Original 16-024

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HEALTH FACILITIES & SERVICES REVIEW BOARD

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: *Fresenius Kidney Care East Aurora*			
Street Address: *810 N. Farnsworth Avenue*			
City and Zip Code: *Aurora 60505*			
County: *Kane*	Health Service Area 8	Health Planning Area:	

Applicant Identification

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

Exact Legal Name: *Fresenius Medical Care East Aurora, LLC d/b/a Fresenius Kidney Care East Aurora*
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of Applicant

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

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

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

Co-Applicant Identification

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

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

Type of Ownership of Co-Applicant

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

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

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

Primary Contact

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Kidney Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6807*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *630-960-6812*

Additional Contact

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

Name: *Coleen Muldoon*
Title: Regional *Vice President*
Company Name: *Fresenius Kidney Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6706*
E-mail Address: *coleen.muldoon@fmc-na.com*
Fax Number: *630-960-6812*

Post Permit Contact

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

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Kidney Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6807*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *630-960-6812*

Additional Contact

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

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

Site Ownership

Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Mercy Lane, LLC*
Address of Site Owner: *10531 Timberwood Circle, Suite D, Louisville, KY 40223*
Street Address or Legal Description of Site: *810 N. Farnsworth Avenue, Aurora, IL 60505*

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

Operating Identity/Licensee

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

Exact Legal Name: *Fresenius Medical Care East Aurora, LLC d/b/a Fresenius Kidney Care East Aurora*

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

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

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

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

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification:

- ■ Substantive
- ☐ Non-substantive

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Fresenius Medical Care East Aurora, LLC, proposes to establish a 12-station in-center hemodialysis facility, Fresenius Kidney Care East Aurora, located at 810 N. Farnsworth Avenue, Aurora. The facility will be in leased space in a new building to be constructed by a developer, with the interior to be built out by the applicant.

The site, located in HSA 8 where there is a determined need for an additional 22 stations, is just 500 yards outside of the Aurora Federally Designated Medically Underserved Area.

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

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	978,164	271,760	1,249,924
Contingencies	96,679	26,860	123,539
Architectural/Engineering Fees	104,988	29,612	134,600
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	305,000	70,000	375,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space 3,187,270 or Equipment 213,550	2,686,621	714,199	3,400,820
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	$4,171,452	$1,112,431	$5,283,883
SOURCE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Cash and Securities	1,484,831	398,232	1,883,063
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	2,686,621	714,199	3,400,820
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	$4,171,452	$1,112,431	$5,283,883

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

Related Project Costs

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

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

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

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

Estimated start-up costs and operating deficit cost is $ 135,874.

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

■ None or not applicable ☐ Preliminary
☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): September 30, 2018

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

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

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

State Agency Submittals

Are the following submittals up to date as applicable:

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

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

Cost Space Requirements

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

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
In-Center Hemodialysis	$4,171,452		5,687		5,687		
Total Clinical	$4,171,452		5,687		5,687		
NON REVIEWABLE							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	$1,112,431		1,580		1,580		
Total Non-clinical	$1,112,431		1,580		1,580		
TOTAL	**$5,283,883**		**7,267**		**7,267**		

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);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of *Fresenius Medical Care East Aurora, LLC* * 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

PRINTED NAME Bryan Mello

PRINTED TITLE Assistant Treasurer

Notarization:
this 13th day of April 2016

Signature of Notary

Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

*Insert EXACT legal name of the applicant

CERTIFICATION

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

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

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

SIGNATURE	SIGNATURE
PRINTED NAME Bryan Mello	PRINTED NAME Maria TC Notar
PRINTED TITLE Assistant Treasurer	PRINTED TITLE assistant treasurer
Notarization: Subscribed and sworn to before me this 20th day of April 2016	Notarization: Subscribed and sworn to before me this 20 day of April 2016
Signature of Notary	Signature of Notary
Seal	Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

*Insert EXACT legal name of the applicant

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PURPOSE OF PROJECT

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::

   a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;

   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;

   c. The project involves the conversion of existing space that results in excess square footage.

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE: ***NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE***

Provide the following information:

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

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

ASSURANCES: ***NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE***

Submit the following:

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

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

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

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

G. Criterion 1110.1430 - In-Center Hemodialysis

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

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

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

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

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

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

VIII. - 1120.120 - Availability of Funds

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

1,883,063	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
N/A	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
N/A	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
3,400,820	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
N/A	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
N/A	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
N/A	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$5,283,883		**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent**
4. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

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

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

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

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

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

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

B. Conditions of Debt Financing

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

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

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

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

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	
	New	Mod.	New	Circ.*	Mod.	Circ.*	(A x C)	(B x E)	
ESRD		172.00			5,687			978,164	978,164
Contingency		17.00			5,687			96,679	96,679
Total Clinical		**$189.00**			**5,687**			**$1,074,843**	**$1,074,843**
Non Clinical		172.00			1,580			271,760	271,760
Contingency		17.00			1,580			26,860	26,860
Total Non		**$189.00**			**1,580**			**$298,620**	**$298,620**
TOTALS		**$189.00**			**7,267**			**$1,373,463**	**$1,373,463**

* 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 40.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2013	2014	2015
Net Revenue	$398,570,288	$411,981,839	$438,247,352
Charity *(# of self-pay patients)	499	251	195
Charity (cost In dollars)	$5,346,976	$5,211,664	$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	.68%
MEDICAID			
	2013	2014	2015
Medicaid (# of patients)	1,660	750	396
Medicaid (revenue)	$31,373,534	$22,027,882	$7,310,484
Ratio Medicaid to Net Patient Revenue	7.87%	5.35%	1.67%

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			
	2013	**2014**	**2015**
Net Patient Revenue	$398,570,288	$411,981,839	$438,247,352
Amount of Charity Care (charges)	$5,346,976	$5,211,664	$2,983,427
Cost of Charity Care	$5,346,976	$5,211,664	$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	0.68%

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

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

INDEX OF ATTACHMENTS

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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	31
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Applicant Identification

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

Exact Legal Name: *Fresenius Medical Care East Aurora, LLC d/b/a Fresenius Kidney Care East Aurora**
Address: *920 Winter Street, Waltham, MA 02451*
Name of Registered Agent: *CT Systems*
Name of Chief Executive Officer: *Ron Kuerbitz*
CEO Address: *920 Winter Street, Waltham, MA 02451*
Telephone Number: *800-662-1237*

Type of Ownership of Applicant

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

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

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

Certificate of Good Standing for Fresenius Medical Care East Aurora, LLC on following page.

Co - Applicant Identification

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

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

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

Type of Ownership – Co-Applicant

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

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

File Number 0341671-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

FRESENIUS MEDICAL CARE EAST AURORA, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 08, 2010, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 12TH *day of* MAY *A.D.* 2016 .

Authentication #: 1613302642 verifiable until 05/12/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Certificate of Good Standing
ATTACHMENT 1

Site Ownership
[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Mercy Lane, LLC*
Address of Site Owner: *10531 Timberwood Circle, Suite D, Louisville, KY 40223*
Street Address or Legal Description of Site: *810 N. Farnsworth Avenue, Aurora, IL 60505*

Mercy Lane LLC
10531 Timberwood Circle, Suite D
Louisville, KY 40223

May 5, 2016

Mr. Loren Guzik
Cushman & Wakefield of Illinois, Inc.
200.S. Wacker Drive
Suite 2800
Chicago, IL 60606

RE: **Fresenius Kidney Care East Aurora, LLC .**
Letter of Intent – East Aurora, IL

Dear Loren,

We are pleased to provide the following Letter of Intent.

LANDLORD:	Mercy Lane LLC 10531 Timberwood Circle, Suite D Louisville, KY 40223
TENANT:	FRESENIUS MEDICAL CARE EAST AURORA, LLC
LOCATION:	810 N Farnsworth Road Aurora, IL
INITIAL SPACE REQUIREMENTS:	Approximately 7,267 contiguous rentable square feet. FRESENIUS MEDICAL CARE EAST AURORA, LLC may have the need and therefore must have the option to increase or decrease the area by up to ten percent (10%) until approval of final construction drawings.
PRIMARY TERM:	An initial lease term of fifteen (15) years. The Lease and rent would commence on the date that the facility starts treating patients. For purposes of establishing an actual occupancy date, both parties will execute an amendment after occupancy has occurred, setting forth dates for purposes of calculations, notices, or other events in the Lease that may be tied to a commencement date.
DELIVERY OF PREMISES:	Landlord shall deliver the Premises to FRESENIUS MEDICAL CARE EAST AURORA, LLC for completion of the Tenant Improvements upon substantial completion of the shell.
OPTIONS TO RENEW:	Three (3), five (5) year options to renew the Lease. Option rental rates for second and third options shall be based upon the lower of Fair Market Value or the increase in the Consumer Price Index over the previous five years, capped at 2.5% per year. FRESENIUS MEDICAL CARE EAST AURORA, LLC shall provide ninety (90) days' prior written notification of its desire to exercise the option.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

RENTAL RATE:	$26.50 per usable square foot
ESCALATION:	10% increase in years 6, 11 and 16.
TENANT ALLOWANCE:	Please see Building Shell Exhibit. *(See attached file: Building Shell Exhibit July 2015.pdf)*
CONCESSIONS:	A rent free period of 3 months upon commencement.
USE:	FRESENIUS MEDICAL CARE EAST AURORA, LLC shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. FRESENIUS MEDICAL CARE EAST AURORA, LLC may operate on the Premises, at FRESENIUS MEDICAL CARE EAST AURORA, LLC's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.
DEMISED PREMISES SHELL:	Landlord is responsible for delivery a shell building in conformance with FRESENIUS MEDICAL CARE EAST AURORA, LLC's specifications attached as *(See attached file: Building Shell Exhibit July 2015.pdf)*
CONTRACTOR FOR TENANT IMPROVEMENTS:	FRESENIUS MEDICAL CARE EAST AURORA, LLC will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. FRESENIUS MEDICAL CARE EAST AURORA, LLC shall be responsible for the implementation and management of the tenant improvement construction and will not be responsible to pay for Landlord's project manager, if any.
HVAC:	Landlord will provide HVAC service to the space to meet FRESENIUS MEDICAL CARE EAST AURORA, LLC's requirements as outlined in Exhibit A. FRESENIUS MEDICAL CARE EAST AURORA, LLC requires HVAC service 24 hours per day, 7 days per week. *(See attached file: Building Shell Exhibit July 2015.pdf)*
DELIVERIES:	FRESENIUS MEDICAL CARE EAST AURORA, LLC requires delivery access to the Premises 24 hours per day, 7 days per week.
EMERGENCY GENERATOR:	FRESENIUS MEDICAL CARE EAST AURORA, LLC shall have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon between the parties.

SPACE PLANNING/

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

ARCHITECTURAL AND MECHANICAL DRAWINGS:

FRESENIUS MEDICAL CARE EAST AURORA, LLC will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the FRESENIUS MEDICAL CARE EAST AURORA, LLC's responsibility.

PRELIMINARY IMPROVEMENT PLAN:

At this time, please provide AutoCAD files that include one-eight inch scale architectural drawings of the proposed demised premises and detailed building specifications.

PARKING:

Landlord will provide a parking ratio of 5 per 1,000 RSF with as many of those spaces as possible to be directly in front of the building for patient use. FRESENIUS MEDICAL CARE EAST AURORA, LLC shall require that 10% of the parking (**specify number**) be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense).

BUILDING CODES:

FRESENIUS MEDICAL CARE EAST AURORA, LLC requires that the site, shell and all interior structures constructed or provided by the Landlord to meet all local, State, and Federal building code requirements, including all provisions of ADA.

CORPORATE IDENTIFICATION:

Tenant shall have signage rights in accordance with local code.

COMMON AREA EXPENSES AND REAL ESTATE TAXES:

Tenant shall be responsible for all Real Estate Taxes and Operating Expenses associate with the building.

ASSIGNMENT/ SUBLETTING:

FRESENIUS MEDICAL CARE EAST AURORA, LLC requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without Landlord's consent. Any other assignment or subletting will be subject to Landlord's prior consent, which shall not be unreasonably withheld or delayed.

MAINTENANCE:

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the exterior portions and structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, doors and windows, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, footings as well as any elevators, water mains, gas and sewer lines, sidewalks, private roadways, landscape, parking areas, common areas, and loading docks, if any, on or appurtenant to the Building or the Premises.

With respect to the parking and other exterior areas of the Building and subject to reasonable reimbursement by Tenant, Landlord shall perform the following, pursuant to good and accepted business practices throughout the term: repainting the exterior surfaces of the building when necessary, repairing, resurfacing, repaving, re-striping, and resealing, of the parking areas; repair of all curbing, sidewalks and directional markers; removal of

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snow and ice; landscaping; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

Tenant shall maintain and keep the interior of the Premises in good repair, free of refuse and rubbish and shall return the same at the expiration or termination of the Lease in as good condition as received by Tenant, ordinary wear and tear, and damage or destruction by fire, flood, storm, civil commotion or other unavoidable causes excepted. Tenant shall be responsible for maintenance and repair of Tenant's equipment in the Premises.

UTILITIES: Tenant shall pay all charges for water, electricity, gas, telephone and other utility services furnished to the Premises. Tenant shall receive all savings, credits, allowances, rebates or other incentives granted or awarded by any third party as a result of any of Tenant's utility specifications in the Premises. Landlord agrees to bring water, electricity, gas and sanitary sewer to the Premises in sizes and to the location specified by Tenant and pay for the cost of meters to meter their use. Landlord shall pay for all impact fees and tapping fees associated with such utilities.

SURRENDER: At any time prior to the expiration or earlier termination of the Lease, Tenant may remove any or all the alterations, additions or installations, installed by or on behalf of Tenant, in such a manner as will not substantially injure the Premises. Tenant agrees to restore the portion of the Premises affected by Tenant's removal of such alterations, additions or installations to the same condition as existed prior to the making of such alterations, additions, or installations. Upon the expiration or earlier termination of the Lease, Tenant shall turn over the Premises to Landlord in good condition, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion, or other unavoidable cause excepted. All alterations, additions, or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

ZONING AND RESTRICTIVE COVENANTS: Landlord confirms that the current property zoning is acceptable for the proposed use as an outpatient kidney dialysis clinic. There are no restrictive covenants imposed by the development, owner, and/or municipality that would in any way limit or restrict the operation of FRESENIUS MEDICAL CARE EAST AURORA, LLC's dialysis clinic

FLOOD PLAIN: The eastern most part of the landsite is in a Flood Plain zone.

CAPITALIZATION TEST: Landlord will complete the attached Accounting Classification Form to ensure FRESENIUS MEDICAL CARE EAST AURORA, LLC is not entering into a capitalized lease arrangement.

FINANCING: Landlord will provide a non-disturbance agreement.

EXCLUSIVITY Landlord will not, during the term of the Lease and any option terms, lease space in a 5 mile radius to any other provider of hemodialysis services.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

ENVIRONMENTAL:	Landlord confirms that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. A Phase One Environmental Study has been conducted and has been made available for FRESENIUS MEDICAL CARE EAST AURORA, LLC's review. Landlord also confirms that no other tenants or their activities present issues as to the generation of hazardous materials.
DRAFT LEASE:	FRESENIUS MEDICAL CARE EAST AURORA, LLC requires the use of its Standard Form Lease, which is attached.
LEASE EXECUTION:	Both parties agree that they will make best efforts to reach a fully executed lease document within thirty days of the execution of this letter of intent.
LEASE SECURITY:	Fresenius Medical Holdings Corp shall fully guarantee the lease.
CONFIDENTIAL:	The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter into a Lease, and it is not to be copied or discussed with any other person.
EXCLUSIVE NEGOTIATING PERIOD:	The parties agree that they will negotiate on an exclusive basis for a period of thirty (30) days from the execution of this document.
NON-BINDING NATURE:	This proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive Lease agreement has been fully executed and delivered by the parties. The parties agree that this proposal is not intended to create any agreement or obligation by either party to negotiate a definitive Lease agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive, fully executed agreement, and without any liability to the other party, either party may (i) propose different terms from those summarized herein, (ii) enter into negotiations with other parties and/or (iii) unilaterally terminate all negotiations with the other party hereto.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

Sincerely,

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

Sincerely,

Chad Middendorf
Manager
Mercy Lane LLC
10531 Timberwood Circle, Suite D
Louisville, KY 40223
(502) 425-1524
(502) 470-7670 fax
chad@greenrockusa.com

CC: Mr. Bill Popken

AGREED AND ACCEPTED this _05___ day of _____May_____, 2016

By_____Chad Middendorf_____

Title:_____Manager_____

AGREED AND ACCEPTED this 6 **day of** May **, 2016**

By: _____

Title: Regional Vice President

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

Operating Identity/Licensee

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

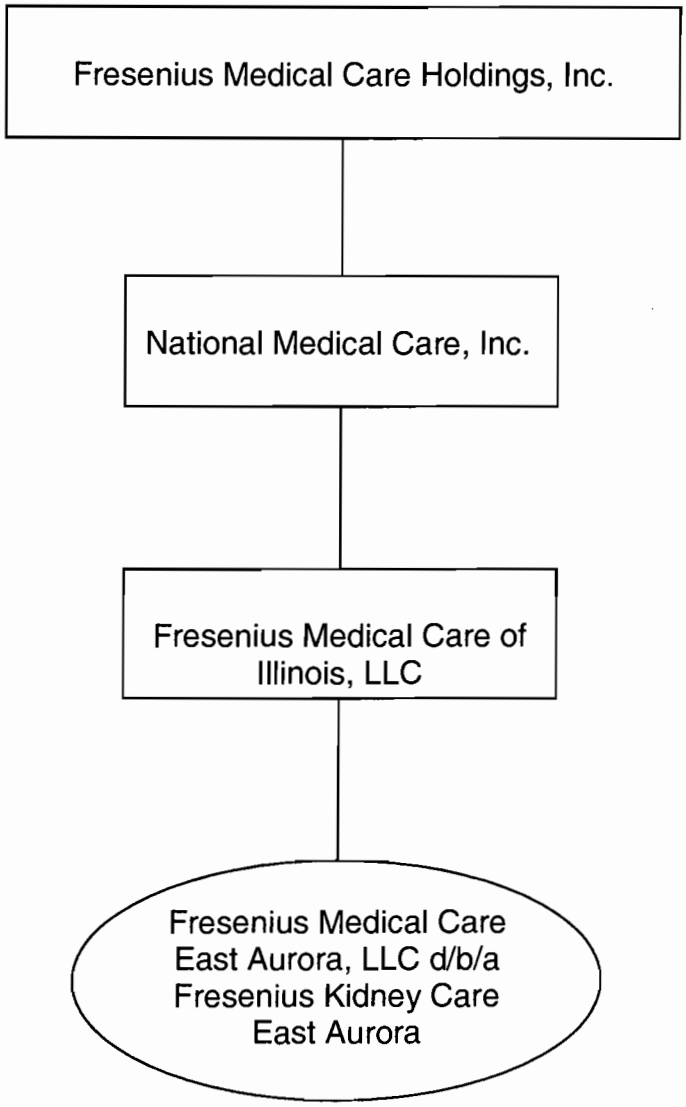
Exact Legal Name: *Fresenius Medical Care East Aurora, LLC d/b/a Fresenius Kidney Care East Aurora**

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

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

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

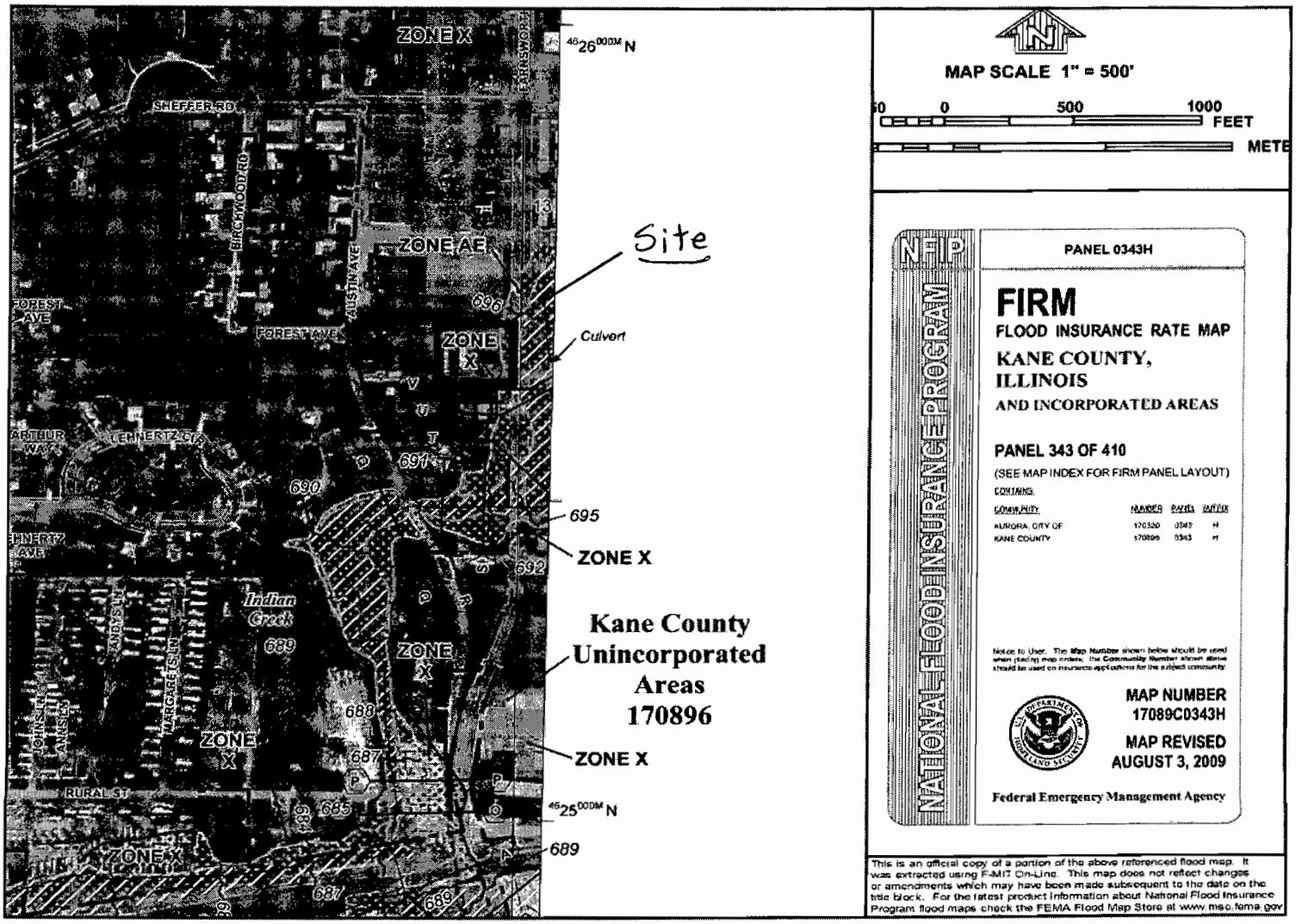
***Certificate of Good Standing at Attachment – 1.**



Organizational Chart
ATTACHMENT - 4

Flood Plain Requirements

The proposed site for the establishment of Fresenius Kidney Care East Aurora complies with the requirements of Illinois Executive Order #2005-5. While there is a minimal amount of the property easement along the road that lies in a 100-year flood plain, the location of the building does not. In the unlikely event that the roadway were to become temporarily impassible due to flooding Fresenius Kidney Care would arrange for transportation and treatment at other area Fresenius clinics.



Flood Plain Determination
ATTACHMENT - 5

Illinois Historic Preservation Agency

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 524-7525
www.illinoishistory.gov

Kane County
Aurora
CON - Demolition and New Construction to Establish a 12-station Dialysis Facility
810 N. Farnsworth Ave.
IHPA Log #004041516

April 27, 2016

Lori Wright
Fresenius Medical Care
3500 Lacey Road, suite 900
Downers Grove, IL 60515

Dear Ms. Wright:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5031.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Historical Determination
ATTACHMENT 6

For TTY communication, dial 888-440-9009. It is not a voice or fax line.

SUMMARY OF PROJECT COSTS

Modernization	
General Conditions	62,500
Temp Facilities, Controls, Cleaning, Waste Management	3,125
Concrete	16,000
Masonry	19,000
Metal Fabrications	9,400
Carpentry	110,000
Thermal, Moisture & Fire Protection	22,255
Doors, Frames, Hardware, Glass & Glazing	85,600
Walls, Ceilings, Floors, Painting	202,000
Specialities	15,600
Casework, Fl Mats & Window Treatments	7,500
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	400,000
Wiring, Fire Alarm System, Lighting	241,700
Miscelleanous Construction Costs	55,244
Total	**$1,249,924**

Contingencies	**$123,539**

Architecture/Engineering Fees	**$134,600**

Moveable or Other Equipment	
Dialysis Chairs	30,000
Clinical Furniture & Equipment	35,000
Office Equipment & Other Furniture	35,000
Water Treatment	180,000
TVs & Accessories	30,000
Telephones	20,000
Generator	10,000
Facility Automation	20,000
Other miscellaneous	15,000
	$375,000

Fair Market Value of Leased Space and Equipment	
FMV Leased Space (7,267 GSF)	3,187,270
FMV Leased Dialysis Machines	200,550
FMV Leased Office Equipment	13,000
	$3,400,820

Grand Total	**$5,283,883**

Itemized Costs

ATTACHMENT - 7

Current CON Permits and Status

Project Number	Project Name	Project Type	Completion Date	Comment
#14-012	Fresenius Medical Care Gurnee	Relocation/Expansion	12/31/2016	Open 3/21/16
#14-019	Fresenius Medical Care Summit	Establishment	12/31/2016	Opening 5/16
#13-040	Fresenius Medical Care Lemont	Establishment	09/30/2016	Opening 5/16
#14-041	Fresenius Medical Care Elgin	Expansion	06/30/2016	Done – Waiting for CMS
#14-026	Fresenius Medical Care New City	Establishment	06/30/2016	Construction Underway
#14-047	Fresenius Medical Care Humboldt Park	Establishment	12/31/2016	Construction Underway
#14-065	Fresenius Medical Care Plainfield North	Relocation	12/31/2016	Construction Underway
#15-001	Fresenius Medical Care Steger	Expansion	12/31/2016	Done – Waiting for CMS
#15-022	Fresenius Medical Care Blue Island	Expansion	12/31/2016	Const. End Date 6/16
#15-024	Fresenius Medical Care Chicago	Change of Ownership	12/31/2016	In Negotiations
#15-034	Fresenius Medical Care South Holland	Expansion	12/31/2015	Construction Underway
#15-028	Fresenius Medical Care Schaumburg	Establishment	02/28/2017	Bidding/Permitting
#15-036	Fresenius Medical Care Zion	Establishment	06/30/2017	Bidding/Permitting
#15-062	Fresenius Medical Care Belleville	Establishment	12/31/2017	Bidding/Permitting

Cost Space Requirements

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

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
In-Center Hemodialysis	$4,171,452		5,687		5,687		
Total Clinical	$4,171,452		5,687		5,687		
NON REVIEWABLE							
Non-Clinical (Administrative, Mechanical, Staff, Waiting Room Areas)	$1,112,431		1,580		1,580		
Total Non-clinical	$1,112,431		1,580		1,580		
TOTAL	**$5,283,883**		**7,267**		**7,267**		

Fresenius Kidney Care

Fresenius Kidney Care is the leading provider of dialysis products and services in the world and as such has a long-standing commitment to adhere to high quality standards, to provide compassionate patient centered care, educate patients to become in charge of their health decisions, implement programs to improve clinical outcomes while reducing mortality & hospitalizations and to stay on the cutting edge of technology in development of dialysis related products.

Alongside our core business with dialysis products and the treatment of dialysis patients, Fresenius Kidney Care maintains a network of additional medical services to better address the full spectrum of our patients' health care needs. These include pharmacy services, vascular, cardiovascular and endovascular surgery services, non-dialysis laboratory testing services, physician services, hospitalist and intensivist services, non-dialysis health plan services and urgent care services. We have a singular focus: improving the quality of life of every patient every day.

The size of the company and range of services provides healthcare partners/employees and patients with an expansive range of resources from which to draw experience, knowledge and best practices. It has also allowed it to establish an unrivaled emergency preparedness and disaster relief program that's designed to provide life sustaining dialysis care to dialysis patients whose access to clinics are disrupted in areas of the U.S. that are compromised by disaster (e.g. hurricanes, tornadoes, earthquakes). Through this program we also provide clinics, employees and others with essential supplies such as generators, gasoline and water.

Quality Measures – Fresenius Kidney Care continually tracks five quality measures on all patients. These are:

- eKdrt/V – tells us if the patient is getting an adequate treatment
- Hemoglobin – monitors patients for anemia
- Albumin – monitors the patient's nutrition intake
- Phosphorus – monitors patient's bone health and mineral metabolism
- Catheters – tracks patients access for treatment, the goal is no catheters which leads to better outcomes

The above measures as well as other clinic operations are discussed each month with the Medical Directors, Clinic Managers, Social Workers, Dietitians, Area Managers and referring nephrologists at each clinic's Quality Assessment Performance Improvement (QAI) meeting to ensure the provision of high quality care, patient safety, and regulatory compliance.

INITIATIVES that Fresenius has implemented to bring about better outcomes and increase the patient's quality of life are the TOPS program, Right Start Program and The Catheter Reduction Program.

TOPs Program (Treatment Options) – This is a company-wide program designed to reach the pre-ESRD patient (also known as CKD – Chronic Kidney Disease) to educate them about available treatment options when they enter end stage renal disease. TOPs programs are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, home hemodialysis, peritoneal dialysis and nocturnal dialysis.

Right Start Program – This is an intensive 90-day intervention program for the new dialysis patient centering on education, anemia management, adequate dialysis dose, nutrition, reduction of catheter use, review of medications and logistical and psychosocial support. The Right Start Program results in improved morbidity and mortality in the long term but also notably in the first 90 days of the start of dialysis.

Catheter Reduction Program – This is a key strategic clinical initiative to support nephrologists and clinical staff with increasing the number of patients dialyzed with a permanent access, preferably a venous fistula (AVF) versus a central venous catheter (CVC) venous fistula). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates. Overall adequacy of dialysis treatment also increases with the use of the AVF.

Diabetes Care Partnership - Fresenius Kidney Care and Joslin Diabetes Center, the world's preeminent diabetes research, clinical care and education organization, announced an agreement to jointly develop renal care programs in select Joslin Affiliated Centers for patients with diabetic kidney disease (DKD). Fresenius and Joslin will jointly develop clinical guidelines and effective care delivery systems to manage high blood pressure, glucose, and nutrition in patients with DKD. In addition, the organizations will help educate patients as they prepare for the possibility of end stage renal disease (ESRD) and the necessity for dialysis or kidney transplantation. Fresenius Medical Care and Joslin's multidisciplinary and coordinated approach to chronic disease management will seek to improve patient outcomes while reducing unnecessary or lengthy hospitalizations, drug interactions and overall morbidity and mortality associated with uncoordinated care.

Locally, in Illinois, Fresenius Kidney Care is a predominant supporter of the National Kidney Foundation of Illinois (NKFI), Kidney Walk in downtown Chicago. Fresenius Kidney Care employees in Chicago alone raised $22,000 for the foundation. The NKFI is an affiliate of the National Kidney Foundation, which funds medical research improving lives of those with kidney disease, prevention screenings and is a leading educator on kidney disease. Fresenius Kidney Care also donates another $25,000 annually to the NKFI and another $5,000 in downstate Illinois.

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TOP education
Treatment Options Program

Welcome to the Treatment Options Program

Over the next hour you will learn:

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

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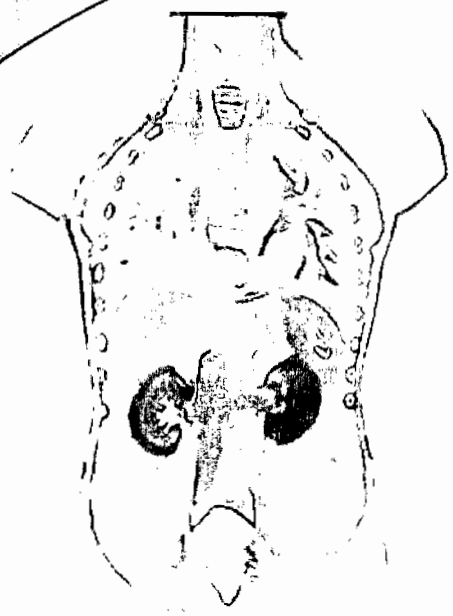
Treatment Options Program

Your Kidneys and What They Do



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

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What is Chronic Kidney Disease (CKD)?

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

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

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

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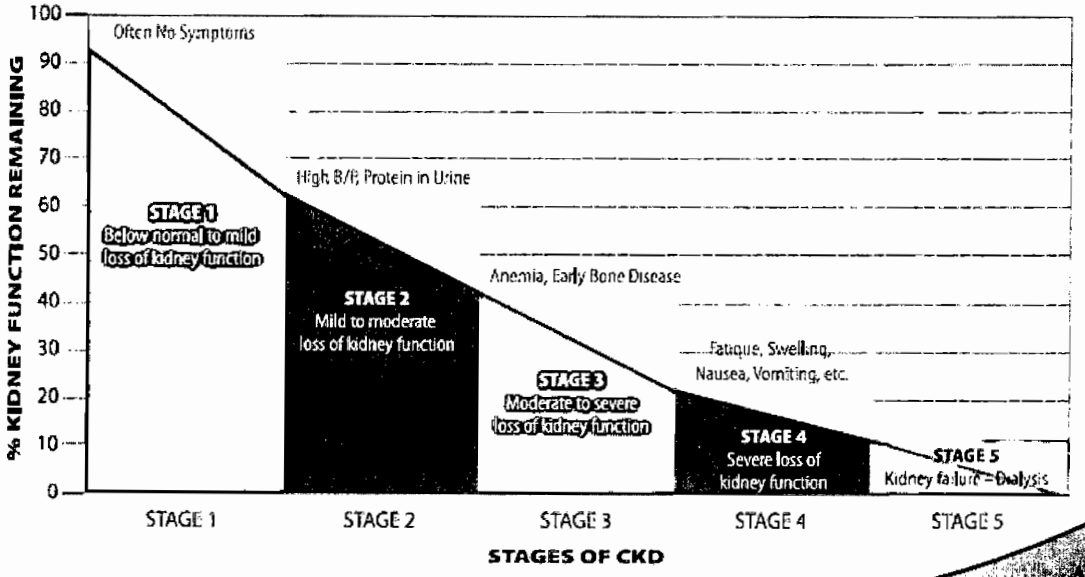
The progression of CKD



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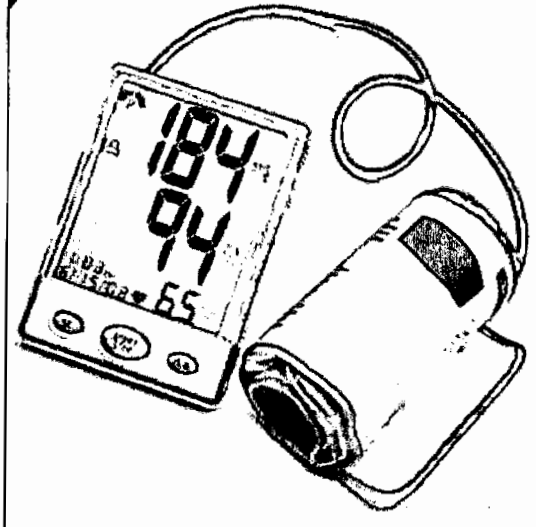
Common Causes of Chronic Kidney Disease (CKD):



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

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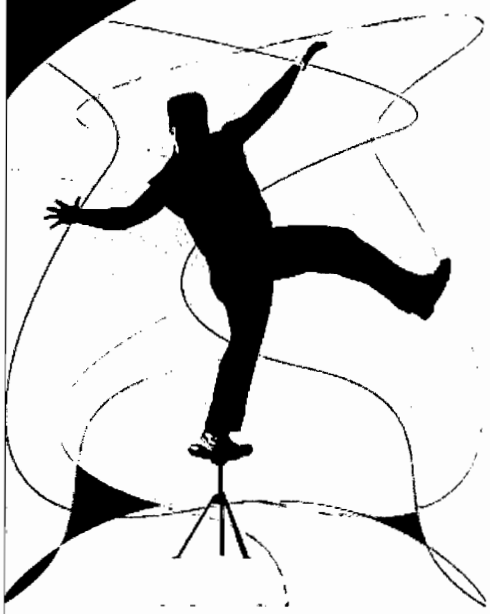
What Happens to Your Body with Chronic Kidney Disease?



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

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Symptoms of Chronic Kidney Disease (CKD)

Common symptoms of CKD include:

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

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

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

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

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People Like You

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

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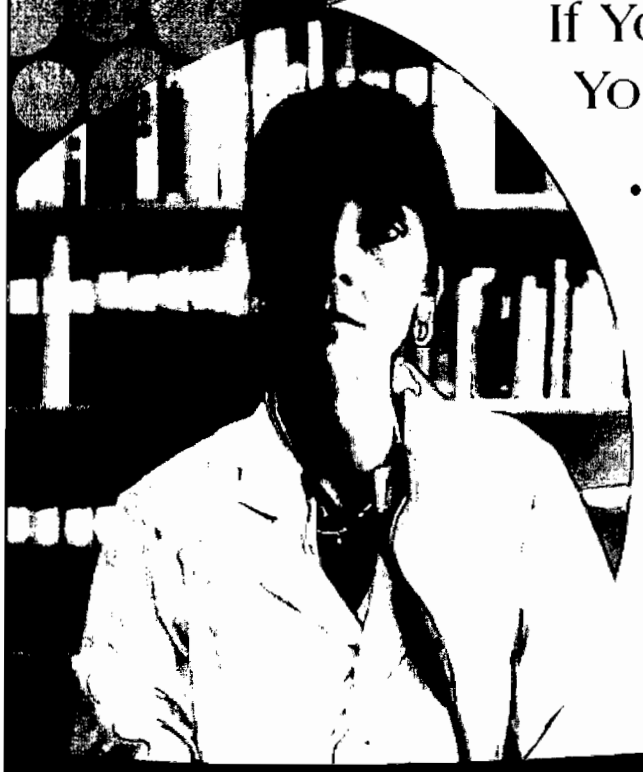
Treatment Options Program



If You Have CKD You Need to Know:

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

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Managing Your CKD

Diet & Medication

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

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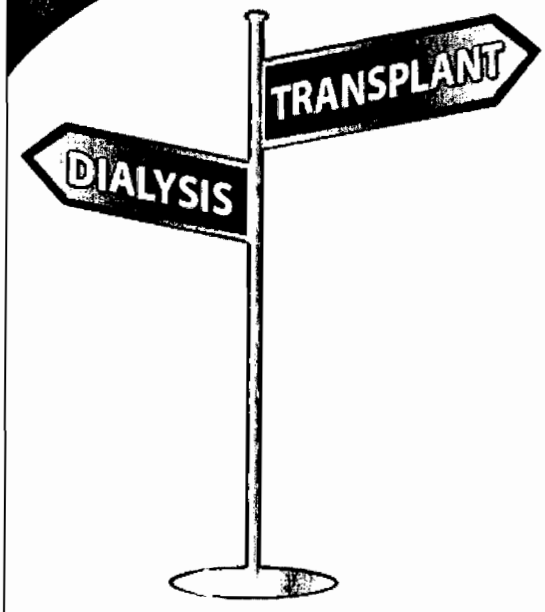
Treatments for Kidney Failure or ESRD



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

  Two types of treatments to remove excess fluid and waste from your blood
  - Peritoneal Dialysis (PD)
  - Hemodialysis (HD)

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The Transplant Option

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

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A Kidney Transplant is Not for Everyone

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

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

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

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Finding a donor kidney

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

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Caring for the Donated Kidney

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

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Kidney Transplant Option

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

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

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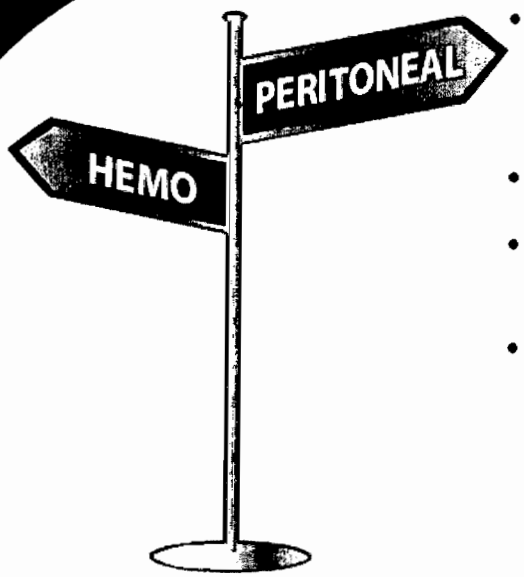
The Dialysis Options



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

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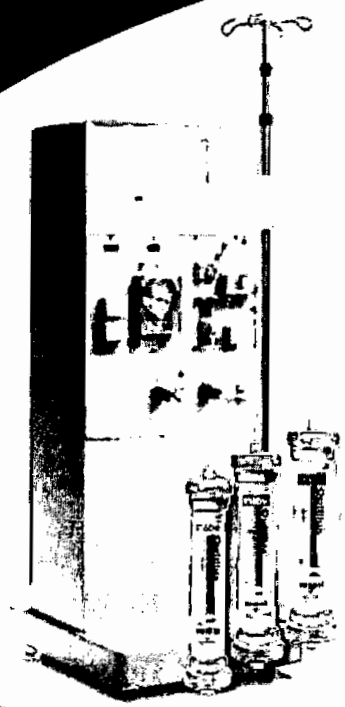
Hemodialysis



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

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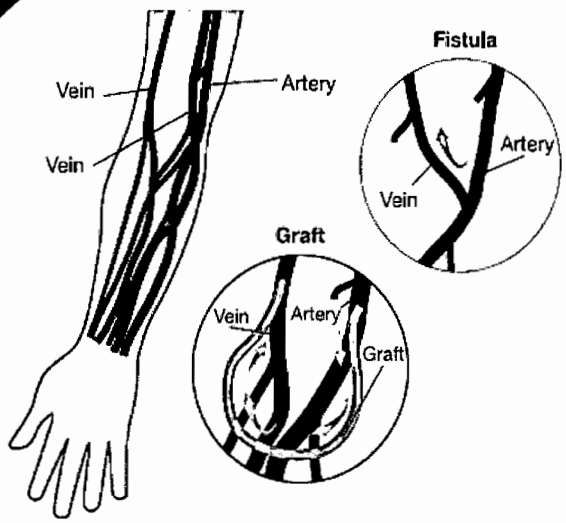
Hemodialysis Access



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

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In-Center Hemodialysis Option

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

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In-Center Nocturnal (night-time) Hemodialysis Option

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

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In-Center Hemodialysis Considerations

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

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

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Home Hemodialysis Option

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

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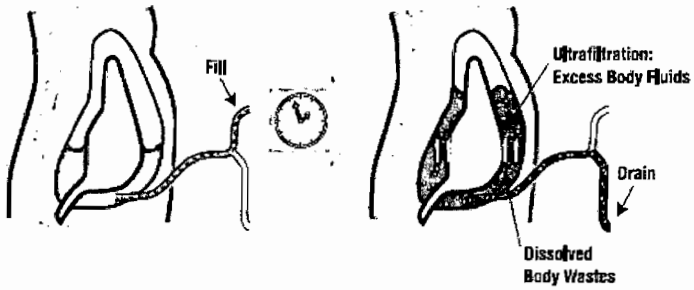
Peritoneal Dialysis (PD)



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

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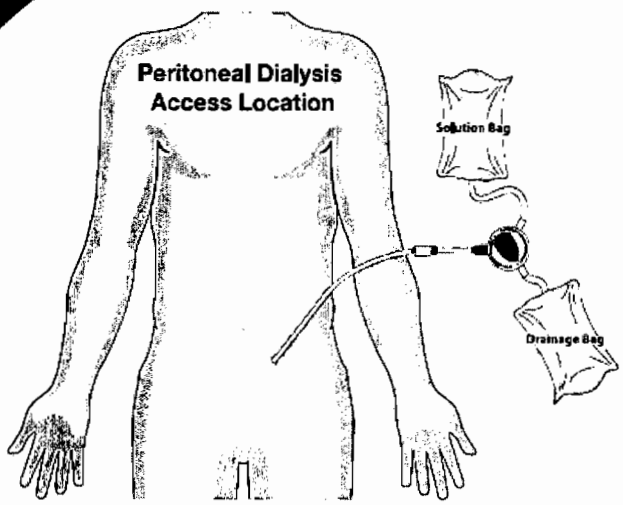
Peritoneal Dialysis Access



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

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Two types of PD

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

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

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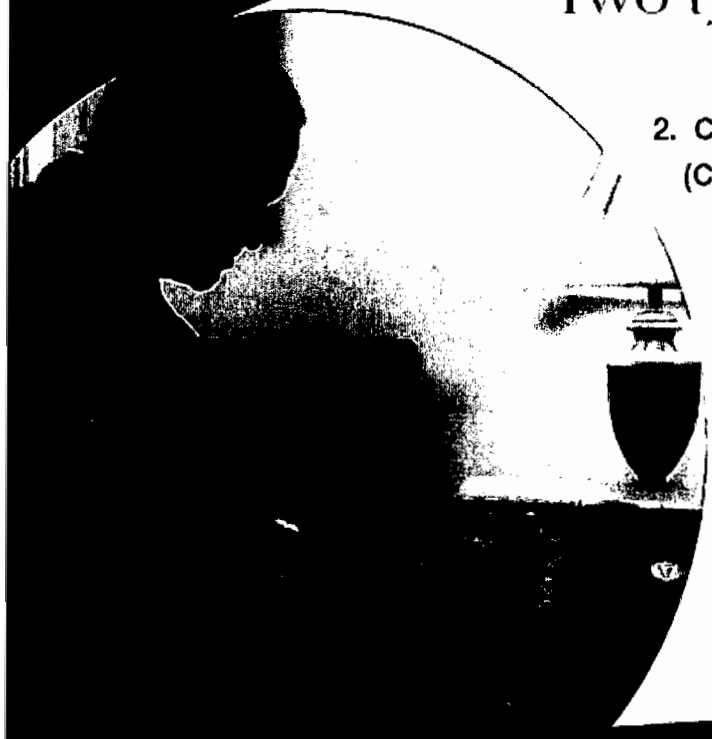
Two types of PD



2. Continuous Cycling Peritoneal Dialysis (CCPD)

- A machine-controlled process usually done overnight while sleeping, for about 9-10 hours
- Solution remains in the peritoneum during the day until you go to bed and hook up to the machine
- Occasionally some patients require an additional exchange during the daytime

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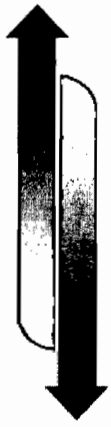
Peritoneal Dialysis Option

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



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

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Treatment Options Program

Dialysis Options Comparison

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

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

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

Fresenius Medical Care

FRESENIUS MEDICAL CARE

TOP education

Treatment Options Program

People Like You

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

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

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

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

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

Fresenius Kidney Care In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip
Aledo	14-2658	409 NW 9th Avenue	Aledo	61231
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002
Aurora	14-2515	455 Mercy Lane	Aurora	60506
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651
Belleville	-	6525 W. Main Street	Belleville	62223
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406
Bolingbrook	14-2605	329 Remington	Boilingbrook	60440
Breese	14-2637	160 N. Main Street	Breese	62230
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609
Burbank	14-2641	4811 W. 77th Street	Burbank	60459
Carbondale	14-2514	1425 Main Street	Carbondale	62901
Centre West Springfield	14-2546	1112 Centre West Drive	Springfield	62704
Champaign	14-2588	1405 W. Park Street	Champaign	61801
Chatham	14-2744	333 W. 87th Street	Chicago	60620
Chicago Dialysis	14-2506	1806 W. Hubbard Street	Chicago	60622
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608
Cicero	14-2754	3000 S. Cicero	Chicago	60804
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445
Decatur East	14-2603	1830 S. 44th St.	Decatur	62521
Deerfield	14-2710	405 Lake Cook Road	Deefield	60015
Des Plaines	14-2774	1625 Oakton Place	Des Plaines	60018
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185
DuQuoin	14-2595	825 Sunset Avenue	DuQuoin	62832
East Peoria	14-2562	3300 North Main Street	East Peoria	61611
Elgin	14-2726	2130 Point Boulevard	Elgin	60123
Elk Grove	14-2507	901 Biesterfield Road, Ste. 400	Elk Grove	60007
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609
Geneseo	14-2592	600 North College Ave, Suite 150	Geneseo	61254
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139
Glenview	14-2551	4248 Commercial Way	Glenview	60025
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619
Gurnee	14-2549	101 Greenleaf	Gurnee	60031
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429
Highland Park	14-2782	1657 Old Skokie Road	Highland Park	60035
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195
Humboldt Park	-	3500 W. Grand Avenue	Chicago	60651
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649
Joliet	14-2739	721 E. Jackson Street	Joliet	60432
Kewanee	14-2578	230 W. South Street	Kewanee	61443
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613
Lemont	-	16177 W. 127th Street	Lemont	60439
Logan Square	14-2766	2721 N. Spalding	Chicago	60647
Lombard	14-2722	1940 Springer Drive	Lombard	60148
Macomb	14-2591	523 E. Grant Street	Macomb	61455
Maple City	14-2790	1225 N. Main Street	Monmouth	61462
Marquette Park	14-2566	6515 S. Western	Chicago	60636
McHenry	14-2672	4312 W. Elm St.	McHenry	60050
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960
Midway	14-2713	6201 W. 63rd Street	Chicago	60638
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448
Moline	14-2526	400 John Deere Road	Moline	61265
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450
Mundelein	14-2731	1400 Townline Road	Mundelein	60060
Naperbrook	14-2765	2451 S Washington	Naperville	60565

Facility List
ATTACHMENT - 11

Clinic	Provider #	Address	City	Zip
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563
New City	-	4622 S. Bishop Street	Chicago	60609
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714
Normal	14-2778	1531 E. College Avenue	Normal	61761
Norridge	14-2521	4701 N. Cumberland	Norridge	60656
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630
Northcenter	14-2531	2620 W. Addison	Chicago	60618
Northfield	14-2771	480 Central Avenue	Northfield	60093
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611
Oak Forest	14-2764	5340A West 159th Street	Oak Forest	60452
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462
Oswego	14-2677	1051 Station Drive	Oswego	60543
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350
Palatine	14-2723	691 E. Dundee Road	Palatine	60074
Pekin	14-2571	3521 Veteran's Drive	Pekin	61554
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544
Polk	14-2502	557 W. Polk St.	Chicago	60607
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764
Prairie	14-2569	1717 S. Wabash	Chicago	60616
Randolph County	14-2589	102 Memorial Drive	Chester	62233
Regency Park	14-2558	124 Regency Park Dr., Suite 1	O'Fallon	62269
River Forest	14-2735	103 Forest Avenue	River Forest	60305
Rock Island	14-2703	2623 17th Street	Rock Island	61201
Rock River - Dixon	14-2645	101 W. Second Street	Dixon	61021
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008
Roseland	14-2690	135 W. 111th Street	Chicago	60628
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621
Round Lake	14-2616	401 Nippersink	Round Lake	60073
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946
Sandwich	14-2700	1310 Main Street	Sandwich	60548
Schaumburg	-	815 Wise Road	Schaumburg	60193
Silvis	14-2658	880 Crosstown Avenue	Silvis	61282
Skokie	14-2618	9801 Wood Dr.	Skokie	60077
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617
South Deering	14-2756	10559 S. Torrence Ave.	Chicago	60617
South Holland	14-2542	17225 S. Paxton	South Holland	60473
South Shore	14-2572	2420 E. 79th Street	Chicago	60649
Southside	14-2508	3134 W. 76th St.	Chicago	60652
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461
Southwestern Illinois	14-2535	7 Professional Drive	Alton	62002
Spoon River	14-2565	340 S. Avenue B	Canton	61520
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362
Steger	14-2725	219 E. 34th Street	Steger	60475
Streator	14-2695	2356 N. Bloomington Street	Streator	61364
Summit	-	7319-7322 Archer Avenue	Summit	60501
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640
Waterloo	14-2789	624 Voris-Jost Drive	Waterloo	62298
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510
West Belmont	14-2523	4943 W. Belmont	Chicago	60641
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185
West Metro	14-2536	1044 North Mozart Street	Chicago	60622
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302
West Willow	14-2730	1444 W. Willow	Chicago	60620
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527
Zion	-	1920-1920 N. Sheridan Road	Zion	60099

Certification & Authorization

Fresenius Medical Care East Aurora, LLC

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

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

By: _____

ITS: Bryan Mello ~~Assistant Treasurer~~

Notarization:
Subscribed and sworn to before me
this 13th day of April, 2016

_____
Signature of Notary

Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

ATTACHMENT - 11

Certification & Authorization

Fresenius Medical Care Holdings, Inc.

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

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

By: _____

ITS: Bryan Mello Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 20th day of April, 2016

_____
Signature of Notary

Seal

By: _____

ITS: Maria T. C. Notar Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 20th day of April, 2016

_____
Signature of Notary

Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

ATTACHMENT - 11

Criterion 1110.230 – Purpose of Project

The purpose of this project is to address an identified need for 22 stations in HSA 8 and the lack of access to dialysis services in Aurora, much of which is a Federally Designated Medically Underserved Area. Currently the Fresenius Aurora facility is at capacity and operating a 4th shift. This facility has been **operating at an average 97% utilization for the past ten years** despite station additions. The only other facility in Aurora, Fox Valley, is at 75% utilization. Additional access has been needed for many years to alleviate the excessive demand for services placed on the Fresenius Aurora facility which is located on the campus of Presence Mercy Medical Center.

This application submission is Fresenius Kidney Care's 3rd attempt since 2010 for approval to maintain ESRD services in East Aurora where there is a growing minority population that is economically challenged and experiences a high incidence of End Stage Renal Disease (ESRD). The facility is strategically located to serve a Federally Designated Medically Underserved Area (MUA). The site chosen for previous submissions was held off the market for several years while attempting to gain CON approval. While it was an ideal site in the heart of the MUA, it is no longer available for development.

Aurora is the second largest city in Illinois and is primarily in Kane County in HSA 8. It is 43% Hispanic and 12% African American. These populations are twice as likely to develop diabetes and/or high blood pressure leading to kidney disease. There is a need for 22 additional stations in HSA 8. Some sections of Aurora lie in Kendall and Will counties in HSA 9 and another section lies in DuPage County in HSA 7. Combined these 3 HSAs show a need for a total of 101 stations. Due to its location it will be able to serve residents of all three HSAs experiencing need.

This facility is necessary to lighten the patient load on the Fresenius Aurora facility and to provide access for new ESRD patients of Dr. Dodhia's who live in Aurora, especially the MUA residents who experience extra hardships relating to their economic and social status. Dr. Dodhia and his partner Dr. Fakhruddin refer patients to the existing Fresenius Aurora, Oswego, West Batavia, and Sandwich facilities and also to Fox Valley Dialysis, in Aurora.

The goal of Fresenius Kidney Care is to keep dialysis access available to this constantly growing minority patient population as evidenced by the continued high utilization in the years since Fresenius' first proposal for a facility here. Time is of the essence and access to treatment cannot be further postponed. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. The Fresenius Aurora facility of which Dr. Dodhia is the medical director has exceptional quality outcomes and the same is expected of the proposed East Aurora facility as listed below:

- 96% of patients had a URR $\geq$ 65%
- 97% of patients had a Kt/V $\geq$ 1.2

(Demographic data contained in the application was taken from http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml. Clinic utilization from HFSRB and ESRD zip code census was received from The Renal Network.)

Alternatives

1) All Alternatives

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

After two failed attempts to establish a new dialysis clinic to provide dialysis services to the Medically Underserved Area in Aurora (#10-086 and #11-120) Fresenius Kidney Care pursued the alternative of expanding the current Fresenius Aurora facility on the campus of Presence Mercy Medical Center by 8 stations in order to reduce facility utilization (100% as of 3/30/16) and create access for patients new to dialysis.

This facility was expanded from 14 to 20 stations in 2010 and again by 4 stations in 2012 (based on completion dates). At this point the structure is no longer able to expand further on this site. Planning teams spent many months working with Hospital administration and internal construction specialists drawing up a plan to squeeze 8 more stations into the current space. While a plan was devised it would create a cramped and inefficient treatment floor with limited visibility to the patients receiving treatment in the new stations. It was decided, for patient safety reasons, to reject this option. The cost of this alternative would have been approximately $800,000.

B. Pursuing a joint venture or similar arrangement with one or more providers of 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.

The ownership of this facility is structured so that should the physicians desire to buy into the facility at a later date they would be able to do so. Fresenius Kidney Care, however, always maintains control of its facilities.

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

Facility	City	MapQuest		X 1.15	March 2016		
		Miles	Time	Adj	Stations	Patients	Utl
Renaissance Fox Valley	**Aurora**	**3.74**	**8**	**9.2**	**29**	**129**	**74.14%**
Fresenius Aurora	**Aurora**	**3.07**	**8**	**9.2**	**24**	**144**	**100.00%**
Facilities below are 10-20 miles away and approximately 20-30 mintues away. Many require highway travel and do not serve Aurora residents.							
Fresenius Naperville North	Naperville	9.79	16	18.4	21	77	61.11%
Fresenius West Batavia	Batavia	9.8	17	19.55	12	41	56.94%
Fresenius Oswego	Oswego	9.74	18	20.7	11	63	95.45%
Fresenius DuPage West	West Chicago	10.33	18	20.7	16	67	69.79%
USR Oak Brook	Downers Grove	17.05	20	23	13	56	71.79%
Fresenius Downers Grove	Downers Grove	17.57	20	23	16	63	65.63%
Renaissance Tri-Cities	Geneva	11.91	21	24.15	20	60	50.00%
Fresenius Lombard	Lombard	17.48	23	26.45	12	52	72.22%
Fresenius Naperbrook	Naperville	12.03	24	27.6	16	89	92.71%
Fresenius West Chicago	West Chicago	14.37	25	28.75	12	45	62.50%
Renaissance Yorkville	Yorkville	19.68	26	29.9	8	14	29.17%

There is no reasonable access to dialysis services for the medically underserved residents of East Aurora who begin dialysis. The two facilities serving this area are full, operating at a combined utilization rate of 87%. The Fresenius Aurora facility is at capacity and has no capability to expand further.

All other facilities considered within 30 minutes travel time are 10-20 miles and nearly 20-30 minutes away. Many require highway travel. The patients of this MUA are not able to travel outside of Aurora without being burdened by travel hardships and loss of continuity of care. It is costly, and detrimental, for a chronically ill patient who has been seeing a physician in some cases for years, to have to make a switch at a critical time – when beginning dialysis. Therefore the alternative of allowing the patients to use other health care facilities is not a truly viable alternative especially considering the service area is a MUA. There is no monetary cost to this alternative.

- When reconsidering bringing this project back before the Board for review we attempted to lease the site we had originally secured in 2009 for our 1st and 2nd CON submissions for this MUA and found the site no longer available. The cost of going forward with this site, if available, would be similar to this project.

- Site searches were then performed within the boundaries of the east side of the Aurora MUA and no suitable sites were found. One that was identified was situated in a flood plain with known frequent flooding and rejected. Another ideal site for a dialysis clinic was found approximately a mile north of the MUA close to the current Fresenius Aurora facility however that site was rejected because Dr. Dodhia wanted to be closer to the patients he serves who live in the MUA and he also wanted to be close to the VNA Federally Qualified Health Center where he volunteers.

- The only other site that could be found to serve this MUA is the site as listed in this application which is approximately 2 blocks outside the MUA boundary line, however it will still serve the same population. This site is also only a few blocks from the VNA FQHC where Dr. Dodhia will be donating his time.

As discussed further in this application, the most desirable alternative to keep access to dialysis services available in the underserved East Aurora area market is to establish the Fresenius East Aurora facility in a location that can readily serve the patients in the MUA. The cost of this project is $5,283,883.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Expand Current Fresenius Kidney Care's Aurora facility.	$800,000	This alternative would create additional access to treatment, but at a cost to the patients by reducing patient parking and creating an inefficient facility with patient safety concerns.	The only area the facility could potentially expand would create a treatment floor where all patients are not readily visible to staff which would put the patient's safety at risk.	Cost would be to Fresenius Kidney Care only, however would not create a desired outcome of access and patient safety.
Joint Venture	$5,283,883	This facility's ownership is structured so that the physicians can invest at a later date if they so choose ; however even if it became a joint venture it would not impact patient access, quality or costs. The total project costs would be shared between Fresenius Kidney Care and the physicians.		
Utilize Area Providers	$0	Fresenius Aurora is at capacity and there is only room for 10 more patients at Fox Valley Aurora before reaching 80%. There is no access for additional patients.	Patients may miss treatments due to transportation roadblocks relating to their economic/social status resulting in lower quality markers.	No financial cost to Fresenius Kidney Care Health care costs increase as patient's quality declines. Cost of patient's transportation would increase.

Establish Fresenius Kidney Care East Aurora inside the boundaries of the MUA.	$5,500,000+	Patient access would be similar, however the only sites available were fully located in a flood plain where there is known frequent flooding.	Quality would remain above standards as at the current Fresenius Aurora facility unless the facility experienced flooding and temporary closures.	Construction costs would be higher due to building regulations to account for the flood plain.
Establish Fresenius Kidney Care East Aurora at 810 N. Farnsworth, Aurora	$5,283,883	Access to dialysis services will be maintained and enhanced in this underserved market area of Aurora that experiences an above average prevalence of ESRD.	Patient clinical quality would remain above standards. Patient satisfaction and quality of life would improve with easier access to treatment in their neighborhood and access to favored treatment times.	The cost is to Fresenius Kidney Care only, who is willing to invest in this underserved market.

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

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. Patients at Fresenius Medical Care Aurora where Dr. Dodhia is the Medical Director, have achieved average adequacy outcomes of:

- 96% of patients had a URR $\geq$ 65%
- 97% of patients had a Kt/V $\geq$ 1.2

and same is expected for Fresenius Kidney Care East Aurora.

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD 450-650 BGSF Per Station**	**DIFFERENCE**	**MET STANDARD?**
ESRD IN-CENTER HEMODIALYSIS	5,687 (12 Stations)	5,400 – 7,800 BGSF	None	Yes
Non-clinical	1,580	N/A	N/A	N/A

As seen in the chart above, the State Standard for ESRD is between 450 - 650 BGSF per station or 5,400 – 7,800 BGSF. The proposed 5,687 BGSF for the in-center hemodialysis space falls within this range therefore meeting the State standard.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	**HISTORICAL UTILIZATION**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MET STANDARD?**
YEAR 1	IN-CENTER HEMODIALYSIS	Not Applicable New Facility	61%	80%	No
YEAR 2	IN-CENTER HEMODIALYSIS		93%	80%	Yes

Dr. Dodhia has identified 81 pre-ESRD patients in his practice who live in the Aurora zip codes and are expected to begin dialysis in the first two years after the East Aurora facility is in operation. With the current Fresenius Aurora facility at capacity these 81 patients will need to be referred to the proposed East Aurora facility. Taking into account patient attrition and varying rates at which patients progress through the disease stages, approximately 57 would be expected to require dialysis services at the East Aurora facility during the first two years it is in operation.

In addition to the identified pre-ESRD patients, a conservative estimate of 10 current Fresenius Aurora patients who will transfer to the new location (almost half of those identified) will bring the facility above the 80% State target utilization within two years of it beginning operations.

These referral rates are consistent with the historic referrals. Dr. Dodhia referred 24 new ESRD patients to the Fresenius Aurora facility in 2015, however his is not the only physician practice referring patients to the Aurora facility.

Planning Area Need – Formula Need Calculation:

The proposed Fresenius Kidney Care East Aurora dialysis facility is located in Kane County in HSA 8. HSA 8 is comprised of Lake, McHenry, and Kane Counties. According to the May 2016 Inventory there is a need for 22 stations in this HSA.

2. Planning Area Need – Service To Planning Area Residents:

A. The primary purpose of this project is to provide in-center hemodialysis services to a Federally Designated Medically Underserved Area (MUA) of Aurora (HSA 8). 95% of the patients identified for the East Aurora facility reside in HSA 8.

County	HSA	# Pre-ESRD Patients Who Will Be Referred to Fresenius Medical Care East Aurora
Kane	8	77 Pts. 95%
DuPage	7	4 Pts. 5%

Advocate Dreyer – West Aurora
1870 W Galena Blvd
Aurora, Illinois 60506
630-859-6700
advocatedreyer.com

Advocate Dreyer

May 26, 2016

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I am a nephrologist practicing in the far west suburb of Aurora at Advocate Dreyer Medical Clinic along with Dr. Fakhruddin and Dr. Mirza. I am the Medical Director of the Fresenius Aurora and West Batavia dialysis centers. Dr. Fakhruddin is the Medical Director of the Fresenius Oswego and Sandwich dialysis centers. I am writing to give my ongoing support of the much needed East Aurora dialysis facility. In the past 24 years that I have been practicing here, I have seen significant and continual growth of the ESRD population. Since the last CON application for the East Aurora facility was proposed in 2011 our practice has gone from 157 dialysis patients to 251 as of December 2015.

Aurora has a large Hispanic and African American population. At the current Fresenius Aurora facility 38% of the hemodialysis patients there are Hispanic and 27% are African American. The majority of these patients, as well as the pre-ESRD I expect to refer to the new facility, reside in the immediate area of where the East Aurora facility will be located, which is medically underserved. I feel it is necessary to provide for this growing population that experiences a risk of diabetes and hypertension (the two main causes of kidney failure) that is twice as high as the general population. Establishing the facility near where the patients live will improve their access to dialysis services due to the current Freseniua Aurora dialysis facility is operating at consistently high utilization rates.

My practice was treating 150 in-center hemodialysis patients at the end of 2012, 193 patients at the end of 2013, 209 patients at the end of 2014, and 231 patients at the end of 2015 as reported to The Renal Network. In 2015, we referred 69 new ESRD patients for dialysis services to Fresenius Aurora, Oswego, Sandwich and West Batavia. I currently am seeing 81 pre-ESRD patients that reside in the zip codes surrounding the East Aurora proposed facility that I expect to refer to the new facility if they need dialysis. I also conservatively estimate that 20 patients of the current Aurora facility will transfer to the new site.

Physician Referral Letter
ATTACHMENT 26b-4

Advocate Dreyer – West Aurora
1870 W Galena Blvd
Aurora, Illinois 60506
630-859-6700
advocatedreyer.com

Advocate Dreyer

A fourth shift has been started but it is late at night and not convenient for most patients or staff. In addition safety in bad weather is of concern.

No patient has been transferred from any facility to support this or the previous application.

As of today the current Fresenius Aurora dialysis facility is at 104% utilization. We are having difficulty accommodating patients for extra treatments, missed scheduled treatment time, unable to accept transient patients at times or offer a schedule that is convenient for patients who may want to transfer to the facility.

I respectfully ask the Board to reconsider and approve the East Aurora dialysis facility. The Fresenius Aurora clinic is full. The East Aurora clinic will provide a place for my patients to go and reduce the over utilization at the current Aurora facility. Thank you for your consideration.

I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other pending or approved CON application.

Sincerely,

Navinchandra Dodhia, M.D.

Notarization:
Subscribed and sworn to before me
this 26th day of May, 2016

Signature of Notary

Seal

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

Pre-ESRD PATIENTS OF DR. DODHIA'S PRACTICE THAT WILL LIKELY BE REFERRED TO THE EAST AURORA FACILITY

Summary

Zip Code	Patients
60502	4
60504	6
60505	28
60506	43
Total	**81**

Fresenius Aurora Transfers	
Zip Code	**Patients**
60502	2
60505	18
Total	**20**

Patient Initials

60502	
DT	JT
JD	DM

60504	
AC	RB
LB	HK
DC	FV

60505	
GM	FL
MJ	JV
GC	JS
LV	PK
HC	AA
EC	AG
JB	JW
MG	JH
TC	TP
ER	JD
JB	CP
GG	WC
JA	MS
LF	TL

60506	
MM	AS
MG	MF
LT	CC
JV	VA
RM	JL
LS	DK
PD	MT
HK	RR
EO	JB
CL	LM
PR	LB
AS	GG
VL	AF
AE	JP
KM	CM
AW	AE
SF	ZA
BB	WS
CT	LP
VW	MB
GL	JG
TL	

New ESRD Referrals of Dr. Dodhia's Practice 2015

Fresenius Aurora	
Zip Code	Referrals
60505	5
60506	9
60542	1
60543	2
60554	3
60504	1
60502	2
60538	1
Total	**24**

Fresenius Oswego	
Zip Code	Referrals
60502	1
60503	1
60504	3
60505	8
60506	2
60538	6
60543	4
60554	2
60560	2
Total	**29**

Fresenius W Batavia	
Zip Code	Referrals
60134	1
60510	2
60506	3
60175	1
60542	2
60554	1
60120	1
Total	**11**

Fresenius Sandwich	
Zip Code	Referrals
60548	4
60551	1
Total	**5**

Total Referrals 2015
69

In-Center Hemodialysis Patients of Dr. Dodhia's Practice

Fresenius Medical Care Aurora				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60115	1	1	2	2
60440				1
60502	1	1		3
60503	1	1		1
60504		1	3	3
60505	35	32	38	41
60506	45	42	42	41
60510	1	1		
60538	2	7	7	6
60542	10	10	7	6
60543		3	2	2
60540		1		
60554				2
60563	1	1	1	1
60174	1			
60119		1		
Totals	**98**	**102**	**102**	**109**

Fresenius Medical Care West Batavia				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60115			1	
60120				1
60124		1		
60174		2	2	3
60175		1	2	1
60177		1	1	1
60505		2	1	2
60506	1	4	4	6
60510	1	3	5	6
60514		1		
60542	1	2	4	3
60554		1	2	5
60548				1
Total	**3**	**18**	**22**	**29**

Practice Totals	Dec-12	Dec-13	Dec-14	Dec-15
	150	**193**	**209**	**231**

Fresenius Medical Care Oswego				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60502	1	2	2	2
60503	1	1	1	2
60504	1	2	3	5
60505	6	8	10	14
60506	1	2	2	4
60512			1	1
60538	3	6	9	12
60543	5	12	14	10
60545	1	1	1	
60554	1	1	1	1
60560	6	6	7	7
60563		1	1	
Totals	**26**	**42**	**52**	**58**

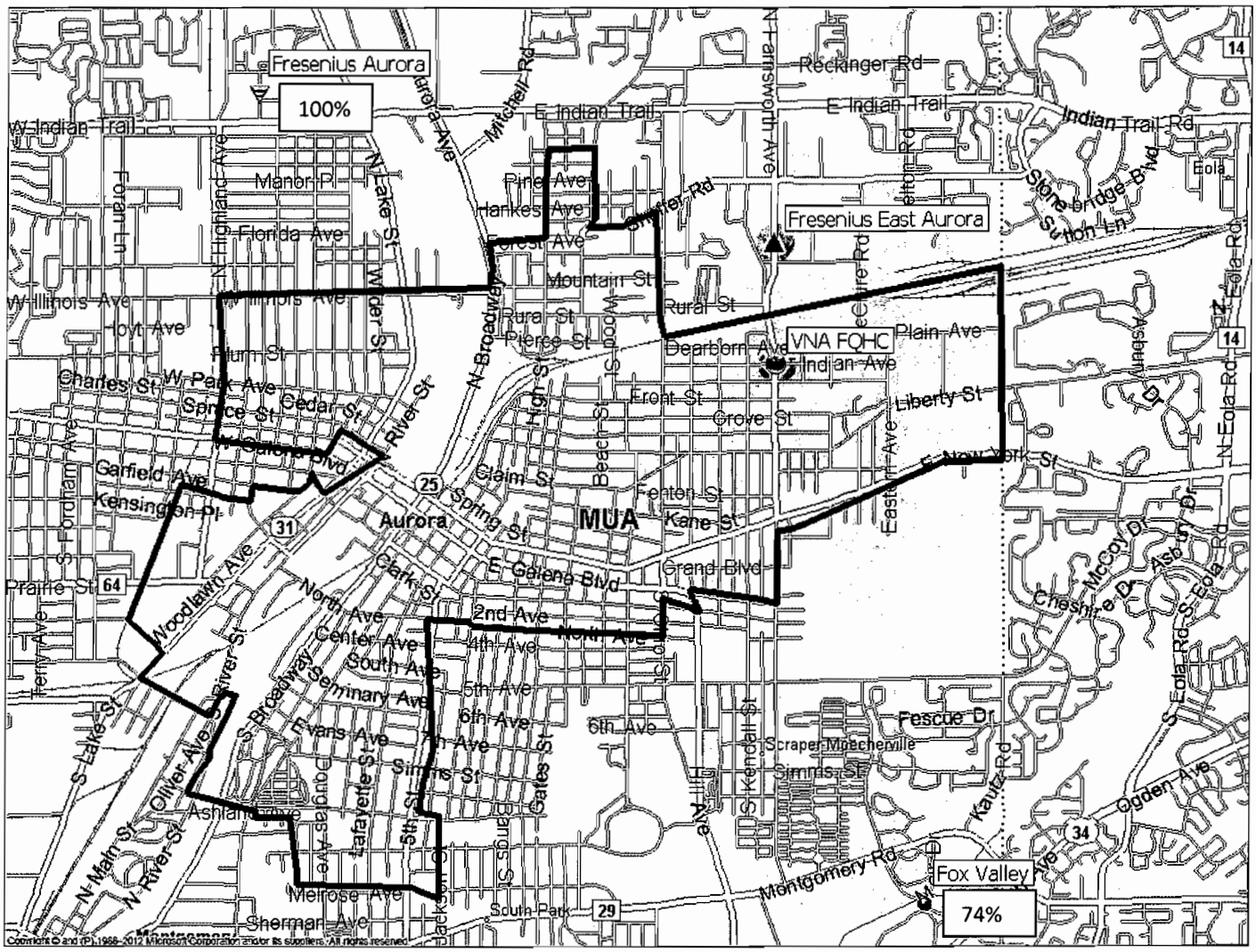
Fresenius Medical Care Sandwich				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60511				1
60115				1
60518		1	1	1
60520	1	3	2	2
60541		2	3	2
60545	2	3	4	4
60548	7	10	12	13
60551	2	4	3	4
60552	2	2	1	
60556	1			1
60560	1	1	2	2
61353	1	1		
Total	**17**	**27**	**28**	**31**

Renaissance Fox Valley Dialysis				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60504	1	1	0	0
60505	1	1	2	2
60506	1	0	0	0
60538	1	0	1	0
60543	2	2	1	2
60585	0	0	1	0
Total	**6**	**4**	**5**	**4**

Service Accessibility – Service Restrictions

The proposed Fresenius Kidney Care East Aurora dialysis facility will be located in HSA 8 in Aurora, which is the second largest city in Illinois, with a need for 22 stations in the HSA. This HSA is comprised of Kane, McHenry and Lake Counties. According to the May 2016 station inventory there is a need for 22 additional stations in this HSA. The city of Aurora also laps over into Kendall County and Will County (HSA 9) and DuPage County (HSA 7). There is a need for a total of 101 stations in these 3 HSAs combined. The East Aurora facility will serve the inner city Aurora healthcare market that is a Federally Designated Medically Underserved Area (MUA).

INNER CITY AURORA FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREA



The nearest available access to dialysis services for Aurora residents is ten-plus miles away. Access limitations exist as they pertain to the market area's qualification as an MUA, existing Aurora facility's utilization, area population demographics, and patient payor status.

FACILITIES WITHIN 30 MINUTES TRAVEL TIME OF FRESENIUS EAST AURORA

Facility	Address	City	Zip Code	MapQuest Miles	MapQuest Time	X 1.15 Adj	March 2016 Stations	March 2016 Patients	March 2016 Utl
Fresenius Aurora	**455 Mercy Ln**	**Aurora**	**60506**	**3.07**	**6**	**6.9**	**24**	**144**	**100.00%**
Renaissance Fox Valley	**1300 Waterford Dr**	**Aurora**	**60504**	**3.74**	**8**	**9.2**	**29**	**129**	**74.14%**
	Facilities below are 10-20 miles away and approximately 20-30 minutes away. Many require highway travel and do not serve the patients residing in Aurora.								
Fresenius Naperville North[1]	516 W 5th Ave	Naperville	60563	9.79	16	18.4	21	77	61.11%
Fresenius West Batavia	2580 W. Fabyan Parkway	Batavia	60510	9.8	17	19.55	12	41	56.94%
Fresenius Oswego	1051 Station Drive	Oswego	60543	9.74	18	20.7	11	63	95.45%
Fresenius DuPage West	450 E Roosevelt Rd	West Chicago	60185	10.33	18	20.7	16	67	69.79%
Fresenius Plainfield North[2]	23430 Riverwalk Court	Plainfield	60544	13.11	20	23	10	14	23.33%
USR Oak Brook	1201 Butterfield Road	Downers Grove	60515	17.05	20	23	13	56	71.79%
Fresenius Downers Grove[3]	3825 Highland Ave	Downers Grove	60515	17.57	20	23	16	63	65.63%
Renaissance Tri-Cities	306 Randall Rd	Geneva	60134	11.91	21	24.15	20	60	50.00%
Fresenius Lombard	1940 Springer Dr	Lombard	60148	17.48	23	26.45	12	52	72.22%
Fresenius Naperbrook	2451 S. Washington	Naperville	60565	12.03	24	27.6	16	89	92.71%
Fresenius West Chicago	1890 N Neltnor Blvd.	West Chicago	60185	14.37	25	28.75	12	45	62.50%
Renaissance Yorkville	1400 N Beecher Road	Yorkville	60560	19.68	26	29.9	8	14	29.17%
						Totals	**220**	**914**	

1) Naperville North in beginning of 2-year ramp up phase after addition of 7 stations.

2) Plainfield North relocation will open at end of 2016 and begin 2-year ramp up phase.

3) Downers Grove reducing stations by 3 from 19 to 16.

70% avg. utilization of facilities that are not in 2 year ramp up phase

Access restrictions exist due to the high average utilization of the two facilities serving Aurora, which are at a combined utilization rate of 87% as of March 2016. The Fresenius Aurora clinic has had to implement a 4th daily treatment shift that does not conclude until midnight. For new patients to ESRD, this is the only shift available. Treatment at this time of night is not in the best interest of the patients who are ill and most often elderly. There is no additional access to dialysis services within 10 miles of the proposed East Aurora location.

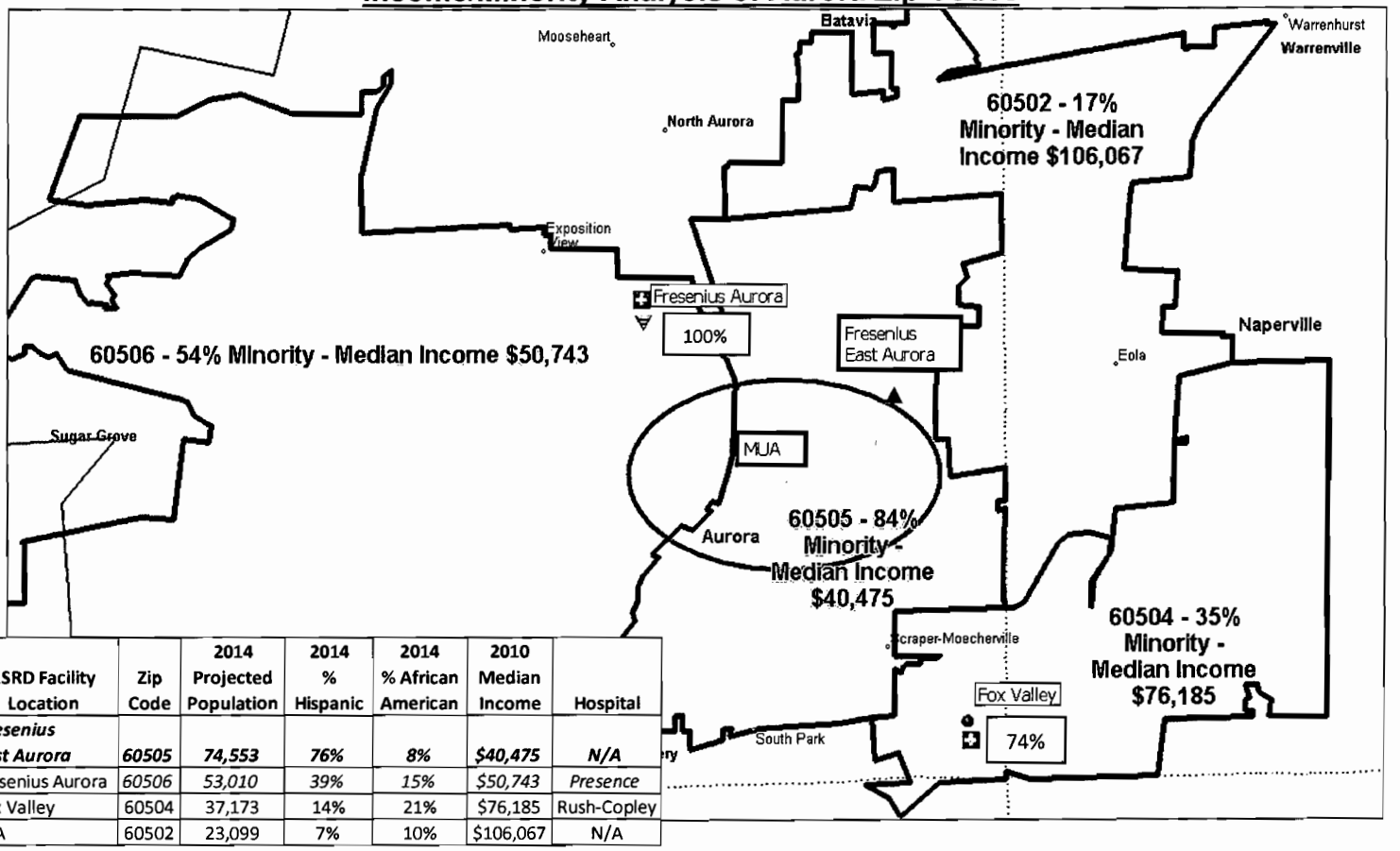
The high utilization rate combined with the distance to additional providers has created lack of access for ESRD patients residing in the inner city area of Aurora that is medically underserved, where there is a determined need for stations.

Area Population/Patient Payor Status

Area demographics correlate to the Aurora market's MUA status. Specifically, the area to be served consists of low income minority residents. According to the Illinois Coalition of Immigrant and Refugee Rights there are an estimated 23,000 undocumented residents living in Aurora. The Fresenius Aurora facility currently treats 22 undocumented patients. These patients do not qualify for Medicare however Fresenius Financial Coordinators assist them in obtaining Medicaid for ESRD only or in purchasing insurance on the healthcare marketplace. They cannot afford the premiums so the American Kidney Foundation (AKF) pays for them. (Fresenius Kidney Care and most other providers donate on an ongoing basis to the AKF). Accordingly, Aurora is 43% Hispanic and 10% African American. The area where the clinic will be located is 74% Hispanic.

Due to the area's low income, (15% of Aurora residents live under the poverty level) patients here are often uninsured. 17% of the residents of Aurora have no health insurance and 28% of residents rely on public insurance. 15% of residents receive SNAP assistance. These patients are in need of dialysis treatment within their market to avoid adding to the many obstacles they already face.

Income/Minority Analysis of Aurora Zip Codes



ESRD Facility Location	Zip Code	2014 Projected Population	2014 % Hispanic	2014 % African American	2010 Median Income	Hospital
Fresenius East Aurora	*60505*	*74,553*	*76%*	*8%*	*$40,475*	*N/A*
Fresenius Aurora	*60506*	*53,010*	*39%*	*15%*	*$50,743*	*Presence*
Fox Valley	60504	37,173	14%	21%	$76,185	Rush-Copley
N/A	60502	23,099	7%	10%	$106,067	N/A

Minorities and ESRD

The minority residents in Aurora (African American and Hispanic) have higher rates of diabetes and hypertension, leading to kidney failure, than the general population causing a more than double growth rate of ESRD in the Aurora zip codes than in the State of Illinois. Over the past five years Aurora has experienced a 7.5% average yearly increase in ESRD compared to the yearly average for the State of Illinois of just 3.5%.

City	Zip Code	ESRD 2010	ESRD 2015
Aurora	60502	6	14
Aurora	60503	3	16
Aurora	60504	44	53
MUA Aurora	60505	112	150
MUA Aurora	60506	82	122
Total		**247**	**355**

Aurora ESRD Yearly Average Growth 7.5%

	ESRD 2010	ESRD 2015
Illinois	**16,608**	**19,742**

Aurora ESRD Yearly Average Growth 3.5%

ESRD by Zip Code/State obtained from The Renal Network

This is evidenced by the continued high utilization at Fresenius Aurora despite past station additions. The Fresenius Aurora patient population is 32% Hispanic and 26% African American.

Historic Stations/Utilization of Fresenius Aurora

Fresenius Medical Care Aurora	14 STATIONS 2009		20 STATIONS 2010		20 STATIONS 2011		24 STATIONS 2012		24 STATIONS 2013		24 STATIONS 2014		24 STATIONS 2015		24 STATIONS March 2016	
	Patients	Utl	Patients	Utl	Patients	Utl	Patients	Utl	Patients	Utl	Patients	Utl	Patients	Utl	Patients	Utl
	101	84%	114	79%	111	77%	135	94%	132	92%	142	99%	141	98%	144	100%

- 2010: Added 6 stations 14 to 20
- 2011: **#10-086 Fresenius East Aurora on York Road Denied**
- 2012: Added 4 stations 20 to 24
- 2012: **Fresenius East Aurora on York Road Denied - Site lost**
- 2015: Plans for 8-station expansion rejected d/t inadequate space.
- March 2016: **Fresenius East Aurora submitted at new site**

American Kidney Fund®

Race/ethnicity

If you are African-American, Hispanic American, Native American or Asian-American, you are at increased risk for kidney disease. Ask your doctor how often you should be tested. If you catch and treat kidney disease early, you may be able to prevent it from getting worse!

If you are in a group at higher risk for kidney disease, there are some things you can do to help protect yourself:

Get tested. Talk to your doctor about being tested for diabetes, high blood pressure and kidney disease. Many patients with kidney disease never notice any symptoms until their kidneys are badly damaged. Ask your doctor if you can have blood and urine tests to look for signs of kidney disease.
Eat right. Eat foods low in salt, fat and cholesterol. Eat foods that are high in fiber. Limit how much alcohol you drink.
Live healthy. Exercise, keep a healthy weight, don't smoke or use tobacco, and treat bladder and kidney infections fast.
Manage **diabetes <http://www.kidneyfund.org/prevention/are-you-at-risk/diabetes.html>** and **high blood pressure <http://www.kidneyfund.org/prevention/are-you-at-risk/high-blood-pressure.html>** . Diabetes and high blood pressure cause about 2 out of 3 cases of kidney failure. If you have either or both conditions, talk to your doctor about how to keep them in control.

- **African-Americans and kidney disease**
- **Hispanics and kidney disease**
- **Native Americans and kidney disease**
- **Asian-Americans and Pacific Islanders and kidney disease**

African-Americans and kidney disease

African Americans are more at risk for kidney failure than any other race. More than 1 in 3 kidney failure patients living in the United States is African-American.

Service Accessibility
ATTACHMENT 26b - 5

76

Diabetes is the #1 cause of kidney failure. It causes nearly 40 percent of all cases of kidney failure in the United States.

African-Americans get diabetes more often. They are almost twice as likely as whites to have diabetes. About 1 in 9 (11.4 percent) African-American adults has diabetes. Over the last 35 years, the number of people with diabetes has doubled.

Diabetes affects African-Americans differently. African-Americans with diabetes develop kidney failure more often than whites. Diabetes causes heart disease and other problems in African-American more often than whites.

Many African-Americans don't know they have diabetes. About 1 in 3 African-Americans with diabetes does not know he or she has it.

High blood pressure is the #2 cause of kidney failure. It causes about 1 out of 4 cases (25 percent) in the United States. High blood pressure is a serious problem for African-Americans:

African-Americans get high blood pressure more often. Almost half (over 42 percent) of African-American adults have high blood pressure.

High blood pressure affects African Americans differently. African-Americans are six times more likely to get kidney failure from their high blood pressure than whites.

Almost 1 in 5 African-Americans is uninsured. If diabetes, high blood pressure, and kidney disease are caught early, they can usually be managed. However, almost 1 in 5 African-Americans is not insured. As a result, their health care choices may be limited.

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Hispanics and kidney disease

Diabetes is the #1 cause of kidney failure. It causes nearly 40 percent of all cases of kidney failure in the United States.

Hispanics get diabetes more often. They are almost twice as likely as whites to have been diagnosed with diabetes by a physician. About 1 in 10 (9.2 percent) of Hispanics has diabetes. Diabetes is even more common in older Hispanics. About 1 in 4 Hispanics over age 45 has diabetes.

Diabetes affects Hispanics differently. Diabetes causes kidney failure more often in Hispanics than whites.

High blood pressure is the #2 cause of kidney failure. It causes about 1 out of 4 cases of kidney failure in the United States.

Hispanics get high blood pressure more often. Almost 1 in 4 (22.5 percent) Hispanic adults has

high blood pressure.

Most Hispanics do not know that high blood pressure can hurt their kidneys. Research has shown that less than half (46 percent) of Hispanics knows that high blood pressure can cause kidney failure.

Almost 1 in 3 of Hispanics is uninsured. If diabetes, high blood pressure, and kidney disease are caught early, they can usually be managed. However, almost 1 in 3 Hispanics living in the U.S. is not insured. As a result, their health care choices may be limited.

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Native Americans and kidney disease

Native Americans are more at risk for kidney failure than some other races. Native Americans are twice as likely to get kidney failure as whites.

Diabetes is the #1 cause of kidney failure. It causes nearly 40 percent all cases in the United States. Native Americans get diabetes more often. They are more than twice as likely as whites to have diabetes. About 1 in 8 (13.2 percent) Native Americans age 18 or older has diabetes.

Diabetes affects Native Americans differently. Native Americans are twice as likely to die from their diabetes as whites.

High blood pressure is the #2 cause of kidney failure. It causes about 1 out of 4 cases of kidney failure in the United States.

Native Americans get high blood pressure more often. Almost 1 in 3 (almost 30 percent) of Native American adults has high blood pressure.

Almost 1 in 3 Native Americans is uninsured. If diabetes, high blood pressure, and kidney disease are caught early, they can usually be managed. However, almost 1 in 3 Native Americans is not insured. As a result, their health care choices may be limited.

For more information, visit the **Indian Health Service <http://www.ihs.gov/>** of the U.S. Department of Health and Human Services.

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Asian-Americans and Pacific Islanders and kidney disease

Diabetes is the #1 cause of kidney failure. It causes nearly 40 percent of all cases in the United States.

Overall, Asian Americans and Pacific Islanders get diabetes less often than many other groups. However, diabetes is a serious problem for some groups in certain parts of the country: In Hawaii and California, Asian-Americans, Native Hawaiians and other Pacific Islanders get diabetes more often than whites.

Diabetes affects some Pacific Islanders differently. In Hawaii, Native Hawaiians die from diabetes almost six times as often as whites. Filipinos living in Hawaii die from diabetes more than three times as often as whites. Diabetes causes eye disease and other problems in Native Hawaiians more often than whites.

High blood pressure is the #2 cause of kidney failure. It causes about 1 out of 4 cases (25 percent) in the United States. Almost 1 in 5 (over 19 percent) Asian-American and Pacific Islander adults has high blood pressure.

Almost 1 in 6 Asian-Americans and Pacific Islanders is uninsured. If diabetes, high blood pressure, and kidney disease are caught early, they can usually be managed. However, almost 1 in 6 (17 percent) of Asian Americans and Pacific Islanders is not insured. As a result, their health care choices may be limited.

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National Kidney Foundation®

AFRICAN AMERICANS AND KIDNEY DISEASE

Due to high rates of diabetes, high blood pressure and heart disease, Blacks and African Americans have an increased risk of developing kidney failure. Blacks and African Americans need to be aware of these risk factors and visit their doctor or clinic regularly to check their blood sugar, blood pressure, urine protein and kidney function.

- Blacks and African Americans suffer from kidney failure at a significantly higher rate than Caucasians - more than 3 times higher.
- African Americans constitute more than 35% of all patients in the U.S. receiving dialysis for kidney failure, but only represent 13.2% of the overall U.S. population.
- Diabetes is the leading cause of kidney failure in African Americans. African Americans are twice as likely to be diagnosed with diabetes as Caucasians. Approximately 4.9 million African Americans over 20 years of age are living with either diagnosed or undiagnosed diabetes.
- The most common type of diabetes in African Americans is type 2 diabetes. The risk factors for this type of diabetes include: family history, impaired glucose tolerance, diabetes during pregnancy, hyperinsulinemia and insulin resistance, obesity and physical inactivity. African Americans with diabetes are more likely to develop complications of diabetes and to have greater disability from these complications than Caucasians. African Americans are also more likely to develop serious complications such as heart disease and strokes.
- High blood pressure is the second leading cause of kidney failure among African Americans, and remains the leading cause of death due to its link with heart attacks and strokes.

Updated January 2016

Sources of Facts and Statistics:

United States Renal Data System (http://www.usrds.org), **Centers for Disease Control and Prevention** (http://www.cdc.gov), **National Diabetes Education Program** (http://ndep.nih.gov/), **National Institute of Diabetes and Digestive and Kidney Diseases** (http://www2.niddk.nih.gov), **National Institutes of Health** (http://diabetes.niddk.nih.gov), **United States Census Bureau** (http://www.census.gov), **The U.S. Department of Health and Human Services Department of Minority Health** (http://www.minorityhealth.hhs.gov)

National Kidney Foundation®

DIABETES AND CHRONIC KIDNEY DISEASE IN HISPANIC AMERICANS

Hispanic Americans have a high rate of diabetes, which increases their chances of developing chronic kidney disease (CKD). However, when those with diabetes follow their treatment plan carefully and keep their blood sugar and blood pressure under control, they can greatly reduce their risk of developing these complications.

- In 2013, more than 14.7% of all new kidney failure patients were Hispanic.
- Diabetes led to more than 49,000 new cases of kidney failure in 2011, making it the leading cause of kidney failure.
- Hispanic Americans have a 1.4 times greater risk for developing kidney failure than non-Hispanic Americans.
- About 17% of Hispanic/Latino Americans are estimated to have diabetes. Hispanic Americans are more likely to have diabetes than non-Hispanic whites of similar age. In adults, the prevalence of diabetes in Cuban Americans is lower than in Mexican Americans and Puerto Rican Americans, but still higher than that of non-Hispanic whites.
- Compared with non-Hispanic white adults, the risk of being diagnosed with diabetes is approximately 66% higher for Hispanic Americans.
- Type 2 diabetes usually develops in adults over 45, but is becoming more common in younger people. It occurs because the body is unable to use insulin properly and can be treated with diet, exercise, weight loss, diabetes pills and, sometimes, insulin injections.
- Diabetes can be diagnosed by a Hemoglobin A1C equal to or greater than 6.5%, a fasting blood glucose test of 126 or greater in people who have symptoms of diabetes, a non-fasting blood glucose test of 200 or greater in people who have symptoms of diabetes, an abnormal oral glucose tolerance test with two-hour glucose of 200 or greater.
- The risk factors for diabetes include a family history of diabetes, obesity, physical inactivity and an unbalanced diet.
- Hispanic Americans should have the following tests for early detection of kidney disease: blood pressure measurement, ACR urine test for protein and a blood test to estimate glomerular filtration rate (GFR).
- Studies have shown that early detection and treatment can halt or slow the progression of diabetic kidney disease. Treatment includes careful control of blood sugar and blood pressure. Special high blood pressure medications called angiotensin converting enzyme (ACE) inhibitors or angiotensin-2 receptor blockers (ARBs) help to preserve kidney function.
- When someone loses 85% or more of his or her kidney function, dialysis or a kidney transplant may be recommended to sustain life.

Updated January 2016

Sources of Facts and Statistics:

United States Renal Data System (http://www.usrds.org), **Centers for Disease Control and Prevention** (http://www.cdc.gov), **National Diabetes Education Program** (http://ndep.nih.gov)

DP05 | ACS DEMOGRAPHIC AND HOUSING ESTIMATES

2010-2014 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Subject	Aurora city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	199,878	+/-555	199,878	(X)
Male	99,188	+/-1,197	49.6%	+/-0.6
Female	100,690	+/-1,285	50.4%	+/-0.6
Under 5 years	16,159	+/-848	8.1%	+/-0.4
5 to 9 years	18,698	+/-882	9.4%	+/-0.4
10 to 14 years	16,998	+/-874	8.5%	+/-0.4
15 to 19 years	14,993	+/-791	7.5%	+/-0.4
20 to 24 years	13,787	+/-920	6.9%	+/-0.5
25 to 34 years	30,291	+/-1,098	15.2%	+/-0.5
35 to 44 years	32,992	+/-1,154	16.5%	+/-0.6
45 to 54 years	25,061	+/-857	12.5%	+/-0.4
55 to 59 years	9,191	+/-587	4.6%	+/-0.3
60 to 64 years	7,528	+/-610	3.8%	+/-0.3
65 to 74 years	8,854	+/-526	4.4%	+/-0.3
75 to 84 years	3,518	+/-425	1.8%	+/-0.2
85 years and over	1,808	+/-281	0.9%	+/-0.1
Median age (years)	31.4	+/-0.5	(X)	(X)
18 years and over	138,617	+/-1,129	69.4%	+/-0.5
21 years and over	130,141	+/-1,106	65.1%	+/-0.6
62 years and over	18,416	+/-738	9.2%	+/-0.4
65 years and over	14,180	+/-613	7.1%	+/-0.3
18 years and over	138,617	+/-1,129	138,617	(X)
Male	68,520	+/-1,117	49.4%	+/-0.6
Female	70,097	+/-872	50.6%	+/-0.6
65 years and over	14,180	+/-613	14,180	(X)
Male	6,325	+/-415	44.6%	+/-1.9
Female	7,855	+/-405	55.4%	+/-1.9
RACE				
Total population	199,878	+/-555	199,878	(X)

Subject	Estimate	Margin of Error	Percent	Percent Margin of Error
One race	193,750	+/-1,089	96.9%	+/-0.4
Two or more races	6,128	+/-893	3.1%	+/-0.4
One race	193,750	+/-1,089	96.9%	+/-0.4
White	111,495	+/-3,269	55.8%	+/-1.6
Black or African American	20,048	+/-1,859	10.0%	+/-0.9
American Indian and Alaska Native	764	+/-320	0.4%	+/-0.2
Cherokee tribal grouping	0	+/-26	0.0%	+/-0.1
Chippewa tribal grouping	0	+/-26	0.0%	+/-0.1
Navajo tribal grouping	6	+/-10	0.0%	+/-0.1
Sioux tribal grouping	0	+/-26	0.0%	+/-0.1
Asian	14,418	+/-1,210	7.2%	+/-0.6
Asian Indian	6,795	+/-980	3.4%	+/-0.5
Chinese	1,272	+/-380	0.6%	+/-0.2
Filipino	2,553	+/-679	1.3%	+/-0.3
Japanese	114	+/-109	0.1%	+/-0.1
Korean	562	+/-231	0.3%	+/-0.1
Vietnamese	784	+/-458	0.4%	+/-0.2
Other Asian	2,338	+/-708	1.2%	+/-0.4
Native Hawaiian and Other Pacific Islander	70	+/-56	0.0%	+/-0.1
Native Hawaiian	30	+/-41	0.0%	+/-0.1
Guamanian or Chamorro	8	+/-13	0.0%	+/-0.1
Samoan	16	+/-25	0.0%	+/-0.1
Other Pacific Islander	16	+/-28	0.0%	+/-0.1
Some other race	46,955	+/-2,760	23.5%	+/-1.4
Two or more races	6,128	+/-893	3.1%	+/-0.4
White and Black or African American	1,830	+/-533	0.9%	+/-0.3
White and American Indian and Alaska Native	673	+/-330	0.3%	+/-0.2
White and Asian	1,010	+/-252	0.5%	+/-0.1
Black or African American and American Indian and Alaska Native	420	+/-336	0.2%	+/-0.2
Race alone or in combination with one or more other races				
Total population	199,878	+/-555	199,878	(X)
White	116,436	+/-3,203	58.3%	+/-1.6
Black or African American	23,200	+/-1,741	11.6%	+/-0.9
American Indian and Alaska Native	2,450	+/-629	1.2%	+/-0.3
Asian	15,876	+/-1,153	7.9%	+/-0.6
Native Hawaiian and Other Pacific Islander	256	+/-146	0.1%	+/-0.1
Some other race	48,473	+/-2,741	24.3%	+/-1.4
HISPANIC OR LATINO AND RACE				
Total population	199,878	+/-555	199,878	(X)
Hispanic or Latino (of any race)	85,314	+/-1,966	42.7%	+/-1.0
Mexican	76,727	+/-2,206	38.4%	+/-1.1
Puerto Rican	5,493	+/-1,069	2.7%	+/-0.5
Cuban	233	+/-171	0.1%	+/-0.1
Other Hispanic or Latino	2,861	+/-549	1.4%	+/-0.3
Not Hispanic or Latino	114,564	+/-1,936	57.3%	+/-1.0
White alone	76,317	+/-2,400	38.2%	+/-1.2
Black or African American alone	19,632	+/-1,866	9.8%	+/-0.9
American Indian and Alaska Native alone	147	+/-72	0.1%	+/-0.1
Asian alone	14,317	+/-1,209	7.2%	+/-0.6
Native Hawaiian and Other Pacific Islander alone	70	+/-56	0.0%	+/-0.1
Some other race alone	472	+/-392	0.2%	+/-0.2
Two or more races	3,609	+/-807	1.8%	+/-0.4
Two races including Some other race	83	+/-63	0.0%	+/-0.1
Two races excluding Some other race, and Three or more races	3,526	+/-808	1.8%	+/-0.4

	Estimate	Margin of Error	Percent	Percent Margin of Error
Total housing units	66,779	+/-1,041	(X)	(X)

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, Overview of Race and Hispanic Origin: 2010, issued March 2011. (pdf format)

While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:

1. An '**' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

DP03

SELECTED ECONOMIC CHARACTERISTICS
2010-2014 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

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Subject	Aurora city, Illinois			
	Estimate	Margin of Error	Percent	Percent Margin of Error
EMPLOYMENT STATUS				
Population 16 years and over	144,689	+/-1,169	144,689	(X)
In labor force	105,737	+/-1,656	73.1%	+/-0.9
Civilian labor force	105,680	+/-1,655	73.0%	+/-0.9
Employed	95,218	+/-1,691	65.8%	+/-1.0
Unemployed	10,462	+/-798	7.2%	+/-0.5
Armed Forces	57	+/-55	0.0%	+/-0.1
Not in labor force	38,952	+/-1,267	26.9%	+/-0.9
Civilian labor force	105,680	+/-1,655	105,680	(X)
Percent Unemployed	(X)	(X)	9.9%	+/-0.7
Females 16 years and over	72,785	+/-949	72,785	(X)
In labor force	47,769	+/-1,091	65.6%	+/-1.3
Civilian labor force	47,761	+/-1,090	65.6%	+/-1.3
Employed	43,053	+/-1,097	59.2%	+/-1.4
Own children under 6 years	18,793	+/-912	18,793	(X)
All parents in family in labor force	11,424	+/-837	60.8%	+/-3.2
Own children 6 to 17 years	40,168	+/-1,207	40,168	(X)
All parents in family in labor force	27,813	+/-1,188	69.2%	+/-2.3
COMMUTING TO WORK				
Workers 16 years and over	92,691	+/-1,713	92,691	(X)
Car, truck, or van -- drove alone	71,817	+/-1,834	77.5%	+/-1.4
Car, truck, or van -- carpooled	10,752	+/-889	11.6%	+/-0.9
Public transportation (excluding taxicab)	4,268	+/-541	4.6%	+/-0.6
Walked	1,001	+/-270	1.1%	+/-0.3
Other means	1,242	+/-289	1.3%	+/-0.3
Worked at home	3,611	+/-514	3.9%	+/-0.6
Mean travel time to work (minutes)	29.2	+/-0.6	(X)	(X)
OCCUPATION				
Civilian employed population 16 years	95,218	+/-1,691	95,218	(X)

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Versions of this table are available for the following years:

2014
2013
2012
2011
2010

and over				
Management, business, science, and arts occupations	30,641	+/-1,253	32.2%	+/-1.2
Service occupations	16,603	+/-1,016	17.4%	+/-1.0
Sales and office occupations	23,460	+/-989	24.6%	+/-1.0
Natural resources, construction, and maintenance occupations	6,018	+/-607	6.3%	+/-0.6
Production, transportation, and material moving occupations	18,496	+/-1,002	19.4%	+/-1.0
INDUSTRY				
Civilian employed population 16 years and over	95,218	+/-1,691	95,218	(X)
Agriculture, forestry, fishing and hunting, and mining	202	+/-93	0.2%	+/-0.1
Construction	4,545	+/-522	4.8%	+/-0.5
Manufacturing	15,366	+/-995	16.1%	+/-1.0
Wholesale trade	4,138	+/-439	4.3%	+/-0.5
Retail trade	11,587	+/-872	12.2%	+/-0.9
Transportation and warehousing, and utilities	5,096	+/-683	5.4%	+/-0.7
Information	1,865	+/-332	2.0%	+/-0.3
Finance and insurance, and real estate and rental and leasing	6,876	+/-629	7.2%	+/-0.6
Professional, scientific, and management, and administrative and waste management services	14,016	+/-904	14.7%	+/-0.9
Educational services, and health care and social assistance	16,934	+/-711	17.8%	+/-0.7
Arts, entertainment, and recreation, and accommodation and food services	8,611	+/-875	9.0%	+/-0.9
Other services, except public administration	3,728	+/-490	3.9%	+/-0.5
Public administration	2,254	+/-393	2.4%	+/-0.4
CLASS OF WORKER				
Civilian employed population 16 years and over	95,218	+/-1,691	95,218	(X)
Private wage and salary workers	84,124	+/-1,783	88.3%	+/-0.9
Government workers	8,341	+/-667	8.8%	+/-0.7
Self-employed in own not incorporated business workers	2,744	+/-416	2.9%	+/-0.4
Unpaid family workers	9	+/-18	0.0%	+/-0.1
INCOME AND BENEFITS (IN 2014 INFLATION-ADJUSTED DOLLARS)				
Total households	61,506	+/-956	61,506	(X)
Less than $10,000	2,720	+/-366	4.4%	+/-0.6
$10,000 to $14,999	1,751	+/-305	2.8%	+/-0.5
$15,000 to $24,999	5,241	+/-494	8.5%	+/-0.8
$25,000 to $34,999	5,757	+/-517	9.4%	+/-0.8
$35,000 to $49,999	8,425	+/-654	13.7%	+/-1.0
$50,000 to $74,999	11,462	+/-713	18.6%	+/-1.1
$75,000 to $99,999	8,285	+/-615	13.5%	+/-1.0
$100,000 to $149,999	10,046	+/-713	16.3%	+/-1.2
$150,000 to $199,999	4,348	+/-474	7.1%	+/-0.8
$200,000 or more	3,471	+/-366	5.6%	+/-0.6
Median household income (dollars)	63,569	+/-2,207	(X)	(X)
Mean household income (dollars)	83,561	+/-2,476	(X)	(X)

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With earnings	54,531	+/-927	88.7%	+/-0.7
Mean earnings (dollars)	83,868	+/-2,489	(X)	(X)
With Social Security	11,129	+/-527	18.1%	+/-0.8
Mean Social Security income (dollars)	17,286	+/-649	(X)	(X)
With retirement income	6,845	+/-518	11.1%	+/-0.8
Mean retirement income (dollars)	23,868	+/-2,034	(X)	(X)
With Supplemental Security Income	2,050	+/-307	3.3%	+/-0.5
Mean Supplemental Security Income (dollars)	10,515	+/-1,006	(X)	(X)
With cash public assistance income	1,130	+/-226	1.8%	+/-0.4
Mean cash public assistance income (dollars)	4,743	+/-812	(X)	(X)
With Food Stamp/SNAP benefits in the past 12 months	9,202	+/-600	15.0%	+/-1.0
Families	46,049	+/-889	46,049	(X)
Less than $10,000	1,669	+/-364	3.6%	+/-0.8
$10,000 to $14,999	968	+/-243	2.1%	+/-0.5
$15,000 to $24,999	3,466	+/-481	7.5%	+/-1.0
$25,000 to $34,999	3,903	+/-413	8.5%	+/-0.9
$35,000 to $49,999	5,857	+/-609	12.7%	+/-1.3
$50,000 to $74,999	8,213	+/-616	17.8%	+/-1.3
$75,000 to $99,999	6,613	+/-565	14.4%	+/-1.2
$100,000 to $149,999	8,288	+/-639	18.0%	+/-1.3
$150,000 to $199,999	3,894	+/-478	8.5%	+/-1.1
$200,000 or more	3,178	+/-309	6.9%	+/-0.7
Median family income (dollars)	72,025	+/-2,279	(X)	(X)
Mean family income (dollars)	90,276	+/-2,063	(X)	(X)
Per capita income (dollars)	26,527	+/-834	(X)	(X)
Nonfamily households	15,457	+/-894	15,457	(X)
Median nonfamily income (dollars)	40,266	+/-2,316	(X)	(X)
Mean nonfamily income (dollars)	57,316	+/-7,904	(X)	(X)
Median earnings for workers (dollars)	30,337	+/-720	(X)	(X)
Median earnings for male full-time, year-round workers (dollars)	50,713	+/-1,168	(X)	(X)
Median earnings for female full-time, year-round workers (dollars)	38,220	+/-1,241	(X)	(X)
HEALTH INSURANCE COVERAGE				
Civilian noninstitutionalized population	199,149	+/-596	199,149	(X)
With health insurance coverage	166,106	+/-1,807	83.4%	+/-0.8
With private health insurance	121,591	+/-2,207	61.1%	+/-1.1
With public coverage	56,203	+/-2,069	28.2%	+/-1.0
No health insurance coverage	33,043	+/-1,672	16.6%	+/-0.8
Civilian noninstitutionalized population under 18 years	61,261	+/-1,123	61,261	(X)
No health insurance coverage	2,486	+/-627	4.1%	+/-1.0
Civilian noninstitutionalized population 18 to 64 years	124,249	+/-1,178	124,249	(X)
In labor force:	101,412	+/-1,617	101,412	(X)

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Employed:	91,732	+/-1,568	91,732	(X)
With health insurance coverage	72,755	+/-1,595	79.3%	+/-1.1
With private health insurance	67,245	+/-1,622	73.3%	+/-1.2
With public coverage	6,821	+/-753	7.4%	+/-0.8
No health insurance coverage	18,977	+/-1,118	20.7%	+/-1.1
Unemployed:	9,680	+/-782	9,680	(X)
With health insurance coverage	5,262	+/-601	54.4%	+/-4.2
With private health insurance	3,664	+/-494	37.9%	+/-4.1
With public coverage	1,831	+/-313	18.9%	+/-2.8
No health insurance coverage	4,418	+/-538	45.6%	+/-4.2
Not in labor force:	22,837	+/-1,060	22,837	(X)
With health insurance coverage	16,140	+/-864	70.7%	+/-2.5
With private health insurance	10,829	+/-668	47.4%	+/-2.5
With public coverage	6,056	+/-557	26.5%	+/-2.0
No health insurance coverage	6,697	+/-688	29.3%	+/-2.5
PERCENTAGE OF FAMILIES AND PEOPLE WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW THE POVERTY LEVEL				
All families	(X)	(X)	11.5%	+/-1.1
With related children under 18 years	(X)	(X)	16.8%	+/-1.7
With related children under 5 years only	(X)	(X)	10.0%	+/-3.2
Married couple families	(X)	(X)	6.7%	+/-1.0
With related children under 18 years	(X)	(X)	9.9%	+/-1.5
With related children under 5 years only	(X)	(X)	4.1%	+/-2.4
Families with female householder, no husband present	(X)	(X)	30.1%	+/-4.0
With related children under 18 years	(X)	(X)	38.2%	+/-5.1
With related children under 5 years only	(X)	(X)	29.1%	+/-10.7
All people	(X)	(X)	14.8%	+/-1.1
Under 18 years	(X)	(X)	21.4%	+/-2.1
Related children under 18 years	(X)	(X)	21.2%	+/-2.1
Related children under 5 years	(X)	(X)	21.2%	+/-3.0
Related children 5 to 17 years	(X)	(X)	21.1%	+/-2.3
18 years and over	(X)	(X)	11.9%	+/-0.9
18 to 64 years	(X)	(X)	12.3%	+/-0.9
65 years and over	(X)	(X)	8.1%	+/-1.8
People in families	(X)	(X)	13.4%	+/-1.3
Unrelated individuals 15 years and over	(X)	(X)	23.9%	+/-2.0

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:
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An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.

Service Accessibility

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DP05

ACS DEMOGRAPHIC AND HOUSING ESTIMATES
2010-2014 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Versions of this table are available for the following years:

2014
2013
2012
2011

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Subject	ZCTA5 60502			
	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	23,099	+/-830	23,099	(X)
Male	11,126	+/-584	48.2%	+/-1.7
Female	11,973	+/-560	51.8%	+/-1.7
Under 5 years	1,837	+/-339	8.0%	+/-1.4
5 to 9 years	2,004	+/-316	8.7%	+/-1.3
10 to 14 years	2,042	+/-278	8.8%	+/-1.2
15 to 19 years	1,069	+/-217	4.6%	+/-0.9
20 to 24 years	1,079	+/-256	4.7%	+/-1.1
25 to 34 years	3,391	+/-508	14.7%	+/-2.1
35 to 44 years	4,262	+/-412	18.5%	+/-1.7
45 to 54 years	3,674	+/-347	15.9%	+/-1.6
55 to 59 years	1,005	+/-259	4.4%	+/-1.1
60 to 64 years	860	+/-213	3.7%	+/-0.9
65 to 74 years	1,480	+/-263	6.4%	+/-1.1
75 to 84 years	330	+/-112	1.4%	+/-0.5
85 years and over	66	+/-41	0.3%	+/-0.2
Median age (years)	35.6	+/-1.9	(X)	(X)
18 years and over	16,391	+/-654	71.0%	+/-1.4
21 years and over	15,900	+/-617	68.8%	+/-1.4
62 years and over	2,264	+/-301	9.8%	+/-1.3
65 years and over	1,876	+/-305	8.1%	+/-1.3
18 years and over	16,391	+/-654	16,391	(X)
Male	7,750	+/-447	47.3%	+/-1.7
Female	8,641	+/-407	52.7%	+/-1.7
65 years and over	1,876	+/-305	1,876	(X)
Male	907	+/-212	48.3%	+/-6.8
Female	969	+/-181	51.7%	+/-6.8
RACE				
Total population	23,099	+/-830	23,099	(X)
One race	22,221	+/-887	96.2%	+/-1.7

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Two or more races	878	+/-401	3.8%	+/-1.7
One race	22,221	+/-887	96.2%	+/-1.7
White	15,852	+/-995	68.6%	+/-3.6
Black or African American	1,875	+/-607	8.1%	+/-2.6
American Indian and Alaska Native	29	+/-30	0.1%	+/-0.1
Cherokee tribal grouping	0	+/-20	0.0%	+/-0.1
Chippewa tribal grouping	0	+/-20	0.0%	+/-0.1
Navajo tribal grouping	0	+/-20	0.0%	+/-0.1
Sioux tribal grouping	0	+/-20	0.0%	+/-0.1
Asian	4,328	+/-599	18.7%	+/-2.5
Asian Indian	2,476	+/-553	10.7%	+/-2.4
Chinese	425	+/-216	1.8%	+/-0.9
Filipino	638	+/-402	2.8%	+/-1.7
Japanese	83	+/-100	0.4%	+/-0.4
Korean	135	+/-118	0.6%	+/-0.5
Vietnamese	278	+/-303	1.2%	+/-1.3
Other Asian	293	+/-202	1.3%	+/-0.9
Native Hawaiian and Other Pacific Islander	0	+/-20	0.0%	+/-0.1
Native Hawaiian	0	+/-20	0.0%	+/-0.1
Guamanian or Chamorro	0	+/-20	0.0%	+/-0.1
Samoan	0	+/-20	0.0%	+/-0.1
Other Pacific Islander	0	+/-20	0.0%	+/-0.1
Some other race	137	+/-96	0.6%	+/-0.4
Two or more races	878	+/-401	3.8%	+/-1.7
White and Black or African American	174	+/-162	0.8%	+/-0.7
White and American Indian and Alaska Native	31	+/-29	0.1%	+/-0.1
White and Asian	347	+/-217	1.5%	+/-0.9
Black or African American and American Indian and Alaska Native	95	+/-105	0.4%	+/-0.5
Race alone or in combination with one or more other races				
Total population	23,099	+/-830	23,099	(X)
White	16,569	+/-954	71.7%	+/-3.3
Black or African American	2,305	+/-727	10.0%	+/-3.1
American Indian and Alaska Native	283	+/-205	1.2%	+/-0.9
Asian	4,784	+/-645	20.7%	+/-2.7
Native Hawaiian and Other Pacific Islander	0	+/-20	0.0%	+/-0.1
Some other race	207	+/-102	0.9%	+/-0.4
HISPANIC OR LATINO AND RACE				
Total population	23,099	+/-830	23,099	(X)
Hispanic or Latino (of any race)	1,668	+/-565	7.2%	+/-2.4
Mexican	1,404	+/-571	6.1%	+/-2.4
Puerto Rican	232	+/-124	1.0%	+/-0.5
Cuban	0	+/-20	0.0%	+/-0.1
Other Hispanic or Latino	32	+/-32	0.1%	+/-0.1
Not Hispanic or Latino	21,431	+/-822	92.8%	+/-2.4
White alone	14,402	+/-775	62.3%	+/-3.1
Black or African American alone	1,865	+/-605	8.1%	+/-2.6
American Indian and Alaska Native alone	16	+/-20	0.1%	+/-0.1
Asian alone	4,328	+/-599	18.7%	+/-2.5
Native Hawaiian and Other Pacific				

Islander alone	0	+/-20	0.0%	+/-0.1
Some other race alone	40	+/-65	0.2%	+/-0.3
Two or more races	780	+/-390	3.4%	+/-1.7
Two races including Some other race	28	+/-33	0.1%	+/-0.1
Two races excluding Some other race, and Three or more races	752	+/-385	3.3%	+/-1.7
Total housing units	8,177	+/-276	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:
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ACS DEMOGRAPHIC AND HOUSING ESTIMATES
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Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Versions of this table are available for the following years:

2014
2013
2012
2011

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Subject	ZCTA5 60504			
	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	37,173	+/-1,274	37,173	(X)
Male	18,151	+/-852	48.8%	+/-1.7
Female	19,022	+/-954	51.2%	+/-1.7
Under 5 years	2,693	+/-437	7.2%	+/-1.1
5 to 9 years	3,438	+/-467	9.2%	+/-1.1
10 to 14 years	2,456	+/-367	6.6%	+/-1.0
15 to 19 years	2,879	+/-426	7.7%	+/-1.1
20 to 24 years	2,336	+/-437	6.3%	+/-1.1
25 to 34 years	6,429	+/-731	17.3%	+/-1.8
35 to 44 years	6,622	+/-605	17.8%	+/-1.5
45 to 54 years	5,242	+/-468	14.1%	+/-1.3
55 to 59 years	1,935	+/-322	5.2%	+/-0.9
60 to 64 years	1,113	+/-205	3.0%	+/-0.6
65 to 74 years	1,363	+/-270	3.7%	+/-0.7
75 to 84 years	406	+/-163	1.1%	+/-0.4
85 years and over	261	+/-130	0.7%	+/-0.4
Median age (years)	32.7	+/-1.1	(X)	(X)
18 years and over	26,823	+/-992	72.2%	+/-1.5
21 years and over	25,285	+/-916	68.0%	+/-1.6
62 years and over	2,592	+/-360	7.0%	+/-1.0
65 years and over	2,030	+/-317	5.5%	+/-0.9
18 years and over	26,823	+/-992	26,823	(X)
Male	13,442	+/-695	50.1%	+/-1.5
Female	13,381	+/-584	49.9%	+/-1.5
65 years and over	2,030	+/-317	2,030	(X)
Male	893	+/-182	44.0%	+/-6.3
Female	1,137	+/-224	56.0%	+/-6.3
RACE				
Total population	37,173	+/-1,274	37,173	(X)
One race	35,753	+/-1,217	96.2%	Service Accessibility

Two or more races	1,420	+/-443	3.8%	+/-1.2
One race	35,753	+/-1,217	96.2%	+/-1.2
White	23,889	+/-1,420	64.3%	+/-3.5
Black or African American	4,660	+/-969	12.5%	+/-2.6
American Indian and Alaska Native	64	+/-65	0.2%	+/-0.2
Cherokee tribal grouping	0	+/-23	0.0%	+/-0.1
Chippewa tribal grouping	0	+/-23	0.0%	+/-0.1
Navajo tribal grouping	0	+/-23	0.0%	+/-0.1
Sioux tribal grouping	0	+/-23	0.0%	+/-0.1
Asian	4,736	+/-569	12.7%	+/-1.6
Asian Indian	2,556	+/-495	6.9%	+/-1.3
Chinese	483	+/-254	1.3%	+/-0.7
Filipino	870	+/-361	2.3%	+/-1.0
Japanese	22	+/-27	0.1%	+/-0.1
Korean	251	+/-189	0.7%	+/-0.5
Vietnamese	46	+/-57	0.1%	+/-0.2
Other Asian	508	+/-285	1.4%	+/-0.8
Native Hawaiian and Other Pacific Islander	30	+/-41	0.1%	+/-0.1
Native Hawaiian	30	+/-41	0.1%	+/-0.1
Guamanian or Chamorro	0	+/-23	0.0%	+/-0.1
Samoan	0	+/-23	0.0%	+/-0.1
Other Pacific Islander	0	+/-23	0.0%	+/-0.1
Some other race	2,374	+/-938	6.4%	+/-2.5
Two or more races	1,420	+/-443	3.8%	+/-1.2
White and Black or African American	342	+/-244	0.9%	+/-0.7
White and American Indian and Alaska Native	283	+/-238	0.8%	+/-0.6
White and Asian	293	+/-142	0.8%	+/-0.4
Black or African American and American Indian and Alaska Native	146	+/-132	0.4%	+/-0.4
Race alone or in combination with one or more other races				
Total population	37,173	+/-1,274	37,173	(X)
White	25,007	+/-1,498	67.3%	+/-3.5
Black or African American	5,357	+/-978	14.4%	+/-2.6
American Indian and Alaska Native	620	+/-342	1.7%	+/-0.9
Asian	5,202	+/-593	14.0%	+/-1.6
Native Hawaiian and Other Pacific Islander	30	+/-41	0.1%	+/-0.1
Some other race	2,513	+/-935	6.8%	+/-2.4
HISPANIC OR LATINO AND RACE				
Total population	37,173	+/-1,274	37,173	(X)
Hispanic or Latino (of any race)	7,960	+/-1,159	21.4%	+/-2.8
Mexican	6,303	+/-1,087	17.0%	+/-2.7
Puerto Rican	774	+/-336	2.1%	+/-0.9
Cuban	69	+/-88	0.2%	+/-0.2
Other Hispanic or Latino	814	+/-362	2.2%	+/-1.0
Not Hispanic or Latino	29,213	+/-1,167	78.6%	+/-2.8
White alone	19,045	+/-1,337	51.2%	+/-3.5
Black or African American alone	4,571	+/-979	12.3%	+/-2.6
American Indian and Alaska Native alone	0	+/-23	0.0%	+/-0.1
Asian alone	4,705	+/-575	12.7%	+/-1.6

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Native Hawaiian and Other Pacific Islander alone	30	+/-41	0.1%	+/-0.1
Some other race alone	8	+/-14	0.0%	+/-0.1
Two or more races	854	+/-313	2.3%	+/-0.8
Two races including Some other race	32	+/-48	0.1%	+/-0.1
Two races excluding Some other race, and Three or more races	822	+/-309	2.2%	+/-0.8
Total housing units	14,257	+/-521	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

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Subject	ZCTA5 60505			
	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	74,553	+/-1,666	74,553	(X)
Male	37,609	+/-1,197	50.4%	+/-1.1
Female	36,944	+/-1,159	49.6%	+/-1.1
Under 5 years	6,662	+/-565	8.9%	+/-0.7
5 to 9 years	7,538	+/-746	10.1%	+/-0.9
10 to 14 years	6,414	+/-592	8.6%	+/-0.8
15 to 19 years	5,922	+/-498	7.9%	+/-0.7
20 to 24 years	6,513	+/-541	8.7%	+/-0.7
25 to 34 years	12,387	+/-730	16.6%	+/-1.0
35 to 44 years	10,937	+/-731	14.7%	+/-0.9
45 to 54 years	7,491	+/-626	10.0%	+/-0.8
55 to 59 years	2,678	+/-332	3.6%	+/-0.5
60 to 64 years	2,703	+/-387	3.6%	+/-0.5
65 to 74 years	2,893	+/-372	3.9%	+/-0.5
75 to 84 years	1,706	+/-316	2.3%	+/-0.4
85 years and over	709	+/-209	1.0%	+/-0.3
Median age (years)	28.3	+/-0.7	(X)	(X)
18 years and over	50,334	+/-1,224	67.5%	+/-1.1
21 years and over	46,696	+/-1,203	62.6%	+/-1.1
62 years and over	6,903	+/-605	9.3%	+/-0.8
65 years and over	5,308	+/-505	7.1%	+/-0.7
18 years and over	50,334	+/-1,224	50,334	(X)
Male	25,531	+/-995	50.7%	+/-1.2
Female	24,803	+/-737	49.3%	+/-1.2
65 years and over	5,308	+/-505	5,308	(X)
Male	2,475	+/-286	46.6%	+/-2.9
Female	2,833	+/-304	53.4%	+/-2.9
RACE				
Total population	74,553	+/-1,666	74,553	(X)
One race	73,150	+/-1,777	98.1%	+/-0.6

Versions of this table are available for the following years:

2014
2013
2012
2011

Two or more races	1,403	+/-435	1.9%	+/-0.6
One race	73,150	+/-1,777	98.1%	+/-0.6
White	30,558	+/-2,268	41.0%	+/-3.1
Black or African American	5,683	+/-1,039	7.6%	+/-1.4
American Indian and Alaska Native	388	+/-250	0.5%	+/-0.3
Cherokee tribal grouping	0	+/-26	0.0%	+/-0.1
Chippewa tribal grouping	0	+/-26	0.0%	+/-0.1
Navajo tribal grouping	0	+/-26	0.0%	+/-0.1
Sioux tribal grouping	0	+/-26	0.0%	+/-0.1
Asian	896	+/-385	1.2%	+/-0.5
Asian Indian	103	+/-149	0.1%	+/-0.2
Chinese	85	+/-82	0.1%	+/-0.1
Filipino	211	+/-188	0.3%	+/-0.3
Japanese	0	+/-26	0.0%	+/-0.1
Korean	27	+/-42	0.0%	+/-0.1
Vietnamese	37	+/-68	0.0%	+/-0.1
Other Asian	433	+/-306	0.6%	+/-0.4
Native Hawaiian and Other Pacific Islander	32	+/-36	0.0%	+/-0.1
Native Hawaiian	0	+/-26	0.0%	+/-0.1
Guamanian or Chamorro	0	+/-26	0.0%	+/-0.1
Samoan	16	+/-25	0.0%	+/-0.1
Other Pacific Islander	16	+/-28	0.0%	+/-0.1
Some other race	35,593	+/-2,687	47.7%	+/-3.2
Two or more races	1,403	+/-435	1.9%	+/-0.6
White and Black or African American	297	+/-167	0.4%	+/-0.2
White and American Indian and Alaska Native	114	+/-101	0.2%	+/-0.1
White and Asian	41	+/-45	0.1%	+/-0.1
Black or African American and American Indian and Alaska Native	0	+/-26	0.0%	+/-0.1
Race alone or in combination with one or more other races				
Total population	74,553	+/-1,666	74,553	(X)
White	31,599	+/-2,251	42.4%	+/-3.1
Black or African American	6,315	+/-1,090	8.5%	+/-1.5
American Indian and Alaska Native	703	+/-294	0.9%	+/-0.4
Asian	960	+/-401	1.3%	+/-0.5
Native Hawaiian and Other Pacific Islander	40	+/-37	0.1%	+/-0.1
Some other race	36,458	+/-2,674	48.9%	+/-3.1
HISPANIC OR LATINO AND RACE				
Total population	74,553	+/-1,666	74,553	(X)
Hispanic or Latino (of any race)	56,302	+/-1,759	75.5%	+/-1.5
Mexican	52,101	+/-1,807	69.9%	+/-1.9
Puerto Rican	2,952	+/-960	4.0%	+/-1.3
Cuban	103	+/-135	0.1%	+/-0.2
Other Hispanic or Latino	1,146	+/-350	1.5%	+/-0.5
Not Hispanic or Latino	18,251	+/-1,113	24.5%	+/-1.5
White alone	11,056	+/-979	14.8%	+/-1.3
Black or African American alone	5,429	+/-1,041	7.3%	+/-1.4
American Indian and Alaska Native alone	25	+/-33	0.0%	+/-0.1
Asian alone	869	+/-377	1.2%	+/-0.5

Service Accessibility
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Subject	ZCTA5 60506			
	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	56,384	+/-1,260	56,384	(X)
Male	27,814	+/-915	49.3%	+/-1.3
Female	28,570	+/-998	50.7%	+/-1.3
Under 5 years	3,798	+/-448	6.7%	+/-0.8
5 to 9 years	5,043	+/-544	8.9%	+/-0.9
10 to 14 years	4,205	+/-492	7.5%	+/-0.9
15 to 19 years	4,777	+/-418	8.5%	+/-0.7
20 to 24 years	4,499	+/-597	8.0%	+/-1.0
25 to 34 years	6,861	+/-617	12.2%	+/-1.0
35 to 44 years	7,782	+/-493	13.8%	+/-0.8
45 to 54 years	7,605	+/-504	13.5%	+/-0.9
55 to 59 years	3,311	+/-377	5.9%	+/-0.7
60 to 64 years	2,600	+/-331	4.6%	+/-0.6
65 to 74 years	3,500	+/-324	6.2%	+/-0.6
75 to 84 years	1,513	+/-251	2.7%	+/-0.5
85 years and over	890	+/-195	1.6%	+/-0.3
Median age (years)	33.8	+/-0.9	(X)	(X)
18 years and over	40,319	+/-885	71.5%	+/-1.1
21 years and over	37,499	+/-872	66.5%	+/-1.1
62 years and over	7,446	+/-458	13.2%	+/-0.8
65 years and over	5,903	+/-376	10.5%	+/-0.7
18 years and over	40,319	+/-885	40,319	(X)
Male	19,376	+/-712	48.1%	+/-1.3
Female	20,943	+/-654	51.9%	+/-1.3
65 years and over	5,903	+/-376	5,903	(X)
Male	2,497	+/-236	42.3%	+/-2.6
Female	3,406	+/-246	57.7%	+/-2.6
RACE				
Total population	56,384	+/-1,260	56,384	(X)
One race	53,897	+/-1,432	95.6%	+/-1.2

Versions of this table are available for the following years:

2014
2013
2012
2011

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Two or more races	2,487	+/-669	4.4%	+/-1.2
One race	53,897	+/-1,432	95.6%	+/-1.2
White	33,740	+/-1,436	59.8%	+/-2.7
Black or African American	6,814	+/-863	12.1%	+/-1.5
American Indian and Alaska Native	283	+/-160	0.5%	+/-0.3
Cherokee tribal grouping	0	+/-26	0.0%	+/-0.1
Chippewa tribal grouping	0	+/-26	0.0%	+/-0.1
Navajo tribal grouping	6	+/-10	0.0%	+/-0.1
Sioux tribal grouping	0	+/-26	0.0%	+/-0.1
Asian	1,208	+/-415	2.1%	+/-0.7
Asian Indian	213	+/-217	0.4%	+/-0.4
Chinese	65	+/-65	0.1%	+/-0.1
Filipino	224	+/-155	0.4%	+/-0.3
Japanese	9	+/-15	0.0%	+/-0.1
Korean	218	+/-280	0.4%	+/-0.5
Vietnamese	45	+/-45	0.1%	+/-0.1
Other Asian	434	+/-252	0.8%	+/-0.4
Native Hawaiian and Other Pacific Islander	8	+/-13	0.0%	+/-0.1
Native Hawaiian	0	+/-26	0.0%	+/-0.1
Guamanian or Chamorro	8	+/-13	0.0%	+/-0.1
Samoan	0	+/-26	0.0%	+/-0.1
Other Pacific Islander	0	+/-26	0.0%	+/-0.1
Some other race	11,844	+/-1,552	21.0%	+/-2.5
Two or more races	2,487	+/-669	4.4%	+/-1.2
White and Black or African American	1,011	+/-428	1.8%	+/-0.8
White and American Indian and Alaska Native	359	+/-200	0.6%	+/-0.4
White and Asian	201	+/-161	0.4%	+/-0.3
Black or African American and American Indian and Alaska Native	262	+/-313	0.5%	+/-0.6
Race alone or in combination with one or more other races				
Total population	56,384	+/-1,260	56,384	(X)
White	35,813	+/-1,408	63.5%	+/-2.7
Black or African American	8,366	+/-846	14.8%	+/-1.5
American Indian and Alaska Native	1,094	+/-426	1.9%	+/-0.8
Asian	1,476	+/-488	2.6%	+/-0.9
Native Hawaiian and Other Pacific Islander	123	+/-79	0.2%	+/-0.1
Some other race	12,292	+/-1,569	21.8%	+/-2.6
HISPANIC OR LATINO AND RACE				
Total population	56,384	+/-1,260	56,384	(X)
Hispanic or Latino (of any race)	21,887	+/-1,264	38.8%	+/-1.8
Mexican	19,524	+/-1,239	34.6%	+/-1.8
Puerto Rican	1,550	+/-416	2.7%	+/-0.7
Cuban	61	+/-73	0.1%	+/-0.1
Other Hispanic or Latino	752	+/-262	1.3%	+/-0.5
Not Hispanic or Latino	34,497	+/-1,089	61.2%	+/-1.8
White alone	24,544	+/-1,033	43.5%	+/-1.8
Black or African American alone	6,762	+/-855	12.0%	+/-1.5
American Indian and Alaska Native alone	106	+/-65	0.2%	+/-0.1
Asian alone	1,208	+/-415	2.1%	+/-0.7

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Native Hawaiian and Other Pacific Islander alone	8	+/-13	0.0%	+/-0.1
Some other race alone	189	+/-236	0.3%	+/-0.4
Two or more races	1,680	+/-667	3.0%	+/-1.2
Two races including Some other race	10	+/-15	0.0%	+/-0.1
Two races excluding Some other race, and Three or more races	1,670	+/-665	3.0%	+/-1.2
Total housing units	19,560	+/-369	(X)	(X)

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

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Unnecessary Duplication/Maldistribution

Zip Code	Population
60103	41,928
60119	10,371
60120	50,955
60134	28,565
60137	37,805
60148	51,468
60174	30,752
60175	25,564
60177	22,659
60181	28,836
60184	2,448
60185	36,527
60187	29,016
60188	42,656
60189	30,472
60190	10,663
60440	52,911
60490	20,463
60502	**21,873**
60503	**16,717**
60504	**37,919**
60505	**76,573**
60506	**53,013**
60510	28,897
60511	1,793
60512	1,111
60515	27,503
60516	29,084
60517	32,038
60523	9,890
60532	27,066
60538	26,619
60539	341
60540	42,910
60542	17,099
60543	36,156
60544	25,959
60554	11,796
60555	13,538
60559	24,852
60560	22,415
60561	23,115
60563	35,922
60564	41,312
60565	40,524
60585	22,311
Total	**1,302,405**

1. (A-B-C) The ratio of ESRD stations to population in the zip codes within a 30-minute radius of Fresenius Kidney Care East Aurora is 1 station per 5,920 residents according to the 2010 census. The State ratio is 1 station per 2,974 residents (based on IDPH 2015 census projections and the March 2016 Board station inventory).

   There is no surplus of stations in the 30-minute service area as evidenced by the ratio of stations to population when compared to the State of Illinois ratio. These figures demonstrate a need for additional stations in Aurora.

2. Although all facilities within thirty minutes travel time are not above the target utilization of 80%, Fresenius Kidney Care East Aurora will not create a maldistribution of services in regard to there being excess availability. The only two clinics that serve the residents of this Medically Underserved Area in Aurora are operating at a combined utilization rate of 87% and the Fresenius Aurora facility is currently at 100% operating a 4th daily shift of patients. Dr. Dodhia's practice needs additional access for these disadvantaged patients.

   The nearest access to dialysis services for residents of Aurora is ten-plus miles away in a different healthcare market than what the Aurora patients utilize and are not reasonable options for this underserved population.

Facilities Within 30-Minutes Travel Time of Fresenius Kidney Care East Aurora

Facility	Address	City	Zip Code	MapQuest Miles	MapQuest Time	X 1.15 Adj	March 2016 Stations	March 2016 Patients	March 2016 Utl
Fresenius Aurora	**455 Mercy Ln**	**Aurora**	**60506**	**3.07**	**6**	**6.9**	**24**	**144**	**100.00%**
Renaissance Fox Valley	**1300 Waterford Dr**	**Aurora**	**60504**	**3.74**	**8**	**9.2**	**29**	**129**	**74.14%**
Facilities below are 10-20 miles away and approximately 20-30 minutes away. Many require highway travel and do not serve the patients residing in Aurora.									
Fresenius Naperville North[1]	516 W 5th Ave	Naperville	60563	9.79	16	18.4	21	77	61.11%
Fresenius West Batavia	2580 W. Fabyan Parkway	Batavia	60510	9.8	17	19.55	12	41	56.94%
Fresenius Oswego	1051 Station Drive	Oswego	60543	9.74	18	20.7	11	63	95.45%
Fresenius DuPage West	450 E Roosevelt Rd	West Chicago	60185	10.33	18	20.7	16	67	69.79%
Fresenius Plainfield North[2]	23430 Riverwalk Court	Plainfield	60544	13.11	20	23	10	14	23.33%
USR Oak Brook	1201 Butterfield Road	Downers Grove	60515	17.05	20	23	13	56	71.79%
Fresenius Downers Grove[3]	3825 Highland Ave	Downers Grove	60515	17.57	20	23	16	63	65.63%
Renaissance Tri-Cities	306 Randall Rd	Geneva	60134	11.91	21	24.15	20	60	50.00%
Fresenius Lombard	1940 Springer Dr	Lombard	60148	17.48	23	26.45	12	52	72.22%
Fresenius Naperbrook	2451 S. Washington	Naperville	60565	12.03	24	27.6	16	89	92.71%
Fresenius West Chicago	1890 N Neltnor Blvd.	West Chicago	60185	14.37	25	28.75	12	45	62.50%
Renaissance Yorkville	1400 N Beecher Road	Yorkville	60560	19.68	26	29.9	8	14	29.17%
						Totals	**220**	**914**	
						70% avg. utilization of facilities that are not in 2 year ramp up phase			

1) Naperville North in beginning of 2-year ramp up phase after addition of 7 stations.

2) Plainfield North relocation will open at end of 2016 and begin 2-year ramp up phase.

3) Downers Grove reducing stations by 3 from 19 to 16.

There are two facilities serving patients in the Aurora MUA, Fresenius Aurora and Fox Valley Dialysis. Fresenius Aurora is at capacity and in order to accommodate the ever increasing number of patients, has begun operating a 4thd daily treatment shift which does not end until midnight. Dialyzing late into the night is not in the best interest of the patient, especially those new to dialysis who have no other treatment time option. The Fox Valley facility can only take 10 more patients before reaching 80% which creates access issue relating to shift choice.

Remaining facilities considered within 30 minutes according to MapQuest and adjusted per Board rules are between 10 and 20 miles away and do not serve the Aurora MUA market.

Calculating the utilization within 30-minutes travel time without the two facilities mentioned above (Fresenius Naperville North and Plainfield North) that are in ramp-up phase results in a utilization of 70%. **The utilization jumps to 77%** for only the Fresenius clinics in the region.

Fresenius West Batavia, where Dr. Dodhia is Medical Director, opened in 2012 to provide Dr. Dodhia's Batavia area patients a preferred option over driving into Aurora for treatment. This clinic helped delay the Aurora facility from reaching capacity sooner by allowing Batavia patients to stay in Batavia. It was expected that 15 patients would transfer from the Aurora facility to West Batavia, however upon opening these patients decided to stay at Aurora.

This facility has seen steady growth since opening, most recently going from 54% to 57% utilization in just the past three months. While the facility has yet to reach target utilization within expected ramp up time, its historic growth trend is expected to continue. 19 more patients will bring this clinic to 80%. Even if it were feasible for West Batavia to accept 19 patients from Aurora, the Aurora facility would still be over utilized at 88%. This is not viable option for residents of the MUA.

Dr. Dodhia's partner, Dr. Fakhruddin, is Medical Director at the Fresenius Oswego clinic, however that clinic is full.

Fresenius DuPage West historically was an over utilized facility and in most recent years hovers between 70-75% utilization serving around 70 patients. This facility is also not in the Aurora health care market.

Remaining clinics in DuPage County may have some access, however are supported by a separate physician group practicing in that area. Dr. Dodhia's Aurora patients do not travel to these markets for their healthcare needs and he does not refer patients here. Dr. Dodhia's patients are in the Presence Mercy Hospital (Aurora) market and affiliated with the Dryer Clinic. This is where they seek physician and other health services. Going outside of this market would cause the patients to loose continuity of care by forcing them to change physicians.

Analysis of Fresenius Aurora Patient's Transportation to Treatment		
Transportation Mode	# Patients	% Patients
Family/Friend	57	40%
Self	43	30%
Medicaid Transport	17	12%
Pace Bus Service	15	10%
Nursing Home	9	6%
Taxi Cab	3	2%
	144	**100%**

Due to the demographics of the Fresenius Aurora patients, transportation to and from treatment is a primary concern. Keeping access to dialysis in Aurora is imperative. The majority of patients rely on family or friends to transport them to and from treatment. Increasing these travel times considerably would put a hardship on those willing to donate time to care for loved ones. Many rely on Aurora's Pace bus service and would find it difficult if not impossible to reach many outlying clinics. 12% of Fresenius Aurora's patients rely on Medicaid transportation services, which generally do not operate after 4p.m. and do not travel outside of their related county.

15% of the current Fresenius Aurora patients are undocumented and initiated dialysis with no insurance coverage. Fresenius Financial Coordinators work diligently with these patients to help them sign up for Medicaid for ESRD only or insurance on the Healthcare Insurance Marketplace. They are unable to pay these premiums, however the cost is covered by the American Kidney Fund (AKF). AKF is a non-profit organization funded only by donations that is committed to fighting kidney disease. Fresenius Kidney Care, and most other providers, partner with AKF to keep it funded. Aside from the financial difficulties the undocumented face, many do not speak English and travelling outside of their known healthcare market would cause great stress and could potentially cause them to miss treatments leading to poor quality outcomes.

3A. Fresenius Medical Care East Aurora will not have an adverse effect on any other area ESRD provider in that the new patients identified for this facility are pre-ESRD patients who would otherwise be scheduled on the 4th shift at the current Fresenius Aurora facility, which is not an optimal time for dialysis treatment. Approximately 22 patients of Dr. Dodhia's could potentially be expected to transfer from the Fresenius Aurora facility (currently at 100% utilization), still leaving that facility at 85% utilization. A more conservative estimate of 10 transfer patients leaves the Aurora facility at 93%. Furthermore, Dr. Dodhia and his partners will still refer patients to the other ESRD facilities they currently refer to, on an ongoing basis per the patient's preference and home address.

B. Not applicable – applicant is not a hospital; however the utilization will not be lowered at any other ESRD facility due to the establishment of the East Aurora facility except for the Fresenius Aurora dialysis facility which is severely over utilized at 100% and operating a 4th daily treatment shift.

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Dodhia is currently the Medical Director for Fresenius Medical Care Aurora and will also be the Medical Director for the proposed Fresenius Kidney Care East Aurora facility. Attached is his curriculum vitae.

B. All Other Personnel

Upon opening the facility will hire a Clinic Manager who is a Registered Nurse (RN) from within the company and will hire one Patient Care Technician (PCT). After we have more than one patient, we will hire another RN and another PCT.

Upon opening we will also employ:

- Part-time Registered Dietitian
- Part-time Licensed Master level Social Worker
- Part-time Equipment Technician
- Part-time Secretary

These positions will go to full time as the clinic census increases. As well, the patient care staff will increase to the following:

- One Clinic Manager – Registered Nurse
- Four Registered Nurses
- Ten Patient Care Technicians

3) All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing a 9 week orientation training program through the Fresenius Medical Care staff education department.

Annually all clinical staff must complete OSHA training, Compliance training, CPR Certification, Skills Competency, CVC Competency, Water Quality training and pass the Competency Exam.

4) The above staffing model is required to maintain a 4 to 1 patient-staff ratio at all times on the treatment floor. A RN will be on duty at all times when the facility is in operation.

Medical Director Information

Supporting this proposed facility is Dr. Navinchandra Dodhia. He has been a practicing nephrologist in the City of Aurora for over 24 years and has lived on the far-east side of Aurora for the same amount of time. He is employed by Advocate Dryer Medical Clinic, which is a multi-specialty clinic with 170 physicians. This includes over 797,000 out-patient visits and 145,000 active patients at multiple sites.

Dr. Dodhia's practice partner is Dr. Atif Fakhruddin and they are currently on staff at Rush-Copely Hospital and Presence Mercy Medical Center. Dr. Dodhia is the Medical Director of Fresenius West Batavia and Aurora and Dr. Fakhruddin is the Medical Director of Fresenius Sandwich and Oswego. A third physician, Dr. Mizra joined the practice in the past year.

He has served on various committees at Presence Mercy Medical Center. Most recently he served as Vice Chief of Staff.

Dr. Dodhia's care and concern in regards to patient care extends far outside of the physician's office or dialysis clinic. He has always been very active in the health care community in Aurora volunteering his services. Every year he volunteers at the African American Health Fair where members of the public are screened for high blood pressure and chronic kidney disease. Early detection and thus treatment can lead to prevention of complications leading to dialysis or transplant.

For many years he gave support by volunteering at the Aurora Wellness Clinic which served the uninsured. These services were free. Unfortunately the Wellness Clinic is now closed, however Dr. Dodhia will be donating his services at the VNA Federally Qualified Health Center in Aurora, just blocks from the proposed Fresenius East Aurora dialysis facility location.

Dr. Dodhia is a strong supporter home dialysis therapy for patients who qualify. There are currently 18 patients receiving treatment at home through the home training program at the current Fresenius Aurora and West Batavia clinics.

(Please see his Curriculum Vitae on following page)

CURRICULUM VITAE

NAVINCHANDRA J. DODHIA, M.D.

BUSINESS ADDRESS:

Dreyer Medical Clinic
1870 West Galena Boulevard
Aurora, IL 60506
P630-859-6700
F630-859-6811

MEDICAL SPECIALTY:

Nephrology

MEDICAL LICENSE:

Illinois #036-073947

BOARD CERTIFICATION:

Internal Medicine, 1988

Nephrology, 1990; Recertified, 2000;
Recertified, 2010

EDUCATION:

Premedical and Medical

University of Nairobi
Kenya
July 1974 – June 1979

Internship and Residency

Coast Province General Hospital
Mombasa, Kenya
August 1979 – July 1980

M. P. Shah Hospital
Intensive Care Unit
Nairobi, Kenya
May 1983 – June 1985

Grant Hospital of Chicago
Chicago, Illinois
July 1985 – June 1988

Fellowship

Rush-Presbyterian-St. Luke's Medical Center
Chicago, Illinois
July 1988 – June 1990

PRESENT EMPLOYMENT:

Dreyer Medical Clinic
November 1992

HOSPITALS:

Provena Mercy Center
Aurora, Illinois

Rush-Copley Medical Center
Aurora, Illinois

HOSPITALS (continued)	Valley West Hospital Sandwich, Illinois Kish Hospital Dekalb, Illinois
PROFESSIONAL SOCIETIES:	American College of Physicians American Society of Nephrology
PUBLICATIONS:	Thomas C.R., Dodhia, N. Common Emergencies in Cancer Medicine: Metabolic Syndromes. *Journal of the National Medical Association*. In Press Dodhia N., Rodny R., Jensik S.C., Korbet S.M. Renal Transplant Arterial Thrombosis: Association with cyclosporine. *American Journal of Kidney Diseases*, Vol. XVII, No. 5, May 1991, 532-536.
BIRTHPLACE:	Mombasa, Kenya
DATE OF BIRTH:	November 18, 1955
LANGUAGES:	Gujarati, Hindi, Swahili

Criterion 1110.1430 (e)(5) Medical Staff

I am the Regional Vice President at Fresenius Kidney Care who will oversee the East Aurora facility and in accordance with 77 Il. Admin Code 1110.1430, I certify the following:

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

Signature

Coleen Muldoon
Printed Name

Regional Vice President
Title

Subscribed and sworn to before me
this 27th day of April, 2016

Signature of Notary

Seal

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

Criterion 1110.1430 (f) – Support Services

I am the Regional Vice President at Fresenius Kidney Care who will oversee the Fresenius Kidney Care East Aurora facility. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

- Fresenius Kidney Care utilizes a patient data tracking system in all of its facilities.

- These support services are will be available at Fresenius Kidney Care East Aurora during all six shifts:
  - Nutritional Counseling
  - Psychiatric/Social Services
  - Home/self training
  - Clinical Laboratory Services – provided by Spectra Laboratories

- The following services will be provided via referral to Presence Mercy Medical Center:

  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services

Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 27th day of April, 2016

Signature of Notary

Seal

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

Criterion 1110.1430 (g) – Minimum Number of Stations

Fresenius Kidney Care East Aurora is located in the Chicago-Naperville-Joliet-Gary, IL-IN-WI Metropolitan Statistical Area (MSA). A minimum of eight dialysis stations is required to establish an in-center hemodialysis center in an MSA. Fresenius Kidney Care East Aurora will have 12 dialysis stations thereby meeting this requirement.

HOSPITAL TRANSFER AGREEMENT

THIS HOSPITAL TRANSFER AGREEMENT ("**Agreement**") is made this 24 day of August, 2010 (the "**Effective Date**") by and between **Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care East Aurora**, (the "**Transferring Facility**"), and **Provena Hospitals, d/b/a Provena Mercy Medical Center**, an Illinois not-for-profit corporation ("**Receiving Hospital**"). (Transferring Facility and Receiving Hospital may each be referred to herein as a "**Party**" and collectively as the "**Parties**").

RECITALS

WHEREAS, Transferring Facility provides health care services to the community; and

WHEREAS, patients of Transferring Facility ("**Patients**") may require transfer to a Hospital for acute-inpatient or other emergency health care services; and

WHEREAS, Receiving Hospital owns and operates a licensed and Medicare certified acute care Hospital in reasonable proximity to Transferring Facility, which has a twenty-four (24) hour emergency room and provides emergency health care services; and

WHEREAS, the Parties 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 to Receiving Hospital.

NOW, THEREFORE, to facilitate the timely transfer of patients to Receiving Hospital, the Parties hereto agree as follows:

ARTICLE I
TRANSFER OF PATIENTS

In the event that any Patient needs acute inpatient or emergency care and has either requested to be taken to Receiving Hospital, or is unable to communicate a preference for Hospital services at a different Hospital, and a timely transfer to Receiving Hospital would best serve the immediate medical needs of Patient, a designated staff member of Transferring Facility shall contact the admitting office or emergency department of Receiving Hospital (the "**Emergency Department**") to facilitate admission. Receiving Hospital shall receive Patient 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 Receiving Hospital's responsibility for patient care shall begin when Patient arrives upon Receiving Hospital's property.

ARTICLE II
RESPONSIBILITIES OF TRANSFERRING FACILITY

Transferring Facility shall be responsible for performing or ensuring the performance of the following:

(a) Arranging for ambulance service to Receiving Hospital;

(b) Designating a person who has authority to represent Transferring Facility and coordinate the transfer of Patient to Receiving Hospital;

(c) Notifying Receiving Hospital's designated representative prior to transfer to alert him or her of the impending arrival of Patient and provide information on Patient to the extent allowed pursuant to Article IV;

(d) Notifying Receiving Hospital of the estimated time of arrival of the Patient;

(e) Recognizing and complying with the requirements of any federal and state law and regulations or local ordinances that apply to the care and transfer of individuals to Receiving Hospitals for emergency care.

ARTICLE III
RESPONSIBILITIES OF RECEIVING HOSPITAL

Receiving Hospital shall be responsible for performing or ensuring performance of the following:

(a) Designating a person who has authority to represent and coordinate the transfer and receipt of Patients into the Emergency Department; and

(b) Timely admission of Patient to Receiving Hospital when transfer of Patient is medically appropriate as determined by Receiving Hospital attending physician subject to Hospital capacity and patient census issues; and

(c) Recognizing and complying with the requirements of any federal and state law and regulations or local ordinances that apply to Patients who present at Emergency Departments.

ARTICLE IV
PATIENT INFORMATION

In order to meet the needs of Patients with respect to timely access to emergency care, Transferring Facility shall provide information on Patients to Receiving Hospital, to the extent approved in advance or authorized by law and to the extent Transferring Facility has such information available. Such information may include: Patient Name, Social Security Number, Date of Birth, insurance coverage and/or Medicare beneficiary information (if applicable), known allergies or medical conditions, treating physician, contact person in case of emergency

and any other relevant information Patient has provided Transferring Facility in advance, to be given in connection with seeking emergency care. Transferring Facility shall maintain the confidentiality of medical/insurance information provided by Patient and received from Patient, in connection with Patient's provision of such information, Patient's authorization to disclose such information to Emergency Department personnel, all in accordance with applicable state and federal rules and regulations governing the confidentiality of patient information.

ARTICLE V
NON EXCLUSIVITY

This Agreement shall in no way give Receiving Hospital an exclusive right of transfer of Patients of Transferring Facility. Transferring Facility may enter into similar agreements with other Receiving Hospitals, and Patients will continue to have complete autonomy with respect to choice of Receiving Hospital service providers, as further described in Article VI.

ARTICLE VI
FREEDOM OF CHOICE

In entering into this Agreement, Transferring Facility in no way is acting to endorse or promote the services of Receiving Hospital. Rather, Transferring Facility intends to coordinate the timely transfer of Patients for emergency care. Patients are in no way restricted in their choice of emergency care providers.

ARTICLE VII
BILLING AND COLLECTIONS

Receiving Hospital shall be responsible for the billing and collection of all charges for professional services rendered at Receiving Hospital. Transferring Facility shall in no way share in the revenue generated by professional services delivered to Patients at Receiving Hospital.

ARTICLE VIII
INDEPENDENT RELATIONSHIP

Section 8.1 In performing services pursuant to this Agreement, Receiving Hospital and all employees, agents or representatives of Receiving Hospital are, at all times, acting and performing as independent contractors and nothing in this Agreement is intended and nothing shall be construed to create an employer/employee, principal/agent, partnership or joint venture relationship. Transferring Facility shall neither have nor exercise any direction or control over the methods, techniques or procedures by which Receiving Hospital or its employees, agents or representatives perform their professional responsibilities and functions. The sole interest of Transferring Facility is to coordinate the timely transfer of Patients to Receiving Hospital for emergency care.

Section 8.2 Receiving Hospital shall be solely responsible for the payment of compensation and benefits to its personnel and for compliance with any and all payments of all taxes, social security, unemployment compensation and worker's compensation.

Section 8.3 Notwithstanding the terms of this Agreement, in no event shall Receiving Hospital or any Receiving Hospital personnel be responsible for the acts or omissions of non-Receiving Hospital personnel.

ARTICLE IX
INSURANCE

Both Parties shall maintain, at no cost to the other Party Facility, professional liability insurance in an amount customary for its business practices. Receiving Hospital shall provide evidence of the coverage required herein to Transferring Facility on an annual basis.

ARTICLE X
INDEMNIFICATION

Each Party shall indemnify, defend and hold harmless the other Party from and against any and all liability, loss, claim, lawsuit, injury, cost, damage or expense whatsoever (including reasonable attorneys' fees and court costs), imposed by a third party and arising out of, incident to or in any manner occasioned by the performance or nonperformance of any duty or responsibility under this Agreement by such indemnifying Party, or any of its employees, agents, contractors or subcontractors.

ARTICLE XI
TERM AND TERMINATION

Section 11.1 **Term.** The term of this Agreement shall commence on the Effective Date and shall continue in effect for one (1) year (the "**Initial Term**") and SHALL RENEW ON AN ANNUAL BASIS ("**RENEWAL TERM**") ABSENT WRITTEN NOTICE BY EITHER PARTY OF NON-RENEWAL TO THE OTHER PARTY THIRTY (30) CALENDAR DAYS PRIOR TO THE EXPIRATION OF THE INITIAL TERM OR ANY SUBSEQUENT RENEWAL TERM OF THIS AGREEMENT.

Section 11.2 **Events of Termination.** Notwithstanding the foregoing, this Agreement may be terminated upon the occurrence of any one (1) of the following events:

(a) Either Party may terminate this Agreement at any time upon sixty (60) days' prior written notice to the other Party.

(b) If either Party shall apply for or consent to the appointment of a receiver, trustee or liquidator of itself or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or take advantage of any insolvency law, or if an order, judgment, or decree shall be entered by a court of competent jurisdiction or an application of a creditor, adjudicating such Party to be bankrupt or insolvent, or approving a petition seeking reorganization of such Party or appointing a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, and such order, judgment, or decree shall continue in effect and unstayed for a period of

thirty (30) consecutive calendar days, then the other Party may terminate this Agreement upon ten (10) business days' prior written notice to such Party.

Section 11.3 **Immediate Termination.** Notwithstanding anything to the contrary herein, this Agreement will be terminated immediately upon the following events: (a) the suspension or revocation of the license, certificate or other legal credential authorizing Receiving Hospital to provide emergency care services; (b) termination of Receiving Hospital's participation in or exclusion from any federal or state health care program for any reason; (c) the cancellation or termination of Receiving Hospital's professional liability insurance required under this Agreement without replacement coverage having been obtained.

ARTICLE XII
MISCELLANEOUS PROVISIONS

Section 12.1 **Entire Agreement**. This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof. This Agreement supersedes any and all other prior agreements either written or oral, between the Parties with respect to the subject matter hereof.

Section 12.2 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.

Section 12.3 **Waiver.** Any waiver of any terms and conditions hereof must be in writing, and signed by the Parties. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other terms and conditions hereof.

Section 12.4 **Severability.** The provisions of this Agreement shall be deemed severable, and, if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the Parties.

Section 12.5 **Headings.** All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

Section 12.6 **Assignment.** This Agreement, being intended to secure the services of Receiving Hospital, shall not be assigned, delegated or subcontracted by Receiving Hospital without prior written consent of Transferring Facility.

Section 12.7 **Governing Law.** This Agreement shall be construed under the laws of the state of Illinois, without giving affect to choice of law provisions.

Section 12.8 **Notices.** Any notice herein required or permitted to be given shall be in writing and shall be deemed to be duly given on the date of service if served personally on the other Party, or on the fourth (4th) day after mailing, if mailed to the other Party by certified mail, return receipt requested, postage pre-paid, and addressed to the Parties as follows:

To Transferring Facility	To Receiving Hospital
Fresenius Medical Care	President & CEO
One Westbrook Corporate Center	Provena Mercy Medical Center
Tower One, Suite 1000	1325 N. Highland Ave.
Westchester, IL 60154	Aurora, IL 60506

Copy to:
General Counsel
Provena Health
19065 Hickory Creek Drive, Suite 115
Mokena, IL 60448

or such other place or places as either Party may designate by written notice to the other.

Section 12.9 **Amendment.** This Agreement may be amended upon mutual, written agreement of the Parties.

Section 12.10 **Regulatory Compliance.** The Parties agree that nothing contained in this Agreement shall require Transferring Facility to refer patients to Receiving Hospital for emergency care services or to purchase goods and services. Notwithstanding any unanticipated effect of any provision of this Agreement, neither Party will knowingly and intentionally conduct its behavior in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs.

Section 12.11 **Access to Books and Records.** If applicable, upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States, or any of their duly authorized representatives, Receiving Hospital shall make available to the Secretary or to the Comptroller General those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing its services under this Agreement. Such inspection shall be available for up to four (4) years after the rendering of such service. This Section is included pursuant to and is governed by the requirements of Public Law 96-499 and Regulations promulgated thereunder. The Parties agree that any attorney-client, accountant-client or other legal privileges shall not be deemed waived by virtue of this Agreement.

IN WITNESS THEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers hereto setting their hands as of the date first written above.

TRANSFERRING FACILITY
Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care East Aurora

_____,

By: _____

Its: Regional Vice President

RECEIVING HOSPITAL
Provena Hospitals, d/b/a Provena Mercy Medical Center

_____,
an Illinois not-for-profit corporation

By: _____
James D. Witt

Its: President & CEO

Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President of the West Chicago Region of Fresenius Kidney Care North America. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Kidney Care East Aurora, I certify the following:

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

2. Fresenius Kidney Care hemodialysis patients at the current Aurora facility where Dr. Dodhia is the Medical Director have achieved adequacy outcomes of:

    - 96% of patients had a URR $\geq$ 65%
    - 97% of patients had a Kt/V $\geq$ 1.2

    and same is expected for Fresenius Kidney Care East Aurora.

Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 27th day of April, 2016

Signature of Notary

Seal

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

ATTACHMENT – 26j

Mercy Lane LLC
10531 Timberwood Circle, Suite D
Louisville, KY 40223

May 5, 2016

Mr. Loren Guzik
Cushman & Wakefield of Illinois, Inc.
200 S. Wacker Drive
Suite 2800
Chicago, IL 60606

RE: **Fresenius Kidney Care East Aurora, LLC .**
Letter of Intent – East Aurora, IL

Dear Loren,

We are pleased to provide the following Letter of Intent.

LANDLORD:	Mercy Lane LLC 10531 Timberwood Circle, Suite D Louisville, KY 40223
TENANT:	FRESENIUS MEDICAL CARE EAST AURORA, LLC
LOCATION:	810 N Farnsworth Road Aurora, IL
INITIAL SPACE REQUIREMENTS:	Approximately 7,267 contiguous rentable square feet. FRESENIUS MEDICAL CARE EAST AURORA, LLC may have the need and therefore must have the option to increase or decrease the area by up to ten percent (10%) until approval of final construction drawings.
PRIMARY TERM:	An initial lease term of fifteen (15) years. The Lease and rent would commence on the date that the facility starts treating patients. For purposes of establishing an actual occupancy date, both parties will execute an amendment after occupancy has occurred, setting forth dates for purposes of calculations, notices, or other events in the Lease that may be tied to a commencement date.
DELIVERY OF PREMISES:	Landlord shall deliver the Premises to FRESENIUS MEDICAL CARE EAST AURORA, LLC for completion of the Tenant Improvements upon substantial completion of the shell.
OPTIONS TO RENEW:	Three (3), five (5) year options to renew the Lease. Option rental rates for second and third options shall be based upon the lower of Fair Market Value or the increase in the Consumer Price Index over the previous five years, capped at 2.5% per year. FRESENIUS MEDICAL CARE EAST AURORA, LLC shall provide ninety (90) days' prior written notification of its desire to exercise the option.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

RENTAL RATE:	$26.50 per usable square foot
ESCALATION:	10% increase in years 6, 11 and 16.
TENANT ALLOWANCE:	Please see Building Shell Exhibit. *(See attached file: Building Shell Exhibit July 2015.pdf)*
CONCESSIONS:	A rent free period of 3 months upon commencement.
USE:	FRESENIUS MEDICAL CARE EAST AURORA, LLC shall use and occupy the Premises for the purpose of an outpatient dialysis facility and related office uses and for no other purposes except those authorized in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. FRESENIUS MEDICAL CARE EAST AURORA, LLC may operate on the Premises, at FRESENIUS MEDICAL CARE EAST AURORA, LLC's option, on a seven (7) days a week, twenty-four (24) hours a day basis, subject to zoning and other regulatory requirements.
DEMISED PREMISES SHELL:	Landlord is responsible for delivery a shell building in conformance with FRESENIUS MEDICAL CARE EAST AURORA, LLC's specifications attached as *(See attached file: Building Shell Exhibit July 2015.pdf)*
CONTRACTOR FOR TENANT IMPROVEMENTS:	FRESENIUS MEDICAL CARE EAST AURORA, LLC will hire a contractor and/or subcontractors of their choosing to complete their tenant improvements utilizing the tenant allowance. FRESENIUS MEDICAL CARE EAST AURORA, LLC shall be responsible for the implementation and management of the tenant improvement construction and will not be responsible to pay for Landlord's project manager, if any.
HVAC:	Landlord will provide HVAC service to the space to meet FRESENIUS MEDICAL CARE EAST AURORA, LLC's requirements as outlined in Exhibit A. FRESENIUS MEDICAL CARE EAST AURORA, LLC requires HVAC service 24 hours per day, 7 days per week. *(See attached file: Building Shell Exhibit July 2015.pdf)*
DELIVERIES:	FRESENIUS MEDICAL CARE EAST AURORA, LLC requires delivery access to the Premises 24 hours per day, 7 days per week.
EMERGENCY GENERATOR:	FRESENIUS MEDICAL CARE EAST AURORA, LLC shall have the right, at its cost, to install an emergency generator to service the Premises in a location to be mutually agreed upon between the parties.

SPACE PLANNING/

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ARCHITECTURAL AND MECHANICAL DRAWINGS: FRESENIUS MEDICAL CARE EAST AURORA, LLC will provide all space planning and architectural and mechanical drawings required to build out the tenant improvements, including construction drawings stamped by a licensed architect and submitted for approvals and permits. All building permits shall be the FRESENIUS MEDICAL CARE EAST AURORA, LLC's responsibility.

PRELIMINARY IMPROVEMENT PLAN: At this time, please provide AutoCAD files that include one-eight inch scale architectural drawings of the proposed demised premises and detailed building specifications.

PARKING: Landlord will provide a parking ratio of 5 per 1,000 RSF with as many of those spaces as possible to be directly in front of the building for patient use. FRESENIUS MEDICAL CARE EAST AURORA, LLC shall require that 10% of the parking (**specify number**) be designated handicapped spaces plus one ambulance space (cost to designate parking spaces to be at Landlord's sole cost and expense).

BUILDING CODES: FRESENIUS MEDICAL CARE EAST AURORA, LLC requires that the site, shell and all interior structures constructed or provided by the Landlord to meet all local, State, and Federal building code requirements, including all provisions of ADA.

CORPORATE IDENTIFICATION: Tenant shall have signage rights in accordance with local code.

COMMON AREA EXPENSES AND REAL ESTATE TAXES: Tenant shall be responsible for all Real Estate Taxes and Operating Expenses associate with the building.

ASSIGNMENT/ SUBLETTING: FRESENIUS MEDICAL CARE EAST AURORA, LLC requires the right to assign or sublet all or a portion of the demised premises to any subsidiary or affiliate without Landlord's consent. Any other assignment or subletting will be subject to Landlord's prior consent, which shall not be unreasonably withheld or delayed.

MAINTENANCE: Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the exterior portions and structural portions of the Building to keep the building weather and water tight and structurally sound including, without limitation: foundations, structure, load bearing walls, exterior walls, doors and windows, the roof and roof supports, columns, retaining walls, gutters, downspouts, flashings, footings as well as any elevators, water mains, gas and sewer lines, sidewalks, private roadways, landscape, parking areas, common areas, and loading docks, if any, on or appurtenant to the Building or the Premises.

With respect to the parking and other exterior areas of the Building and subject to reasonable reimbursement by Tenant, Landlord shall perform the following, pursuant to good and accepted business practices throughout the term: repainting the exterior surfaces of the building when necessary, repairing, resurfacing, repaving, re-striping, and resealing, of the parking areas; repair of all curbing, sidewalks and directional markers; removal of

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snow and ice; landscaping; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

Tenant shall maintain and keep the interior of the Premises in good repair, free of refuse and rubbish and shall return the same at the expiration or termination of the Lease in as good condition as received by Tenant, ordinary wear and tear, and damage or destruction by fire, flood, storm, civil commotion or other unavoidable causes excepted. Tenant shall be responsible for maintenance and repair of Tenant's equipment in the Premises.

UTILITIES: Tenant shall pay all charges for water, electricity, gas, telephone and other utility services furnished to the Premises. Tenant shall receive all savings, credits, allowances, rebates or other incentives granted or awarded by any third party as a result of any of Tenant's utility specifications in the Premises. Landlord agrees to bring water, electricity, gas and sanitary sewer to the Premises in sizes and to the location specified by Tenant and pay for the cost of meters to meter their use. Landlord shall pay for all impact fees and tapping fees associated with such utilities.

SURRENDER: At any time prior to the expiration or earlier termination of the Lease, Tenant may remove any or all the alterations, additions or installations, installed by or on behalf of Tenant, in such a manner as will not substantially injure the Premises. Tenant agrees to restore the portion of the Premises affected by Tenant's removal of such alterations, additions or installations to the same condition as existed prior to the making of such alterations, additions, or installations. Upon the expiration or earlier termination of the Lease, Tenant shall turn over the Premises to Landlord in good condition, ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion, or other unavoidable cause excepted. All alterations, additions, or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

ZONING AND RESTRICTIVE COVENANTS: Landlord confirms that the current property zoning is acceptable for the proposed use as an outpatient kidney dialysis clinic. There are no restrictive covenants imposed by the development, owner, and/or municipality that would in any way limit or restrict the operation of FRESENIUS MEDICAL CARE EAST AURORA, LLC's dialysis clinic

FLOOD PLAIN: The eastern most part of the landsite is in a Flood Plain zone.

CAPITALIZATION TEST: Landlord will complete the attached Accounting Classification Form to ensure FRESENIUS MEDICAL CARE EAST AURORA, LLC is not entering into a capitalized lease arrangement.

FINANCING: Landlord will provide a non-disturbance agreement.

EXCLUSIVITY Landlord will not, during the term of the Lease and any option terms, lease space in a 5 mile radius to any other provider of hemodialysis services.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

ENVIRONMENTAL: Landlord confirms that there is no asbestos present in the building and that there are no contaminants or environmental hazards in or on the property. A Phase One Environmental Study has been conducted and has been made available for FRESENIUS MEDICAL CARE EAST AURORA, LLC's review. Landlord also confirms that no other tenants or their activities present issues as to the generation of hazardous materials.

DRAFT LEASE: FRESENIUS MEDICAL CARE EAST AURORA, LLC requires the use of its Standard Form Lease, which is attached.

LEASE EXECUTION: Both parties agree that they will make best efforts to reach a fully executed lease document within thirty days of the execution of this letter of intent.

LEASE SECURITY: Fresenius Medical Holdings Corp shall fully guarantee the lease.

CONFIDENTIAL: The material contained herein is confidential. It is intended for use of Landlord and Tenant solely in determining whether they desire to enter into a Lease, and it is not to be copied or discussed with any other person.

EXCLUSIVE NEGOTIATING PERIOD: The parties agree that they will negotiate on an exclusive basis for a period of thirty (30) days from the execution of this document.

NON-BINDING NATURE: This proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive Lease agreement has been fully executed and delivered by the parties. The parties agree that this proposal is not intended to create any agreement or obligation by either party to negotiate a definitive Lease agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive, fully executed agreement, and without any liability to the other party, either party may (i) propose different terms from those summarized herein, (ii) enter into negotiations with other parties and/or (iii) unilaterally terminate all negotiations with the other party hereto.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

Sincerely,

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

If you are in agreement with these terms, please execute the document below and return a copy for our records.

Sincerely,

Chad Middendorf
Manager
Mercy Lane LLC
10531 Timberwood Circle, Suite D
Louisville, KY 40223
(502) 425-1524
(502) 470-7670 fax
chad@greenrockusa.com

CC: Mr. Bill Popken

AGREED AND ACCEPTED this _05___ day of _____May_____, 2016

By_____Chad Middendorf_____

Title:_____Manager_____

AGREED AND ACCEPTED this 6 **day of** May **, 2016**

By: _____

Title: Regional Vice President

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

Criterion 1120.310 Financial Viability

Financial Viability Waiver

This project is being funded entirely through cash and securities thereby meeting the criteria for the financial waiver.

2014 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #15-022, Fresenius Medical Care Blue Island and are the same financials that pertain to this application. In order to reduce bulk these financials can be referred to if necessary.

2015 Financial Statements are on the following pages.

KPMG

FRESENIUS MEDICAL CARE HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

2015 Audit Financial Statements
Fresenius Medical Care Holdings, Inc.
ATTACHMENT 37

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Shareholders
Fresenius Medical Care Holdings, Inc.:

We have audited the accompanying consolidated financial statements of Fresenius Medical Care Holdings, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Fresenius Medical Care Holdings, Inc. and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Boston, Massachusetts
April 29, 2016

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2015 and 2014

(Dollars in thousands)

Assets	2015	2014
Current assets:		
Cash and cash equivalents	$ 249,300	195,280
Trade accounts receivable, less allowances of $385,028 in 2015 and $303,716 in 2014	1,756,532	1,517,546
Receivables from affiliates	1,036,650	925,519
Inventories	725,046	485,337
Deferred income taxes	178,360	192,597
Other current assets	877,826	710,812
Total current assets	4,823,714	4,027,091
Property, plant and equipment, net	1,993,751	1,810,093
Other assets:		
Goodwill	11,587,473	11,544,352
Other intangible assets, net	660,932	700,693
Investment in equity method investees	81,023	68,322
Other assets and deferred charges	185,646	339,068
Total other assets	12,515,074	12,652,435
Total assets	$ 19,332,539	18,489,619
Liabilities and Equity		
Current liabilities:		
Short-term borrowings	$ 57,612	24,554
Current portion of long-term debt and capital lease obligations	208,210	204,934
Accounts payable	396,354	322,685
Accrued liabilities	1,753,914	1,402,615
Accounts payable to affiliates	54,332	52,647
Accrued income taxes	116,185	50,688
Total current liabilities	2,586,607	2,058,123
Long-term debt	2,170,018	2,669,500
Noncurrent borrowings from affiliates	2,723,036	2,861,448
Capital lease obligations	9,371	9,874
Deferred income taxes	742,127	775,756
Other liabilities	957,092	654,650
Total liabilities	9,188,251	9,029,351
Noncontrolling interests subject to put provisions	993,425	796,727
Series C redeemable preferred stock, $1 par value	235,141	235,141
Equity:		
Preferred stock, $1 par value	1,188,390	1,188,390
Common stock, $1 par value	90,000	90,000
Additional paid-in capital	1,553,887	1,705,128
Retained earnings	5,654,146	5,044,288
Accumulated other comprehensive loss	(140,979)	(147,786)
Total Fresenius Medical Care Holdings Inc., equity	8,345,444	7,880,020
Noncontrolling interests not subject to put provisions	570,278	548,380
Total equity	8,915,722	8,428,400
Total liabilities and equity	$ 19,332,539	18,489,619

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Operations

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

	2015	2014
Net revenues:		
Health care services	$ 11,272,141	9,872,574
Less: Patient service bad debt provision	409,583	302,647
Net health care services	10,862,558	9,569,927
Medical supplies	828,850	803,305
	11,691,408	10,373,232
Expenses:		
Cost of health care services	7,200,543	6,360,157
Cost of medical supplies	615,461	620,603
General and administrative expenses	1,896,717	1,572,134
Depreciation and amortization	454,947	415,092
Research and development	60,493	43,742
Equity investment income	(7,419)	(6,179)
Interest expense, net, and related financing costs (including $171,369 and $118,608 of interest with affiliates, respectively)	198,270	180,940
	10,419,012	9,186,489
Income before income taxes	1,272,396	1,186,743
Provision for income taxes	389,050	399,108
Net income	883,346	787,635
Less net income attributable to noncontrolling interests	273,488	206,567
Net income attributable to Fresenius Medical Care Holdings, Inc.	$ 609,858	581,068

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

		2015	2014
Net income	$	883,346	787,635
Other comprehensive income (loss):			
Foreign currency translation adjustments		(5,480)	(2,973)
Unrealized (loss) gain on investments, (net of deferred tax of $2,739 and ($2,264), respectively)		(4,174)	2,019
Actuarial gain (loss) on defined benefit plans, (net of deferred tax of ($8,589) and $45,856, respectively)		13,179	(70,383)
Derivative instruments, (net of deferred tax of ($2,138) and $3,417, respectively)		3,282	(5,245)
Total other comprehensive income (loss)		6,807	(76,582)
Total comprehensive income		890,153	711,053
Comprehensive income attributable to noncontrolling interests		273,488	206,567
Comprehensive income attributable to Fresenius Medical Care Holdings, Inc.	$	616,665	504,486

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2015 and 2014

(Dollars in thousands, except share data)

	Preferred stock		Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total FMCH, Inc. shareholders' equity	Noncontrolling interests not subject to put provisions	Total equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2013	4,753,560	$ 1,188,390	90,000,000	$ 90,000	1,786,715	4,463,220	(71,204)	7,457,121	212,770	7,669,891
Net income	—	—	—	—	—	581,068	—	581,068	73,488	654,556
Other comprehensive income	—	—	—	—	—	—	(76,582)	(76,582)	—	(76,582)
Exercise of stock options and related tax effects	—	—	—	—	4,090	—	—	4,090	—	4,090
Compensation expense related to stock options	—	—	—	—	5,502	—	—	5,502	—	5,502
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	8,613	8,613
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(74,287)	(74,287)
Purchase/ sale of noncontrolling interests	—	—	—	—	(1,414)	—	—	(1,414)	327,796	326,382
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	(89,765)	—	—	(89,765)	—	(89,765)
Balance, December 31, 2014	4,753,560	1,188,390	90,000,000	90,000	1,705,128	5,044,288	(147,786)	7,880,020	548,380	8,428,400
Net income	—	—	—	—	—	609,858	—	609,858	114,361	724,219
Other comprehensive income	—	—	—	—	—	—	6,807	6,807	—	6,807
Exercise of stock options and related tax effects	—	—	—	—	13,360	—	—	13,360	—	13,360
Compensation expense related to stock options	—	—	—	—	10,461	—	—	10,461	—	10,461
Vested subsidiary stock incentive plans	—	—	—	—	(4,613)	—	—	(4,613)	—	(4,613)
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	12,559	12,559
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(107,172)	(107,172)
Purchase/sale of noncontrolling interests	—	—	—	—	7,532	—	—	7,532	2,150	9,682
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	(178,003)	—	—	(178,003)	—	(178,003)
Other reclassifications	—	—	—	—	22	—	—	22	—	22
Balance, December 31, 2015	4,753,560	$ 1,188,390	90,000,000	$ 90,000	1,553,887	5,654,146	(140,979)	8,345,444	570,278	8,915,722

See accompanying notes to consolidated financial statements.

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2015 Audit Financial Statements
Fresenius Medical Care Holdings, Inc.
ATTACHMENT 37

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

	2015	2014
Cash flows from operating activities:		
Net income	$ 883,346	787,635
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	454,947	415,092
Amortization of deferred financing cost	5,068	11,591
Gain on sale in investments and divested clinics	(9,184)	(5,656)
Provision for doubtful accounts	413,452	304,397
Deferred income taxes	(14,395)	153,609
Amortization of discount on Senior Note	1,673	2,485
Equity investment income	(7,419)	(6,179)
Loss on disposal of properties and equipment	5,802	2,773
Amortization of discount on notes receivable	1,455	1,332
Noncash interest income on payment-in-kind notes	—	(10,137)
Compensation expense related to stock options	10,461	5,502
Unrealized currency translation gain	(129,087)	(27,210)
Loss on forward sale and currency exchange agreements	319,742	321,717
Changes in operating assets and liabilities, net of effects of purchase acquisitions:		
Increase in trade accounts receivable	(647,404)	(312,089)
Increase in inventories	(239,541)	(45,828)
(Increase) decrease in other current assets	(73,635)	33,637
Increase in other assets and deferred charges	(54,030)	(179,570)
Increase (decrease) in accounts payable	81,005	(13,667)
Increase (decrease) in accrued income taxes	78,193	(209,697)
Increase in accrued liabilities	323,290	158,007
Decrease in accrued special charge for legal matters	—	(115,458)
Increase in other long-term liabilities	29,757	146,647
Net changes due to/from affiliates	(22,115)	31,669
Distributions received on equity investments	7,967	6,273
Other, net	5,687	(1,033)
Net cash provided by operating activities	1,425,035	1,455,842
Cash flows from investing activities:		
Capital expenditures, net of proceeds	(589,817)	(489,577)
Acquisitions and investments, net of cash acquired	(64,005)	(1,358,072)
Proceeds from sale of interests and divestitures	3,152	4,432
Issuance of note receivable	(1,545)	(12,592)
Increase in available for sale securities	(110,467)	(134,472)
Equity investment contribution	(7,878)	(5,071)
Settlement of note receivable	186,178	3,703
Net cash used in investing activities	(584,382)	(1,991,649)
Cash flows from financing activities:		
Net (decrease) increase in borrowings from affiliate	(96,656)	783,513
Net increase (decrease) from receivable financing facility	290,750	(9,500)
Net decrease in debt and capital leases	(779,646)	(119,883)
Debt issuance costs	(917)	(14,501)
Distributions to noncontrolling interests	(272,002)	(215,564)
Contributions from noncontrolling interests	29,182	24,677
Proceeds from sale of noncontrolling interests	38,040	17,679
Purchases of noncontrolling interests	(5,923)	(21,601)
Tax benefit from stock options	13,360	8,529
Net cash (used in) provided by financing activities	(783,812)	453,349
Effects of changes in foreign exchange rates	(2,821)	2,019
Change in cash and cash equivalents	54,020	(80,439)
Cash and cash equivalents at beginning of year	195,280	275,719
Cash and cash equivalents at end of year	$ 249,300	195,280

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows, continued

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

	2015	2014
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 268,206	184,037
Income taxes	334,340	386,532
Details for acquisitions:		
Assets acquired	(64,009)	(2,037,503)
Liabilities assumed	9,008	207,435
Noncontrolling interests	(14,176)	417,423
Notes assumed in connection with acquisition	—	6,329
Gain on sale of divestitures	9,184	1,284
Cash paid	(59,993)	(1,405,032)
Less cash acquired	(860)	51,392
Net cash paid for acquisitions	$ (60,853)	(1,353,640)

See accompanying notes to consolidated financial statements.

(1) The Company

Fresenius Medical Care Holdings, Inc., a New York corporation (the Company or FMCH) is a subsidiary of Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares (FMCAG & KGaA or the Parent Company). The Company conducts its operations through eight principal subsidiaries, National Medical Care, Inc. (NMC), Fresenius USA Marketing, Inc., Fresenius USA Manufacturing, Inc., Sound Physicians, National Cardiovascular Partners, Urgent Care and SRC Holding Company, Inc., all Delaware corporations and Fresenius USA, Inc., a Massachusetts corporation.

The Company provides dialysis treatment and related dialysis care services to persons who suffer from end-stage renal disease (ESRD), as well as other health care services. The Company provides dialysis products for the treatment of ESRD, including products manufactured and distributed by the Company such as hemodialysis machines, peritoneal cyclers, dialyzers, peritoneal solutions, hemodialysis concentrates, solutions and granulates, bloodlines, renal pharmaceuticals and systems for water treatment. The Company supplies dialysis clinics it owns, operates or manages with a broad range of products in addition to sales of dialysis products to other dialysis service providers. The Company describes its other health care services as "Care Coordination." Care Coordination services include the coordinated delivery of pharmacy services, vascular, cardiovascular and endovascular specialty services, non-dialysis laboratory testing services, physician services, hospitalist and intensivist services, health plan services and urgent care services, which, together with dialysis care services represent the Company's health care services.

(a) Basis of Presentation

The consolidated financial statements in this report as of December 31, 2015 and 2014 and for the years then ended have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). These consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary for the fair presentation of the consolidated results for all periods presented.

The Company has evaluated subsequent events through April 29, 2016, which is the date these consolidated financial statements were issued.

(b) Basis of Consolidation

The consolidated financial statements include the earnings of all companies in which the Company has legal or effective control. This includes variable interest entities (VIEs) for which the Company is deemed the primary beneficiary. The Company also consolidates certain clinics that it manages and financially controls. Noncontrolling interests represent the proportionate equity interests in the Company's consolidated entities that are not wholly owned by the Company. Noncontrolling interests of acquired entities are initially valued at fair value. The equity method of accounting is used for investments in associated companies over which the Company has significant exercisable influence, even when the Company holds 50% or less of the common stock of the entity. All significant intercompany transactions and balances have been eliminated.

The Company has entered into various arrangements with certain legal entities whereby the entities' investors own disproportionate equity ownership interests in relation to the risks and rewards they retain for these arrangements or the entities are unable to provide their own funding for their operations. In these arrangements, the entities are VIEs in which the Company has been determined to be the primary beneficiary and which therefore have been fully consolidated. The Company has consolidated 118 VIEs and 117 VIEs for the years ended December 31, 2015 and 2014, respectively, as a result of acquisitions.

All VIEs generated $714,728 and $381,161 of revenue in 2015 and 2014, respectively. The Company provided funding to VIEs through loans and accounts receivable of $176,304 in 2015 and $131,085 in 2014, respectively. The table below shows the carrying amounts of the assets and liabilities of VIEs at December 31, 2015 and 2014:

	2015	2014
Trade accounts receivable, net	$ 211,188	110,538
Other current assets	32,231	167,350
Property, plant and equipment, intangible assets & other non-current assets	35,786	37,800
Goodwill	23,746	7,883
Accounts payable, accrued expenses and other liabilities	279,093	359,743
Equity	(23,858)	(36,172)

(2) Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents comprise cash funds and all short-term, highly liquid investments with original maturities of up to three months.

(b) Inventories

Inventories are stated at the lower of cost (determined by using the average or first-in, first-out method) or net realizable value (see note 4).

(c) Property, Plant and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation (see note 10). Significant improvements are capitalized; repairs and maintenance costs that do not extend the useful lives of the assets are charged to expense as incurred. Property, plant and equipment under capital leases are stated at the present value of future minimum lease payments at the inception of the lease, less accumulated depreciation. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in income when the assets are disposed.

The cost of property, plant and equipment is depreciated over estimated useful lives on a straight-line basis as follows: buildings – 20 to 40 years, equipment and furniture – 3 to 10 years, equipment under capital leases and leasehold improvements – the shorter of the lease term or useful life of the asset.

The Company capitalizes interest on borrowed funds during construction periods. Interest capitalized during 2015 and 2014 was $2,952 and $1,440, respectively.

(d) Intangible Assets and Goodwill

The growth of the Company's business through acquisitions has created a significant amount of intangible assets, including goodwill and other non-amortizable intangible assets such as trade names and management contracts.

Intangible assets such as noncompete agreements, lease agreements, tradenames, certain qualified management contracts, technology, patents, distribution rights, software, acute care agreements and licenses, customer relationships acquired in a purchase method business combination are recognized and reported apart from goodwill.

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment. The Company identified tradenames and certain qualified management contracts as intangible assets with indefinite useful lives because, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the Company. Intangible assets with finite useful lives are amortized over their respective useful lives to their residual values. The Company amortizes noncompete agreements over their average useful life of 8 years. Technology is amortized over its useful life of 15 years. The iron products distribution and manufacturing agreement is amortized over its ten-year contractual license period based upon the annual estimated units of sale of the licensed product. All other intangible assets are amortized over their individual estimated useful lives between 3 and 25 years. Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment.

To perform the annual impairment test of goodwill, the Company identifies its reporting units and determines their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. The Company is comprised of one reporting unit.

In the case that the fair value of the reporting unit is less that its carrying value, a second step would be performed which compares the implied fair value of the reporting unit's goodwill to the carrying value of its goodwill. If the fair value of the goodwill is less than the carrying value, the difference is recorded as an impairment.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Company compares the fair values of intangible assets with their carrying values. An intangible asset's fair value is determined using a discounted cash flow approach or other methods, if appropriate.

In connection with its annual impairment tests, the Company determined that there was no impairment of goodwill or other indefinite lived intangible assets. Accordingly the Company did not record any impairment charges during 2015 and 2014.

(e) Derivative Instruments and Hedging Activities

The Company accounts for derivatives and hedging activities by recognizing all derivative instruments as either assets or liabilities in the consolidated balance sheets at their respective fair values. For derivatives designated as hedges, changes in the fair value are either offset against the change in fair value of the assets and liabilities through earnings, or recognized in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings.

For all hedging relationships the Company formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in accumulated other comprehensive income (loss) to the extent that the derivative is effective as a hedge, until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a derivative instrument that qualifies as a cash-flow hedge is reported in earnings.

The Company discontinues hedge accounting prospectively when it is determined that the derivative is no longer effective in offsetting cash flows of the hedged item, the derivative expires or is sold, terminated, or exercised, the derivative is de-designated as a hedging instrument, because it is unlikely that a forecasted transaction will occur, or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued and the derivative is retained, the Company continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in earnings. When it is probable that a hedged forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income (loss).

(f) Foreign Currency Translation

For purposes of these consolidated financial statements, the U.S. dollar is the reporting currency. Substantially all assets and liabilities of the Company's non-U.S. subsidiaries are translated at year-end exchange rates, while revenue and expenses are translated at exchange rates prevailing during the year. Adjustments for foreign currency translation fluctuations are excluded from net income and are reported in accumulated other comprehensive income. In addition, the translation of certain

intercompany borrowings denominated in foreign currencies, which are considered foreign equity investments, are reported in accumulated other comprehensive income.

Gains and losses resulting from the translation of revenues and expenses and intercompany borrowings, which are not considered equity investments, are included in the consolidated statements of operations within general and administrative expenses. Foreign exchange gains amounted to $89 and $1,672 for the years ended December 31, 2015 and 2014, respectively.

(g) Revenue Recognition

Dialysis care revenues are recognized on the date the patient receives treatment and includes amounts related to certain services, products and supplies utilized in providing such treatment. The patient is obligated to pay for dialysis care services at amounts estimated to be receivable based upon the Company's standard rates or at rates determined under reimbursement arrangements. These arrangements are generally with third party payors, like Medicare, Medicaid or commercial insurers.

Hospitalist revenues are reported at the estimated net realizable amount from third-party payors, client hospitals, and others at the time services are provided. Third-party payors include federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, and commercial insurance companies. Inpatient acute care services rendered to Medicare and Medicaid program beneficiaries are paid according to a fee-for-service schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient acute services generated through payment arrangements with managed care health plans and commercial insurance companies are recorded on an accrual basis in the period in which services are provided at established rates. Contractual adjustments and bad debts are recorded as deductions from gross revenue to determine net revenue. In addition the Company receives subsidies from hospitals to provide hospitalist services.

For services performed for patients where the collection of the billed amount or a portion of the billed amount cannot be determined at the time services are performed, the difference between the receivable recorded and the amount estimated to be collectible must be recorded as a provision and the expense is presented as a reduction of Health Care revenues. The provision includes such items as amounts due from patients without adequate insurance coverage, and patient co-payment and deductible amounts due from patients with health care coverage. The Company bases the provision mainly on past collection history and reports it as "Patient service bad debt provision" in the Consolidated Statements of Operations.

Dialysis product revenues are recognized upon transfer of title to the customer, either at the time of shipment, upon receipt or upon any other terms that clearly define passage of title. Product revenues are normally based upon pre-determined rates that are established by contractual arrangement. As product returns are not typical, no return allowances are established. In the event a return is required, the appropriate reductions to sales, accounts receivables and cost of sales are made.

For both dialysis care and dialysis products, patients, third party payors and customers are billed at our standard rates net of contractual allowances, discounts or rebates to reflect the estimated amounts to be received from these payors.

Net revenues from machines sales for 2015 and 2014 include $115,577 and $86,100, respectively, of net revenues for machines sold to a third-party leasing company which are utilized by the Fresenius Medical Services division to provide services to customers. The sales and profits on these sales are deferred and amortized to earnings over the lease terms.

Any tax assessed by a governmental authority that is incurred as a result of a revenue transaction (e.g., sales tax) is excluded from revenues and reported on a net basis.

(h) Allowance for Doubtful Accounts

Estimates for allowances for accounts receivable are based on an analysis of collection experience and recognizing the differences between payors. The Company also performs an aging of accounts receivable which enables the review of each customer and their payment pattern. From time to time, accounts receivable are reviewed for changes from the historic collection experience to ensure the appropriateness of the allowances.

The allowance for doubtful accounts for the products business are estimates comprised of customer specific evaluations regarding their payment history, current financial stability, and applicable country specific risks for receivables that are overdue more than one year. The changes in the allowance for products receivables are recorded in general and administrative as an expense.

(i) Research and Development

Research and development costs are expensed as incurred.

(j) Income Taxes

Current taxes are calculated based on the profit of the fiscal year and in accordance with local tax rules of the respective tax jurisdictions. Expected and executed additional tax payments and tax refunds for prior years are also taken into account. Benefits from income tax positions have been recognized only when it was more likely than not that the Company would be entitled to the economic benefits of the tax positions. The more-likely-than-not threshold has been determined based on the technical merits that the position will be sustained upon examination. If a tax position meets the more-likely-than-not recognition threshold, management estimates the largest amount of tax benefit that is more than fifty percent likely to be realized upon settlement with a taxing authority, which becomes the amount of benefit recognized. If a tax position is not considered more likely than not to be sustained based solely on its technical merits, no benefits are recognized.

The Company recognizes deferred tax assets and liabilities for future consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis as well as on consolidation procedures affecting net income

and tax loss carryforwards which are more likely than not to be utilized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce the carrying amount of the deferred tax assets unless it is more likely than not that such assets will be realized (see note 9).

It is the Company's policy to recognize interest and penalties related to its tax positions as income tax expense.

(k) Impairment

The Company reviews the carrying value of its long-lived assets or asset groups with definite useful lives to be held and used for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying value of an asset to the future net cash flow directly associated with the asset. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value exceeds the fair value of the asset. The Company uses a discounted cash flow approach or other methods, if appropriate, to assess fair value.

Long-lived assets to be disposed of by sale are reported at the lower of carrying value or fair value less cost to sell and depreciation is ceased. Long-lived assets to be disposed of other than by sale are considered to be held and used until disposal. No impairment charges were recorded for the years ended December 31, 2015 and 2014.

(l) Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented on the balance sheet as a direct deduction from the carrying amount of that debt liability. These costs are amortized over the term of the related obligation (see note 7).

(m) Self-Insurance Programs

The Company is partially self-insured for professional, product and general liability, auto liability and worker's compensation claims under which the Company assumes responsibility for incurred claims up to predetermined amounts above which third-party insurance applies. Reported balances for the year include estimates of the anticipated expense for claims incurred (both reported and incurred but not reported) based on historical experience and existing claim activity. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts.

(n) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial

statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) Concentration of Credit Risk

The Company is engaged in providing kidney dialysis services, clinical laboratory testing, and other medical ancillary services, and in the manufacture and sale of products for all forms of kidney dialysis, principally to healthcare providers. The Company performs ongoing evaluations of its customers' financial condition and, generally, requires no collateral.

No single debtor other than U.S. Medicare and Medicaid accounted for more than 5% of total trade accounts receivable in any of these years. Trade accounts receivable outside the North America Segment are, for a large part, due from government or government-sponsored organizations that are established in the various countries within which we operate. Amounts pending approval from third party payors represent less than 5% at December 31, 2015.

Approximately 46% and 48% of the Company's revenues in each of the years ended December 31, 2015 and 2014 were earned and subject to regulations under governmental healthcare programs, Medicare and Medicaid, administered by various states and the United States government.

(p) Employee Benefit Plans

For the Company's funded benefit plans, the defined benefit obligation is offset against the fair value of plan assets (funded status). A pension liability is recognized in the Consolidated Balance Sheets if the defined benefit obligation exceeds the fair value of plan assets. A pension asset is recognized (and reported under "Other assets and notes receivables" in the Consolidated Balance Sheets) if the fair value of plan assets exceeds the defined benefit obligation and if the Company has a right of reimbursement against the fund or a right to reduce future payments to the fund. Changes in the funded status of a plan resulting from actuarial gains or losses and prior service costs or credits that are not recognized as components of the net periodic benefit cost are recognized through accumulated other comprehensive income (loss), net of tax, in the year in which they occur. Actuarial gains or losses and prior service costs are subsequently recognized as components of net periodic benefit cost when realized. The Company uses December 31 as the measurement date when measuring the funded status of all plans.

(q) Stock Option Plans

The Company recognizes all employee stock based compensation as a cost in the consolidated financial statements. Equity classified awards are measured at the grant date fair value of the award. The Company estimates grant date fair value using the Black-Scholes-Merton option pricing model.

(r) Legal Contingencies

From time to time, during the ordinary course of the Company's operations, the Company is party to litigation and arbitration and is subject to investigations relating to various aspects of its business (see note 17). The Company regularly analyzes current information about such claims for probable losses

and provides accruals for such matters, including the estimated legal expenses in connection with these matters, as appropriate. The Company utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for a loss accrual, the Company considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that accrual of a loss is appropriate.

(s) Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

(t) Recent Pronouncements

Recently Implemented Accounting Pronouncements

On April 7, 2015, Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2015-03 (ASU 2015-03), Interest - Imputation of Interest (Subtopic 835-30): *Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that liability, consistent with debt discounts. This update is effective for fiscal years beginning after December 15, 2015, and for interim periods within fiscal years beginning after December 15, 2015. Earlier adoption is permitted. We adopted this ASU as of December 31, 2015. In accordance with ASU 2015-03, we have adjusted Other assets and deferred charges and Long-term debt in the amount of $12,381 and $17,423 as of December 31, 2015 and 2014, respectively.

(3) Acquisitions

The Company's acquisition spending was driven primarily by the purchase of dialysis clinics in the normal course of its operations in 2015.

The aggregate purchase price of all collectively and individually non-material acquisitions during the year was $63,981, net of cash acquired. Based on preliminary purchase price allocations, the Company recorded $50,506 of goodwill and $14,822 of intangible assets, which represent the share of both controlling and noncontrolling interests. Goodwill arose principally due to the fair value of the acquired established streams of future cash flows for these acquisitions versus building similar franchises.

(4) Other Balance Sheet Items

(a) Inventories

As of December 31, 2015 and 2014, inventories consisted of the following:

		2015	2014
Inventories:			
Raw materials	$	137,853	124,188
Manufactured goods in process		15,015	17,443
Manufactured and purchased inventory available for sale		214,984	208,573
		367,852	350,204
Health care supplies		357,194	135,133
Total	$	725,046	485,337

Under the terms of certain unconditional purchase agreements, including the Venofer® license, distribution, manufacturing and supply agreement (the Venofer® Agreement) with Luitpold Pharmaceuticals, Inc. and American Regent, Inc., the Company is obligated to purchase approximately $483,857 of materials, of which $198,744 is committed for 2016. The terms of these agreements run 1 to 7 years.

Healthcare supplies inventories as of December 31, 2015 and 2014 include $144,281 and $7,839, respectively, of Mircera. Our current exclusive supply agreement for Mircera continues through December 31, 2018.

(b) Related Party Services

Related-party transactions pertaining to services performed and products purchased/sold between affiliates are recorded as net accounts payable to affiliates on the consolidated balance sheets.

(c) Notes Receivable

On August 12, 2013, FMCH made an investment-type transaction by providing a credit facility to a middle-market dialysis provider in the amount of up to $200,000 to fund general corporate purposes. Of the $200,000 facility, $180,137 was drawn prior to December 31, 2015. This investment, which had a maturity date of July 4, 2020, was repaid in the amount of $185,254, including accrued interest of $3,315 and a prepayment premium of $1,802, on December 31, 2015.

(5) Sale of Accounts Receivable

Under the Accounts Receivable Facility (A/R Facility), certain receivables are sold to NMC Funding Corporation (NMC Funding), a wholly owned subsidiary. NMC Funding then assigns percentage ownership interests in the accounts receivable to certain bank investors. Under the terms of the A/R Facility, NMC Funding retains the right, at any time, to recall all the then outstanding transferred interests in the accounts receivable. Consequently, the receivables remain on the Company's consolidated balance sheet and the proceeds from the transfer of percentage ownership interests are recorded as long-term debt.

NMC Funding pays interest to the bank investors, calculated based on the commercial paper rates for the particular tranches selected. The average interest rate, during 2015 and 2014 was 0.89% and 0.65% respectively. Refinancing fees, which include legal costs and bank fees, are amortized over the term of the facility.

The Company refinanced the A/R Facility on November 24, 2014 for a term expiring on November 24, 2017 with the available borrowings of $800,000. At December 31, 2015 and 2014 there are outstanding borrowings under the A/R Facility of $50,185 and $341,750.

(6) Short Term Borrowings

At December 31, 2015 and 2014, short-term borrowings consisted of the following:

	December 31	
	2015	2014
Commercial paper	$ 8,556	7,808
Other	49,056	16,746
Total short-term borrowings	$ 57,612	24,554

(7) Long-Term Debt and Capital Lease Obligations

At December 31, 2015 and 2014, long-term debt and capital lease obligations consisted of the following:

	December 31	
	2015	2014
Revolving credit facility	$ 25,110	35,992
2012 Credit Agreement Term Loan	2,288,434	2,485,047
AR facility	50,185	340,575
Other*	23,870	22,694
	2,387,599	2,884,308
Less amounts classified as current	208,210	204,934
	$ 2,179,389	2,679,374

* Other includes long term capital lease obligations

The weighted average interest rate for all Company debt outstanding as of December 31, 2015 and 2014 was approximately 4.16% and 3.91%, respectively.

In addition, at December 31, 2015 and December 31, 2014, the Company had letters of credit outstanding in the amount of $20,342 and $73,516, respectively, which are not included above as part of the balance outstanding at those dates, but which reduce available borrowings under the revolving credit facilities.

Amended 2012 Credit Agreement

The Parent Company and FMCH originally entered into a syndicated credit facility of $3,850,000 with a five year period (the 2012 Credit Agreement) with a large group of banks and institutional investors (collectively, the Lenders) on October 30, 2012. On November 26, 2014, the 2012 Credit Agreement was amended to increase the total credit facility to approximately $4,400,000 (approximately $4,000,000 as of December 31, 2015 due to quarterly repayments and currency effects) and extend the term for an additional two years until October 30, 2019.

As of December 31, 2015, the Amended 2012 Credit Agreement consists of:

(a) A revolving credit facility of approximately $1,500,000 comprising a $1,000,000 revolving facility and a €400,000 revolving facility, which will be due and payable on October 30, 2019.

(b) A term loan facility of $2,300,000, also scheduled to mature on October 30, 2019. Quarterly repayments of $50,000 began in January 2015 with the remaining balance outstanding due October 30, 2019.

Interest on the credit facilities is, at the Company's option, at a rate equal to either (i) LIBOR or EURIBOR (as applicable) plus an applicable margin or (ii) the Base Rate as defined in the Amended 2012 Credit

Agreement plus an applicable margin. At December 31, 2015 and 2014, the dollar-denominated tranches outstanding under the Amended 2012 Credit Agreement had a weighted average interest rate of 1.72% and 1.61%, respectively.

The applicable margin is variable and depends on the Parent Company's Consolidated Leverage Ratio which is a ratio of its Consolidated Funded Debt less cash and cash equivalents held by the Parent Consolidated Group to Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) (as these terms are defined in the Amended 2012 Credit Agreement).

In addition to scheduled principal payments, indebtedness outstanding under the Amended 2012 Credit Agreement would be reduced by portions of the net cash proceeds received from certain sales of assets and the issuance of certain additional debt.

Obligations under the Amended 2012 Credit Agreement are secured by pledges of capital stock of certain material subsidiaries in favor of the Lenders.

The Amended 2012 Credit Agreement contains affirmative and negative covenants with respect to the Parent Company and its subsidiaries. Under certain circumstances these covenants limit indebtedness, investments, and restrict the creation of liens. Under the Amended 2012 Credit Agreement the Parent Company is required to comply with a maximum consolidated leverage ratio (ratio of consolidated funded debt less cash and cash equivalents held by the Consolidated Group to consolidated EBITDA).

Additionally, the Amended 2012 Credit Agreement provides for a limitation on dividends, share buy-backs and similar payments. Dividends to be paid are subject to an annual basket, which is €400,000 ($435,480 at December 31, 2015) for 2016, and will increase in subsequent years. Additional dividends and other restricted payments may be made subject to the maintenance of a maximum leverage ratio.

In default, the outstanding balance under the Amended 2012 Credit Agreement becomes immediately due and payable at the option of the Lenders.

The following table shows the available and outstanding amounts under the Amended 2012 Credit Agreement at December 31, 2015 and 2014:

Amended 2012 Credit Agreement	Maximum amount available December 31, 2015		Balance outstanding December 31, 2015	
Revolving Credit USD	$ 1,000,000	$ 1,000,000	$ 25,110	$ 25,110
Revolving Credit EUR	€ 400,000	$ 435,480	—	—
Term Loan A	$ 2,300,000	2,300,000	$ 2,300,000	$ 2,300,000
		$ 3,735,480		$ 2,325,110

Amended 2012 Credit Agreement	Maximum amount available December 31, 2014		Balance outstanding December 31, 2014	
Revolving Credit USD	$ 1,000,000	$ 1,000,000	$ 35,992	$ 35,992
Revolving Credit EUR	€ 400,000	$ 485,640	—	—
Term Loan A	$ 2,500,000	2,500,000	$ 2,500,000	$ 2,500,000
		$ 3,985,640		$ 2,535,992

(Receivables) Borrowings from Affiliates

The Company has various outstanding borrowings with KGaA and affiliates. The funds were used for general corporate purposes. The loans are due at various maturities.

At December 31, 2015 and 2014, (receivables) borrowings from affiliates consisted of the following:

	December 31	
	2015	2014
(Receivables) borrowings from affiliates consists of:		
Fresenius Medical Care AG & Co. KGaA receivables primarily at interest rates approximating 1.039% and 1.71%, respectively	$ (1,049,987)	(938,809)
RTC Holdings International, Inc. borrowings at Interest rates of 0.85% and 0.55%, respectively	13,337	13,290
FMC B LLC borrowings, net of discounts at fixed rates of interest between 5.25% and 5.45%.	1,329,299	1,482,412
NMC/FMC B LLC receivables, net of discounts at a rate of LIBOR plus 1.125%.	(2,096)	(1,556)
FMC US Finance borrowings, net of discounts at a rate of LIBOR plus 1.125%	19,339	14,779
FMC Finance II borrowings, net of discounts at a fixed rate of 7.00%	408,942	408,942
FMC Finance II borrowings, net of discounts at a rate of LIBOR plus 1.125%	25,052	14,371
FMC Finance II borrowings, net of discounts at fixed rates of interest between 4.625% and 5.25%.	942,500	942,500
	1,686,386	1,935,929
Less amounts classified as current	(1,036,650)	(925,519)
Total	$ 2,723,036	2,861,448

Scheduled maturities of long-term debt and (receivables) borrowings are as follows:

2016	$ (828,440)
2017	255,380
2018	635,608
2019	2,463,485
2020	521,250
2021 and thereafter	1,026,702
Total	$ 4,073,985

(8) Goodwill and Other Intangible Assets

At December 31, 2015 and 2014, the carrying value and accumulated amortization of other intangible assets consisted of the following:

	December 31, 2015			December 31, 2014		
	Gross carrying value	Accumulated amortization	Carrying value	Gross carrying value	Accumulated amortization	Carrying value
Amortizable intangible assets:						
Noncompete agreements	$ 320,626	(264,444)	56,182	319,582	(251,029)	68,553
Acute care agreements	151,712	(144,230)	7,482	149,544	(141,930)	7,614
License and distribution agreements	76,899	(36,987)	39,912	58,519	(31,305)	27,214
Customer Relationship	242,600	(13,182)	229,418	228,880	(13,182)	215,698
Technology	109,680	(39,240)	70,440	116,516	(52,732)	63,784
Other intangibles	123,658	(121,875)	1,783	119,364	(64,561)	54,803
Tradename	21,880	(7,035)	14,845	23,780	(1,826)	21,954
Construction in progress	28,973	—	28,973	29,176	—	29,176
	1,076,028	(626,993)	449,035	1,045,361	(556,565)	488,796
Nonamortizable intangible assets:						
Tradename	208,734	—	208,734	208,734	—	208,734
Management contracts	3,163	—	3,163	3,163	—	3,163
	211,897	—	211,897	211,897	—	211,897
Net intangibles	$ 1,287,925	(626,993)	660,932	1,257,258	(556,565)	700,693

Amortization expense for amortizable intangible assets for the years ended December 31, 2015 and 2014 was $78,433 and $64,223, respectively. The following table shows the estimated amortization expense of these assets for the next five years.

2016	$ 79,545
2017	79,545
2018	79,545
2019	79,545
2020	79,545

Goodwill

Changes in the reporting unit's carrying amount of goodwill for the years ended December 31, 2015 and 2014 are as follows:

	December 31	
	2015	**2014**
Carrying value as of beginning of year	$ 11,544,352	10,008,571
Goodwill acquired	50,506	1,537,402
Divested clinics	(7,320)	(1,562)
Other reclassifications	(65)	(59)
Carrying value as of end of year	$ 11,587,473	11,544,352

(9) Income Taxes

Income before income taxes is as follows:

	Year ended December 31	
	2015	**2014**
Domestic	$ 1,261,705	1,181,597
Foreign	10,691	5,146
Total income before income taxes	$ 1,272,396	1,186,743

The provisions for income taxes are as follows:

	Year ended December 31	
	2015	**2014**
Current tax expense:		
Federal	$ 321,079	181,299
State	70,137	52,384
Foreign	12,229	11,816
Total current	403,445	245,499
Deferred tax expense:		
Federal	(20,062)	137,150
State	5,667	15,775
Foreign	—	684
Total deferred tax expense	(14,395)	153,609
Total provision	$ 389,050	399,108

The provision for income taxes for the years ended December 31, 2015 and 2014 differed from the amount of income taxes determined by applying the applicable statutory federal income tax rate to pre-tax earnings as a result of the following differences:

	Year ended December 31	
	2015	**2014**
Statutory federal tax rate	35.0%	35.0%
State income taxes, net of federal tax benefit	3.9	3.7
Provision for tax audit liability	(1.0)	(0.7)
Noncontrolling partnership interests	(8.3)	(6.0)
Foreign losses and taxes	0.5	0.9
Manufacturing deduction	(0.1)	(0.2)
Other	0.6	0.9
Effective tax rate	30.6%	33.6%

Deferred tax liabilities (assets) are comprised of the following:

	December 31	
	2015	2014
Reserves and other accrued liabilities	$ (34,667)	(131,466)
Depreciation and amortization	685,520	818,530
Derivatives	(427)	(2,566)
Pension valuation	(73,773)	(85,600)
Stock based compensation expense	(12,886)	(15,739)
Net deferred tax liabilities	$ 563,767	583,159

The item "Reserves and other accrued liabilities" includes the deferred tax liability in the amount of $86,790 related to the recognized insurance recoveries in relation to the NaturaLyte® and GranuFlo® agreement in principle. For further information, see note 17 ''Legal Proceedings".

The Company has established valuation allowances for deferred tax assets of $3,180 and $21,491 at December 31, 2015 and 2014, respectively.

The net decrease in the valuation allowance for deferred tax assets was $18,311 and ($63) for the years ended December 31, 2015 and 2014, respectively. The aforementioned changes relate to activities incurred in state and foreign jurisdictions.

It is the Company's expectation that it is more likely than not to generate future taxable income to utilize its remaining deferred tax assets.

At December 31, 2015, there is a federal net operating loss carryover of $58,637 some of which will begin to expire in 2020. In addition, there is a Federal Tax Credit of $1,270 which will begin to expire in 2020. State net operating loss carryovers are $210,217 with varying expiration dates and foreign net operating losses are $2, which will expire in 2018.

Provision has not been made for additional federal, state, or foreign taxes on $17,919 of undistributed earnings of foreign subsidiaries. Prior to a decision on the evaluation discussed below, those earnings have been and will continue to be reinvested. The earnings could be subject to additional tax if they were remitted as dividends, if foreign earnings were loaned to the Company or a U.S. affiliate or if the Company should sell its stock in these subsidiaries. The Company estimates that the distribution of these earnings would result in $5,922 of U.S. federal income taxes.

In the U.S., the tax years 2011 and 2012 are currently under audit by the federal tax authorities. Tax years 2013, 2014 and 2015 are open to audit. FMCH is also subject to audit in various state jurisdictions. A number of these audits are in progress and various years are open to audit in various state jurisdictions. All expected results for both federal and state income tax audits have been recognized in the consolidated financial statements.

The following table shows the reconciliation of the beginning and ending amounts of unrecognized tax benefits:

		2015	2014
Unrecognized tax benefits (net of interest):			
Balance at January 1	$	41,838	66,963
Increases in unrecognized tax benefits prior periods		5,844	17,132
Decreases in unrecognized tax benefits prior periods		(12,410)	(872)
Increases in unrecognized tax benefits current periods		—	2,481
Changes related to settlements with tax authorities		(5,599)	(43,866)
Reductions as a result of the statute of limitations		(1,300)	—
Balance at December 31	$	28,373	41,838

Included in the balance is $27,756 and $32,098 of unrecognized tax benefits at December 31, 2015 and 2014, respectively, which would affect the effective tax rate if recognized. The Company is currently not in a position to forecast the timing and magnitude of changes in the unrecognized tax benefits within the next twelve months.

During the year ended December 31, 2015 and 2014, the Company recognized $504 and $13,939 in interest and penalties, respectively. The Company received $18,756 and paid $2,392 in interest and penalties during 2015 and 2014, respectively.

(10) Property, Plant and Equipment

As of December 31, 2015 and 2014, property, plant and equipment consisted of the following:

		December 31	
		2015	2014
Land and improvements	$	12,427	11,963
Buildings		250,042	238,164
Capital lease property		14,036	14,180
Leasehold improvements		1,838,239	1,700,629
Equipment and furniture		2,031,534	1,873,122
Construction in progress		289,905	143,071
		4,436,183	3,981,129
Accumulated depreciation and amortization		(2,442,432)	(2,171,036)
Property, plant and equipment, net	$	1,993,751	1,810,093

Depreciation expense relating to property, plant and equipment (including capital lease property) amounted to $376,514 and $350,869 for the years ended December 31, 2015 and 2014, respectively.

Included in property, plant and equipment as of December 31, 2015 and 2014 were $123,184 and $107,745, respectively, of peritoneal dialysis cycler machines which the Company leases to customers with end-stage renal disease on a month-to-month basis.

Leases

The Company leases buildings and machinery and equipment under various lease agreements expiring on dates through 2047. Rental expense for operating leases was $567,925 and $521,881 for the years ended December 31, 2015 and 2014, respectively. Amortization of properties under capital leases amounted to $718 and $783 for the years ended December 31, 2015 and 2014, respectively.

Future minimum payments under noncancelable leases (principally for clinics, offices and equipment) for the five years succeeding December 31, 2015 and thereafter are as follows:

	Operating leases	Capital leases	Total
2016	$ 534,784	455	535,239
2017	482,790	379	483,169
2018	421,495	349	421,844
2019	358,245	298	358,543
2020	294,429	288	294,717
2021 and beyond	1,044,877	8,057	1,052,934
Total minimum payments	$ 3,136,620	9,826	$ 3,146,446
Less interest and operating costs		7,785	
Present value of minimum lease payments ($455 payable in 2016)		$ 2,041	

Lease agreements frequently include renewal options and require that the Company pay for utilities, taxes, insurance and maintenance expenses. Options to purchase are also included in some lease agreements, particularly capital leases.

(11) Pension and Other Post Retirement Benefits

(a) National Medical Care, Inc. Defined Benefit Pension Plan

The Company has a noncontributory, defined benefit pension plan (NMC plan). Each year the Company contributes at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended. Plan assets consist primarily of publicly traded common stock, fixed income securities and cash equivalents.

In 2002, the Company curtailed its defined benefit and supplemental executive retirement plans. Under the curtailment amendment for substantially all employees eligible to participate in the NMC plan, benefits have been frozen as of the curtailment date and no additional defined benefits for future

services will be earned. The Company has retained all employee benefit obligations as of the curtailment date. The Company contributed $19,340 and $41,600 (including a minimum funding requirement of $19,340 in 2015) for the years ended December 31, 2015 and 2014 respectively. Expected funding for 2016 is $14,400.

The following table shows the changes in benefit obligations, the changes in plan assets, and the funded status of the NMC plan:

	Year ended December 31	
	2015	2014
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 477,349	364,287
Service cost	6,439	3,813
Interest cost	18,861	18,597
Amendments	(879)	—
Actuarial (loss) gain	(26,349)	103,143
Benefits paid	(14,248)	(12,491)
Benefit obligation at end of year	461,173	477,349
Change in plan assets:		
Fair value of plan assets at beginning of year	270,859	248,497
Actual return on plan assets	(15,794)	(6,747)
Employer contribution	19,340	41,600
Benefits paid	(14,248)	(12,491)
Fair value of plan assets at end of year	260,157	270,859
Funded status at year-end	$ (201,016)	(206,490)

The pension liability recognized as of December 31, 2015 and 2014, is equal to the amount shown as 2015 and 2014 funded status at end of year in the preceding table and is recorded as a component of "other liabilities" in the consolidated balance sheets.

The accumulated benefit obligation for the NMC plan with an obligation in excess of plan assets was $455,375 and $472,011 at December 31, 2015 and 2014, respectively.

The pre-tax changes in the table below for 2015 and 2014 reflect actuarial (gains) losses in other comprehensive income relating to pension liabilities. As of December 31, 2015 there are no cumulative effects of prior service costs included in other comprehensive income.

		Actuarial (gains) losses
Adjustments related to pensions at January 1, 2014	$	124,498
Actuarial loss for year		126,059
Amortization of unrealized losses		(12,291)
Adjustments related to pensions at December 31, 2014		238,266
Actuarial loss for year		5,847
Amendment		(879)
Amortization of unrealized losses		(25,251)
Adjustments related to pensions at December 31, 2015	$	217,983

The actuarial loss expected to be amortized from other comprehensive income into net periodic pension cost over the next year is $23,125.

The following weighted average assumptions were utilized in determining benefit obligations as of December 31:

	2015	2014
Discount rate	4.36%	3.99%
Rate of compensation increase	3.50	3.50

The NMC plan net periodic benefit costs are comprised of the following components:

		2015	2014
Components of net periodic benefit cost:			
Service cost	$	6,439	3,813
Interest cost		18,861	18,597
Expected return on plan assets		(16,403)	(16,169)
Amortization of unrealized losses		25,251	12,291
Net periodic benefit cost	$	34,148	18,532

The discount rates for the NMC plan are derived from an analysis and comparison of yields of portfolios of equity and highly rated debt instruments with maturities that mirror the NMC plan's benefit obligation. The Company's discount rate is the weighted average of these plans based upon their benefit obligations at December 31, 2015. The following weighted average assumptions were used in determining net periodic benefit cost for the years ended December 31:

	2015	2014
Discount rate	3.99%	5.15%
Expected return on plan assets	6.00	6.00
Rate of compensation increase	3.50	3.50

Expected benefit payments for the NMC plan for the next five years and in the aggregate for the five years thereafter are as follows:

2016	$	18,294
2017		19,362
2018		20,316
2019		21,408
2020		22,682
2021 through 2025		129,952

Plan Assets

The following table presents the fair values of the Company's pension plan assets at December 31, 2015 and 2014:

	Fair value measurements at December 31, 2015			Fair value measurements at December 31, 2014		
	Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2	Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2
Asset category:						
Equity investments:						
Index funds [1]	$ 64,828	98	64,730	69,486	—	69,486
Fixed income investments:						
Government securities [2]	4,815	4,269	546	1,629	850	779
Corporate bonds [3]	169,717	—	169,717	181,132	—	181,132
Other bonds [4]	7,794	—	7,794	4,573	—	4,573
U.S. Treasury money market funds [5]	13,003	13,003	—	7,989	7,989	—
Other types of investments:						
Cash, money market and mutual funds [6]	—	—	—	6,050	6,050	—
Total	$ 260,157	17,370	242,787	270,859	14,889	255,970

1 This category comprises low-cost equity index funds not actively managed that track the S&P 500, S&P 400, Mid-Cap Index, Russell 2000 Index, MSCI EAFE Index, MSCI Emerging Markets Index and Barclays Capital Long-Corporate Bond Index.

2 This category comprises fixed income investments by the U.S. government and government sponsored entities.

3 This category represents investment grade bonds of U.S. issuers from diverse industries.

4 This category comprises private placement bonds as well as collateralized mortgage obligations.

5 This category represents funds that invest in treasury obligations directly or in treasury-backed obligations.

6 This category represents cash, money market funds as well as mutual funds comprised of high grade corporate bonds.

The methods and inputs used to measure the fair value of plan assets are as follows:

Common stocks are valued at their market prices at the balance sheet date.

Index funds are valued based on market quotes.

Government bonds are valued based on both market prices and market quotes.

Corporate bonds and other bonds are valued based on market quotes at the balance sheet date.

Cash is stated at nominal value which equals the fair value.

U.S. Treasury money market funds as well as other money market and mutual funds are valued at their market price.

Plan Investment Policy and Strategy

The Company periodically reviews the assumption for long-term expected return on NMC plan assets. As part of the assumptions review, a range of reasonable expected investment returns for the pension plan as a whole was determined based on an analysis of expected future returns for each asset class weighted by the allocation of the assets. The range of returns developed relies both on forecasts, which include the actuarial firm's expected long-term rates of return for each significant asset class or economic indicator, and on broad-market historical benchmarks for expected return, correlation, and volatility for each asset class. As a result, the Company's expected rate of return on pension plan assets was 6.00% for 2015 and 2014.

The Company's overall investment strategy is to achieve a mix of approximately 98% of investments for long-term growth and income and 2% in cash or cash equivalents. Investment income and cash or cash equivalents are used for near-term benefit payments. Investments are governed by the investment policy and include well diversified index funds or funds targeting index performance.

The investment policy, utilizing a target investment allocation in a range around 30% equity and 70% long-term U.S. corporate bonds, considers that there will be a time horizon for invested funds of more than 5 years. The total portfolio will be measured against a custom index that reflects the asset class benchmarks and the target asset allocation. The NMC plan policy does not allow investments in securities of the Company or other related party securities. The performance benchmarks for the separate asset classes include: S&P 500 Index, S&P 400 Mid-Cap Index, Russell 2000 Index, MSCI EAFE Index, MSCI Emerging Markets Index and Barclays Capital Long Corporate Bond Index.

(b) Supplemental Executive Retirement Plan

The Company's supplemental executive retirement plan provides certain key executives with benefits in excess of normal pension benefits. This plan was curtailed prior to 2010. The projected benefit obligation was $16,493 and $16,918 at December 31, 2015 and 2014, respectively. Pension expense for this plan, for the years ended December 31, 2015 and 2014 was $1,814 and $1,329, respectively. The Company has recorded $5,216 and $6,697 to accumulated other comprehensive loss to recognize the additional liability for this plan at December 31, 2015 and 2014, respectively. The Company contributed $759 and $764 to this plan during 2015 and 2014, respectively. Expected funding for 2016 is $1,110.

The pension liability recognized as of December 31, 2015 and 2014 of $16,493 and $16,918, respectively, includes a current portion of $1,083 and $1,010, respectively which is recognized as a current liability in the line item "accrued liabilities" within the consolidated balance sheets. The noncurrent portion of $15,410 as of December 31, 2015 and $15,908 as of December 31, 2014 is recorded as noncurrent pension liability in "other liabilities" within the consolidated balance sheets.

The Company does not provide any post-retirement benefits to its employees other than those provided under its NMC plan and supplemental executive retirement plan.

(c) Defined Contribution Plans

Most FMCH employees are eligible to join a 401(k) savings plan. Employees can deposit up to 75% of their pay up to a maximum of $18 if under 50 years old ($24 if 50 or over) under this savings plan. The Company will match 50% of the employee deposit up to a maximum Company contribution of 3% of the employee's pay. The Company's total expense under this defined contribution plan for the years ended December 31, 2015 and 2014 was $46,267 and $41,560, respectively.

(12) Noncontrolling Interests Subject to Put Provisions

The Company has potential obligations to purchase the noncontrolling interests held by third parties in certain of its consolidated subsidiaries. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase all or part of third-party owners' noncontrolling interests at the appraised fair value at the time of exercise. The methodology the Company uses to estimate the fair values of the noncontrolling interest subject to put provisions assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors. The estimated fair values of the noncontrolling interests subject to these put provisions can also fluctuate and the implicit multiple of earnings at which these noncontrolling interest obligations may ultimately be settled could vary significantly from our current estimates depending upon market conditions.

As of December 31, 2015 and 2014 the Company's potential obligations under these put options are $993,425 and $796,727, respectively, of which, at December 31, 2015 and 2014, $364,982 and $310,133 were exercisable. In the last two fiscal years ending December 31, 2015 eight puts have been exercised for a total consideration of $4,366.

Following is a rollforward of noncontrolling interests subject to put provisions for the years ended December 31, 2015 and 2014:

		2015	2014
Beginning balance	$	796,727	616,792
Dividends paid		(164,830)	(141,277)
Purchase/sale of noncontrolling interests		3,165	82,305
Contributions from noncontrolling interests		16,623	16,063
Changes in fair value of noncontrolling interests		182,613	89,765
Net income		159,127	133,079
Ending balance	$	993,425	796,727

(13) Series C Redeemable Preferred Stock

During 2006, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 5,000,000 shares at $1.00 par value of Series C Preferred Stock. The Company received proceeds of $1,250,000. Simultaneously with the issuance of the securities, the Company entered into a conditional forward sale agreement related to the Series C Preferred Stock. The conditional aspects of the contract are not certain to occur and are related to the dissolution or reorganization of DLP. However, if the conditions were to occur, the forward sale agreement requires that the Company redeem the securities at the same Euro value that was used to acquire the shares when initially issued plus any accumulated and declared but unpaid dividends at the spot rate in effect on the settlement date and declared but unpaid dividends at the spot rate in effect on the settlement date plus the discounted present value of all accumulated and unpaid dividends that have not been declared by the Board of Directors at the spot rate in effect on the settlement date. At December 31, 2015 and 2014, the redemption value of the Series C Preferred Stock was $392,100.

In accordance with Accounting Standards Codification 480, *Distinguishing Liabilities from Equity* (ASC 480) the Company recorded the proceeds as part of mezzanine equity. There were no redemptions of the Series C Preferred Stock during the years ended December 31, 2015 and 2014.

(14) Equity

(a) Preferred Stock

At December 31, 2015 and 2014, the components of the Company's preferred stocks as presented in the consolidated balance sheets consisted of the following:

	December 31	
	2015	2014
Preferred stock $1.00 par value:		
Class E; 2,653,560 shares authorized, issued and outstanding.	$ 663,390	663,390
Class F; 2,100,000 shares authorized, issued and outstanding.	525,000	525,000
Total preferred stock	$ 1,188,390	1,188,390

(b) Stock Options

In connection with its stock option program, the Company incurred compensation expense of $10,461 and $5,502 for the years ended December 31, 2015 and 2014, respectively. There were no capitalized compensation costs in any of the two years presented. The Company also recorded a related deferred income tax of $4,127 and $2,171 for the years ended December 31, 2015 and 2014, respectively.

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (2011 SOP) was established by resolution of our AGM. The 2011 SOP, together with the Phantom Stock Plan 2011, which was established by resolution of the General Partner's Management and Supervisory Boards, forms our Long Term Incentive Program 2011 (2011 Incentive Program). Under the 2011 Incentive Program, participants may be granted awards, which will consist of a combination of stock options and phantom stock. Awards under the 2011 Incentive Program were granted over a five year period and were able to be granted on the last Monday in July and/or the first Monday in December each year. Generally and prior to the respective grants, participants were able to choose how much of the granted value is granted in the form of stock options and phantom stock in a predefined range of 75:25 to 50:50, stock options vs. phantom stock. For grants made in 2015 and 2014 related to the participants who did not belong to the General Partner's Management Board, the grant ratio was predefined at 50:50. The number of phantom shares granted instead of stock options and within the aforementioned proportions was determined on the basis of a fair value assessment pursuant to a binomial model. With respect to grants made in July, this fair value assessment was conducted on the day following our AGM and with respect to the grants made in December, on the first Monday in October. Awards under the 2011 Incentive Program are subject to a four-year vesting period. Vesting of the awards granted was subject to achievement of performance targets. The 2011 Incentive Program was established with a conditional capital increase up to €12 million subject to the issue of up to twelve million non-par value bearer ordinary shares with a nominal value of €1.00, each of which can be exercised to obtain one ordinary share.

The exercise price of stock options granted under the 2011 Incentive Program shall be the average stock exchange price on the Frankfurt Stock Exchange of the Parent Company's ordinary shares during the 30 calendar days immediately prior to each grant date. Stock options granted under the 2011 Incentive Program have an eight-year term and can be exercised only after a four-year vesting period. Stock options granted under the 2011 Incentive Program to US participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2011 Incentive Program are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or disposed of otherwise.

Options granted under the 2006 Amended Plan to U.S. participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2006 Amended Plan are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or otherwise disposed of. Options granted under this plan are exercisable through December 2017.

The table below provides reconciliations for options outstanding at December 31, 2015, as compared to December 31, 2014.

	Options (In thousands)	Weighted average exercise price
Ordinary shares:		
Balance at December 31, 2013	6,809	$ 64.80
Granted	1,110	61.14
Exercised	(1,014)	43.90
Forfeited	(874)	62.64
Balance at December 31, 2014	6,031	59.23
Granted	2,115	83.89
Exercised	(1,104)	43.84
Forfeited	(1,215)	60.69
Balance at December 31, 2015	5,827	64.48

There were no preference shares options issued or outstanding in 2015.

The following table provides a summary of fully vested options outstanding and exercisable for both preference and ordinary shares at December 31, 2015:

	Fully vested outstanding and exercisable options			
	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price	Aggregate intrinsic value
Options for ordinary shares	989	2.10	$ 47.98	36,249

At December 31, 2015, there is $38,200 of total unrecognized compensation costs related to nonvested options granted under all plans. These costs are expected to be recognized over a weighted average period of 2.2 years.

During the years ended December 31, 2015 and 2014, the Parent Company received cash of $49,349 and $48,728, respectively, from the exercise of stock options. The intrinsic value of options exercised for the years ended December 31, 2015 and 2014 were $45,813 and $21,619, respectively. The Company recorded a related tax benefit of $18,073 and $8,529 for the years ended December 31, 2015 and 2014, respectively.

(c) Fair Value Information

The Company used a binomial option-pricing model in determining the fair value of the awards under the 2011 SOP and the 2006 Amended Plan. Option valuation models require the input of subjective assumptions including expected stock price volatility. The Company's assumptions are based upon its past experiences, market trends and the experiences of other entities of the same size and in similar industries. Expected volatility is based on historical volatility of the Company's shares. To incorporate the effects of expected early exercise in the model, an early exercise of vested options was assumed as soon as the share price exceeds 155% of the exercise price. The Company's stock options have characteristics that vary significantly from traded options and changes in subjective assumptions can materially affect the fair value of the option.

The assumptions used to determine the fair value of the 2015 and 2014 grants are as follows:

	2015	2014
Expected dividend yield	1.46%	1.99%
Risk-free interest rate	0.44%	0.83%
Expected volatility	22.32%	22.16%
Expected life of options	8 years	8 years
Weighted average exercise price	$ 83.89	61.14

(d) Subsidiary Stock Incentive Plans

Subsidiary stock incentive plans were established during 2014 in conjunction with two acquisitions made by the Company. Under these plans, two of the Company's subsidiaries are authorized to issue a total of 116,103,806 Incentive Units. The Incentive Units have two types of vesting conditions – a service condition and a performance condition. Of the total Incentive Units granted, eighty percent vest ratably over a four year period and twenty percent vest upon the achievement of certain of the relevant subsidiary's performance targets over a six year vesting period (the Performance Units).

Fifty percent of the Performance Units will vest upon achievement of performance targets in 2017. The remaining 50%, plus any unvested Performance Units, will vest upon achievement of performance targets in 2019. All of the Performance Units will vest upon achievement of performance targets in 2020, if not previously vested. Additionally, for one of the subsidiaries, all Performance Units not previously vested will vest upon successful completion of an initial public offering.

As of December 31, 2015 and 2014, there was $17,886 and $20,005, respectively, of total unrecognized compensation cost related to unvested Incentive Units under the plans. These costs are expected to be recognized over a weighted average period of 4.2 years.

The Company used the Monte Carlo pricing model in determining the fair value of the awards under this incentive plan. Option valuation models require the input of subjective assumptions including expected stock price volatility. The Company's assumptions are based upon its past experiences, market trends and the experiences of other entities of the same size and in similar industries.

(15) Financial Instruments

Nonderivative Financial Instruments

The following table presents the carrying amounts and fair values of the Company's nonderivative financial instruments at December 31, 2015 and 2014:

	December 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Nonderivatives:				
Assets:				
Cash and cash equivalents	$ 249,300	249,300	195,280	195,280
Trade accounts receivable	1,756,532	1,756,532	1,517,546	1,517,546
Receivables from affiliates	1,036,650	1,036,650	925,519	925,519
Long term notes receivable [1]	4,309	4,309	182,126	198,443
Liabilities:				
Accounts payable	396,354	396,354	322,685	322,685
Short term borrowings	57,612	57,612	24,554	24,554
Long term debt and capital lease obligations, excluding Amended 2006 Senior Credit Agreement	74,055	74,055	365,739	365,739
Amended 2006 Senior Credit Agreement	2,313,544	2,302,781	2,535,992	2,524,137
Borrowings from affiliates	2,723,036	2,723,036	2,861,448	2,861,448
Noncontrolling interests subject to put provisions	993,425	993,425	796,727	796,727

1 Amounts included in the consolidated balance sheet under other assets and deferred charges caption

The carrying amounts in the table are included in the consolidated balance sheets under the indicated captions.

The significant methods and assumptions used in estimating the fair values of financial instruments are as follows:

Cash and cash equivalents are stated at nominal value which equals the fair value.

Short-term financial instruments such as accounts receivable, accounts payable and short-term borrowings are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

The valuation of the long-term notes receivable is determined using significant unobservable inputs (Level 3). It is valued using a constructed index based upon similar instruments with comparable credit ratings, terms, tenor, interest rates that are within the Company's industry. The Company tracked the prices of the constructed index from the note issuance date to the reporting date to determine fair value.

The fair values of the long-term debt and capital lease obligations are calculated on the basis of market information. Instruments for which market quotes are available are measured using these quotes. The fair values of the other long-term financial liabilities are calculated at the present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs (Level 3). See note 12 for a discussion of the Company's methodology for estimating the fair value of these noncontrolling interests subject to put obligations.

Currently, there is no indication that a decrease in the value of the Company's financing receivables is probable. Therefore, the allowances on credit losses of financing receivables are not considered necessary.

(16) Derivative Financial Instruments

The Company is exposed to market risk from changes in foreign exchange rates. In order to manage the risk of currency exchange rate fluctuations, the Company enters into various hedging transactions with highly rated financial institutions as authorized by the Parent Company. On a quarterly basis an assessment of the Company's counterparty credit risk is performed, which the Company considers to be low. The Company does not use financial instruments for trading purposes.

The Company established guidelines for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

The table below summarizes the derivative financial instruments pre-tax and after-tax effect on accumulated other comprehensive loss in equity for the years ended December 31, 2015 and 2014:

	Year ended December 31	
	2015	2014
	(Dollars in millions)	
Forecasted raw material product purchases and other obligations:		
Pre-tax (gain) loss	$ (5.4)	8.7
After-tax (gain) loss	(3.3)	5.2

The Company enters into forward rate agreements that are designated and effective as hedges of forecasted raw material purchases and other obligations. After-tax gains and losses are deferred in other comprehensive income and are reclassified into cost of medical supplies in the period during which the hedged transactions affect earnings. All deferred amounts are reclassified into earnings within the next twelve months.

(a) Foreign Currency Contracts

The Company uses foreign exchange contracts as a hedge against foreign exchange risks associated with the settlement of foreign currency denominated payables and firm commitments. At December 31, 2015 and 2014, the Company had outstanding foreign currency contracts for the purchase of Euros (EUR) totaling 49,366 and 39,642, respectively, contracts for the purchase of 341,100 and 315,000 Mexican pesos, respectively, and contracts for the sale of 3,600 and 350 Canadian dollars, respectively. The contracts outstanding at December 31, 2015 include forward contracts for purchase of EUR at rates ranging from $1.106 to $1.484 per EUR, forward contracts for the purchase of Mexican pesos at rates ranging from $15.979 to $16.397 per Mexican peso, and outright sale contracts for Canadian dollars at rates ranging from $1.272 to $1.273 per Canadian dollar. All contracts are for periods between January 2016 and February 2017.

The fair value of currency contracts are the estimated amounts that the Company would receive or pay to terminate the agreements at the reporting date, taking into account the current exchange rates and the current creditworthiness of the counterparties in addition to the Company's own nonperformance risk. At December 31, 2015 and 2014, the Company would have paid approximately $1,134 and $7,116, respectively, to terminate these contracts.

(b) Currency Exchange Agreements

Periodically, the Company enters into derivative instruments with related parties to form a natural hedge for currency exchange rate exposures on intercompany obligations. These instruments are reflected in the consolidated balance sheets at fair value with changes in fair value recognized in earnings. Pre-tax losses recorded in the consolidated statements of operations for the years ended December 31, 2015 and 2014 were $319,742 and $321,456, respectively. After-tax losses in the consolidated statements of operations for the years ended December 31, 2015 and 2014 were $127,897 and $113,237, respectively.

$682,500 Currency Exchange Agreement

On February 3, 2011, the Company entered into a currency exchange agreement with Fresenius Medical Care North America Holdings Limited Partnership (DLP) with a notional principal amount of $682,500 and a Euro amount with equal market value applying the market foreign exchange rate at the time the exchange agreement was entered into. The currency exchange agreement requires that at each periodic settlement date, DLP is obligated to pay to FMCH, Euro interest on the Euro equivalent of $682,500. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on $682,500 in U.S. dollars.

Upon maturity (February 15, 2021), DLP is obligated to pay to FMCH, the Euro equivalent of $682,500 converted at the spot rate and FMCH will pay to DLP the final settlement amount of $682,500.

This instrument is reflected in other liabilities within the consolidated balance sheets at fair value at the reporting date with changes in fair value recognized in earnings. At December 31, 2015 and 2014, the fair value of the derivative liability was $142,429 and $70,888, respectively.

$525,000 Currency Exchange Agreement

On June 16, 2011, the Company entered into a currency exchange agreement with DLP with a notional principal amount of $525,000 and a Euro amount with equal market value applying the market foreign exchange rate at the time the exchange agreement was entered into. The currency exchange agreement requires that at each periodic settlement date, DLP is obligated to pay to FMCH, Euro interest on the on the Euro equivalent of $525,000. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on $525,000 in U.S. dollars.

Upon maturity (July 15, 2017), DLP is obligated to pay to FMCH, the Euro equivalent of $525,000 converted at the spot rate and FMCH will pay to DLP the final settlement amount of $525,000.

This instrument is reflected in other liabilities within the consolidated balance sheets at fair value at the reporting date with changes in fair value recognized in earnings. At December 31, 2015 and 2014, the fair value of the derivative liability was $116,385 and $70,567, respectively.

FMC Finance II Currency Exchange Agreements

On January 26, 2012 the Company entered into three currency exchange agreements with Fresenius Medical Care US Finance II, Inc. (FMC Finance II) with a notional principal amounts of $800,000, $700,000, and $105,000 U.S. dollars, and an equivalent Euro amount based on the foreign exchange rate at the time the exchange agreements were entered into. The currency exchange agreement requires that at each periodic settlement date, FMC Finance II is obligated to pay to FMCH, Euro interest on the Euro equivalent of notional principal amounts. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on notional principal amounts in U.S. dollars.

Upon maturity (July 2019, January 2022, and July 2019, respectively), FMC Finance II is obligated to pay to FMCH, the Euro equivalent of the notional principal amount converted at the spot rate and FMCH will pay to FMC Finance II the final settlement amount of the notional principal amount.

This instrument is reflected in other long term liabilities within the consolidated balance sheets at fair value at the reporting date with changes in fair value recognized in earnings. At December 31, 2015 and 2014, the fair value of the derivative liability was $229,328 and $26,775, respectively.

The following table shows the Company's derivatives at December 31, 2015 and 2014:

	2015		2014	
	Assets (1)	Liabilities (1)	Assets (1)	Liabilities (1)
Current:				
Foreign currency contracts	$ 941	2,246	45	7,098
Noncurrent:				
Foreign currency contracts	—	487,972	—	168,230
Total	$ 941	490,218	45	175,328

(1) As of December 31, 2015 and 2014, the valuation of the Company's derivatives was determined using Significant Other Observable inputs (Level 2) in accordance with the fair value hierarchy levels established in U.S. GAAP. Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at each reporting date with the changes in fair value recognized in earnings.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in other current assets in the consolidated balance sheets while the current portion of those indicated as liabilities are included in other current liabilities. The noncurrent portions indicated as assets or liabilities are included in the consolidated balance sheets in other assets or other liabilities, respectively.

The significant methods and assumptions used in estimating the fair values of derivative financial instruments are as follows:

To determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the balance sheet date. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the applicable currency.

The Company includes its own credit risk when measuring the fair value of derivative financial instruments.

The Effect of Derivatives on the Consolidated Financial Statements

	Amount of loss recognized in OCI on derivatives (effective portion) December 31		Location of loss reclassified from OCI in income	Amount of gain (loss) reclassified from OCI in income (effective portion) for the twelve months ended December 31	
	2015	2014	(effective portion)	2015	2014
Foreign currency contracts	(6,229)	(7,389)	Cost of medical supplies	11,649	(1,273)
	$ (6,229)	(7,389)		$ 11,649	(1,273)

The Company expects to recognize $1,084 of gains deferred in accumulated other comprehensive loss at December 31, 2015, in earnings during the next twelve months.

As of December 31, 2015, the Company had foreign currency contracts with maturities of up to 15 months.

(17) Legal Proceedings

(a) Legal and Regulatory Matters

The Company is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. Legal matters that the Company currently deems to be material or noteworthy are described below. For the matters described below in which the Company believes a loss is both reasonably possible and estimable, an estimate of the loss or range of loss exposure is provided. For the other matters described below, the Company believes that the loss probability is remote and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with the Company's view of the merits can occur. The Company believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

(b) Commercial Litigation

On April 5, 2013, the U.S. Judicial Panel on Multidistrict Litigation ordered that the numerous lawsuits filed in various federal courts alleging wrongful death and personal injury claims against FMCH and certain of its affiliates relating to FMCH's acid concentrate products NaturaLyte® and Granuflo® be transferred and consolidated for pretrial management purposes into a consolidated multidistrict litigation in the United States District Court for the District of Massachusetts, styled In Re: Fresenius Granuflo/Naturalyte Dialysate Products Liability Litigation, Case No. 2013-md-02428. The Massachusetts state courts and the St. Louis City (Missouri) court subsequently established a similar

consolidated litigation for such cases filed in Massachusetts county courts and St. Louis City Court, *See*, In Re: Consolidated Fresenius Cases, Case No. MICV 2013-03400-O (Massachusetts Superior Court, Middlesex County). These lawsuits allege generally that inadequate labeling and warnings for these products caused harm to patients. In addition, similar cases have been filed in other state courts. On February 17, 2016, the Company reached and reported to the courts an agreement in principle with a committee for plaintiffs in all cases. The agreement in principle calls for the Company to pay $250,000 into a settlement fund in August 2016 in exchange for releases of all or substantially all of the plaintiffs' claims, subject to the Company's right to void the settlement under certain conditions, including if more than 3% of all plaintiffs reject the settlement by July 2016 or the distribution of rejecters meet certain criteria. The Company's affected insurers have agreed to fund $220,000 of the settlement fund, with a reservation of rights regarding certain coverage issues between and among the Company and its insurers. The Company has accrued a net expense of $60,000 for consummation of the settlement, including legal fees and other anticipated costs.

(c) Other Litigation and Potential Exposures

On February 15, 2011, a whistleblower (relator) action under the False Claims Act against FMCH was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. The United States has not intervened initially in the case United States ex rel. Chris Drennen v. Fresenius Medical Care Holdings, Inc., 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleged that the Company sought and received reimbursement from government payors for serum ferritin and multiple forms of hepatitis B laboratory tests that are medically unnecessary or not properly ordered by a physician. Discovery on the relator's complaint closed in May 2015. On October 2, 2015, the United States Attorney moved to intervene on the relator's complaint with respect only to certain Hepatitis B surface antigen tests performed prior to 2011, when Medicare reimbursement rules for such tests changed. FMCH believes that the allegations of the complaint are without merit and will defend the litigation vigorously.

Subpoenas or search warrants have been issued by federal and state law enforcement authorities under the supervision of the United States Attorneys for the Districts of Connecticut, Southern Florida, Eastern Virginia and Rhode Island to American Access Care LLC ("AAC"), which the Company acquired in October 2011, and to the Company's subsidiary, Fresenius Vascular Care, Inc., which now operates former AAC centers as well as its own original facilities. As of September 30, 2015, the Company had entered into settlements of allegation made by the United States Attorneys for Connecticut, Southern Florida, and Rhode Island under which the Company paid approximately $8 million in exchange for releases related to activities of AAC prior to the acquisition. Pursuant to the AAC acquisition agreement the prior owners are obligated to indemnify the Company for payments under these settlements, subject to certain limitations and deductibles. The three settlements implicate only actions and events occurring prior to the Company's acquisition of AAC. The Eastern Virginia investigation remains active and outstanding. It appears to relate to issues similar to the others, but is being conducted in part as a grand jury proceeding.

On October 6, 2015, the Office of Inspector General of the United States Department of Health and Human Services ("OIG") issued a subpoena to the Company seeking information about utilization and

invoicing by Fresenius Vascular Care facilities as a whole for a period beginning after the acquisition of AAC. The Company is cooperating in the OIG's inquiry.

In December 2012, FMCH received a subpoena from the United States Attorney for the District of Massachusetts requesting production of a broad range of documents related to products manufactured by FMCH, electron-beam sterilization of dialyzers and the Liberty peritoneal dialysis cycler. FMCH has cooperated fully in the government's investigation. In December 2014, FMCH was advised that the government's investigation was precipitated by a whistleblower, who first filed a complaint under seal in June 2013. In September 2014, the government declined to intervene in the whistleblower's actions. On March 31, 2015, the relator served his complaint styled Reihanifam v. Fresenius USA, Inc, 2013 Civ. 11486 (D. Mass.). On May 14, 2015, the Court dismissed without prejudice the relator's False Claims Act allegations after receiving the United States' confirmation that it would not intervene as to those allegations. The relator acting pro se has filed motions requesting extended time to identify and retain counsel.

In January 2013 and April 2015, FMCH received subpoenas from the United States Attorney for the Western District of Louisiana and the Attorney General for the Commonwealth of Massachusetts, respectively, requesting discovery responses relating to the GranuFlo® and NaturaLyte® acid concentrate products that are also the subject of personal injury litigation described above. FMCH cooperated fully in the government's investigations. FMCH has learned that these subpoenas were issued in connection with a relator's complaint under the False Claims Act first filed in March 2012 that has been dismissed by the relator.

In August 2014, FMCH received a subpoena from the United States Attorney for the District of Maryland inquiring into FMCH's contractual arrangements with hospitals and physicians, including contracts relating to the management of in-patient acute dialysis services. FMCH is cooperating in the investigation.

In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act styled Hawaii v. Liberty Dialysis – Hawaii, LLC et al., Case No. 15-1-1357-07 (Hawaii 1st Circuit) alleging that Xerox State Healthcare, LLC, M Group Consulting LLC and certain Liberty Healthcare subsidiaries of FMCH conspired to overbill Hawaii Medicaid for Liberty's Epogen administrations to Hawaii Medicaid patients during the period from 2006 through 2010, prior to the time of FMCH's acquisition of Liberty. The complaint alleges that Xerox State Healthcare LLC which acted as Hawaii's contracted administrator for its Medicaid program reimbursement operations during 2006-2010, provided incorrect and unauthorized billing guidance to Liberty and its consultant, M4 Consultants, Inc. (a subsidiary of M Group Consulting LLC until 2008, and now a subsidiary of Liberty), which Liberty relied on for purposes of its Epogen billing to the Hawaii Medicaid program. The complaint seeks civil damages authorized under the Hawaii False Claims Act. FMCH will vigorously contest the complaint.

On August 31 and November 25, 2015, respectively, FMCH received subpoenas from the United States Attorneys for the District of Colorado and the Eastern District of New York inquiring into

FMCH's participation in and management of dialysis facility joint ventures in which physicians are partners. FMCH is cooperating in the investigations.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, like other healthcare providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Company could be subject to significant adverse regulatory actions by the FDA and comparable regulatory authorities outside the U.S. These regulatory actions could include warning letters or other enforcement notices from the FDA, and/or comparable foreign regulatory authority which may require the Company to expend significant time and resources in order to implement appropriate corrective actions. If the Company does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the U.S., these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of the Company's products and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to three pending FDA warning letters. The Company must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from the Company's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not always be aware that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

The Company operates many facilities throughout the United States and other parts of the world. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees or other agents deliberately, recklessly or inadvertently

contravene the Company's policies or violate applicable law. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law, the False Claims Act and the Foreign Corrupt Practices Act, among other laws and comparable laws of other countries.

Physicians, hospitals and other participants in the healthcare industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

Other than those individual contingent liabilities mentioned above, the amount of the Company's other known individual contingent liabilities is immaterial.

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FRESENIUS MEDICAL CARE HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

2015 Audit Financial Statements
Fresenius Medical Care Holdings, Inc.
ATTACHMENT 37

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Shareholders
Fresenius Medical Care Holdings, Inc.:

We have audited the accompanying consolidated financial statements of Fresenius Medical Care Holdings, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Fresenius Medical Care Holdings, Inc. and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Boston, Massachusetts
April 29, 2016

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2015 and 2014

(Dollars in thousands)

Assets	2015	2014
Current assets:		
Cash and cash equivalents	$ 249,300	195,280
Trade accounts receivable, less allowances of $385,028 in 2015 and $303,716 in 2014	1,756,532	1,517,546
Receivables from affiliates	1,036,650	925,519
Inventories	725,046	485,337
Deferred income taxes	178,360	192,597
Other current assets	877,826	710,812
Total current assets	4,823,714	4,027,091
Property, plant and equipment, net	1,993,751	1,810,093
Other assets:		
Goodwill	11,587,473	11,544,352
Other intangible assets, net	660,932	700,693
Investment in equity method investees	81,023	68,322
Other assets and deferred charges	185,646	339,068
Total other assets	12,515,074	12,652,435
Total assets	$ 19,332,539	18,489,619
Liabilities and Equity		
Current liabilities:		
Short-term borrowings	$ 57,612	24,554
Current portion of long-term debt and capital lease obligations	208,210	204,934
Accounts payable	396,354	322,685
Accrued liabilities	1,753,914	1,402,615
Accounts payable to affiliates	54,332	52,647
Accrued income taxes	116,185	50,688
Total current liabilities	2,586,607	2,058,123
Long-term debt	2,170,018	2,669,500
Noncurrent borrowings from affiliates	2,723,036	2,861,448
Capital lease obligations	9,371	9,874
Deferred income taxes	742,127	775,756
Other liabilities	957,092	654,650
Total liabilities	9,188,251	9,029,351
Noncontrolling interests subject to put provisions	993,425	796,727
Series C redeemable preferred stock, $1 par value	235,141	235,141
Equity:		
Preferred stock, $1 par value	1,188,390	1,188,390
Common stock, $1 par value	90,000	90,000
Additional paid-in capital	1,553,887	1,705,128
Retained earnings	5,654,146	5,044,288
Accumulated other comprehensive loss	(140,979)	(147,786)
Total Fresenius Medical Care Holdings Inc., equity	8,345,444	7,880,020
Noncontrolling interests not subject to put provisions	570,278	548,380
Total equity	8,915,722	8,428,400
Total liabilities and equity	$ 19,332,539	18,489,619

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Operations

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

	2015	2014
Net revenues:		
Health care services	$ 11,272,141	9,872,574
Less: Patient service bad debt provision	409,583	302,647
Net health care services	10,862,558	9,569,927
Medical supplies	828,850	803,305
	11,691,408	10,373,232
Expenses:		
Cost of health care services	7,200,543	6,360,157
Cost of medical supplies	615,461	620,603
General and administrative expenses	1,896,717	1,572,134
Depreciation and amortization	454,947	415,092
Research and development	60,493	43,742
Equity investment income	(7,419)	(6,179)
Interest expense, net, and related financing costs (including $171,369 and $118,608 of interest with affiliates, respectively)	198,270	180,940
	10,419,012	9,186,489
Income before income taxes	1,272,396	1,186,743
Provision for income taxes	389,050	399,108
Net income	883,346	787,635
Less net income attributable to noncontrolling interests	273,488	206,567
Net income attributable to Fresenius Medical Care Holdings, Inc.	$ 609,858	581,068

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

		2015	2014
Net income	$	883,346	787,635
Other comprehensive income (loss):			
Foreign currency translation adjustments		(5,480)	(2,973)
Unrealized (loss) gain on investments, (net of deferred tax of $2,739 and ($2,264), respectively)		(4,174)	2,019
Actuarial gain (loss) on defined benefit plans, (net of deferred tax of ($8,589) and $45,856, respectively)		13,179	(70,383)
Derivative instruments, (net of deferred tax of ($2,138) and $3,417, respectively)		3,282	(5,245)
Total other comprehensive income (loss)		6,807	(76,582)
Total comprehensive income		890,153	711,053
Comprehensive income attributable to noncontrolling interests		273,488	206,567
Comprehensive income attributable to Fresenius Medical Care Holdings, Inc.	$	616,665	504,486

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2015 and 2014

(Dollars in thousands, except share data)

	Preferred stock		Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total FMCH, Inc. shareholders' equity	Noncontrolling interests not subject to put provisions	Total equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2013	4,753,560	$ 1,188,390	90,000,000	$ 90,000	1,786,715	4,463,220	(71,204)	7,457,121	212,770	7,669,891
Net income	—	—	—	—	—	581,068	—	581,068	73,488	654,556
Other comprehensive income	—	—	—	—	—	—	(76,582)	(76,582)	—	(76,582)
Exercise of stock options and related tax effects	—	—	—	—	4,090	—	—	4,090	—	4,090
Compensation expense related to stock options	—	—	—	—	5,502	—	—	5,502	—	5,502
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	8,613	8,613
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(74,287)	(74,287)
Purchase/ sale of noncontrolling interests	—	—	—	—	(1,414)	—	—	(1,414)	327,796	326,382
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	(89,765)	—	—	(89,765)	—	(89,765)
Balance, December 31, 2014	4,753,560	1,188,390	90,000,000	90,000	1,705,128	5,044,288	(147,786)	7,880,020	548,380	8,428,400
Net income	—	—	—	—	—	609,858	—	609,858	114,361	724,219
Other comprehensive income	—	—	—	—	—	—	6,807	6,807	—	6,807
Exercise of stock options and related tax effects	—	—	—	—	13,360	—	—	13,360	—	13,360
Compensation expense related to stock options	—	—	—	—	10,461	—	—	10,461	—	10,461
Vested subsidiary stock incentive plans	—	—	—	—	(4,613)	—	—	(4,613)	—	(4,613)
Cash contributions noncontrolling interests	—	—	—	—	—	—	—	—	12,559	12,559
Dividends paid noncontrolling interests	—	—	—	—	—	—	—	—	(107,172)	(107,172)
Purchase/sale of noncontrolling interests	—	—	—	—	7,532	—	—	7,532	2,150	9,682
Changes in fair value of noncontrolling interests subject to put provisions	—	—	—	—	(178,003)	—	—	(178,003)	—	(178,003)
Other reclassifications	—	—	—	—	22	—	—	22	—	22
Balance, December 31, 2015	4,753,560	$ 1,188,390	90,000,000	$ 90,000	1,553,887	5,654,146	(140,979)	8,345,444	570,278	8,915,722

See accompanying notes to consolidated financial statements.

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2015 Audit Financial Statements
Fresenius Medical Care Holdings, Inc.
ATTACHMENT 37

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

	2015	2014
Cash flows from operating activities:		
Net income	$ 883,346	787,635
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	454,947	415,092
Amortization of deferred financing cost	5,068	11,591
Gain on sale in investments and divested clinics	(9,184)	(5,656)
Provision for doubtful accounts	413,452	304,397
Deferred income taxes	(14,395)	153,609
Amortization of discount on Senior Note	1,673	2,485
Equity investment income	(7,419)	(6,179)
Loss on disposal of properties and equipment	5,802	2,773
Amortization of discount on notes receivable	1,455	1,332
Noncash interest income on payment-in-kind notes	—	(10,137)
Compensation expense related to stock options	10,461	5,502
Unrealized currency translation gain	(129,087)	(27,210)
Loss on forward sale and currency exchange agreements	319,742	321,717
Changes in operating assets and liabilities, net of effects of purchase acquisitions:		
Increase in trade accounts receivable	(647,404)	(312,089)
Increase in inventories	(239,541)	(45,828)
(Increase) decrease in other current assets	(73,635)	33,637
Increase in other assets and deferred charges	(54,030)	(179,570)
Increase (decrease) in accounts payable	81,005	(13,667)
Increase (decrease) in accrued income taxes	78,193	(209,697)
Increase in accrued liabilities	323,290	158,007
Decrease in accrued special charge for legal matters	—	(115,458)
Increase in other long-term liabilities	29,757	146,647
Net changes due to/from affiliates	(22,115)	31,669
Distributions received on equity investments	7,967	6,273
Other, net	5,687	(1,033)
Net cash provided by operating activities	1,425,035	1,455,842
Cash flows from investing activities:		
Capital expenditures, net of proceeds	(589,817)	(489,577)
Acquisitions and investments, net of cash acquired	(64,005)	(1,358,072)
Proceeds from sale of interests and divestitures	3,152	4,432
Issuance of note receivable	(1,545)	(12,592)
Increase in available for sale securities	(110,467)	(134,472)
Equity investment contribution	(7,878)	(5,071)
Settlement of note receivable	186,178	3,703
Net cash used in investing activities	(584,382)	(1,991,649)
Cash flows from financing activities:		
Net (decrease) increase in borrowings from affiliate	(96,656)	783,513
Net increase (decrease) from receivable financing facility	290,750	(9,500)
Net decrease in debt and capital leases	(779,646)	(119,883)
Debt issuance costs	(917)	(14,501)
Distributions to noncontrolling interests	(272,002)	(215,564)
Contributions from noncontrolling interests	29,182	24,677
Proceeds from sale of noncontrolling interests	38,040	17,679
Purchases of noncontrolling interests	(5,923)	(21,601)
Tax benefit from stock options	13,360	8,529
Net cash (used in) provided by financing activities	(783,812)	453,349
Effects of changes in foreign exchange rates	(2,821)	2,019
Change in cash and cash equivalents	54,020	(80,439)
Cash and cash equivalents at beginning of year	195,280	275,719
Cash and cash equivalents at end of year	$ 249,300	195,280

See accompanying notes to consolidated financial statements.

FRESENIUS MEDICAL CARE HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statements of Cash Flows, continued

For the years ended December 31, 2015 and 2014

(Dollars in thousands)

	2015	2014
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 268,206	184,037
Income taxes	334,340	386,532
Details for acquisitions:		
Assets acquired	(64,009)	(2,037,503)
Liabilities assumed	9,008	207,435
Noncontrolling interests	(14,176)	417,423
Notes assumed in connection with acquisition	—	6,329
Gain on sale of divestitures	9,184	1,284
Cash paid	(59,993)	(1,405,032)
Less cash acquired	(860)	51,392
Net cash paid for acquisitions	$ (60,853)	(1,353,640)

See accompanying notes to consolidated financial statements.

(1) The Company

Fresenius Medical Care Holdings, Inc., a New York corporation (the Company or FMCH) is a subsidiary of Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares (FMCAG & KGaA or the Parent Company). The Company conducts its operations through eight principal subsidiaries, National Medical Care, Inc. (NMC), Fresenius USA Marketing, Inc., Fresenius USA Manufacturing, Inc., Sound Physicians, National Cardiovascular Partners, Urgent Care and SRC Holding Company, Inc., all Delaware corporations and Fresenius USA, Inc., a Massachusetts corporation.

The Company provides dialysis treatment and related dialysis care services to persons who suffer from end-stage renal disease (ESRD), as well as other health care services. The Company provides dialysis products for the treatment of ESRD, including products manufactured and distributed by the Company such as hemodialysis machines, peritoneal cyclers, dialyzers, peritoneal solutions, hemodialysis concentrates, solutions and granulates, bloodlines, renal pharmaceuticals and systems for water treatment. The Company supplies dialysis clinics it owns, operates or manages with a broad range of products in addition to sales of dialysis products to other dialysis service providers. The Company describes its other health care services as "Care Coordination." Care Coordination services include the coordinated delivery of pharmacy services, vascular, cardiovascular and endovascular specialty services, non-dialysis laboratory testing services, physician services, hospitalist and intensivist services, health plan services and urgent care services, which, together with dialysis care services represent the Company's health care services.

(a) Basis of Presentation

The consolidated financial statements in this report as of December 31, 2015 and 2014 and for the years then ended have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). These consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary for the fair presentation of the consolidated results for all periods presented.

The Company has evaluated subsequent events through April 29, 2016, which is the date these consolidated financial statements were issued.

(b) Basis of Consolidation

The consolidated financial statements include the earnings of all companies in which the Company has legal or effective control. This includes variable interest entities (VIEs) for which the Company is deemed the primary beneficiary. The Company also consolidates certain clinics that it manages and financially controls. Noncontrolling interests represent the proportionate equity interests in the Company's consolidated entities that are not wholly owned by the Company. Noncontrolling interests of acquired entities are initially valued at fair value. The equity method of accounting is used for investments in associated companies over which the Company has significant exercisable influence, even when the Company holds 50% or less of the common stock of the entity. All significant intercompany transactions and balances have been eliminated.

The Company has entered into various arrangements with certain legal entities whereby the entities' investors own disproportionate equity ownership interests in relation to the risks and rewards they retain for these arrangements or the entities are unable to provide their own funding for their operations. In these arrangements, the entities are VIEs in which the Company has been determined to be the primary beneficiary and which therefore have been fully consolidated. The Company has consolidated 118 VIEs and 117 VIEs for the years ended December 31, 2015 and 2014, respectively, as a result of acquisitions.

All VIEs generated $714,728 and $381,161 of revenue in 2015 and 2014, respectively. The Company provided funding to VIEs through loans and accounts receivable of $176,304 in 2015 and $131,085 in 2014, respectively. The table below shows the carrying amounts of the assets and liabilities of VIEs at December 31, 2015 and 2014:

	2015	2014
Trade accounts receivable, net	$ 211,188	110,538
Other current assets	32,231	167,350
Property, plant and equipment, intangible assets & other non-current assets	35,786	37,800
Goodwill	23,746	7,883
Accounts payable, accrued expenses and other liabilities	279,093	359,743
Equity	(23,858)	(36,172)

(2) Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents comprise cash funds and all short-term, highly liquid investments with original maturities of up to three months.

(b) Inventories

Inventories are stated at the lower of cost (determined by using the average or first-in, first-out method) or net realizable value (see note 4).

(c) Property, Plant and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation (see note 10). Significant improvements are capitalized; repairs and maintenance costs that do not extend the useful lives of the assets are charged to expense as incurred. Property, plant and equipment under capital leases are stated at the present value of future minimum lease payments at the inception of the lease, less accumulated depreciation. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in income when the assets are disposed.

The cost of property, plant and equipment is depreciated over estimated useful lives on a straight-line basis as follows: buildings – 20 to 40 years, equipment and furniture – 3 to 10 years, equipment under capital leases and leasehold improvements – the shorter of the lease term or useful life of the asset.

The Company capitalizes interest on borrowed funds during construction periods. Interest capitalized during 2015 and 2014 was $2,952 and $1,440, respectively.

(d) Intangible Assets and Goodwill

The growth of the Company's business through acquisitions has created a significant amount of intangible assets, including goodwill and other non-amortizable intangible assets such as trade names and management contracts.

Intangible assets such as noncompete agreements, lease agreements, tradenames, certain qualified management contracts, technology, patents, distribution rights, software, acute care agreements and licenses, customer relationships acquired in a purchase method business combination are recognized and reported apart from goodwill.

Goodwill and identifiable intangibles with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment. The Company identified tradenames and certain qualified management contracts as intangible assets with indefinite useful lives because, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the Company. Intangible assets with finite useful lives are amortized over their respective useful lives to their residual values. The Company amortizes noncompete agreements over their average useful life of 8 years. Technology is amortized over its useful life of 15 years. The iron products distribution and manufacturing agreement is amortized over its ten-year contractual license period based upon the annual estimated units of sale of the licensed product. All other intangible assets are amortized over their individual estimated useful lives between 3 and 25 years. Intangible assets with finite useful lives are evaluated for impairment when events have occurred that may give rise to an impairment.

To perform the annual impairment test of goodwill, the Company identifies its reporting units and determines their carrying value by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. The Company is comprised of one reporting unit.

In the case that the fair value of the reporting unit is less that its carrying value, a second step would be performed which compares the implied fair value of the reporting unit's goodwill to the carrying value of its goodwill. If the fair value of the goodwill is less than the carrying value, the difference is recorded as an impairment.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Company compares the fair values of intangible assets with their carrying values. An intangible asset's fair value is determined using a discounted cash flow approach or other methods, if appropriate.

In connection with its annual impairment tests, the Company determined that there was no impairment of goodwill or other indefinite lived intangible assets. Accordingly the Company did not record any impairment charges during 2015 and 2014.

(e) Derivative Instruments and Hedging Activities

The Company accounts for derivatives and hedging activities by recognizing all derivative instruments as either assets or liabilities in the consolidated balance sheets at their respective fair values. For derivatives designated as hedges, changes in the fair value are either offset against the change in fair value of the assets and liabilities through earnings, or recognized in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings.

For all hedging relationships the Company formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in accumulated other comprehensive income (loss) to the extent that the derivative is effective as a hedge, until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a derivative instrument that qualifies as a cash-flow hedge is reported in earnings.

The Company discontinues hedge accounting prospectively when it is determined that the derivative is no longer effective in offsetting cash flows of the hedged item, the derivative expires or is sold, terminated, or exercised, the derivative is de-designated as a hedging instrument, because it is unlikely that a forecasted transaction will occur, or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued and the derivative is retained, the Company continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in earnings. When it is probable that a hedged forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive income (loss).

(f) Foreign Currency Translation

For purposes of these consolidated financial statements, the U.S. dollar is the reporting currency. Substantially all assets and liabilities of the Company's non-U.S. subsidiaries are translated at year-end exchange rates, while revenue and expenses are translated at exchange rates prevailing during the year. Adjustments for foreign currency translation fluctuations are excluded from net income and are reported in accumulated other comprehensive income. In addition, the translation of certain

intercompany borrowings denominated in foreign currencies, which are considered foreign equity investments, are reported in accumulated other comprehensive income.

Gains and losses resulting from the translation of revenues and expenses and intercompany borrowings, which are not considered equity investments, are included in the consolidated statements of operations within general and administrative expenses. Foreign exchange gains amounted to $89 and $1,672 for the years ended December 31, 2015 and 2014, respectively.

(g) Revenue Recognition

Dialysis care revenues are recognized on the date the patient receives treatment and includes amounts related to certain services, products and supplies utilized in providing such treatment. The patient is obligated to pay for dialysis care services at amounts estimated to be receivable based upon the Company's standard rates or at rates determined under reimbursement arrangements. These arrangements are generally with third party payors, like Medicare, Medicaid or commercial insurers.

Hospitalist revenues are reported at the estimated net realizable amount from third-party payors, client hospitals, and others at the time services are provided. Third-party payors include federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, and commercial insurance companies. Inpatient acute care services rendered to Medicare and Medicaid program beneficiaries are paid according to a fee-for-service schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient acute services generated through payment arrangements with managed care health plans and commercial insurance companies are recorded on an accrual basis in the period in which services are provided at established rates. Contractual adjustments and bad debts are recorded as deductions from gross revenue to determine net revenue. In addition the Company receives subsidies from hospitals to provide hospitalist services.

For services performed for patients where the collection of the billed amount or a portion of the billed amount cannot be determined at the time services are performed, the difference between the receivable recorded and the amount estimated to be collectible must be recorded as a provision and the expense is presented as a reduction of Health Care revenues. The provision includes such items as amounts due from patients without adequate insurance coverage, and patient co-payment and deductible amounts due from patients with health care coverage. The Company bases the provision mainly on past collection history and reports it as "Patient service bad debt provision" in the Consolidated Statements of Operations.

Dialysis product revenues are recognized upon transfer of title to the customer, either at the time of shipment, upon receipt or upon any other terms that clearly define passage of title. Product revenues are normally based upon pre-determined rates that are established by contractual arrangement. As product returns are not typical, no return allowances are established. In the event a return is required, the appropriate reductions to sales, accounts receivables and cost of sales are made.

For both dialysis care and dialysis products, patients, third party payors and customers are billed at our standard rates net of contractual allowances, discounts or rebates to reflect the estimated amounts to be received from these payors.

Net revenues from machines sales for 2015 and 2014 include $115,577 and $86,100, respectively, of net revenues for machines sold to a third-party leasing company which are utilized by the Fresenius Medical Services division to provide services to customers. The sales and profits on these sales are deferred and amortized to earnings over the lease terms.

Any tax assessed by a governmental authority that is incurred as a result of a revenue transaction (e.g., sales tax) is excluded from revenues and reported on a net basis.

(h) Allowance for Doubtful Accounts

Estimates for allowances for accounts receivable are based on an analysis of collection experience and recognizing the differences between payors. The Company also performs an aging of accounts receivable which enables the review of each customer and their payment pattern. From time to time, accounts receivable are reviewed for changes from the historic collection experience to ensure the appropriateness of the allowances.

The allowance for doubtful accounts for the products business are estimates comprised of customer specific evaluations regarding their payment history, current financial stability, and applicable country specific risks for receivables that are overdue more than one year. The changes in the allowance for products receivables are recorded in general and administrative as an expense.

(i) Research and Development

Research and development costs are expensed as incurred.

(j) Income Taxes

Current taxes are calculated based on the profit of the fiscal year and in accordance with local tax rules of the respective tax jurisdictions. Expected and executed additional tax payments and tax refunds for prior years are also taken into account. Benefits from income tax positions have been recognized only when it was more likely than not that the Company would be entitled to the economic benefits of the tax positions. The more-likely-than-not threshold has been determined based on the technical merits that the position will be sustained upon examination. If a tax position meets the more-likely-than-not recognition threshold, management estimates the largest amount of tax benefit that is more than fifty percent likely to be realized upon settlement with a taxing authority, which becomes the amount of benefit recognized. If a tax position is not considered more likely than not to be sustained based solely on its technical merits, no benefits are recognized.

The Company recognizes deferred tax assets and liabilities for future consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis as well as on consolidation procedures affecting net income

and tax loss carryforwards which are more likely than not to be utilized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce the carrying amount of the deferred tax assets unless it is more likely than not that such assets will be realized (see note 9).

It is the Company's policy to recognize interest and penalties related to its tax positions as income tax expense.

(k) Impairment

The Company reviews the carrying value of its long-lived assets or asset groups with definite useful lives to be held and used for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying value of an asset to the future net cash flow directly associated with the asset. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value exceeds the fair value of the asset. The Company uses a discounted cash flow approach or other methods, if appropriate, to assess fair value.

Long-lived assets to be disposed of by sale are reported at the lower of carrying value or fair value less cost to sell and depreciation is ceased. Long-lived assets to be disposed of other than by sale are considered to be held and used until disposal. No impairment charges were recorded for the years ended December 31, 2015 and 2014.

(l) Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented on the balance sheet as a direct deduction from the carrying amount of that debt liability. These costs are amortized over the term of the related obligation (see note 7).

(m) Self-Insurance Programs

The Company is partially self-insured for professional, product and general liability, auto liability and worker's compensation claims under which the Company assumes responsibility for incurred claims up to predetermined amounts above which third-party insurance applies. Reported balances for the year include estimates of the anticipated expense for claims incurred (both reported and incurred but not reported) based on historical experience and existing claim activity. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts.

(n) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial

statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) Concentration of Credit Risk

The Company is engaged in providing kidney dialysis services, clinical laboratory testing, and other medical ancillary services, and in the manufacture and sale of products for all forms of kidney dialysis, principally to healthcare providers. The Company performs ongoing evaluations of its customers' financial condition and, generally, requires no collateral.

No single debtor other than U.S. Medicare and Medicaid accounted for more than 5% of total trade accounts receivable in any of these years. Trade accounts receivable outside the North America Segment are, for a large part, due from government or government-sponsored organizations that are established in the various countries within which we operate. Amounts pending approval from third party payors represent less than 5% at December 31, 2015.

Approximately 46% and 48% of the Company's revenues in each of the years ended December 31, 2015 and 2014 were earned and subject to regulations under governmental healthcare programs, Medicare and Medicaid, administered by various states and the United States government.

(p) Employee Benefit Plans

For the Company's funded benefit plans, the defined benefit obligation is offset against the fair value of plan assets (funded status). A pension liability is recognized in the Consolidated Balance Sheets if the defined benefit obligation exceeds the fair value of plan assets. A pension asset is recognized (and reported under "Other assets and notes receivables" in the Consolidated Balance Sheets) if the fair value of plan assets exceeds the defined benefit obligation and if the Company has a right of reimbursement against the fund or a right to reduce future payments to the fund. Changes in the funded status of a plan resulting from actuarial gains or losses and prior service costs or credits that are not recognized as components of the net periodic benefit cost are recognized through accumulated other comprehensive income (loss), net of tax, in the year in which they occur. Actuarial gains or losses and prior service costs are subsequently recognized as components of net periodic benefit cost when realized. The Company uses December 31 as the measurement date when measuring the funded status of all plans.

(q) Stock Option Plans

The Company recognizes all employee stock based compensation as a cost in the consolidated financial statements. Equity classified awards are measured at the grant date fair value of the award. The Company estimates grant date fair value using the Black-Scholes-Merton option pricing model.

(r) Legal Contingencies

From time to time, during the ordinary course of the Company's operations, the Company is party to litigation and arbitration and is subject to investigations relating to various aspects of its business (see note 17). The Company regularly analyzes current information about such claims for probable losses

and provides accruals for such matters, including the estimated legal expenses in connection with these matters, as appropriate. The Company utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for a loss accrual, the Company considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that accrual of a loss is appropriate.

(s) Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

(t) Recent Pronouncements

Recently Implemented Accounting Pronouncements

On April 7, 2015, Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2015-03 (ASU 2015-03), Interest - Imputation of Interest (Subtopic 835-30): *Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that liability, consistent with debt discounts. This update is effective for fiscal years beginning after December 15, 2015, and for interim periods within fiscal years beginning after December 15, 2015. Earlier adoption is permitted. We adopted this ASU as of December 31, 2015. In accordance with ASU 2015-03, we have adjusted Other assets and deferred charges and Long-term debt in the amount of $12,381 and $17,423 as of December 31, 2015 and 2014, respectively.

(3) Acquisitions

The Company's acquisition spending was driven primarily by the purchase of dialysis clinics in the normal course of its operations in 2015.

The aggregate purchase price of all collectively and individually non-material acquisitions during the year was $63,981, net of cash acquired. Based on preliminary purchase price allocations, the Company recorded $50,506 of goodwill and $14,822 of intangible assets, which represent the share of both controlling and noncontrolling interests. Goodwill arose principally due to the fair value of the acquired established streams of future cash flows for these acquisitions versus building similar franchises.

(4) Other Balance Sheet Items

(a) Inventories

As of December 31, 2015 and 2014, inventories consisted of the following:

		2015	2014
Inventories:			
Raw materials	$	137,853	124,188
Manufactured goods in process		15,015	17,443
Manufactured and purchased inventory available for sale		214,984	208,573
		367,852	350,204
Health care supplies		357,194	135,133
Total	$	725,046	485,337

Under the terms of certain unconditional purchase agreements, including the Venofer® license, distribution, manufacturing and supply agreement (the Venofer® Agreement) with Luitpold Pharmaceuticals, Inc. and American Regent, Inc., the Company is obligated to purchase approximately $483,857 of materials, of which $198,744 is committed for 2016. The terms of these agreements run 1 to 7 years.

Healthcare supplies inventories as of December 31, 2015 and 2014 include $144,281 and $7,839, respectively, of Mircera. Our current exclusive supply agreement for Mircera continues through December 31, 2018.

(b) Related Party Services

Related-party transactions pertaining to services performed and products purchased/sold between affiliates are recorded as net accounts payable to affiliates on the consolidated balance sheets.

(c) Notes Receivable

On August 12, 2013, FMCH made an investment-type transaction by providing a credit facility to a middle-market dialysis provider in the amount of up to $200,000 to fund general corporate purposes. Of the $200,000 facility, $180,137 was drawn prior to December 31, 2015. This investment, which had a maturity date of July 4, 2020, was repaid in the amount of $185,254, including accrued interest of $3,315 and a prepayment premium of $1,802, on December 31, 2015.

(5) Sale of Accounts Receivable

Under the Accounts Receivable Facility (A/R Facility), certain receivables are sold to NMC Funding Corporation (NMC Funding), a wholly owned subsidiary. NMC Funding then assigns percentage ownership interests in the accounts receivable to certain bank investors. Under the terms of the A/R Facility, NMC Funding retains the right, at any time, to recall all the then outstanding transferred interests in the accounts receivable. Consequently, the receivables remain on the Company's consolidated balance sheet and the proceeds from the transfer of percentage ownership interests are recorded as long-term debt.

NMC Funding pays interest to the bank investors, calculated based on the commercial paper rates for the particular tranches selected. The average interest rate, during 2015 and 2014 was 0.89% and 0.65% respectively. Refinancing fees, which include legal costs and bank fees, are amortized over the term of the facility.

The Company refinanced the A/R Facility on November 24, 2014 for a term expiring on November 24, 2017 with the available borrowings of $800,000. At December 31, 2015 and 2014 there are outstanding borrowings under the A/R Facility of $50,185 and $341,750.

(6) Short Term Borrowings

At December 31, 2015 and 2014, short-term borrowings consisted of the following:

	December 31	
	2015	2014
Commercial paper	$ 8,556	7,808
Other	49,056	16,746
Total short-term borrowings	$ 57,612	24,554

(7) Long-Term Debt and Capital Lease Obligations

At December 31, 2015 and 2014, long-term debt and capital lease obligations consisted of the following:

	December 31	
	2015	2014
Revolving credit facility	$ 25,110	35,992
2012 Credit Agreement Term Loan	2,288,434	2,485,047
AR facility	50,185	340,575
Other*	23,870	22,694
	2,387,599	2,884,308
Less amounts classified as current	208,210	204,934
	$ 2,179,389	2,679,374

* Other includes long term capital lease obligations

The weighted average interest rate for all Company debt outstanding as of December 31, 2015 and 2014 was approximately 4.16% and 3.91%, respectively.

In addition, at December 31, 2015 and December 31, 2014, the Company had letters of credit outstanding in the amount of $20,342 and $73,516, respectively, which are not included above as part of the balance outstanding at those dates, but which reduce available borrowings under the revolving credit facilities.

Amended 2012 Credit Agreement

The Parent Company and FMCH originally entered into a syndicated credit facility of $3,850,000 with a five year period (the 2012 Credit Agreement) with a large group of banks and institutional investors (collectively, the Lenders) on October 30, 2012. On November 26, 2014, the 2012 Credit Agreement was amended to increase the total credit facility to approximately $4,400,000 (approximately $4,000,000 as of December 31, 2015 due to quarterly repayments and currency effects) and extend the term for an additional two years until October 30, 2019.

As of December 31, 2015, the Amended 2012 Credit Agreement consists of:

(a) A revolving credit facility of approximately $1,500,000 comprising a $1,000,000 revolving facility and a €400,000 revolving facility, which will be due and payable on October 30, 2019.

(b) A term loan facility of $2,300,000, also scheduled to mature on October 30, 2019. Quarterly repayments of $50,000 began in January 2015 with the remaining balance outstanding due October 30, 2019.

Interest on the credit facilities is, at the Company's option, at a rate equal to either (i) LIBOR or EURIBOR (as applicable) plus an applicable margin or (ii) the Base Rate as defined in the Amended 2012 Credit

Agreement plus an applicable margin. At December 31, 2015 and 2014, the dollar-denominated tranches outstanding under the Amended 2012 Credit Agreement had a weighted average interest rate of 1.72% and 1.61%, respectively.

The applicable margin is variable and depends on the Parent Company's Consolidated Leverage Ratio which is a ratio of its Consolidated Funded Debt less cash and cash equivalents held by the Parent Consolidated Group to Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) (as these terms are defined in the Amended 2012 Credit Agreement).

In addition to scheduled principal payments, indebtedness outstanding under the Amended 2012 Credit Agreement would be reduced by portions of the net cash proceeds received from certain sales of assets and the issuance of certain additional debt.

Obligations under the Amended 2012 Credit Agreement are secured by pledges of capital stock of certain material subsidiaries in favor of the Lenders.

The Amended 2012 Credit Agreement contains affirmative and negative covenants with respect to the Parent Company and its subsidiaries. Under certain circumstances these covenants limit indebtedness, investments, and restrict the creation of liens. Under the Amended 2012 Credit Agreement the Parent Company is required to comply with a maximum consolidated leverage ratio (ratio of consolidated funded debt less cash and cash equivalents held by the Consolidated Group to consolidated EBITDA).

Additionally, the Amended 2012 Credit Agreement provides for a limitation on dividends, share buy-backs and similar payments. Dividends to be paid are subject to an annual basket, which is €400,000 ($435,480 at December 31, 2015) for 2016, and will increase in subsequent years. Additional dividends and other restricted payments may be made subject to the maintenance of a maximum leverage ratio.

In default, the outstanding balance under the Amended 2012 Credit Agreement becomes immediately due and payable at the option of the Lenders.

The following table shows the available and outstanding amounts under the Amended 2012 Credit Agreement at December 31, 2015 and 2014:

Amended 2012 Credit Agreement	Maximum amount available December 31, 2015		Balance outstanding December 31, 2015	
Revolving Credit USD	$ 1,000,000	$ 1,000,000	$ 25,110	$ 25,110
Revolving Credit EUR	€ 400,000	$ 435,480	—	—
Term Loan A	$ 2,300,000	2,300,000	$ 2,300,000	$ 2,300,000
		$ 3,735,480		$ 2,325,110

Amended 2012 Credit Agreement	Maximum amount available December 31, 2014		Balance outstanding December 31, 2014	
Revolving Credit USD	$ 1,000,000	$ 1,000,000	$ 35,992	$ 35,992
Revolving Credit EUR	€ 400,000	$ 485,640	—	—
Term Loan A	$ 2,500,000	2,500,000	$ 2,500,000	$ 2,500,000
		$ 3,985,640		$ 2,535,992

(Receivables) Borrowings from Affiliates

The Company has various outstanding borrowings with KGaA and affiliates. The funds were used for general corporate purposes. The loans are due at various maturities.

At December 31, 2015 and 2014, (receivables) borrowings from affiliates consisted of the following:

	December 31	
	2015	2014
(Receivables) borrowings from affiliates consists of:		
Fresenius Medical Care AG & Co. KGaA receivables primarily at interest rates approximating 1.039% and 1.71%, respectively	$ (1,049,987)	(938,809)
RTC Holdings International, Inc. borrowings at Interest rates of 0.85% and 0.55%, respectively	13,337	13,290
FMC B LLC borrowings, net of discounts at fixed rates of interest between 5.25% and 5.45%.	1,329,299	1,482,412
NMC/FMC B LLC receivables, net of discounts at a rate of LIBOR plus 1.125%.	(2,096)	(1,556)
FMC US Finance borrowings, net of discounts at a rate of LIBOR plus 1.125%	19,339	14,779
FMC Finance II borrowings, net of discounts at a fixed rate of 7.00%	408,942	408,942
FMC Finance II borrowings, net of discounts at a rate of LIBOR plus 1.125%	25,052	14,371
FMC Finance II borrowings, net of discounts at fixed rates of interest between 4.625% and 5.25%.	942,500	942,500
	1,686,386	1,935,929
Less amounts classified as current	(1,036,650)	(925,519)
Total	$ 2,723,036	2,861,448

Scheduled maturities of long-term debt and (receivables) borrowings are as follows:

2016	$ (828,440)
2017	255,380
2018	635,608
2019	2,463,485
2020	521,250
2021 and thereafter	1,026,702
Total	$ 4,073,985

(8) Goodwill and Other Intangible Assets

At December 31, 2015 and 2014, the carrying value and accumulated amortization of other intangible assets consisted of the following:

	December 31, 2015			December 31, 2014		
	Gross carrying value	Accumulated amortization	Carrying value	Gross carrying value	Accumulated amortization	Carrying value
Amortizable intangible assets:						
Noncompete agreements	$ 320,626	(264,444)	56,182	319,582	(251,029)	68,553
Acute care agreements	151,712	(144,230)	7,482	149,544	(141,930)	7,614
License and distribution agreements	76,899	(36,987)	39,912	58,519	(31,305)	27,214
Customer Relationship	242,600	(13,182)	229,418	228,880	(13,182)	215,698
Technology	109,680	(39,240)	70,440	116,516	(52,732)	63,784
Other intangibles	123,658	(121,875)	1,783	119,364	(64,561)	54,803
Tradename	21,880	(7,035)	14,845	23,780	(1,826)	21,954
Construction in progress	28,973	—	28,973	29,176	—	29,176
	1,076,028	(626,993)	449,035	1,045,361	(556,565)	488,796
Nonamortizable intangible assets:						
Tradename	208,734	—	208,734	208,734	—	208,734
Management contracts	3,163	—	3,163	3,163	—	3,163
	211,897	—	211,897	211,897	—	211,897
Net intangibles	$ 1,287,925	(626,993)	660,932	1,257,258	(556,565)	700,693

Amortization expense for amortizable intangible assets for the years ended December 31, 2015 and 2014 was $78,433 and $64,223, respectively. The following table shows the estimated amortization expense of these assets for the next five years.

2016	$ 79,545
2017	79,545
2018	79,545
2019	79,545
2020	79,545

Goodwill

Changes in the reporting unit's carrying amount of goodwill for the years ended December 31, 2015 and 2014 are as follows:

	December 31	
	2015	2014
Carrying value as of beginning of year	$ 11,544,352	10,008,571
Goodwill acquired	50,506	1,537,402
Divested clinics	(7,320)	(1,562)
Other reclassifications	(65)	(59)
Carrying value as of end of year	$ 11,587,473	11,544,352

(9) Income Taxes

Income before income taxes is as follows:

	Year ended December 31	
	2015	2014
Domestic	$ 1,261,705	1,181,597
Foreign	10,691	5,146
Total income before income taxes	$ 1,272,396	1,186,743

The provisions for income taxes are as follows:

	Year ended December 31	
	2015	2014
Current tax expense:		
Federal	$ 321,079	181,299
State	70,137	52,384
Foreign	12,229	11,816
Total current	403,445	245,499
Deferred tax expense:		
Federal	(20,062)	137,150
State	5,667	15,775
Foreign	—	684
Total deferred tax expense	(14,395)	153,609
Total provision	$ 389,050	399,108

The provision for income taxes for the years ended December 31, 2015 and 2014 differed from the amount of income taxes determined by applying the applicable statutory federal income tax rate to pre-tax earnings as a result of the following differences:

	Year ended December 31	
	2015	2014
Statutory federal tax rate	35.0%	35.0%
State income taxes, net of federal tax benefit	3.9	3.7
Provision for tax audit liability	(1.0)	(0.7)
Noncontrolling partnership interests	(8.3)	(6.0)
Foreign losses and taxes	0.5	0.9
Manufacturing deduction	(0.1)	(0.2)
Other	0.6	0.9
Effective tax rate	30.6%	33.6%

Deferred tax liabilities (assets) are comprised of the following:

	December 31	
	2015	2014
Reserves and other accrued liabilities	$ (34,667)	(131,466)
Depreciation and amortization	685,520	818,530
Derivatives	(427)	(2,566)
Pension valuation	(73,773)	(85,600)
Stock based compensation expense	(12,886)	(15,739)
Net deferred tax liabilities	$ 563,767	583,159

The item "Reserves and other accrued liabilities" includes the deferred tax liability in the amount of $86,790 related to the recognized insurance recoveries in relation to the NaturaLyte® and GranuFlo® agreement in principle. For further information, see note 17 ''Legal Proceedings".

The Company has established valuation allowances for deferred tax assets of $3,180 and $21,491 at December 31, 2015 and 2014, respectively.

The net decrease in the valuation allowance for deferred tax assets was $18,311 and ($63) for the years ended December 31, 2015 and 2014, respectively. The aforementioned changes relate to activities incurred in state and foreign jurisdictions.

It is the Company's expectation that it is more likely than not to generate future taxable income to utilize its remaining deferred tax assets.

At December 31, 2015, there is a federal net operating loss carryover of $58,637 some of which will begin to expire in 2020. In addition, there is a Federal Tax Credit of $1,270 which will begin to expire in 2020. State net operating loss carryovers are $210,217 with varying expiration dates and foreign net operating losses are $2, which will expire in 2018.

Provision has not been made for additional federal, state, or foreign taxes on $17,919 of undistributed earnings of foreign subsidiaries. Prior to a decision on the evaluation discussed below, those earnings have been and will continue to be reinvested. The earnings could be subject to additional tax if they were remitted as dividends, if foreign earnings were loaned to the Company or a U.S. affiliate or if the Company should sell its stock in these subsidiaries. The Company estimates that the distribution of these earnings would result in $5,922 of U.S. federal income taxes.

In the U.S., the tax years 2011 and 2012 are currently under audit by the federal tax authorities. Tax years 2013, 2014 and 2015 are open to audit. FMCH is also subject to audit in various state jurisdictions. A number of these audits are in progress and various years are open to audit in various state jurisdictions. All expected results for both federal and state income tax audits have been recognized in the consolidated financial statements.

The following table shows the reconciliation of the beginning and ending amounts of unrecognized tax benefits:

	2015	2014
Unrecognized tax benefits (net of interest):		
Balance at January 1	$ 41,838	66,963
Increases in unrecognized tax benefits prior periods	5,844	17,132
Decreases in unrecognized tax benefits prior periods	(12,410)	(872)
Increases in unrecognized tax benefits current periods	—	2,481
Changes related to settlements with tax authorities	(5,599)	(43,866)
Reductions as a result of the statute of limitations	(1,300)	—
Balance at December 31	$ 28,373	41,838

Included in the balance is $27,756 and $32,098 of unrecognized tax benefits at December 31, 2015 and 2014, respectively, which would affect the effective tax rate if recognized. The Company is currently not in a position to forecast the timing and magnitude of changes in the unrecognized tax benefits within the next twelve months.

During the year ended December 31, 2015 and 2014, the Company recognized $504 and $13,939 in interest and penalties, respectively. The Company received $18,756 and paid $2,392 in interest and penalties during 2015 and 2014, respectively.

(10) Property, Plant and Equipment

As of December 31, 2015 and 2014, property, plant and equipment consisted of the following:

	December 31	
	2015	2014
Land and improvements	$ 12,427	11,963
Buildings	250,042	238,164
Capital lease property	14,036	14,180
Leasehold improvements	1,838,239	1,700,629
Equipment and furniture	2,031,534	1,873,122
Construction in progress	289,905	143,071
	4,436,183	3,981,129
Accumulated depreciation and amortization	(2,442,432)	(2,171,036)
Property, plant and equipment, net	$ 1,993,751	1,810,093

Depreciation expense relating to property, plant and equipment (including capital lease property) amounted to $376,514 and $350,869 for the years ended December 31, 2015 and 2014, respectively.

Included in property, plant and equipment as of December 31, 2015 and 2014 were $123,184 and $107,745, respectively, of peritoneal dialysis cycler machines which the Company leases to customers with end-stage renal disease on a month-to-month basis.

Leases

The Company leases buildings and machinery and equipment under various lease agreements expiring on dates through 2047. Rental expense for operating leases was $567,925 and $521,881 for the years ended December 31, 2015 and 2014, respectively. Amortization of properties under capital leases amounted to $718 and $783 for the years ended December 31, 2015 and 2014, respectively.

Future minimum payments under noncancelable leases (principally for clinics, offices and equipment) for the five years succeeding December 31, 2015 and thereafter are as follows:

	Operating leases	Capital leases	Total
2016	$ 534,784	455	535,239
2017	482,790	379	483,169
2018	421,495	349	421,844
2019	358,245	298	358,543
2020	294,429	288	294,717
2021 and beyond	1,044,877	8,057	1,052,934
Total minimum payments	$ 3,136,620	9,826	$ 3,146,446
Less interest and operating costs		7,785	
Present value of minimum lease payments ($455 payable in 2016)		$ 2,041	

Lease agreements frequently include renewal options and require that the Company pay for utilities, taxes, insurance and maintenance expenses. Options to purchase are also included in some lease agreements, particularly capital leases.

(11) Pension and Other Post Retirement Benefits

(a) National Medical Care, Inc. Defined Benefit Pension Plan

The Company has a noncontributory, defined benefit pension plan (NMC plan). Each year the Company contributes at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended. Plan assets consist primarily of publicly traded common stock, fixed income securities and cash equivalents.

In 2002, the Company curtailed its defined benefit and supplemental executive retirement plans. Under the curtailment amendment for substantially all employees eligible to participate in the NMC plan, benefits have been frozen as of the curtailment date and no additional defined benefits for future

services will be earned. The Company has retained all employee benefit obligations as of the curtailment date. The Company contributed $19,340 and $41,600 (including a minimum funding requirement of $19,340 in 2015) for the years ended December 31, 2015 and 2014 respectively. Expected funding for 2016 is $14,400.

The following table shows the changes in benefit obligations, the changes in plan assets, and the funded status of the NMC plan:

	Year ended December 31	
	2015	2014
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 477,349	364,287
Service cost	6,439	3,813
Interest cost	18,861	18,597
Amendments	(879)	—
Actuarial (loss) gain	(26,349)	103,143
Benefits paid	(14,248)	(12,491)
Benefit obligation at end of year	461,173	477,349
Change in plan assets:		
Fair value of plan assets at beginning of year	270,859	248,497
Actual return on plan assets	(15,794)	(6,747)
Employer contribution	19,340	41,600
Benefits paid	(14,248)	(12,491)
Fair value of plan assets at end of year	260,157	270,859
Funded status at year-end	$ (201,016)	(206,490)

The pension liability recognized as of December 31, 2015 and 2014, is equal to the amount shown as 2015 and 2014 funded status at end of year in the preceding table and is recorded as a component of "other liabilities" in the consolidated balance sheets.

The accumulated benefit obligation for the NMC plan with an obligation in excess of plan assets was $455,375 and $472,011 at December 31, 2015 and 2014, respectively.

The pre-tax changes in the table below for 2015 and 2014 reflect actuarial (gains) losses in other comprehensive income relating to pension liabilities. As of December 31, 2015 there are no cumulative effects of prior service costs included in other comprehensive income.

		Actuarial (gains) losses
Adjustments related to pensions at January 1, 2014	$	124,498
Actuarial loss for year		126,059
Amortization of unrealized losses		(12,291)
Adjustments related to pensions at December 31, 2014		238,266
Actuarial loss for year		5,847
Amendment		(879)
Amortization of unrealized losses		(25,251)
Adjustments related to pensions at December 31, 2015	$	217,983

The actuarial loss expected to be amortized from other comprehensive income into net periodic pension cost over the next year is $23,125.

The following weighted average assumptions were utilized in determining benefit obligations as of December 31:

	2015	2014
Discount rate	4.36%	3.99%
Rate of compensation increase	3.50	3.50

The NMC plan net periodic benefit costs are comprised of the following components:

	2015	2014
Components of net periodic benefit cost:		
Service cost	$ 6,439	3,813
Interest cost	18,861	18,597
Expected return on plan assets	(16,403)	(16,169)
Amortization of unrealized losses	25,251	12,291
Net periodic benefit cost	$ 34,148	18,532

The discount rates for the NMC plan are derived from an analysis and comparison of yields of portfolios of equity and highly rated debt instruments with maturities that mirror the NMC plan's benefit obligation. The Company's discount rate is the weighted average of these plans based upon their benefit obligations at December 31, 2015. The following weighted average assumptions were used in determining net periodic benefit cost for the years ended December 31:

	2015	2014
Discount rate	3.99%	5.15%
Expected return on plan assets	6.00	6.00
Rate of compensation increase	3.50	3.50

Expected benefit payments for the NMC plan for the next five years and in the aggregate for the five years thereafter are as follows:

2016	$ 18,294
2017	19,362
2018	20,316
2019	21,408
2020	22,682
2021 through 2025	129,952

Plan Assets

The following table presents the fair values of the Company's pension plan assets at December 31, 2015 and 2014:

	Fair value measurements at December 31, 2015			Fair value measurements at December 31, 2014		
	Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2	Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2
Asset category:						
Equity investments:						
Index funds [1]	$ 64,828	98	64,730	69,486	—	69,486
Fixed income investments:						
Government securities [2]	4,815	4,269	546	1,629	850	779
Corporate bonds [3]	169,717	—	169,717	181,132	—	181,132
Other bonds [4]	7,794	—	7,794	4,573	—	4,573
U.S. Treasury money market funds [5]	13,003	13,003	—	7,989	7,989	—
Other types of investments:						
Cash, money market and mutual funds [6]	—	—	—	6,050	6,050	—
Total	$ 260,157	17,370	242,787	270,859	14,889	255,970

1 This category comprises low-cost equity index funds not actively managed that track the S&P 500, S&P 400, Mid-Cap Index, Russell 2000 Index, MSCI EAFE Index, MSCI Emerging Markets Index and Barclays Capital Long-Corporate Bond Index.

2 This category comprises fixed income investments by the U.S. government and government sponsored entities.

3 This category represents investment grade bonds of U.S. issuers from diverse industries.

4 This category comprises private placement bonds as well as collateralized mortgage obligations.

5 This category represents funds that invest in treasury obligations directly or in treasury-backed obligations.

6 This category represents cash, money market funds as well as mutual funds comprised of high grade corporate bonds.

The methods and inputs used to measure the fair value of plan assets are as follows:

Common stocks are valued at their market prices at the balance sheet date.

Index funds are valued based on market quotes.

Government bonds are valued based on both market prices and market quotes.

Corporate bonds and other bonds are valued based on market quotes at the balance sheet date.

Cash is stated at nominal value which equals the fair value.

U.S. Treasury money market funds as well as other money market and mutual funds are valued at their market price.

Plan Investment Policy and Strategy

The Company periodically reviews the assumption for long-term expected return on NMC plan assets. As part of the assumptions review, a range of reasonable expected investment returns for the pension plan as a whole was determined based on an analysis of expected future returns for each asset class weighted by the allocation of the assets. The range of returns developed relies both on forecasts, which include the actuarial firm's expected long-term rates of return for each significant asset class or economic indicator, and on broad-market historical benchmarks for expected return, correlation, and volatility for each asset class. As a result, the Company's expected rate of return on pension plan assets was 6.00% for 2015 and 2014.

The Company's overall investment strategy is to achieve a mix of approximately 98% of investments for long-term growth and income and 2% in cash or cash equivalents. Investment income and cash or cash equivalents are used for near-term benefit payments. Investments are governed by the investment policy and include well diversified index funds or funds targeting index performance.

The investment policy, utilizing a target investment allocation in a range around 30% equity and 70% long-term U.S. corporate bonds, considers that there will be a time horizon for invested funds of more than 5 years. The total portfolio will be measured against a custom index that reflects the asset class benchmarks and the target asset allocation. The NMC plan policy does not allow investments in securities of the Company or other related party securities. The performance benchmarks for the separate asset classes include: S&P 500 Index, S&P 400 Mid-Cap Index, Russell 2000 Index, MSCI EAFE Index, MSCI Emerging Markets Index and Barclays Capital Long Corporate Bond Index.

(b) Supplemental Executive Retirement Plan

The Company's supplemental executive retirement plan provides certain key executives with benefits in excess of normal pension benefits. This plan was curtailed prior to 2010. The projected benefit obligation was $16,493 and $16,918 at December 31, 2015 and 2014, respectively. Pension expense for this plan, for the years ended December 31, 2015 and 2014 was $1,814 and $1,329, respectively. The Company has recorded $5,216 and $6,697 to accumulated other comprehensive loss to recognize the additional liability for this plan at December 31, 2015 and 2014, respectively. The Company contributed $759 and $764 to this plan during 2015 and 2014, respectively. Expected funding for 2016 is $1,110.

The pension liability recognized as of December 31, 2015 and 2014 of $16,493 and $16,918, respectively, includes a current portion of $1,083 and $1,010, respectively which is recognized as a current liability in the line item "accrued liabilities" within the consolidated balance sheets. The noncurrent portion of $15,410 as of December 31, 2015 and $15,908 as of December 31, 2014 is recorded as noncurrent pension liability in "other liabilities" within the consolidated balance sheets.

The Company does not provide any post-retirement benefits to its employees other than those provided under its NMC plan and supplemental executive retirement plan.

(c) Defined Contribution Plans

Most FMCH employees are eligible to join a 401(k) savings plan. Employees can deposit up to 75% of their pay up to a maximum of $18 if under 50 years old ($24 if 50 or over) under this savings plan. The Company will match 50% of the employee deposit up to a maximum Company contribution of 3% of the employee's pay. The Company's total expense under this defined contribution plan for the years ended December 31, 2015 and 2014 was $46,267 and $41,560, respectively.

(12) Noncontrolling Interests Subject to Put Provisions

The Company has potential obligations to purchase the noncontrolling interests held by third parties in certain of its consolidated subsidiaries. These obligations are in the form of put provisions and are exercisable at the third-party owners' discretion within specified periods as outlined in each specific put provision. If these put provisions were exercised, the Company would be required to purchase all or part of third-party owners' noncontrolling interests at the appraised fair value at the time of exercise. The methodology the Company uses to estimate the fair values of the noncontrolling interest subject to put provisions assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors. The estimated fair values of the noncontrolling interests subject to these put provisions can also fluctuate and the implicit multiple of earnings at which these noncontrolling interest obligations may ultimately be settled could vary significantly from our current estimates depending upon market conditions.

As of December 31, 2015 and 2014 the Company's potential obligations under these put options are $993,425 and $796,727, respectively, of which, at December 31, 2015 and 2014, $364,982 and $310,133 were exercisable. In the last two fiscal years ending December 31, 2015 eight puts have been exercised for a total consideration of $4,366.

Following is a rollforward of noncontrolling interests subject to put provisions for the years ended December 31, 2015 and 2014:

		2015	2014
Beginning balance	$	796,727	616,792
Dividends paid		(164,830)	(141,277)
Purchase/sale of noncontrolling interests		3,165	82,305
Contributions from noncontrolling interests		16,623	16,063
Changes in fair value of noncontrolling interests		182,613	89,765
Net income		159,127	133,079
Ending balance	$	993,425	796,727

(13) Series C Redeemable Preferred Stock

During 2006, the Company issued to Fresenius Medical Care North America Holdings Limited Partnership (DLP), 5,000,000 shares at $1.00 par value of Series C Preferred Stock. The Company received proceeds of $1,250,000. Simultaneously with the issuance of the securities, the Company entered into a conditional forward sale agreement related to the Series C Preferred Stock. The conditional aspects of the contract are not certain to occur and are related to the dissolution or reorganization of DLP. However, if the conditions were to occur, the forward sale agreement requires that the Company redeem the securities at the same Euro value that was used to acquire the shares when initially issued plus any accumulated and declared but unpaid dividends at the spot rate in effect on the settlement date and declared but unpaid dividends at the spot rate in effect on the settlement date plus the discounted present value of all accumulated and unpaid dividends that have not been declared by the Board of Directors at the spot rate in effect on the settlement date. At December 31, 2015 and 2014, the redemption value of the Series C Preferred Stock was $392,100.

In accordance with Accounting Standards Codification 480, *Distinguishing Liabilities from Equity* (ASC 480) the Company recorded the proceeds as part of mezzanine equity. There were no redemptions of the Series C Preferred Stock during the years ended December 31, 2015 and 2014.

(14) Equity

(a) Preferred Stock

At December 31, 2015 and 2014, the components of the Company's preferred stocks as presented in the consolidated balance sheets consisted of the following:

	December 31	
	2015	2014
Preferred stock $1.00 par value:		
Class E; 2,653,560 shares authorized, issued and outstanding.	$ 663,390	663,390
Class F; 2,100,000 shares authorized, issued and outstanding.	525,000	525,000
Total preferred stock	$ 1,188,390	1,188,390

(b) Stock Options

In connection with its stock option program, the Company incurred compensation expense of $10,461 and $5,502 for the years ended December 31, 2015 and 2014, respectively. There were no capitalized compensation costs in any of the two years presented. The Company also recorded a related deferred income tax of $4,127 and $2,171 for the years ended December 31, 2015 and 2014, respectively.

On May 12, 2011, the Fresenius Medical Care AG & Co. KGaA Stock Option Plan 2011 (2011 SOP) was established by resolution of our AGM. The 2011 SOP, together with the Phantom Stock Plan 2011, which was established by resolution of the General Partner's Management and Supervisory Boards, forms our Long Term Incentive Program 2011 (2011 Incentive Program). Under the 2011 Incentive Program, participants may be granted awards, which will consist of a combination of stock options and phantom stock. Awards under the 2011 Incentive Program were granted over a five year period and were able to be granted on the last Monday in July and/or the first Monday in December each year. Generally and prior to the respective grants, participants were able to choose how much of the granted value is granted in the form of stock options and phantom stock in a predefined range of 75:25 to 50:50, stock options vs. phantom stock. For grants made in 2015 and 2014 related to the participants who did not belong to the General Partner's Management Board, the grant ratio was predefined at 50:50. The number of phantom shares granted instead of stock options and within the aforementioned proportions was determined on the basis of a fair value assessment pursuant to a binomial model. With respect to grants made in July, this fair value assessment was conducted on the day following our AGM and with respect to the grants made in December, on the first Monday in October. Awards under the 2011 Incentive Program are subject to a four-year vesting period. Vesting of the awards granted was subject to achievement of performance targets. The 2011 Incentive Program was established with a conditional capital increase up to €12 million subject to the issue of up to twelve million non-par value bearer ordinary shares with a nominal value of €1.00, each of which can be exercised to obtain one ordinary share.

The exercise price of stock options granted under the 2011 Incentive Program shall be the average stock exchange price on the Frankfurt Stock Exchange of the Parent Company's ordinary shares during the 30 calendar days immediately prior to each grant date. Stock options granted under the 2011 Incentive Program have an eight-year term and can be exercised only after a four-year vesting period. Stock options granted under the 2011 Incentive Program to US participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2011 Incentive Program are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or disposed of otherwise.

Options granted under the 2006 Amended Plan to U.S. participants are nonqualified stock options under the United States Internal Revenue Code of 1986, as amended. Options under the 2006 Amended Plan are not transferable by a participant or a participant's heirs, and may not be pledged, assigned, or otherwise disposed of. Options granted under this plan are exercisable through December 2017.

The table below provides reconciliations for options outstanding at December 31, 2015, as compared to December 31, 2014.

	Options (In thousands)	Weighted average exercise price
Ordinary shares:		
Balance at December 31, 2013	6,809	$ 64.80
Granted	1,110	61.14
Exercised	(1,014)	43.90
Forfeited	(874)	62.64
Balance at December 31, 2014	6,031	59.23
Granted	2,115	83.89
Exercised	(1,104)	43.84
Forfeited	(1,215)	60.69
Balance at December 31, 2015	5,827	64.48

There were no preference shares options issued or outstanding in 2015.

The following table provides a summary of fully vested options outstanding and exercisable for both preference and ordinary shares at December 31, 2015:

	Fully vested outstanding and exercisable options			
	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price	Aggregate intrinsic value
Options for ordinary shares	989	2.10	$ 47.98	36,249

At December 31, 2015, there is $38,200 of total unrecognized compensation costs related to nonvested options granted under all plans. These costs are expected to be recognized over a weighted average period of 2.2 years.

During the years ended December 31, 2015 and 2014, the Parent Company received cash of $49,349 and $48,728, respectively, from the exercise of stock options. The intrinsic value of options exercised for the years ended December 31, 2015 and 2014 were $45,813 and $21,619, respectively. The Company recorded a related tax benefit of $18,073 and $8,529 for the years ended December 31, 2015 and 2014, respectively.

(c) Fair Value Information

The Company used a binomial option-pricing model in determining the fair value of the awards under the 2011 SOP and the 2006 Amended Plan. Option valuation models require the input of subjective assumptions including expected stock price volatility. The Company's assumptions are based upon its past experiences, market trends and the experiences of other entities of the same size and in similar industries. Expected volatility is based on historical volatility of the Company's shares. To incorporate the effects of expected early exercise in the model, an early exercise of vested options was assumed as soon as the share price exceeds 155% of the exercise price. The Company's stock options have characteristics that vary significantly from traded options and changes in subjective assumptions can materially affect the fair value of the option.

The assumptions used to determine the fair value of the 2015 and 2014 grants are as follows:

	2015	2014
Expected dividend yield	1.46%	1.99%
Risk-free interest rate	0.44%	0.83%
Expected volatility	22.32%	22.16%
Expected life of options	8 years	8 years
Weighted average exercise price	$ 83.89	61.14

(d) Subsidiary Stock Incentive Plans

Subsidiary stock incentive plans were established during 2014 in conjunction with two acquisitions made by the Company. Under these plans, two of the Company's subsidiaries are authorized to issue a total of 116,103,806 Incentive Units. The Incentive Units have two types of vesting conditions – a service condition and a performance condition. Of the total Incentive Units granted, eighty percent vest ratably over a four year period and twenty percent vest upon the achievement of certain of the relevant subsidiary's performance targets over a six year vesting period (the Performance Units).

Fifty percent of the Performance Units will vest upon achievement of performance targets in 2017. The remaining 50%, plus any unvested Performance Units, will vest upon achievement of performance targets in 2019. All of the Performance Units will vest upon achievement of performance targets in 2020, if not previously vested. Additionally, for one of the subsidiaries, all Performance Units not previously vested will vest upon successful completion of an initial public offering.

As of December 31, 2015 and 2014, there was $17,886 and $20,005, respectively, of total unrecognized compensation cost related to unvested Incentive Units under the plans. These costs are expected to be recognized over a weighted average period of 4.2 years.

The Company used the Monte Carlo pricing model in determining the fair value of the awards under this incentive plan. Option valuation models require the input of subjective assumptions including expected stock price volatility. The Company's assumptions are based upon its past experiences, market trends and the experiences of other entities of the same size and in similar industries.

(15) Financial Instruments

Nonderivative Financial Instruments

The following table presents the carrying amounts and fair values of the Company's nonderivative financial instruments at December 31, 2015 and 2014:

	December 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Nonderivatives:				
Assets:				
Cash and cash equivalents	$ 249,300	249,300	195,280	195,280
Trade accounts receivable	1,756,532	1,756,532	1,517,546	1,517,546
Receivables from affiliates	1,036,650	1,036,650	925,519	925,519
Long term notes receivable [1]	4,309	4,309	182,126	198,443
Liabilities:				
Accounts payable	396,354	396,354	322,685	322,685
Short term borrowings	57,612	57,612	24,554	24,554
Long term debt and capital lease obligations, excluding Amended 2006 Senior Credit Agreement	74,055	74,055	365,739	365,739
Amended 2006 Senior Credit Agreement	2,313,544	2,302,781	2,535,992	2,524,137
Borrowings from affiliates	2,723,036	2,723,036	2,861,448	2,861,448
Noncontrolling interests subject to put provisions	993,425	993,425	796,727	796,727

1 Amounts included in the consolidated balance sheet under other assets and deferred charges caption

The carrying amounts in the table are included in the consolidated balance sheets under the indicated captions.

The significant methods and assumptions used in estimating the fair values of financial instruments are as follows:

Cash and cash equivalents are stated at nominal value which equals the fair value.

Short-term financial instruments such as accounts receivable, accounts payable and short-term borrowings are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

The valuation of the long-term notes receivable is determined using significant unobservable inputs (Level 3). It is valued using a constructed index based upon similar instruments with comparable credit ratings, terms, tenor, interest rates that are within the Company's industry. The Company tracked the prices of the constructed index from the note issuance date to the reporting date to determine fair value.

The fair values of the long-term debt and capital lease obligations are calculated on the basis of market information. Instruments for which market quotes are available are measured using these quotes. The fair values of the other long-term financial liabilities are calculated at the present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

The valuation of the noncontrolling interests subject to put provisions is determined using significant unobservable inputs (Level 3). See note 12 for a discussion of the Company's methodology for estimating the fair value of these noncontrolling interests subject to put obligations.

Currently, there is no indication that a decrease in the value of the Company's financing receivables is probable. Therefore, the allowances on credit losses of financing receivables are not considered necessary.

(16) Derivative Financial Instruments

The Company is exposed to market risk from changes in foreign exchange rates. In order to manage the risk of currency exchange rate fluctuations, the Company enters into various hedging transactions with highly rated financial institutions as authorized by the Parent Company. On a quarterly basis an assessment of the Company's counterparty credit risk is performed, which the Company considers to be low. The Company does not use financial instruments for trading purposes.

The Company established guidelines for risk assessment procedures and controls for the use of financial instruments. They include a clear segregation of duties with regard to execution on one side and administration, accounting and controlling on the other.

The table below summarizes the derivative financial instruments pre-tax and after-tax effect on accumulated other comprehensive loss in equity for the years ended December 31, 2015 and 2014:

	Year ended December 31	
	2015	2014
	(Dollars in millions)	
Forecasted raw material product purchases and other obligations:		
Pre-tax (gain) loss	$ (5.4)	8.7
After-tax (gain) loss	(3.3)	5.2

The Company enters into forward rate agreements that are designated and effective as hedges of forecasted raw material purchases and other obligations. After-tax gains and losses are deferred in other comprehensive income and are reclassified into cost of medical supplies in the period during which the hedged transactions affect earnings. All deferred amounts are reclassified into earnings within the next twelve months.

(a) Foreign Currency Contracts

The Company uses foreign exchange contracts as a hedge against foreign exchange risks associated with the settlement of foreign currency denominated payables and firm commitments. At December 31, 2015 and 2014, the Company had outstanding foreign currency contracts for the purchase of Euros (EUR) totaling 49,366 and 39,642, respectively, contracts for the purchase of 341,100 and 315,000 Mexican pesos, respectively, and contracts for the sale of 3,600 and 350 Canadian dollars, respectively. The contracts outstanding at December 31, 2015 include forward contracts for purchase of EUR at rates ranging from $1.106 to $1.484 per EUR, forward contracts for the purchase of Mexican pesos at rates ranging from $15.979 to $16.397 per Mexican peso, and outright sale contracts for Canadian dollars at rates ranging from $1.272 to $1.273 per Canadian dollar. All contracts are for periods between January 2016 and February 2017.

The fair value of currency contracts are the estimated amounts that the Company would receive or pay to terminate the agreements at the reporting date, taking into account the current exchange rates and the current creditworthiness of the counterparties in addition to the Company's own nonperformance risk. At December 31, 2015 and 2014, the Company would have paid approximately $1,134 and $7,116, respectively, to terminate these contracts.

(b) Currency Exchange Agreements

Periodically, the Company enters into derivative instruments with related parties to form a natural hedge for currency exchange rate exposures on intercompany obligations. These instruments are reflected in the consolidated balance sheets at fair value with changes in fair value recognized in earnings. Pre-tax losses recorded in the consolidated statements of operations for the years ended December 31, 2015 and 2014 were $319,742 and $321,456, respectively. After-tax losses in the consolidated statements of operations for the years ended December 31, 2015 and 2014 were $127,897 and $113,237, respectively.

$682,500 Currency Exchange Agreement

On February 3, 2011, the Company entered into a currency exchange agreement with Fresenius Medical Care North America Holdings Limited Partnership (DLP) with a notional principal amount of $682,500 and a Euro amount with equal market value applying the market foreign exchange rate at the time the exchange agreement was entered into. The currency exchange agreement requires that at each periodic settlement date, DLP is obligated to pay to FMCH, Euro interest on the Euro equivalent of $682,500. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on $682,500 in U.S. dollars.

Upon maturity (February 15, 2021), DLP is obligated to pay to FMCH, the Euro equivalent of $682,500 converted at the spot rate and FMCH will pay to DLP the final settlement amount of $682,500.

This instrument is reflected in other liabilities within the consolidated balance sheets at fair value at the reporting date with changes in fair value recognized in earnings. At December 31, 2015 and 2014, the fair value of the derivative liability was $142,429 and $70,888, respectively.

$525,000 Currency Exchange Agreement

On June 16, 2011, the Company entered into a currency exchange agreement with DLP with a notional principal amount of $525,000 and a Euro amount with equal market value applying the market foreign exchange rate at the time the exchange agreement was entered into. The currency exchange agreement requires that at each periodic settlement date, DLP is obligated to pay to FMCH, Euro interest on the on the Euro equivalent of $525,000. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on $525,000 in U.S. dollars.

Upon maturity (July 15, 2017), DLP is obligated to pay to FMCH, the Euro equivalent of $525,000 converted at the spot rate and FMCH will pay to DLP the final settlement amount of $525,000.

This instrument is reflected in other liabilities within the consolidated balance sheets at fair value at the reporting date with changes in fair value recognized in earnings. At December 31, 2015 and 2014, the fair value of the derivative liability was $116,385 and $70,567, respectively.

FMC Finance II Currency Exchange Agreements

On January 26, 2012 the Company entered into three currency exchange agreements with Fresenius Medical Care US Finance II, Inc. (FMC Finance II) with a notional principal amounts of $800,000, $700,000, and $105,000 U.S. dollars, and an equivalent Euro amount based on the foreign exchange rate at the time the exchange agreements were entered into. The currency exchange agreement requires that at each periodic settlement date, FMC Finance II is obligated to pay to FMCH, Euro interest on the Euro equivalent of notional principal amounts. Conversely, at the periodic settlement date, FMCH is obligated to pay DLP, the interest on notional principal amounts in U.S. dollars.

Upon maturity (July 2019, January 2022, and July 2019, respectively), FMC Finance II is obligated to pay to FMCH, the Euro equivalent of the notional principal amount converted at the spot rate and FMCH will pay to FMC Finance II the final settlement amount of the notional principal amount.

This instrument is reflected in other long term liabilities within the consolidated balance sheets at fair value at the reporting date with changes in fair value recognized in earnings. At December 31, 2015 and 2014, the fair value of the derivative liability was $229,328 and $26,775, respectively.

The following table shows the Company's derivatives at December 31, 2015 and 2014:

	2015		2014	
	Assets (1)	Liabilities (1)	Assets (1)	Liabilities (1)
Current:				
Foreign currency contracts	$ 941	2,246	45	7,098
Noncurrent:				
Foreign currency contracts	—	487,972	—	168,230
Total	$ 941	490,218	45	175,328

(1) As of December 31, 2015 and 2014, the valuation of the Company's derivatives was determined using Significant Other Observable inputs (Level 2) in accordance with the fair value hierarchy levels established in U.S. GAAP. Derivative instruments are marked to market each reporting period resulting in carrying amounts being equal to fair values at each reporting date with the changes in fair value recognized in earnings.

The carrying amounts for the current portion of derivatives indicated as assets in the table above are included in other current assets in the consolidated balance sheets while the current portion of those indicated as liabilities are included in other current liabilities. The noncurrent portions indicated as assets or liabilities are included in the consolidated balance sheets in other assets or other liabilities, respectively.

The significant methods and assumptions used in estimating the fair values of derivative financial instruments are as follows:

To determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the balance sheet date. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the applicable currency.

The Company includes its own credit risk when measuring the fair value of derivative financial instruments.

The Effect of Derivatives on the Consolidated Financial Statements

	Amount of loss recognized in OCI on derivatives (effective portion) December 31		Location of loss reclassified from OCI in income (effective portion)	Amount of gain (loss) reclassified from OCI in income (effective portion) for the twelve months ended December 31	
	2015	2014		2015	2014
Foreign currency contracts	(6,229)	(7,389)	Cost of medical supplies	11,649	(1,273)
	$ (6,229)	(7,389)		$ 11,649	(1,273)

The Company expects to recognize $1,084 of gains deferred in accumulated other comprehensive loss at December 31, 2015, in earnings during the next twelve months.

As of December 31, 2015, the Company had foreign currency contracts with maturities of up to 15 months.

(17) Legal Proceedings

(a) Legal and Regulatory Matters

The Company is routinely involved in numerous claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing healthcare services and products. Legal matters that the Company currently deems to be material or noteworthy are described below. For the matters described below in which the Company believes a loss is both reasonably possible and estimable, an estimate of the loss or range of loss exposure is provided. For the other matters described below, the Company believes that the loss probability is remote and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with the Company's view of the merits can occur. The Company believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

(b) Commercial Litigation

On April 5, 2013, the U.S. Judicial Panel on Multidistrict Litigation ordered that the numerous lawsuits filed in various federal courts alleging wrongful death and personal injury claims against FMCH and certain of its affiliates relating to FMCH's acid concentrate products NaturaLyte® and Granuflo® be transferred and consolidated for pretrial management purposes into a consolidated multidistrict litigation in the United States District Court for the District of Massachusetts, styled In Re: Fresenius Granuflo/Naturalyte Dialysate Products Liability Litigation, Case No. 2013-md-02428. The Massachusetts state courts and the St. Louis City (Missouri) court subsequently established a similar

consolidated litigation for such cases filed in Massachusetts county courts and St. Louis City Court, *See*, In Re: Consolidated Fresenius Cases, Case No. MICV 2013-03400-O (Massachusetts Superior Court, Middlesex County). These lawsuits allege generally that inadequate labeling and warnings for these products caused harm to patients. In addition, similar cases have been filed in other state courts. On February 17, 2016, the Company reached and reported to the courts an agreement in principle with a committee for plaintiffs in all cases. The agreement in principle calls for the Company to pay $250,000 into a settlement fund in August 2016 in exchange for releases of all or substantially all of the plaintiffs' claims, subject to the Company's right to void the settlement under certain conditions, including if more than 3% of all plaintiffs reject the settlement by July 2016 or the distribution of rejecters meet certain criteria. The Company's affected insurers have agreed to fund $220,000 of the settlement fund, with a reservation of rights regarding certain coverage issues between and among the Company and its insurers. The Company has accrued a net expense of $60,000 for consummation of the settlement, including legal fees and other anticipated costs.

(c) Other Litigation and Potential Exposures

On February 15, 2011, a whistleblower (relator) action under the False Claims Act against FMCH was unsealed by order of the United States District Court for the District of Massachusetts and served by the relator. The United States has not intervened initially in the case United States ex rel. Chris Drennen v. Fresenius Medical Care Holdings, Inc., 2009 Civ. 10179 (D. Mass.). The relator's complaint, which was first filed under seal in February 2009, alleged that the Company sought and received reimbursement from government payors for serum ferritin and multiple forms of hepatitis B laboratory tests that are medically unnecessary or not properly ordered by a physician. Discovery on the relator's complaint closed in May 2015. On October 2, 2015, the United States Attorney moved to intervene on the relator's complaint with respect only to certain Hepatitis B surface antigen tests performed prior to 2011, when Medicare reimbursement rules for such tests changed. FMCH believes that the allegations of the complaint are without merit and will defend the litigation vigorously.

Subpoenas or search warrants have been issued by federal and state law enforcement authorities under the supervision of the United States Attorneys for the Districts of Connecticut, Southern Florida, Eastern Virginia and Rhode Island to American Access Care LLC ("AAC"), which the Company acquired in October 2011, and to the Company's subsidiary, Fresenius Vascular Care, Inc., which now operates former AAC centers as well as its own original facilities. As of September 30, 2015, the Company had entered into settlements of allegation made by the United States Attorneys for Connecticut, Southern Florida, and Rhode Island under which the Company paid approximately $8 million in exchange for releases related to activities of AAC prior to the acquisition. Pursuant to the AAC acquisition agreement the prior owners are obligated to indemnify the Company for payments under these settlements, subject to certain limitations and deductibles. The three settlements implicate only actions and events occurring prior to the Company's acquisition of AAC. The Eastern Virginia investigation remains active and outstanding. It appears to relate to issues similar to the others, but is being conducted in part as a grand jury proceeding.

On October 6, 2015, the Office of Inspector General of the United States Department of Health and Human Services ("OIG") issued a subpoena to the Company seeking information about utilization and

invoicing by Fresenius Vascular Care facilities as a whole for a period beginning after the acquisition of AAC. The Company is cooperating in the OIG's inquiry.

In December 2012, FMCH received a subpoena from the United States Attorney for the District of Massachusetts requesting production of a broad range of documents related to products manufactured by FMCH, electron-beam sterilization of dialyzers and the Liberty peritoneal dialysis cycler. FMCH has cooperated fully in the government's investigation. In December 2014, FMCH was advised that the government's investigation was precipitated by a whistleblower, who first filed a complaint under seal in June 2013. In September 2014, the government declined to intervene in the whistleblower's actions. On March 31, 2015, the relator served his complaint styled Reihanifam v. Fresenius USA, Inc, 2013 Civ. 11486 (D. Mass.). On May 14, 2015, the Court dismissed without prejudice the relator's False Claims Act allegations after receiving the United States' confirmation that it would not intervene as to those allegations. The relator acting pro se has filed motions requesting extended time to identify and retain counsel.

In January 2013 and April 2015, FMCH received subpoenas from the United States Attorney for the Western District of Louisiana and the Attorney General for the Commonwealth of Massachusetts, respectively, requesting discovery responses relating to the GranuFlo® and NaturaLyte® acid concentrate products that are also the subject of personal injury litigation described above. FMCH cooperated fully in the government's investigations. FMCH has learned that these subpoenas were issued in connection with a relator's complaint under the False Claims Act first filed in March 2012 that has been dismissed by the relator.

In August 2014, FMCH received a subpoena from the United States Attorney for the District of Maryland inquiring into FMCH's contractual arrangements with hospitals and physicians, including contracts relating to the management of in-patient acute dialysis services. FMCH is cooperating in the investigation.

In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act styled Hawaii v. Liberty Dialysis – Hawaii, LLC et al., Case No. 15-1-1357-07 (Hawaii 1st Circuit) alleging that Xerox State Healthcare, LLC, M Group Consulting LLC and certain Liberty Healthcare subsidiaries of FMCH conspired to overbill Hawaii Medicaid for Liberty's Epogen administrations to Hawaii Medicaid patients during the period from 2006 through 2010, prior to the time of FMCH's acquisition of Liberty. The complaint alleges that Xerox State Healthcare LLC which acted as Hawaii's contracted administrator for its Medicaid program reimbursement operations during 2006-2010, provided incorrect and unauthorized billing guidance to Liberty and its consultant, M4 Consultants, Inc. (a subsidiary of M Group Consulting LLC until 2008, and now a subsidiary of Liberty), which Liberty relied on for purposes of its Epogen billing to the Hawaii Medicaid program. The complaint seeks civil damages authorized under the Hawaii False Claims Act. FMCH will vigorously contest the complaint.

On August 31 and November 25, 2015, respectively, FMCH received subpoenas from the United States Attorneys for the District of Colorado and the Eastern District of New York inquiring into

FMCH's participation in and management of dialysis facility joint ventures in which physicians are partners. FMCH is cooperating in the investigations.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, like other healthcare providers, conducts its operations under intense government regulation and scrutiny. It must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories and dialysis clinics, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Company could be subject to significant adverse regulatory actions by the FDA and comparable regulatory authorities outside the U.S. These regulatory actions could include warning letters or other enforcement notices from the FDA, and/or comparable foreign regulatory authority which may require the Company to expend significant time and resources in order to implement appropriate corrective actions. If the Company does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the U.S., these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of the Company's products and/or criminal prosecution. FMCH is currently engaged in remediation efforts with respect to three pending FDA warning letters. The Company must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from the Company's interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, the Company's business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to the Company's compliance with applicable laws and regulations. The Company may not always be aware that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

The Company operates many facilities throughout the United States and other parts of the world. In such a decentralized system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies. The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of these employees. On occasion, the Company may identify instances where employees or other agents deliberately, recklessly or inadvertently

contravene the Company's policies or violate applicable law. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law, the False Claims Act and the Foreign Corrupt Practices Act, among other laws and comparable laws of other countries.

Physicians, hospitals and other participants in the healthcare industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

Other than those individual contingent liabilities mentioned above, the amount of the Company's other known individual contingent liabilities is immaterial.

Criterion 1120.310 (c) Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
ESRD		172.00			5,687			978,164	978,164
Contingency		17.00			5,687			96,679	96,679
Total Clinical		**$189.00**			**5,687**			**$1,074,843**	**$1,074,843**
Non Clinical		172.00			1,580			271,760	271,760
Contingency		17.00			1,580			26,860	26,860
Total Non		**$189.00**			**1,580**			**$298,620**	**$298,620**
TOTALS		**$189.00**			**7,267**			**$1,373,463**	**$1,373,463**

* Include the percentage (%) of space for circulation

Criterion 1120.310 (d) – Projected Operating Costs

Year 2019

Estimated Personnel Expense:	$835,698
Estimated Medical Supplies:	$173,520
Estimated Other Supplies: (Exc. Dep/Amort)	$727,866
	$1,737,084
Estimated Annual Treatments:	8,986
Cost Per Treatment:	$193.31

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

Year 2019

Depreciation/Amortization:	$150,000
Interest	$0
Capital Costs:	$150,000
Treatments:	8,986
Capital Cost per Treatment	$16.69

Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care East Aurora, LLC

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: _____

ITS: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 13th day of April, 2016

_____
Signature of Notary

Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Holdings, Inc.

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: _____

ITS: Bryan Mello
Assistant Treasurer

By: _____

ITS: Maria T. C. Notar
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 20th day of April, 2016

_____
Signature of Notary

Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

Notarization:
Subscribed and sworn to before me
this 20th day of April, 2016

_____
Signature of Notary

Seal

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care East Aurora, LLC

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

By: _____

Title: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 13th day of April, 2016

_____
Signature of Notary

Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

Criterion 1120.310(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Holdings, Inc.

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

By: _____

Title: Bryan Mello
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 20th day of April, 2016

_____
Signature of Notary

Seal

By: _____

Title: Maria T. C. Notar
Assistant Treasurer

Notarization:
Subscribed and sworn to before me
this 20th day of April, 2016

_____
Signature of Notary

Seal

ELIZABETH D. SCULLY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
October 14, 2022

Safety Net Impact Statement

The establishment of the Fresenius Kidney Care East Aurora dialysis facility will not have any impact on safety net services in the Aurora area of HSA 8. Outpatient dialysis services are not typically considered "safety net" services, to the best of our knowledge. However, we do provide care for patients in the community who are economically challenged and/or who are undocumented aliens, who do not qualify for Medicare/Medicaid pursuant to an Indigent Waiver policy. We assist patients who do not have insurance in enrolling when possible in Medicaid for ESRD or insurance on the Healthcare Marketplace. Also our social services department assists patients who have issues regarding transportation and/or who are wheel chair bound or have other disabilities which require assistance with respect to dialysis services and transport to and from the unit.

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

Fresenius Kidney 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 Kidney Care provides care to patients who do not qualify for any type of coverage for dialysis services. These patients are considered "self-pay" patients. They are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants. Fresenius notes that as a for profit entity, it does pay sales, real estate and income taxes. It also does provide community benefit by supporting various medical education activities and associations, such as the Renal Network, National Kidney Foundation and American Kidney Fund.

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

CHARITY CARE			
	2013	2014	2015
Net Revenue	$398,570,288	$411,981,839	$438,247,352
Charity *			
(# of self-pay patients)	499	251[1]	195[2]
Charity (cost In dollars)	$5,346,976	$5,211,664	$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	0.68%
MEDICAID			
	2013	**2014**	**2015**
Medicaid (# of patients)	1,660	750	396[3]
Medicaid (revenue)	$31,373,534	$22,027,882	$7,310,484
Ratio Medicaid to Net Patient Revenue	7.87%	5.35%	1.67%

Note:

1) Charity (self-pay) patient numbers decreased however treatments were higher per patient resulting in similar costs as 2013.

2) Charity (self-pay) patient numbers continue to decrease as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. Patients who cannot afford the premiums have them paid by the American Kidney Fund.

3) Medicaid number of patients is decreasing as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. Patients who cannot afford the premiums have them paid by the American Kidney Fund.

Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition of charity care because self-pay patients are billed and their accounts are written off as bad debt. Fresenius takes Medicaid patients without limitations or exception. The applicant(s) are for profit corporations and do not receive the benefits of not for profit entities, such as sales tax and/or real estate exemptions, or charitable donations. The applicants are not required, by any State or Federal law, including the Illinois Healthcare Facilities Planning Act, to provide charity care. The applicant(s) are prohibited by Federal law from advising patients that they will not be invoiced for care, as this type of representation could be an inducement for patients to seek care prior to qualifying for Medicaid, Medicare or other available benefits. Self-pay patients are invoiced and then the accounts written off as bad debt.

Uncompensated care occurs when a patient is not eligible for any type of insurance coverage (whether private or governmental) and receives treatment at our facilities. It is rare in Illinois for patients to have no coverage as patients who are not Medicare eligible are Medicaid eligible or are able to purchase insurance on the Healthcare Marketplace with premiums paid for by The American Kidney Fund. This represents a small number of patients, as Medicare covers all dialysis services as long as an individual is entitled to receive Medicare benefits (i.e. has worked and paid into the social security system as a result) regardless of age. In addition, in Illinois Medicaid covers patients who are undocumented for ESRD only. Also, the American Kidney Fund funds health insurance premiums for patients who meet the AKF's financial parameters and who suffer from end stage renal disease (see uncompensated care attachment). The applicants work with patients to procure coverage for them as possible whether it be Medicaid, Medicare and/or coverage on the Healthcare Marketplace funded by AKF. The applicants donate to the AKF to support its initiatives as do most dialysis providers.

If a patient has no available insurance coverage, they are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants

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

Uncompensated Care For All Fresenius Facilities in Illinois

CHARITY CARE			
	2013	**2014**	**2015**
Net Patient Revenue	**$398,570,288**	**$411,981,839**	**$438,247,352**
Amount of Charity Care (charges)	$5,346,976	$5,211,664	$2,983,427
Cost of Charity Care	$5,346,976	$5,211,664	$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	0.68%

Charity Care Information
ATTACHMENT – 41

Fresenius Medical Care North America - Community Care

Fresenius Medical Care North America (FMCNA) assists all of our patients in securing and maintaining insurance coverage when possible.

American Kidney Fund

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

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

Our team of Financial Coordinators and Social Workers assist patients in purchasing insurance on the Healthcare Marketplace and then connects patients who cannot afford to pay their insurance premiums, with AKF, which provides financial assistance to the patients for this purpose. The benefit of working with the AKF is that the insurance coverage which AKF facilitates applies to all of the patient's insurance needs, not just coverage for dialysis services.

Indigent Waiver Program

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

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

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

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

IL Medicaid and Undocumented patients

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation

will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical emergency.

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

FMCNA Collection policy

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

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

Medicare and Medicaid Eligibility

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

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

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

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

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

Self-Pay

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

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

mapquest

Trip to:

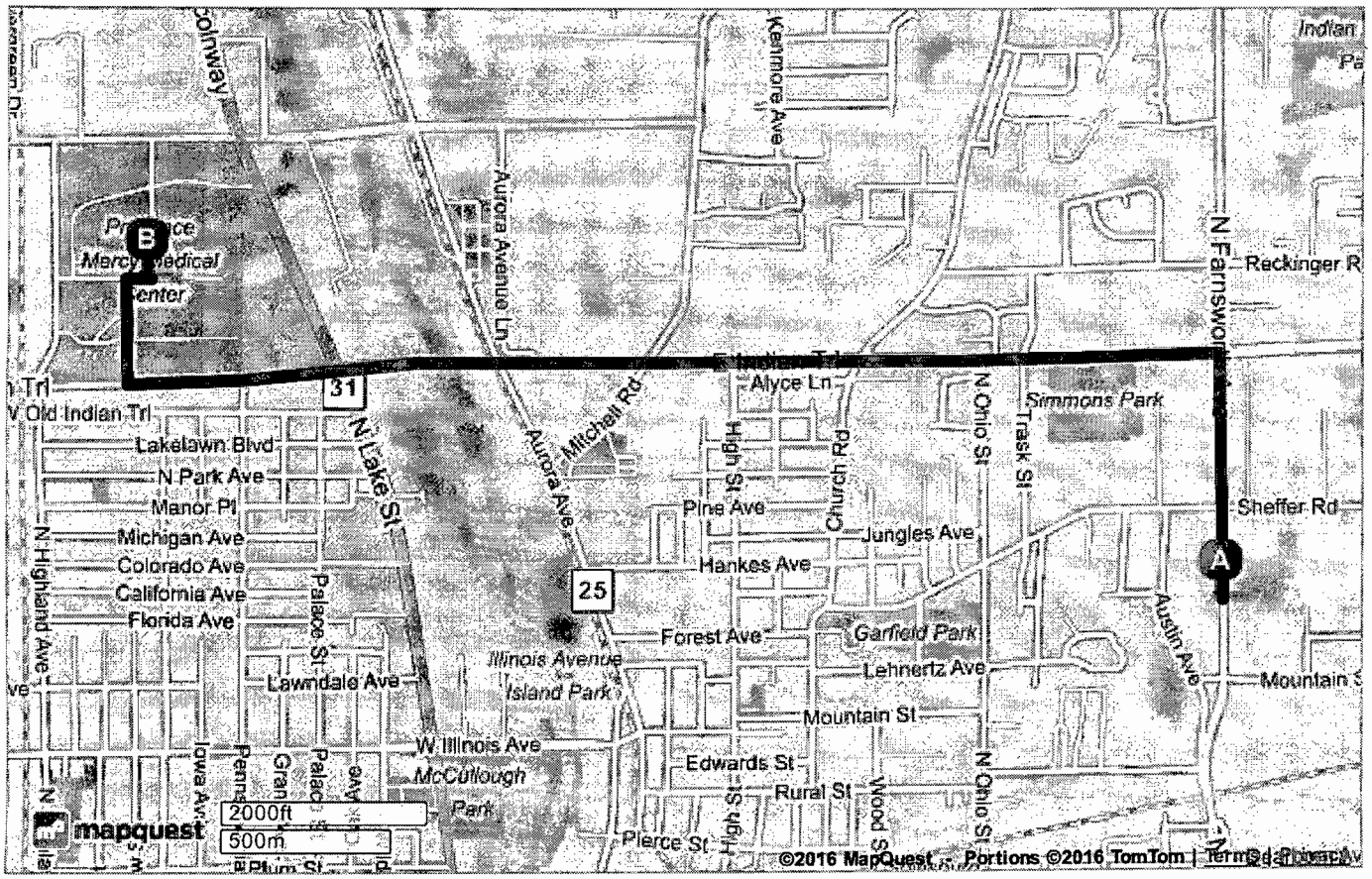
455 Mercy Ln

Aurora, IL 60506-2462

3.07 miles / 6 minutes

Notes

TO FRESENIUS MEDICAL CARE AURORA



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Trip to:

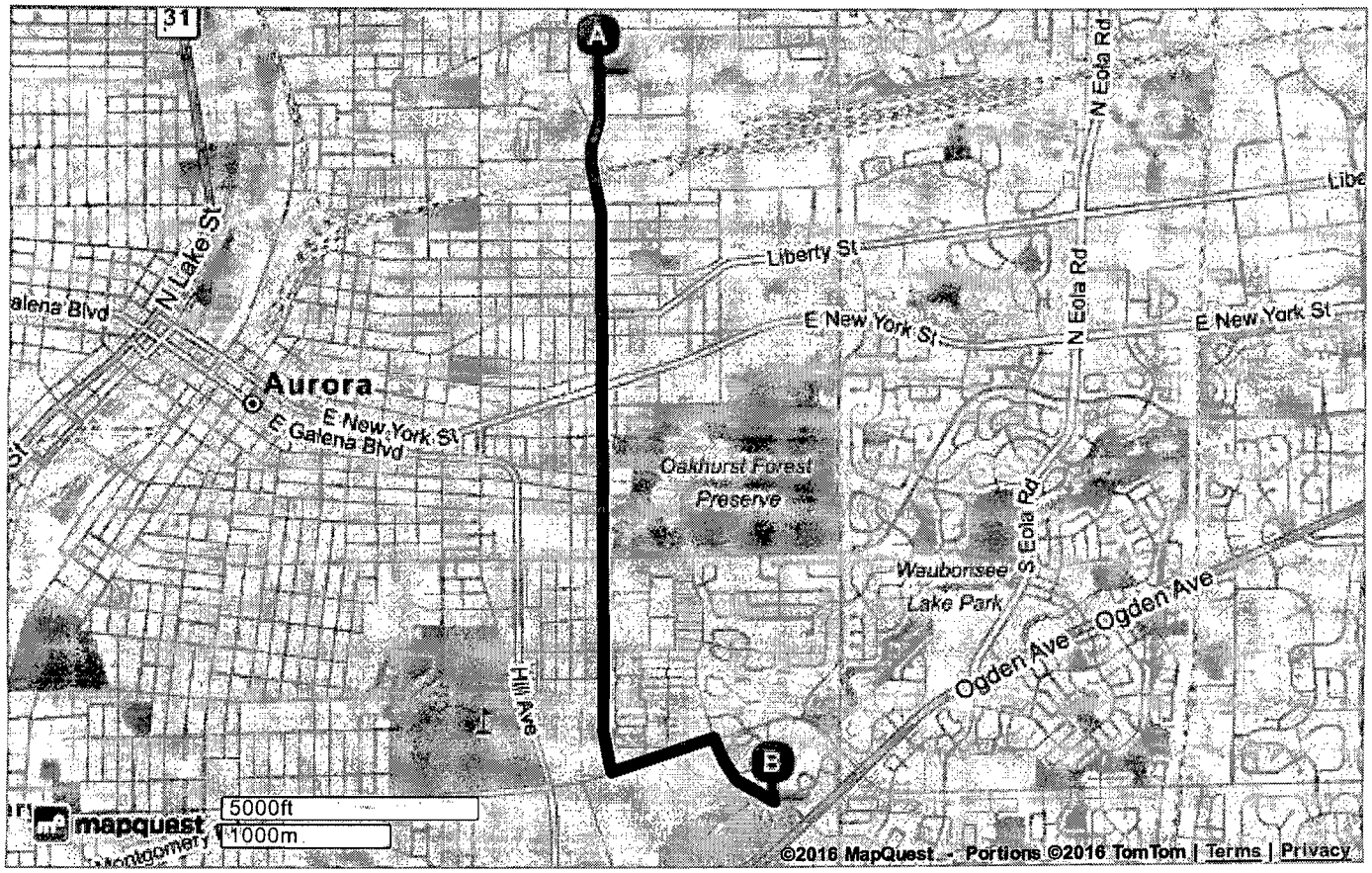
1300 Waterford Dr

Aurora, IL 60504-5502

3.74 miles / 8 minutes

Notes

TO RENAISSANCE FOX VALLEY DIALYSIS



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Trip to:

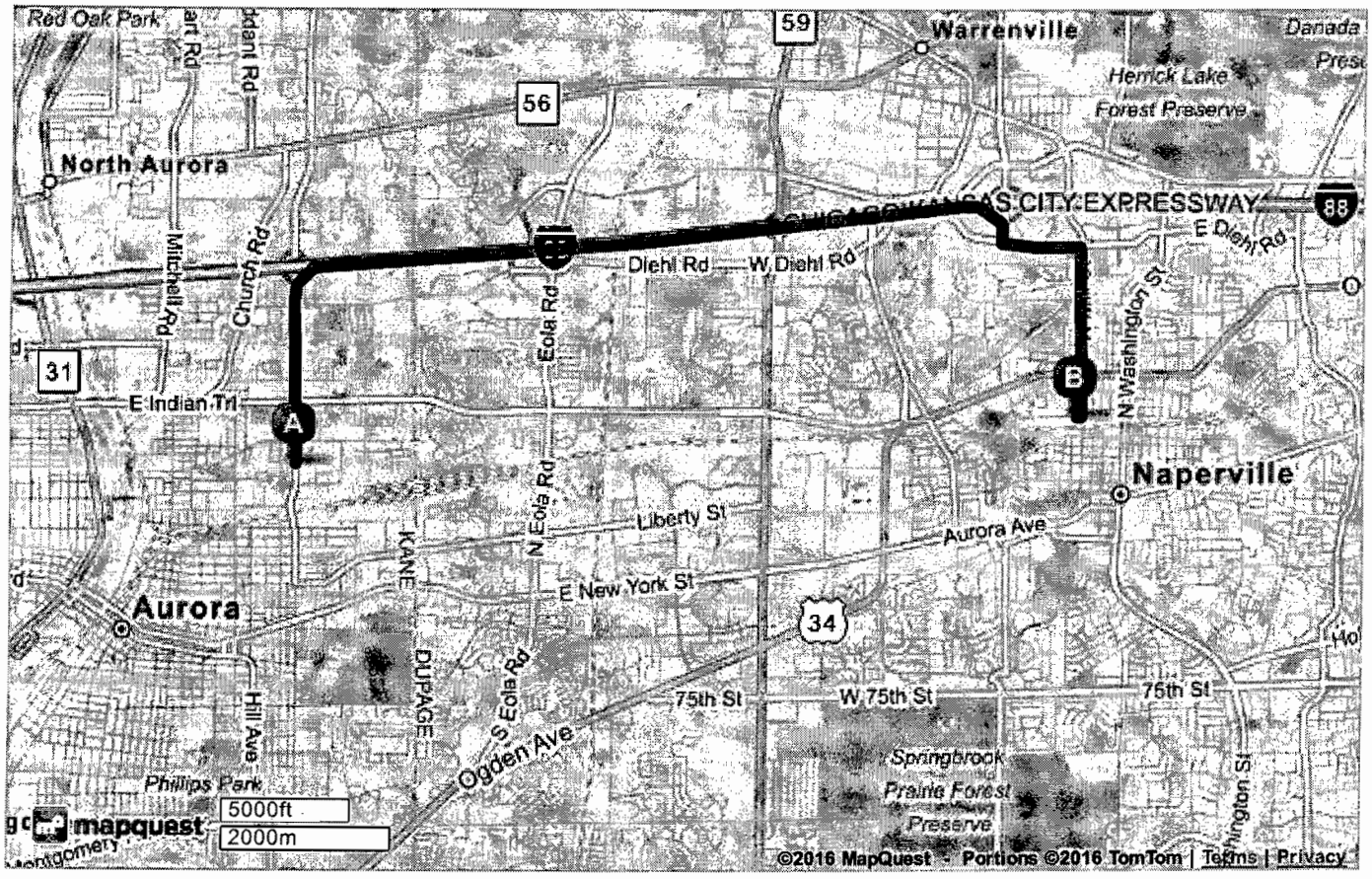
516 W 5th Ave

Naperville, IL 60563-2901

9.79 miles / 16 minutes

Notes

TO FRESENIUS MEDICAL CARE NAPERVILLE NORTH



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Trip to:

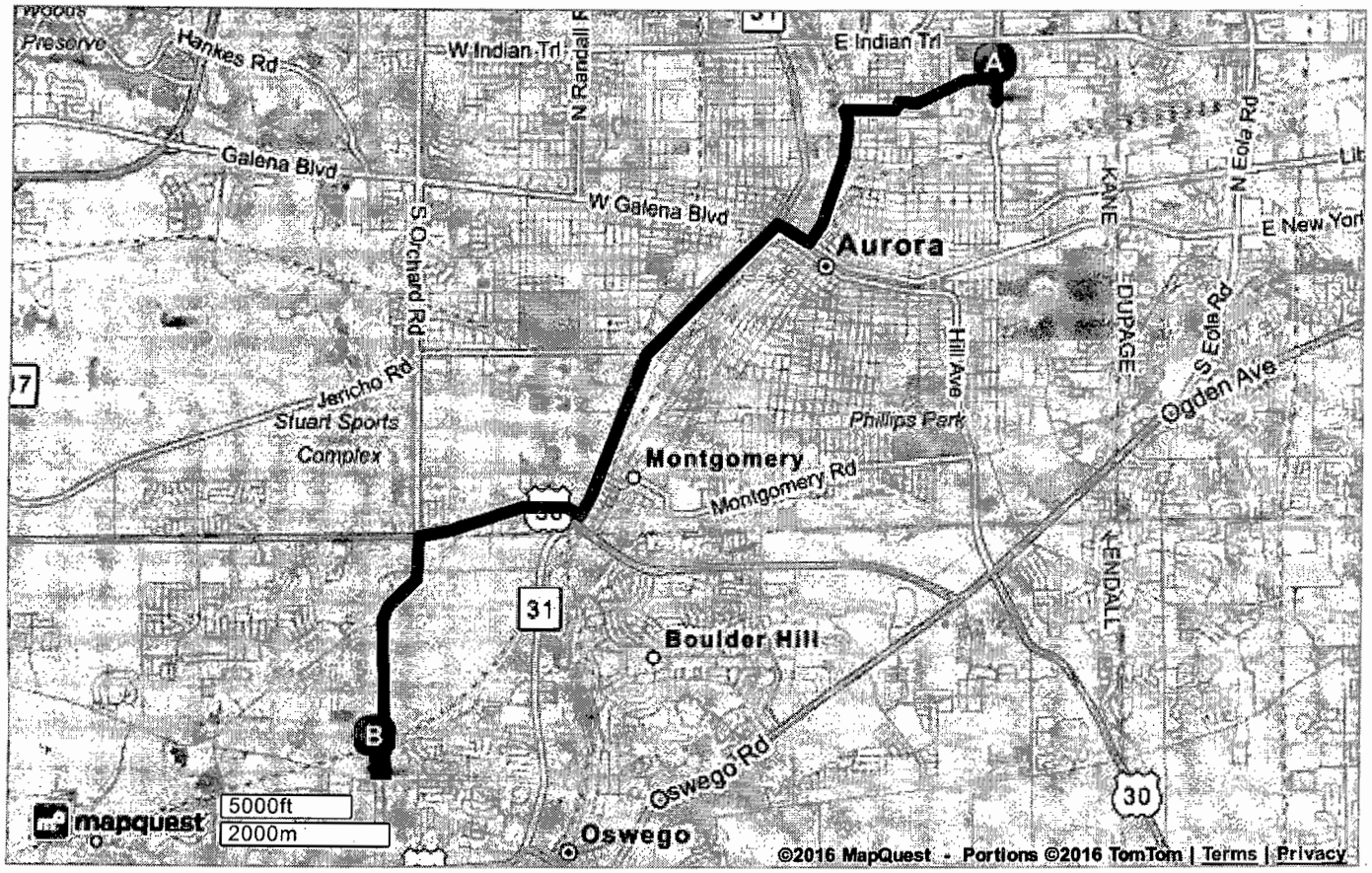
1051 Station Dr

Oswego, IL 60543-5008

9.74 miles / 18 minutes

Notes

TO FRESENIUS MEDICAL CARE OSWEGO



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Trip to:

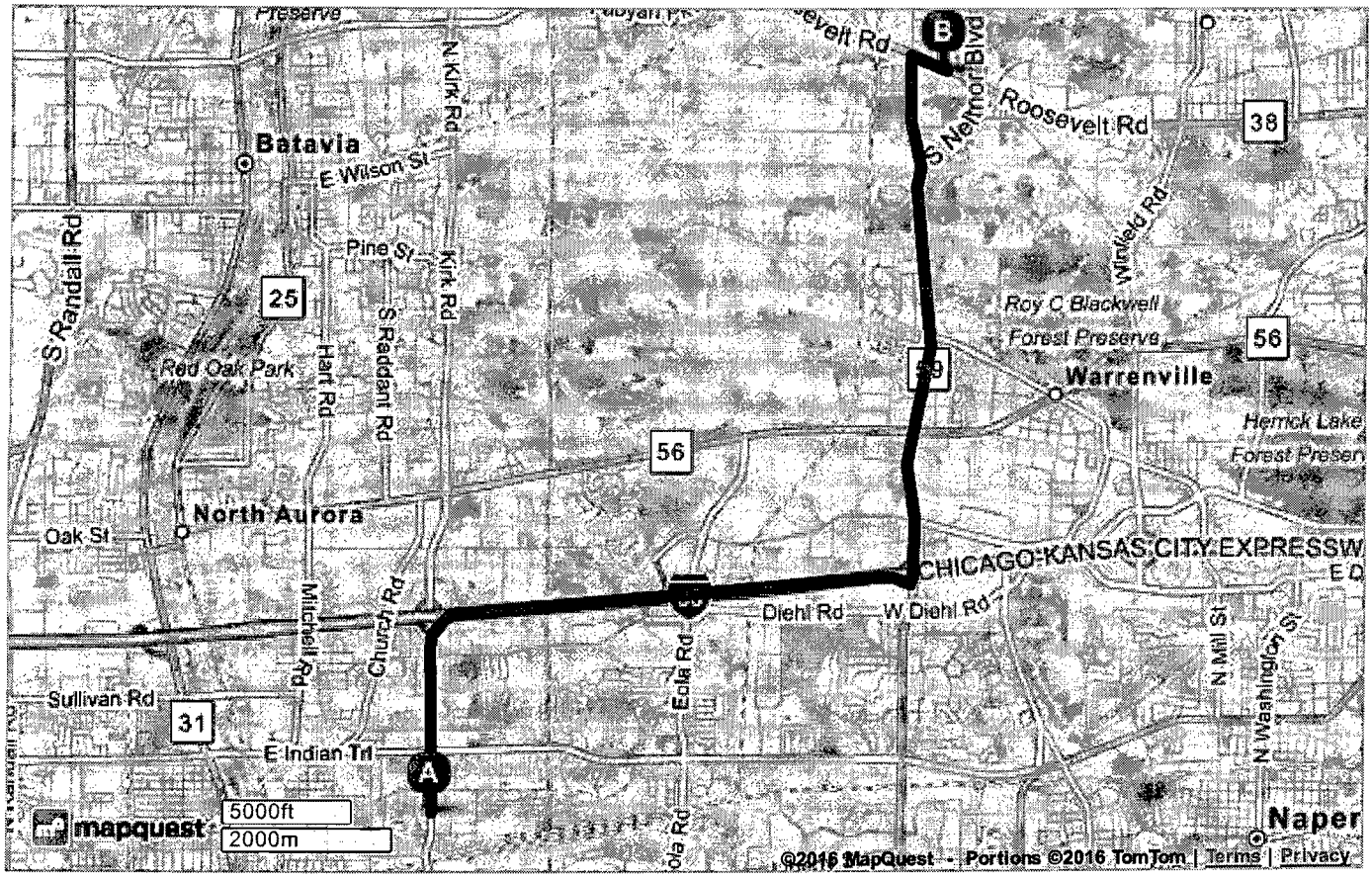
450 E Roosevelt Rd

West Chicago, IL 60185-3905

10.33 miles / 18 minutes

Notes

TO FRESENIUS MEDICAL CARE DUPAGE WEST



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Trip to:

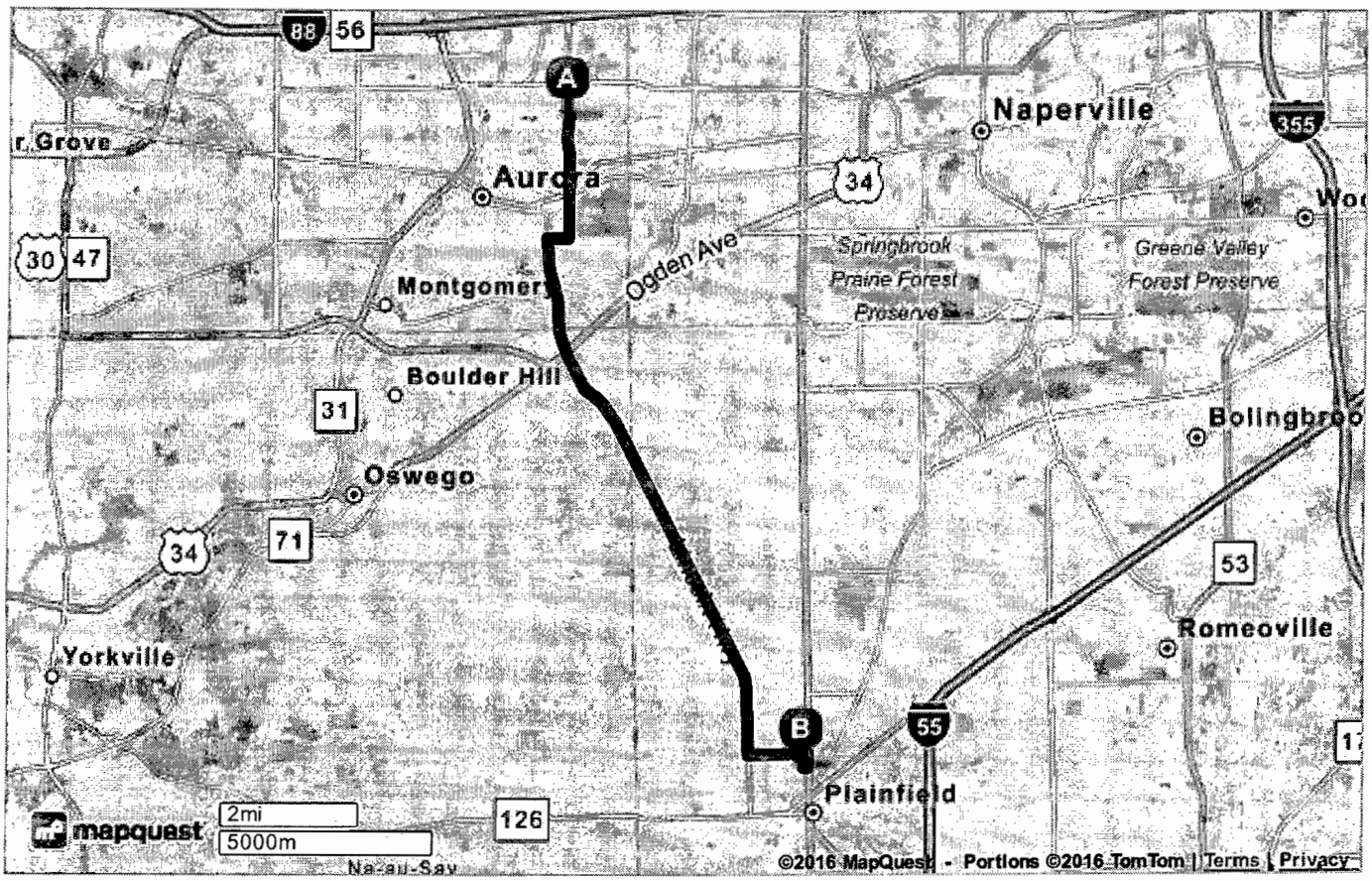
24030 Riverwalk Ct

Plainfield, IL 60544

13.11 miles / 20 minutes

Notes

TO FRESENIUS MEDICAL CARE PLAINFIELD NORTH (MORRIS RELOCATION SITE)



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Notes

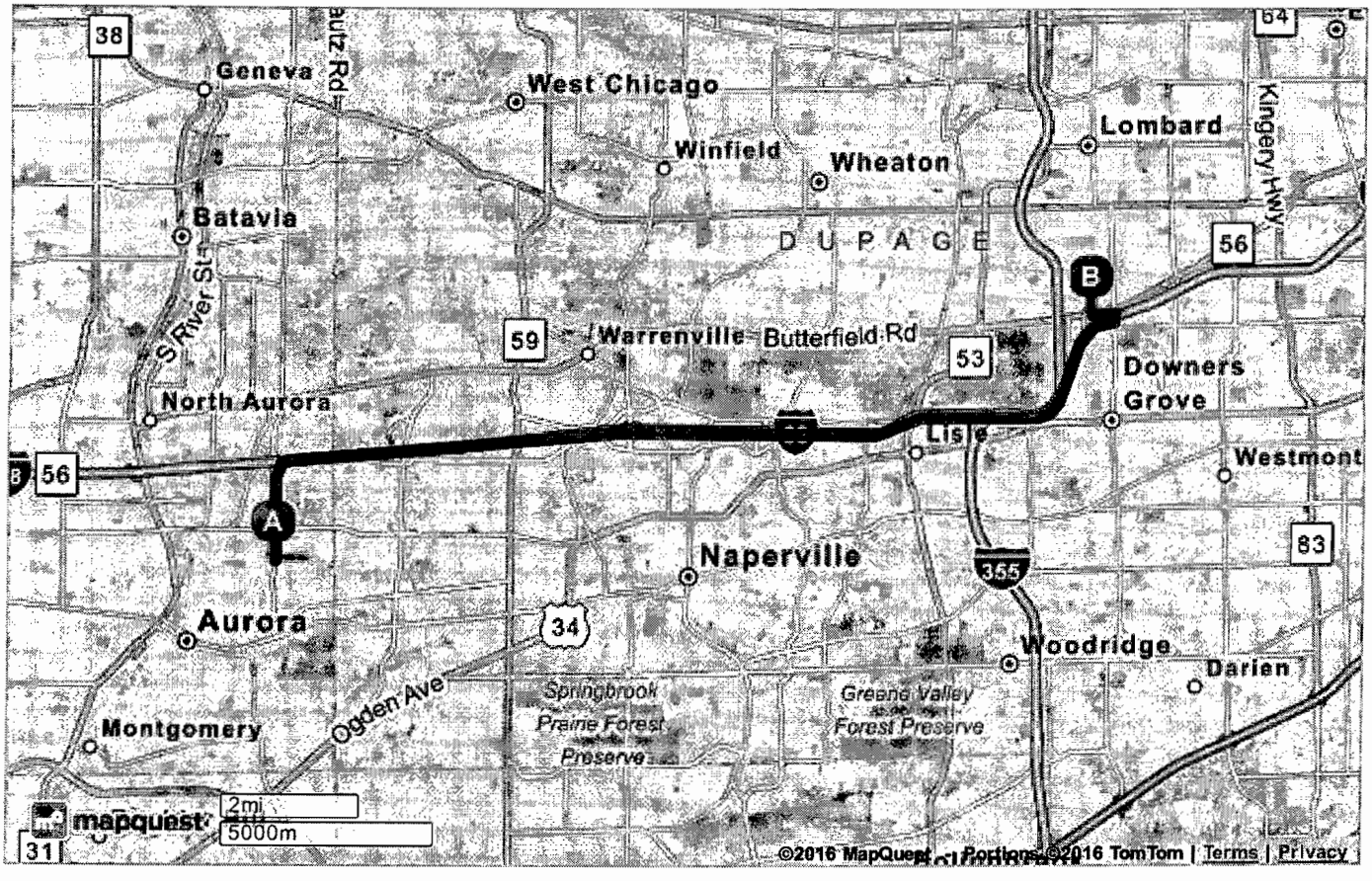
TO US RENAL OAK BROOK

Trip to:

1201 Butterfield Rd

Downers Grove, IL 60515-1032

17.05 miles / 20 minutes



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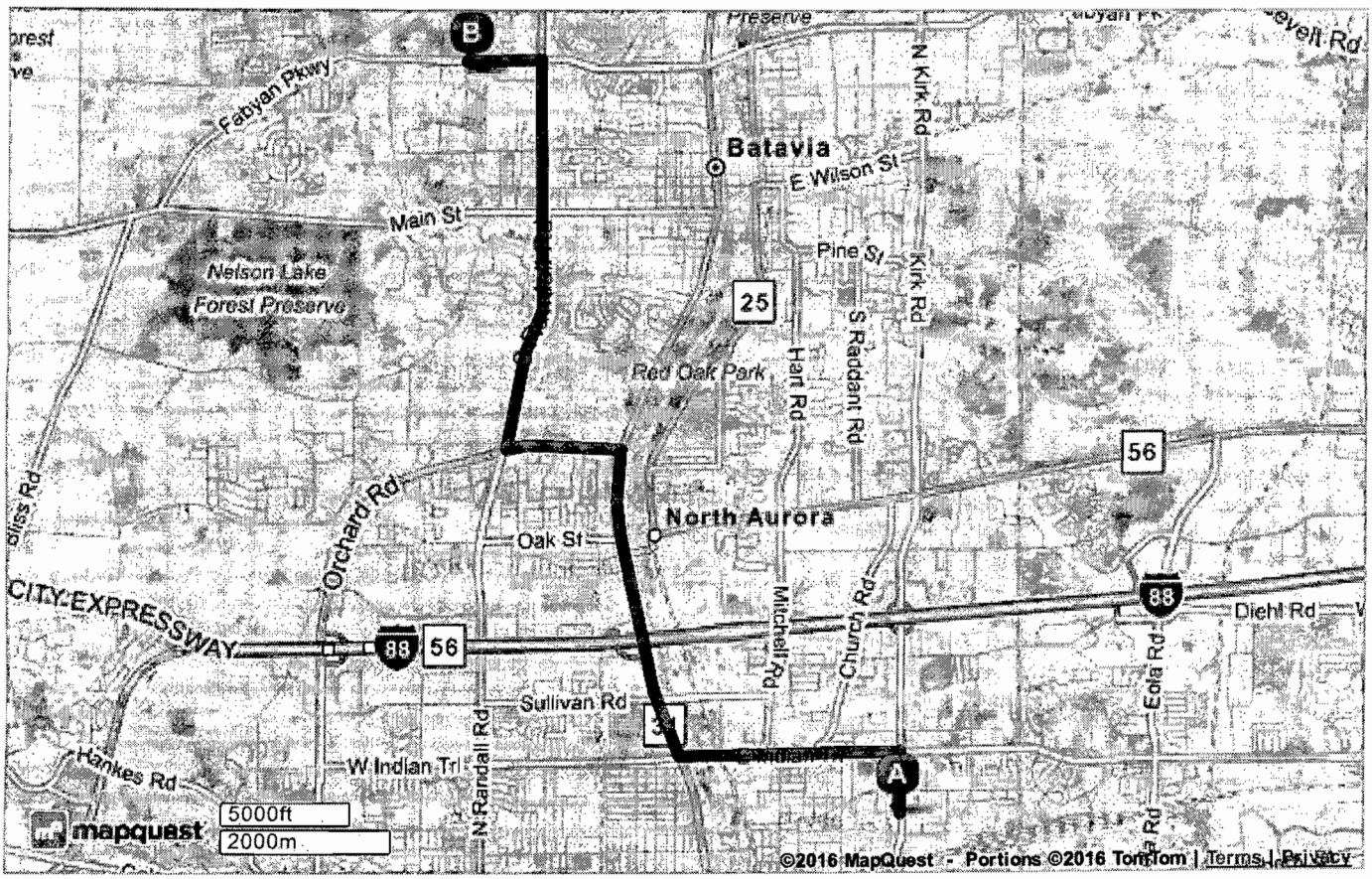
Notes

TO FRESENIUS MEDICAL CARE WEST BATAVIA

Trip to:

Fresenius Kidney Care West Batavia
2580 W Fabyan Pkwy
Batavia, IL 60510
(800) 881-5101
9.86 miles / 16 minutes



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Notes

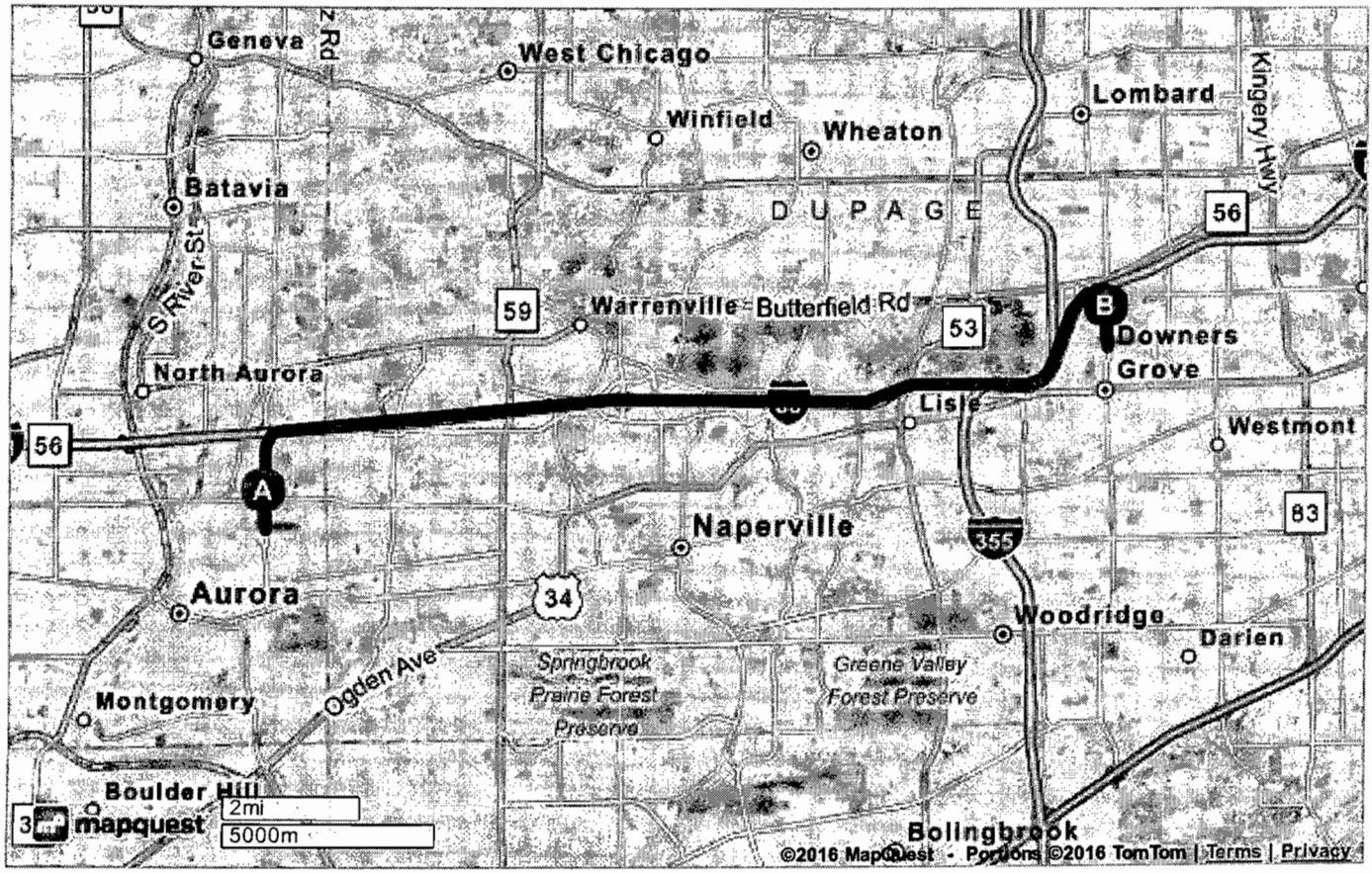
TO FRESENIUS MEDICAL CARE DOWNERS GROVE

Trip to:

3825 Highland Ave

Downers Grove, IL 60515

17.57 miles / 20 minutes



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Trip to:

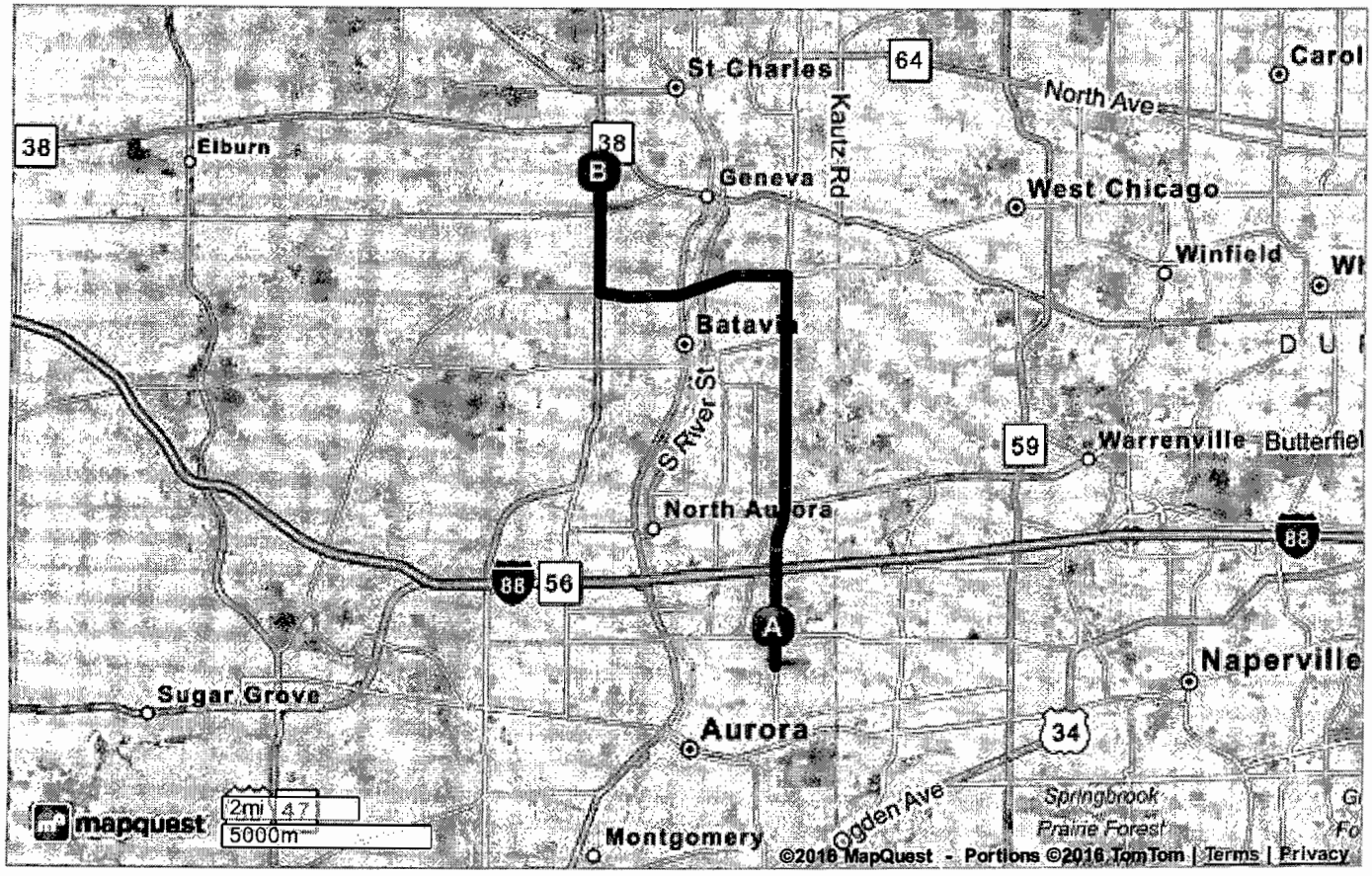
306 Randall Rd

Geneva, IL 60134-4200

11.91 miles / 21 minutes

Notes

TO RENAISSANCE TRI-CITIES DIALYSIS



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Trip to:

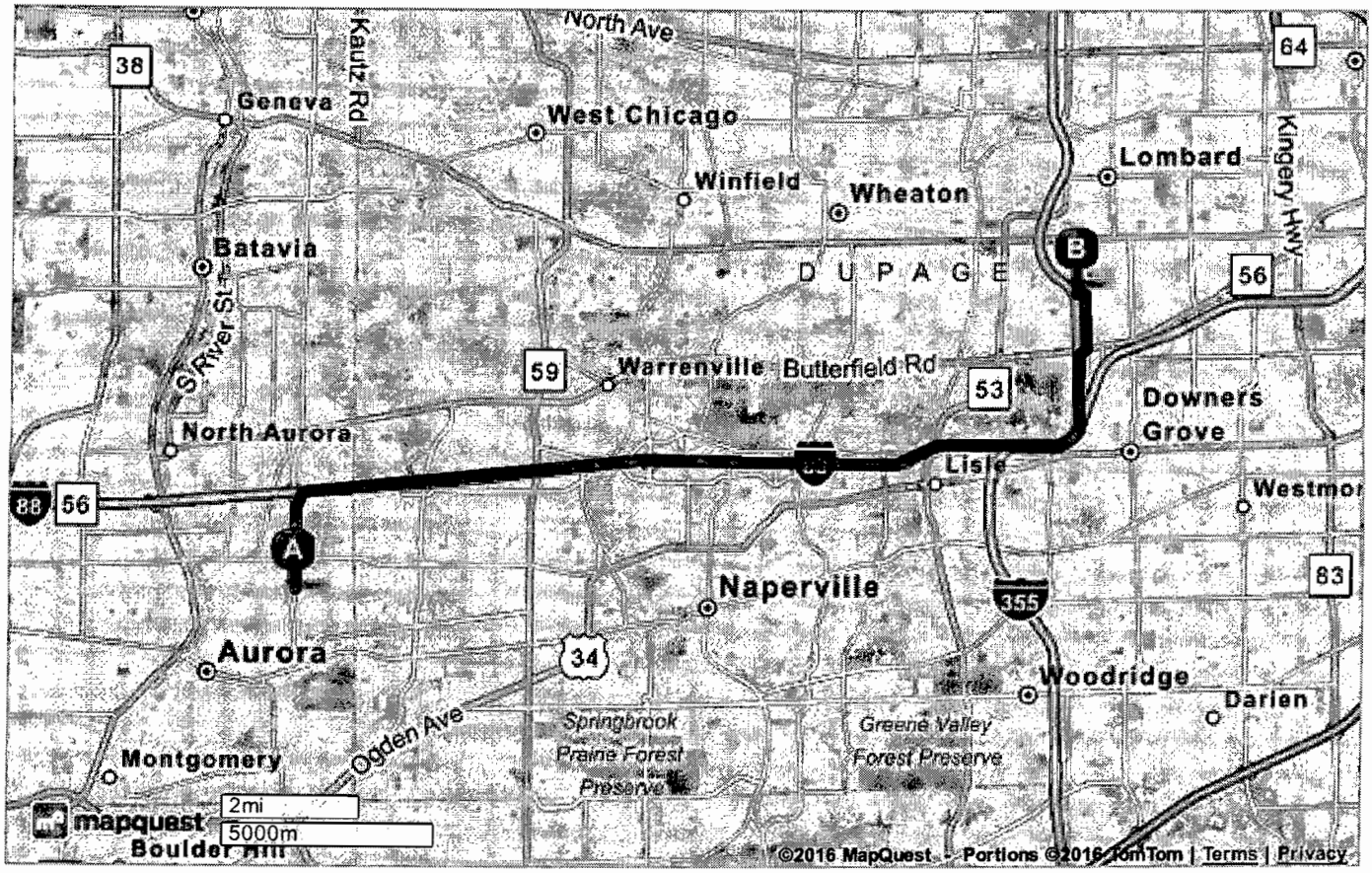
1940 Springer Dr

Lombard, IL 60148-6417

17.48 miles / 23 minutes

Notes

TO FRESENIUS MEDICAL CARE LOMBARD



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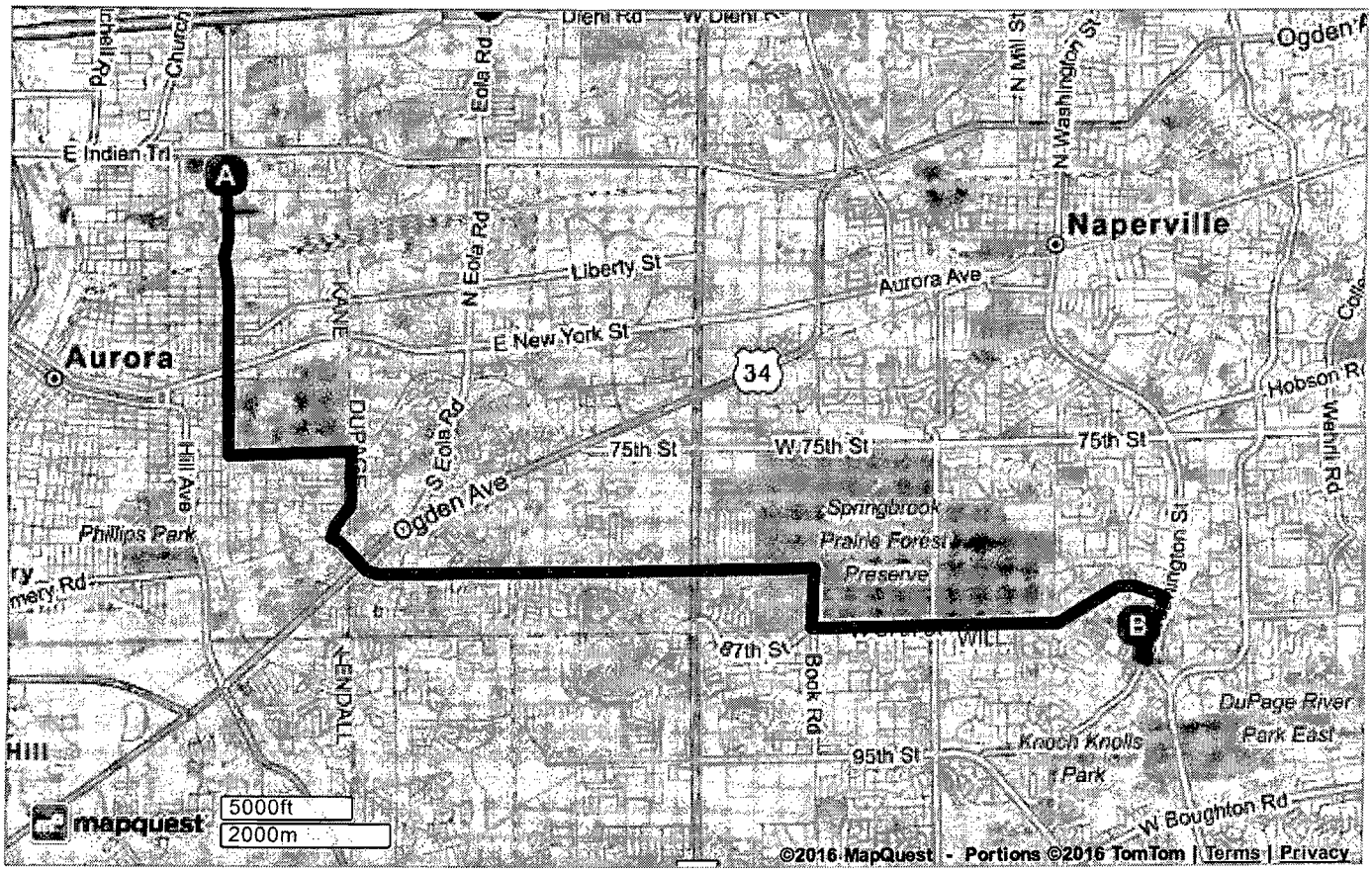
Notes

TO FRESENIUS MEDICAL CARE NAPERBROOK

Trip to:

Fresenius Kidney Care Naperbrook
2451 S Washington St
Naperville, IL 60565
(800) 881-5101
12.03 miles / 24 minutes



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Trip to:

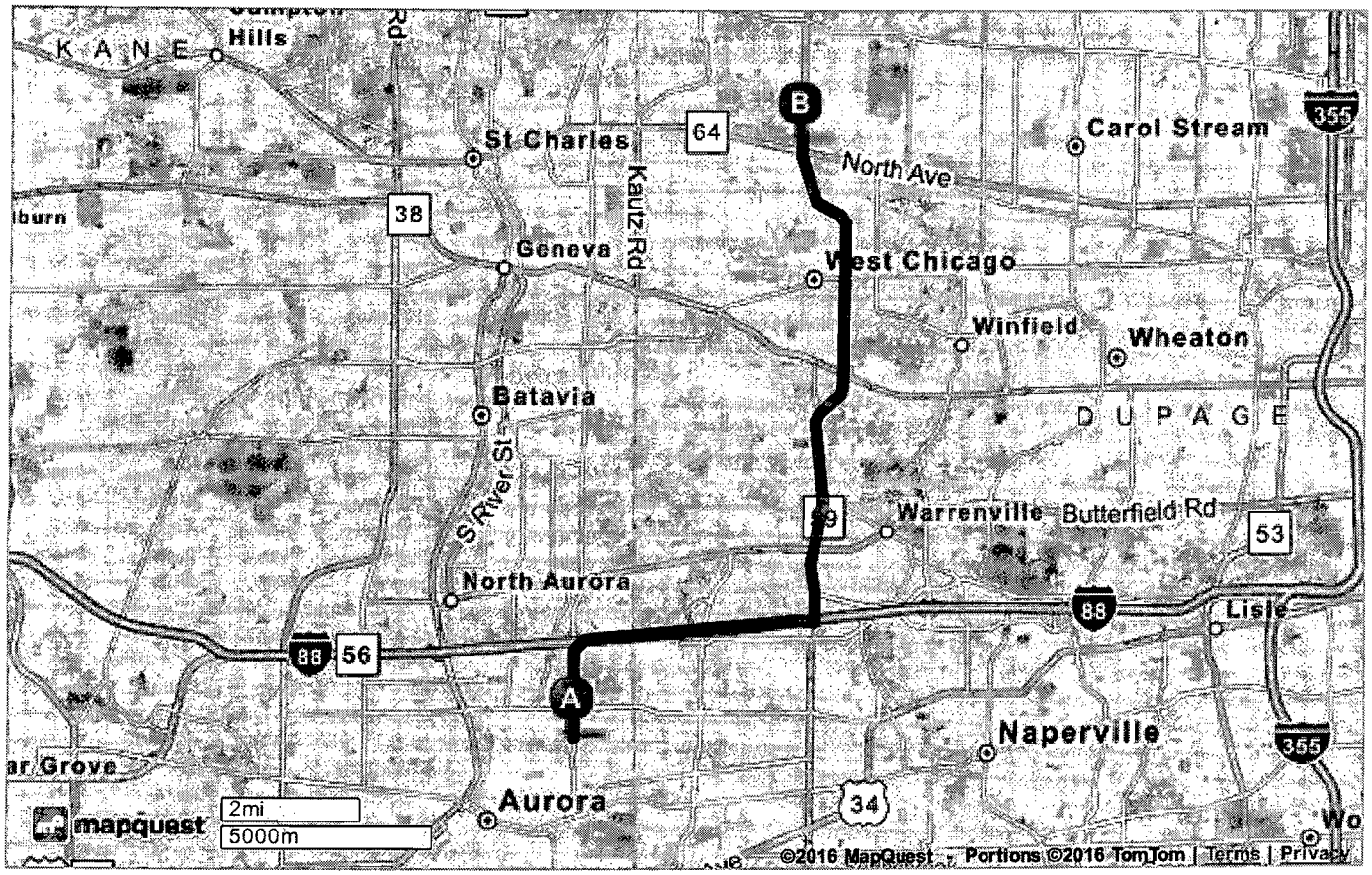
1980 N Neltnor Blvd

West Chicago, IL 60185

14.37 miles / 25 minutes

Notes

TO FRESENIUS MEDICAL CARE WEST CHICAGO



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Trip to:

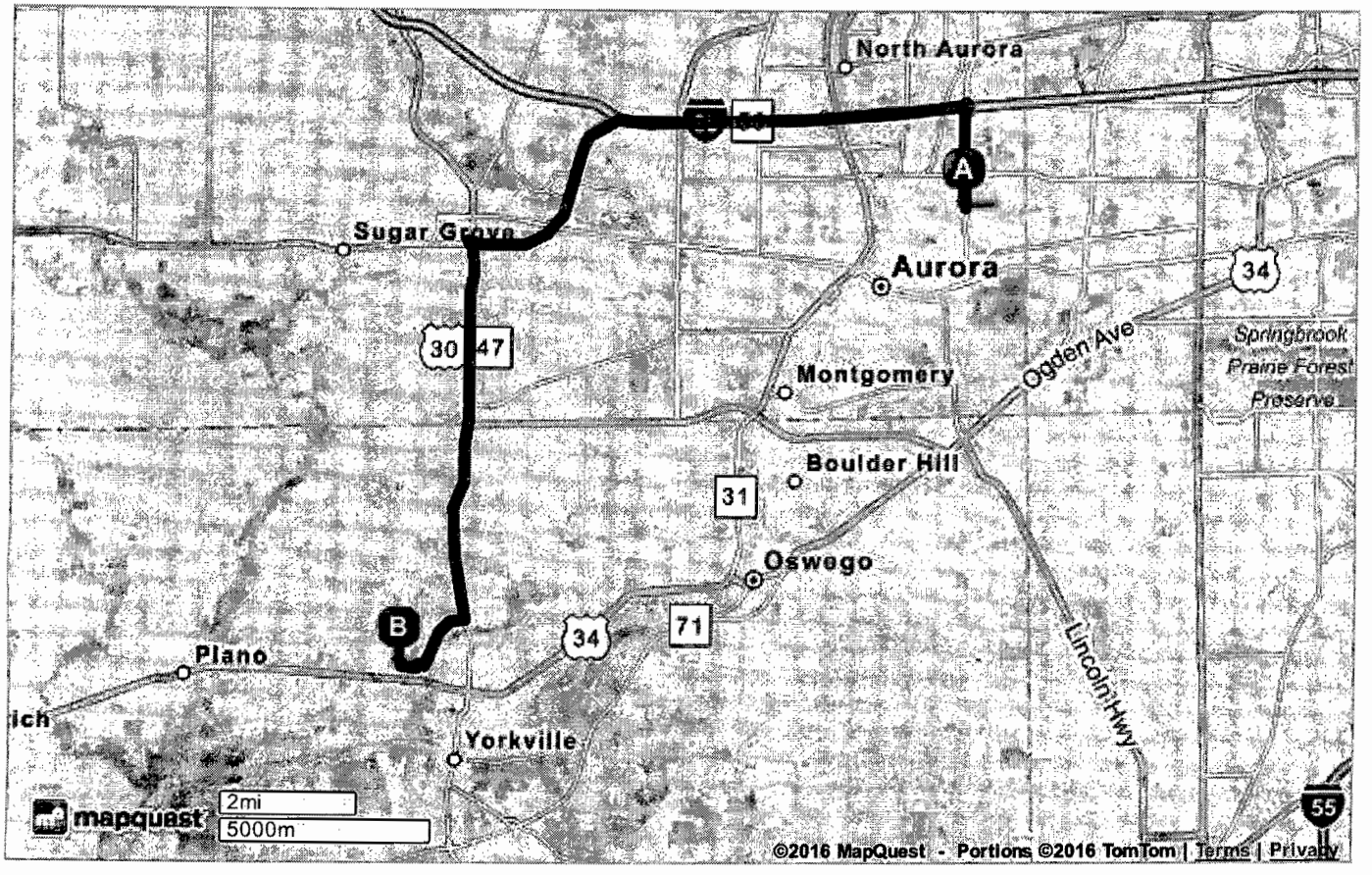
1400 Beecher Rd

Yorkville, IL 60560-5600

19.68 miles / 26 minutes

Notes

TO RENAISSANCE YORKVILLE DIALYSIS



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Advocate Dreyer – West Aurora
1870 W Galena Blvd
Aurora, Illinois 60506
630-859-6700
advocatedreyer.com

Advocate Dreyer

May 26, 2016

Ms. Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I am a nephrologist practicing in the far west suburb of Aurora at Advocate Dreyer Medical Clinic along with Dr. Fakhruddin and Dr. Mirza. I am the Medical Director of the Fresenius Aurora and West Batavia dialysis centers. Dr. Fakhruddin is the Medical Director of the Fresenius Oswego and Sandwich dialysis centers. I am writing to give my ongoing support of the much needed East Aurora dialysis facility. In the past 24 years that I have been practicing here, I have seen significant and continual growth of the ESRD population. Since the last CON application for the East Aurora facility was proposed in 2011 our practice has gone from 157 dialysis patients to 251 as of December 2015.

Aurora has a large Hispanic and African American population. At the current Fresenius Aurora facility 38% of the hemodialysis patients there are Hispanic and 27% are African American. The majority of these patients, as well as the pre-ESRD I expect to refer to the new facility, reside in the immediate area of where the East Aurora facility will be located, which is medically underserved. I feel it is necessary to provide for this growing population that experiences a risk of diabetes and hypertension (the two main causes of kidney failure) that is twice as high as the general population. Establishing the facility near where the patients live will improve their access to dialysis services due to the current Freseniua Aurora dialysis facility is operating at consistently high utilization rates.

My practice was treating 150 in-center hemodialysis patients at the end of 2012, 193 patients at the end of 2013, 209 patients at the end of 2014, and 231 patients at the end of 2015 as reported to The Renal Network. In 2015, we referred 69 new ESRD patients for dialysis services to Fresenius Aurora, Oswego, Sandwich and West Batavia. I currently am seeing 81 pre-ESRD patients that reside in the zip codes surrounding the East Aurora proposed facility that I expect to refer to the new facility if they need dialysis. I also conservatively estimate that 20 patients of the current Aurora facility will transfer to the new site.

Advocate Dreyer – West Aurora
1870 W Galena Blvd
Aurora, Illinois 60506
630-859-6700
advocatedreyer.com

Advocate Dreyer

A fourth shift has been started but it is late at night and not convenient for most patients or staff. In addition safety in bad weather is of concern.

No patient has been transferred from any facility to support this or the previous application.

As of today the current Fresenius Aurora dialysis facility is at 104% utilization. We are having difficulty accommodating patients for extra treatments, missed scheduled treatment time, unable to accept transient patients at times or offer a schedule that is convenient for patients who may want to transfer to the facility.

I respectfully ask the Board to reconsider and approve the East Aurora dialysis facility. The Fresenius Aurora clinic is full. The East Aurora clinic will provide a place for my patients to go and reduce the over utilization at the current Aurora facility. Thank you for your consideration.

I attest that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected patient referrals listed in this document have not been used to support any other pending or approved CON application.

Sincerely,

Navinchandra Dodhia, M.D.

Notarization:
Subscribed and sworn to before me
this 26th day of May, 2016

Candace M. Turoski
Signature of Notary

Seal

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

Pre-ESRD PATIENTS OF DR. DODHIA'S PRACTICE THAT WILL LIKELY BE REFERRED TO THE EAST AURORA FACILITY

Summary

Zip Code	Patients
60502	4
60504	6
60505	28
60506	43
Total	**81**

Fresenius Aurora Transfers	
Zip Code	**Patients**
60502	2
60505	18
Total	**20**

Patient Initials

60502	
DT	JT
JD	DM

60504	
AC	RB
LB	HK
DC	FV

60505	
GM	FL
MJ	JV
GC	JS
LV	PK
HC	AA
EC	AG
JB	JW
MG	JH
TC	TP
ER	JD
JB	CP
GG	WC
JA	MS
LF	TL

60506	
MM	AS
MG	MF
LT	CC
JV	VA
RM	JL
LS	DK
PD	MT
HK	RR
EO	JB
CL	LM
PR	LB
AS	GG
VL	AF
AE	JP
KM	CM
AW	AE
SF	ZA
BB	WS
CT	LP
VW	MB
GL	JG
TL	

New ESRD Referrals of Dr. Dodhia's Practice 2015

Fresenius Aurora	
Zip Code	Referrals
60505	5
60506	9
60542	1
60543	2
60554	3
60504	1
60502	2
60538	1
Total	**24**

Fresenius Oswego	
Zip Code	Referrals
60502	1
60503	1
60504	3
60505	8
60506	2
60538	6
60543	4
60554	2
60560	2
Total	**29**

Fresenius W Batavia	
Zip Code	Referrals
60134	1
60510	2
60506	3
60175	1
60542	2
60554	1
60120	1
Total	**11**

Fresenius Sandwich	
Zip Code	Referrals
60548	4
60551	1
Total	**5**

Total Referrals 2015
69

In-Center Hemodialysis Patients of Dr. Dodhia's Practice

Fresenius Medical Care Aurora				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60115	1	1	2	2
60440				1
60502	1	1		3
60503	1	1		1
60504		1	3	3
60505	35	32	38	41
60506	45	42	42	41
60510	1	1		
60538	2	7	7	6
60542	10	10	7	6
60543		3	2	2
60540		1		
60554				2
60563	1	1	1	1
60174	1			
60119		1		
Totals	**98**	**102**	**102**	**109**

Fresenius Medical Care West Batavia				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60115			1	
60120				1
60124		1		
60174		2	2	3
60175		1	2	1
60177		1	1	1
60505		2	1	2
60506	1	4	4	6
60510	1	3	5	6
60514		1		
60542	1	2	4	3
60554		1	2	5
60548				1
Total	**3**	**18**	**22**	**29**

Practice Totals	Dec-12	Dec-13	Dec-14	Dec-15
	150	**193**	**209**	**231**

Fresenius Medical Care Oswego				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60502	1	2	2	2
60503	1	1	1	2
60504	1	2	3	5
60505	6	8	10	14
60506	1	2	2	4
60512			1	1
60538	3	6	9	12
60543	5	12	14	10
60545	1	1	1	
60554	1	1	1	1
60560	6	6	7	7
60563		1	1	
Totals	**26**	**42**	**52**	**58**

Fresenius Medical Care Sandwich				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60511				1
60115				1
60518		1	1	1
60520	1	3	2	2
60541		2	3	2
60545	2	3	4	4
60548	7	10	12	13
60551	2	4	3	4
60552	2	2	1	
60556	1			1
60560	1	1	2	2
61353	1	1		
Total	**17**	**27**	**28**	**31**

Renaissance Fox Valley Dialysis				
Zip Code	Dec-12	Dec-13	Dec-14	Dec-15
60504	1	1	0	0
60505	1	1	2	2
60506	1	0	0	0
60538	1	0	1	0
60543	2	2	1	2
60585	0	0	1	0
Total	**6**	**4**	**5**	**4**