



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

MEMORANDUM

DATE: April 15, 2013
TO: Dale Galassie, Chairman
Illinois Health Facilities and Services Review Board
FROM: Mike Constantino – Program Review Section
Division of Health Systems Development
RE: Exemption Application: E-010-13

Appended is the above-captioned exemption application for your consideration and action on behalf of the State Board under Sections 1130.544 and 1130.410(e). Please indicate your decision on the appended form and return it to me.

The State Agency's review and findings on this application are contained on the appended checklist "Staff Review of Exemption Application." The overall State Agency finding on the application is as follows:

- The State Agency finds that it appears the above-captioned exemption application is in compliance with the requirements in Section 1130.544.
- The State Agency finds that it appears the above-captioned exemption application is NOT in compliance with the requirements in Section 1130.544 for reasons indicated on the appended checklist "Staff Review of Exemption Application."
- Other State Agency findings for reasons explained under "comments" on the appended checklist "Staff Review of Exemption Application."

Mike Constantino, Program Review Section
Illinois Health Facilities and Services Review Board



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

STAFF REVIEW OF REQUEST TO ADD DIALYSIS STATIONS

NAME OF FACILITY: Fresenius Medical Care of Illinois, LLC, Fresenius Medical Care
 Naperville North

EXEMPTION NO: E-010-13

DATE RECEIVED: April 12, 2013

BRIEF DESCRIPTION OF THE TRANSACTION:

The applicants propose to add seven (7) dialysis stations to its fourteen (14) station complement. The project completion date is April 30, 2015. The project obligation date is December 31, 2013. Total Project Cost: \$2,018,400.

CHECK LIST: The numbered items correspond with the question numbers on the application. Place an "x" by each item completed and acceptable; indicate "no" if not provided or unacceptable with explanation under "Comments"; and "NA" if not applicable).

NOTE: the required # of copies submitted X

Application

1. X Name and address on application matches name and address on Letter of Intent.
2. X Brief description of the project
3. X Certificate of Good Standing from the Illinois Secretary of State, or other states, if applicable.
4. X A description of the applicant's organizational structure, to include controlling or subsidiary persons.
5. X Estimated project costs including the fair market value of any component, and the sources and uses of funds.
6. X Anticipated project obligation date.
7. X Anticipated project completion date.
8. X Verification of compliance with all requirements of existing permits previously approved by the Illinois Health Facilities and Services Review Board
9. X Application processing fee
10. X Number of dialysis stations to be added.
11. X Documentation that the existing facility has operated at or in excess of the specified minimum utilization rate for the most recent 12-month period.
12. X Certification that a final cost report will be submitted to IDPH no later than 60 days following the project completion date.
13. X Confirmatory evidence that the project has not yet been entered into or executed.
14. X Confirmation that failure to comply with the material change and completion



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

requirements of this section will invalidate the exemption.

15. X **Legal Notice Requirements**

Legal notice includes the following (for all applications):

- X Proof of publication
- X Current name and address of the facility for which the exemption is sought.
- X Number of dialysis stations to be added and the proposed project costs.
- X Name, title, address and phone number of an individual from whom interested parties may obtain information on the proposed transaction.

COMMENTS:

STATE AGENCY FINDINGS

The State Agency finds that the application is **COMPLETE.**

REVIEWER'S SIGNATURE: Mike Constantino

DATE: April 15, 2013

4-15-2013

Date

Section Chief

Date

Division Chief



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET ITEM: NA	BOARD MEETING: NA	EXEMPTION NUMBER: E-010-13
EXEMPTION APPLICANTS(S): Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Naperville North		
FACILITY NAME and LOCATION: Fresenius Medical Care Naperville North, 516 W 5 th Avenue, Naperville, IL		

STATE AGENCY REPORT
EXEMPTION REQUEST FOR THE ADDITION OF DIALYSIS STATIONS

I. The Exemption Application

The applicant is Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Naperville North. The applicant proposes to add seven dialysis stations to Fresenius Medical Care Naperville North. This facility currently has 14 stations. Should this exemption be approved, the facility would have 21 stations (see Table One). The total estimated cost of the project is \$2,018,400.

TABLE ONE			
Fresenius Medical Care Naperville North, Station Change Request			
Service	Current Stations	Proposed Stations	Total
Hemo-dialysis Stations	14	7	21

II. The Existing Facility

Fresenius Medical Care Naperville North is a fourteen-station dialysis facility located at 516 West 5th Avenue, Naperville, Illinois. The facility is located in HSA VII, and performed 10,722 dialysis procedures for the period 04/01/12-03/31/13. The applicants state the facility currently operates at 81.82% capacity for the 12 month period listed above.

III. Applicable Rules

The following administrative rules are applicable to the exemption request:



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

77 IAC 1130.544 - Requirements for Exemption Addition of Dialysis Stations

- a) Application for Exemption
The application for exemption shall be subject to approval pursuant to Section 1130.560 and shall include the information required pursuant to Section 1130.500 and the following information:
- 1) The number of dialysis stations to be added;
 - 2) Documentation that, for the most recent 12 month period, the existing facility has operated at or in excess of the minimum utilization rate specified at 77 Ill. Adm. Code 1100.630;
 - 3) A certification that a final cost report will be submitted to IIDPH no later than 60 days following the project completion date;
 - 4) Confirmatory evidence that the project has not yet been entered into or executed; and
 - 5) Confirmation that failure to comply with the material change and completion requirements of this Section will invalidate the exemption.
- b) Legal Notice Requirements
Any person requesting an exemption for a proposed addition of dialysis stations must publish a legal notice in a newspaper of general circulation in the community in which the facility is located that provides the following:
- 1) The name and address of the facility for which the exemption is sought;
 - 2) The number of dialysis stations to be added and the proposed project costs;
 - 3) A name, title, address and phone number of an individual from whom interested parties may obtain information on the proposed transaction.
- c) Application Processing Fee
The application processing fee shall be the greater of \$1,000 or .01% of the total estimated project cost (see Section 1130.230) assessed in



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

accordance with the fee assessment provisions for Applications for Exemption of Major Medical Equipment (see Section 1130.510).

The State Agency notes the application contains the number of requested stations (4), documentation of the most recent utilization data (82.82%), a notarized statement (signed by the applicants) attesting that the proposed project has not been executed, a certification that a final cost report will be submitted to the State Agency no later than 60 days after project completion and a copy of the legal notice that was published in the Elmhurst Press on December 14, 2012, regarding the project. Overall, it appears the applicants submitted all of the required information for the exemption as required in 77 IAC 1130.544.

77 IAC 1130.550 - Agency Processing of an Application for Exemption

- a) Application for Exemption Form
Requests for exemptions must be made on an application for exemption form that may be obtained from IDPH and are to be submitted to HFPB. No application for exemption shall be received by HFPB before a required letter of intent pertaining to the project has been received and has been on file for at least the minimum number of days specified in this Subpart.
- b) Completeness
IDPH shall review an application for exemption to determine whether all required information and the required application processing fee have been submitted. Applications that do not contain the required information, documentation, or fee shall be deemed incomplete. If IDPH deems the application incomplete, it shall notify the applicant of the reasons within 30 days after receipt. The required information or fee must be received by IDPH within 30 days after receipt of notification. Failure to submit the requested additional information shall result in the application for exemption being voided with the loss of all fees paid.

BOARD NOTE: Persons who have initiated or completed projects eligible for exemption without obtaining an exemption are in violation of the Act and are subject to the penalties and sanctions of the Act.

- c) Submission to Chairman or HFPB



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

IDPH shall forward all complete applications for review and action to the Chairman or HFPB, as applicable.

Section 1130.560 - State Board Action

a) Action by Chairman

The Chairman, acting on behalf of HFPB, shall review all applications for exemption and approve, deny, or refer the applications or material change to HFPB for review and action. An exemption application for a change of ownership of a health care facility between related persons shall be acted upon by the Chairman no later than 60 days after being declared complete by IDPH or 60 days after receipt of all public hearing comments and transcripts, whichever is later.

b) Action by HFPB

HFPB shall evaluate each application for exemption referred by the Chairman and either issue an exemption or advise the applicant or exemption holder in writing that the application is denied and is not in conformance with exemption requirements. The number of affirmative votes for approval of an application for exemption is specified in the Act. HFPB shall approve an application for exemption that it determines to be in compliance with the requirements. Exemptions will not be issued for projects that have failed to meet the applicable requirements of this Subpart.

VI. Other Information

Appended to this report is a copy of the exemption application.