economic Feasibility**

**A. Criterion 1120.140(a) - Reasonableness of Financing Arrangements**

**B. Criterion 1120.140(b) - Terms of Debt Financing**

The applicants are funding the project with cash and securities totaling \$290,943, and fair market values of a lease totaling \$310,688. The applicants are expanding the GSF of the leased space by 1,059 GSF of space for the additional stations. The lease costs are \$23.14 per GSF and the annual rent will be \$24,505 through 9/30/2017. Beginning 10/01/2017 the annual rent will be \$26,210 ending 9/30/2022. The amount of the rent appears reasonable for the additional space compared to previously approved projects.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 IAC 1120.140(a) (b)).**

**C. Criterion 1120.140(c) - Reasonableness of Project Cost**

**The applicant shall document that the estimated project costs are reasonable and shall document compliance with the State Board's standards as detailed in 77 IAC 1120.**

**Modernization and Contingencies** – These costs total \$187,443 or \$188.40 per gross square feet. ( $\$187,443/1,059 \text{ GSF} = \$177.00$ ). This appears reasonable when compared to the State Board standard of \$189.19

**Contingencies** – These costs total \$16,944. These costs are 9.93% of modernization costs. This appears reasonable when compared to the State Board standard of 10%-15% of modernization costs.

**Architect and Engineering Fees** – These costs total \$18,500 or 9.86% of modernization and contingency costs. This appears reasonable when compared to the State Board standard of 8.80%-13.20% of modernization and contingency costs.

**Moveable Equipment** - These costs total \$85,000 or \$21,250 per station. This appears reasonable when compared to the State Board standard of \$49,127.

**Fair Market Value of Leased Space and Equipment** - These costs are \$310,688. The State Board does not have a standard for these costs.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE REASONABLENESS OF PROJECT COST CRITERION (77 IAC 1120.140 (c)).**

**D) Criterion 1120.140 (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.**

The applicants anticipate the direct operating costs per treatment to be \$89.07. The State Board does not have a standard for these costs.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE PROJECT DIRECT OPERATING COSTS CRITERION (77 IAC 1120.140 (d)).**

**E) Criterion 1120.140 (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.**

The applicants anticipate the total effect of the Project on Capital Costs per treatment to be \$9.77. The State Board does not have a standard for these costs.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS CRITERION (77 IAC 1120.140 (e)).**

# 15-022 Fresenius Medical Care Blue Island



# END STAGE RENAL DIALYSIS - FACILITY PROFILE 2013

## Ownership, Management and General Information

|                     |                                    |  |                                 |
|---------------------|------------------------------------|--|---------------------------------|
| <b>Name:</b>        | Fresenius Medical Care Blue Island | <b>Legal Entity Operator:</b>                | WSKC Dialysis Services, Inc.    |
| <b>Address:</b>     | 12200 Western Avenue               | <b>Legal Entity Owner:</b>                   |                                 |
| <b>City:</b>        | Blue Island                        | <b>Ownership Type:</b>                       | For Profit Corporation          |
| <b>County:</b>      | Cook                               | <b>Property Owner:</b>                       | Blue Island Retail Venture, LLC |
| <b>HSA:</b>         | 7                                  | <b>Other Ownership:</b>                      |                                 |
| <b>Medicare ID:</b> | 14-2539                            | <b>Medical Director Name:</b>                | Dr. Salvatore Ventura           |
|                     |                                    | <b>Provides Incenter Nocturnal Dialysis:</b> | <input type="checkbox"/>        |

### STATION INFORMATION

|  |    |
|--|----|
| Authorized Stations as of 12/31/2013:                                    | 24 |
| Certified Stations by CMS:   | 24 |
| Peak Authorized Stations Operated:                                       | 24 |
| Authorized Stations Setup and Staffed in Oct 1-7:                        | 24 |
| Isolation Stations Set up in Oct 1-7:<br>(subset of authorized stations) | 0  |
| Number of Shifts Operated per day  |    |

### FACILITY STAFFING - FULL TIME EQUIVALENT

|                       |    |
|-----------------------|----|
| Full-Time Work Week:  | 32 |
| Registered Nurse :    | 7  |
| Dialysis Technician : | 11 |
| Dietician :           | 1  |
| Social Worker:        | 1  |
| LPN :                 | 0  |
| Other Health :        | 0  |
| Other Non-Health:     | 2  |

### Dialysis Station Utilization for the Week of Oct 1 - 7

| Date of Operation          | Oct 1 | Oct 2 | Oct 3 | Oct 4 | Oct 5 | Oct 6 | Oct 7 |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Hours operated             | 18    | 18    | 18    | 18    | 18    | 0     | 18    |
| Number of Patients Treated | 53    | 60    | 50    | 63    | 52    | 0     | 60    |

## Facility Utilization Information

### Facility Reported Patient Information

|  |     |
|--|-----|
| Patients treated as of 1/1/2013:<br>(Beginning patients) | 127 |
| Patients treated as of 12/31/2013:<br>(Ending patients)  | 128 |
| Total Unduplicated patients<br>treated in calendar year: | 170 |

### Facility Reported Treatment Information

|  |        |
|--|--------|
| In-Center Treatments in calendar year: | 18,173 |
| Number of Missed Treatments:           | 651    |
| Average Daily Treatments:              |        |
| Average Treatment Time (min):          | 300.0  |

### ADDITIONS to the FACILITY

|                        |    |
|------------------------|----|
| New Patients:          | 41 |
| Transient Patients:    | 2  |
| Patients Re-Started:   | 0  |
| Post-Transplant Patien | 0  |
| Total:                 | 43 |

### LOSSES to the FACILITY

|                                   |    |
|-----------------------------------|----|
| Recovered patients:               | 2  |
| Transplant Recipients:            | 2  |
| Patients transferred out:         | 16 |
| Patients voluntarily discontinued | 5  |
| Patients lost to follow up:       | 0  |
| Patients deceased:                | 18 |
| Total:                            | 43 |

### USE RATE for the FACILITY

|  |        |
|--|--------|
| Treatment Capacity/year (based on Stations): | 22,464 |
| Use Rate (Treatments/Treatment capacity):    | 81%    |
| Use Rate (including Missed Treatments):      | 84%    |
| Use Rate (Beginning patients treated):       | 88%    |
| Use Rate (Year end Patients/Stations*6):     | 89%    |
| Renal Network Use Rate:                      | 89%    |

### Patients and Net Revenue by Payor Source

|                        | Medicare    | Medicaid  | Private Insurance | Private Pay | Other Public | TOTAL       | Charity Care |
|------------------------|-------------|-----------|-------------------|-------------|--------------|-------------|--------------|
|                        | 67.6%       | 8.8%      | 19.4%             | 2.9%        | 1.2%         | 100.0%      | 0.0%         |
| Patient                | 115         | 15        | 33                | 5           | 2            | 170         | 0            |
| 1/1/2012 to 12/31/2012 | 56.2%       | 7.5%      | 35.5%             | 0.7%        | 0.1%         | 100.0%      | 0.0%         |
| Net Revenue            | \$3,502,859 | \$466,044 | \$2,211,358       | \$40,824    | \$9,060      | \$6,230,145 | \$0          |

### Patients by Age and Sex

| AGE GROUPS | MALE | FEMALE | TOTAL |
|------------|------|--------|-------|
| <14 yrs    | 0    | 0      | 0     |
| 15-44 yr   | 14   | 7      | 21    |
| 45-64 yr   | 43   | 26     | 69    |
| 65-74 yr   | 16   | 24     | 40    |
| 75 < yrs   | 19   | 21     | 40    |
| Total      | 92   | 78     | 170   |

### Patients by Race

|                           |     |
|---------------------------|-----|
| Asian Patients:           | 0   |
| Native American/ Indian:  | 0   |
| Black/ African American : | 139 |
| Hawaiian /Pacific Islande | 0   |
| White:                    | 31  |
| Unknown :                 | 0   |
| TOTAL:                    | 170 |

### Patients by Ethnicity

|                            |     |
|----------------------------|-----|
| Hispanic Latino Patients:  | 18  |
| Non-Hispanic Latino Patien | 152 |
| Unknown Ethnicity Patients | 0   |
| TOTAL:                     | 170 |

Fresenius Medical Care does not hold long term debt on any Illinois dialysis location balance sheet. Fresenius Medical Care does not, as a for profit corporation, provide charity care under the Board's definition of same; however, it treats all patients regardless of ability to pay and thus does provide uncompensated care.

Source: Data based on 2013 Annual ESRD Questionnaire administered on behalf of Illinois Department of Public Health, Health Systems Development.