

SEP. 10 2014

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION FOR THE
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY HEALTH FACILITIES & SERVICES REVIEW BOARD

E-017-14

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name Crystal Springs Dialysis
Address 720 Cog Circle
City Crystal Lake Zip Code 60014 County McHenry
Name of current licensed entity for the facility Seasons Dialysis LLC
Does the current licensee: own this facility OR lease this facility X (if leased, check if sublease)
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
Not-for-Profit Corporation For Profit Corporation Partnership Governmental
X Limited Liability Company Other, specify
Illinois State Senator for the district where the facility is located: Sen. Dan Duffy
State Senate District Number 26 Mailing address of the State Senator 111 North Avenue, Suite 211
Barrington, IL 60010
Illinois State Representative for the district where the facility is located: Rep. David McSweeney
State Representative District Number 52 Mailing address of the State Representative 105 East Main Street,
Cary, IL 60013

2. OUTSTANDING PERMITS. Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes No x. If yes, refer to Section 1130.520(f), and indicate the projects by Project #

3. NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant DaVita HealthCare Partners Inc
Address 2000 16th Street
City, State & Zip Code Denver, CO 80202
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
Not-for-Profit Corporation X For Profit Corporation Partnership Governmental
Limited Liability Company Other, specify

4. NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.

Exact Legal Name of Entity to be Licensed Total Renal Care Inc
Address 2000 16th Street
City, State & Zip Code Denver, CO 80202
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
Not-for-Profit Corporation X For Profit Corporation Partnership Governmental
Limited Liability Company Other, specify

5. BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY

Exact Legal Name of Entity That Will Own the Site Apex 720, LLC
Address 500 East 22nd Street, Suite B
City, State & Zip Code Lombard, IL 60148
Type of ownership of the current licensed entity (check one of the following:) Sole Proprietorship
Not-for-Profit Corporation For Profit Corporation Partnership Governmental
X Limited Liability Company Other, specify

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City, State & Zip Code Denver, CO 80202
Type of ownership of the current licensed entity (check one of the following:): _____ Sole Proprietorship
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_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

- 6. TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:**
- Purchase resulting in the issuance of a license to an entity different from current licensee;
 - Lease resulting in the issuance of a license to an entity different from current licensee;
 - Stock transfer resulting in the issuance of a license to a different entity from current licensee;
 - Stock transfer resulting in no change from current licensee;
 - Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
 - Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
 - Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
 - Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
 - Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
 - Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
 - Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"
- 7. APPLICATION FEE.** Submit the application fee in the form of a check or money order for \$2,500 payable to the Illinois Department of Public Health and append as **ATTACHMENT #1**.
- 8. FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2. – Not Applicable**
- 9. ANTICIPATED ACQUISITION PRICE: \$ 0 – Not Applicable _____**
- 10. FAIR MARKET VALUE OF THE FACILITY: \$ Not Applicable _____**
(to determine fair market value, refer to 77 IAC 1130.140)
- 11. DATE OF PROPOSED TRANSACTION: November 1, 2014 _____**
- 12. NARRATIVE DESCRIPTION.** Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #3**.
- 13. BACKGROUND OF APPLICANT** (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Limited Liability Companies and Partnerships must provide the name and address of each partner/ member and specify the percentage of ownership of each. Append this information to the application as **ATTACHMENT #4**.
- 14. TRANSACTION DOCUMENTS.** Provide a copy of the complete transaction document(s) including schedules and exhibits which detail the terms and conditions of the proposed transaction (purchase, lease, stock transfer, etc). Applicants should note that the document(s) submitted should reflect the applicant's (and co-applicant's, if applicable) involvement in the transaction. The document must be signed by both parties and contain language stating that the transaction is contingent upon approval of the Illinois Health Facilities and Services Review Board. Append this document(s) to the application as **ATTACHMENT #5**.
- 15. FINANCIAL STATEMENTS.** (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements, and append it to this application as **ATTACHMENT #6**. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking **YES _____**, and indicate the date the entity was formed _____

16. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

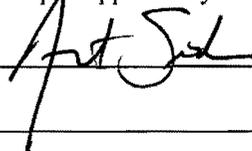
Name: Tim Tincknell, Administrator, DaVita HealthCare Partners Inc.
Address: 1333 North Kingsbury Street, Suite 305
City, State & Zip Code: Chicago, IL 60642
Telephone () Ext. 312-649-9289

17. **ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

Name: Charles Sheets, Attorney, Polsinelli PC
Address: 161 North Clark Street, Suite 4200
City, State & Zip Code: Chicago, IL 60601
Telephone () Ext. 312-873-3605

18. **CERTIFICATION**

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer for DaVita HealthCare Partners Inc.: 

Typed or Printed Name of Authorized Officer: Arturo Sida

Title of Authorized Officer: Vice President and Assistant Corporate Secretary

Address: 601 Hawaii Street

City, State & Zip Code: El Segundo, CA 90245

Telephone: (310) 536-2400 Date: September 5, 2014

NOTE: complete a separate signature page for each co-applicant and insert following this page.

State of California
County of Los Angeles

On September 5, 2014 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

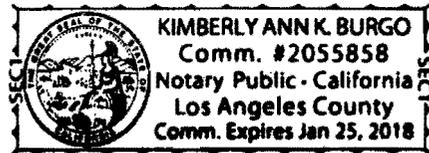
personally appeared Arturo Sida

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kimberly Ann K Burgo



(Seal)

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: IL Change of Ownership Exemption Application - Certification
Document Date: September 5, 2014 Number of Pages: _____
Signer(s) if Different Than Above: No
Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s): Arturo Sida

- Individual
- Corporate Officer

(Title(s))

- Partner
- Attorney-in-Fact
- Trustee
- Guardian/Conservator
- Other: Assistant Secretary

SIGNER IS REPRESENTING:

Name of Person(s) or Entity(ies): Total Renal Care, Inc.

19. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: Tim Tincknell, Administrator, DaVita HealthCare Partners Inc.

Address: 1333 North Kingsbury Street, Suite 305

City, State & Zip Code: Chicago, IL 60642

Telephone () Ext. 312-649-9289

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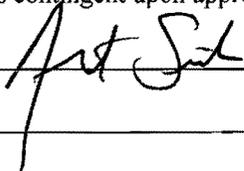
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Typed or Printed Name of Authorized Officer: Arturo Sida

Title of Authorized Officer: Assistant Secretary

Address: 610 Hawaii Street

City, State & Zip Code: El Segundo, CA 90245

Telephone: (310) 536-2400

Date: September 5, 2014

NOTE: complete a separate signature page for each co-applicant and insert following this page.

State of California

County of Los Angeles

On September 5, 2014 before me, Kimberly Ann K. Burgo, Notary Public
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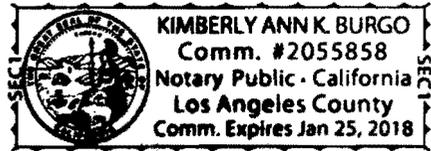
personally appeared Arturo Sida

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kimberly Ann K. Burgo



(Seal)

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Other Information: _____

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Signer's Name(s): Arturo Sida

- Individual
- Corporate Officer

(Title(s))

- Partner
- Attorney-in-Fact
- Trustee
- Guardian/Conservator
- Other: Assistant Secretary

SIGNER IS REPRESENTING:

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

Application Fee

A copy of the \$2,500 check made payable to the Illinois Department of Public Health to cover the application fee for the Change of Ownership Exemption Application is attached at Attachment – 1.

Davita DATE: 26-Aug-14

VENDOR NAME: ILLINOIS DEPARTMENT OF

NO. 5618663

INVOICE NUMBER	INVOICE DATE	DESCRIPTION	FACILITY	DISCOUNT AMOUNT	NET AMOUNT
IL5550082214	08/22/2014	DAVITA COE	05550	\$0.00	\$2,500.00
PLEASE DETACH AND RETAIN THIS STATEMENT AS YOUR RECORD OF PAYMENT				\$0.00	\$2,500.00

▼ DETACH CHECK ALONG PERFORATION ▼

▼ DETACH CHECK ALONG PERFORATION ▼



TOTAL RENAL CARE, INC.
A SUBSIDIARY OF DAVITA
P.O. Box 2037
Tacoma, WA 98401-2037

62-35 BNY MELLON TRUST OF DELAWARE
311

5618663

CHECK DATE	CHECK NUMBER	PAY THIS AMOUNT
26-Aug-14	5618663	\$2,500.00

PAY Two Thousand Five Hundred Dollars And Zero Cents*****

TO THE ORDER OF ILLINOIS DEPARTMENT OF PUBLIC HEALTH
525 W JEFFERSON STREET
SPRINGFIELD, IL 62761

K. J. J.

DOCUMENT CONTAINS MULTI-COLORED PANTOGRAPH & MICROPRINTING. BACK HAS THERMOCHROMIC INK & A WATERMARK, HOLD AT AN ANGLE TO VIEW, VOID IF NOT PRESENT.

⑈0005618663⑈ ⑆031100351⑆ ⑆300961042⑆



TOTAL RENAL CARE, INC.
A SUBSIDIARY OF DAVITA INC.
P.O. BOX 2037 • TACOMA, WA 98401-2037

ILLINOIS DEPARTMENT OF PUBLIC HEALTH
525 W JEFFERSON STREET
SPRINGFIELD, IL 62761

ILLINOIS DEPARTMENT OF PUBLIC HEALTH
525 W JEFFERSON STREET
SPRINGFIELD, IL 62761

Funding

Type and Source of Funds which will be used to acquire the facility

The applicants propose to change the operating entity back to the original operator, Total Renal Care Inc, from Seasons Dialysis, LLC. There is no cost associated with this transaction. The type and source of funds is not applicable.

Narrative Description

Crystal Springs Dialysis is a 12-station in-center hemodialysis facility located at 720 Cog Circle, Crystal Lake, Illinois 60014. The current operator of this facility is Seasons Dialysis, LLC. The Applicants propose to change the operating entity from a limited liability company back to a corporation, resulting in the former operating entity, Total Renal Care Inc, resuming operational control of the facility. All assets of Crystal Springs Dialysis will be transferred from Seasons Dialysis LLC back to Total Renal Care Inc and DaVita HealthCare Partners Inc will maintain final control of the operator. There will be no change in the gross square footage, services, or day-to-day operations as a result of this transaction.

There is no cost associated with this transaction.

Background of Applicant

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. For this project, DaVita HealthCare Partners Inc. has partnered with Total Renal Care Inc in their commitment to the Crystal Lake community. The proposed project involves the internal change of ownership of a 12-station dialysis facility located at 720 Cog Circle, Crystal Lake, Illinois 60014.

DaVita HealthCare Partners Inc is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2013 Community Care report, some of which is outlined below, details DaVita's commitment to quality, patient centric focus and community outreach and was previously submitted with Proj. No. 14-024.

DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and end stage renal disease ("ESRD"). These programs include the Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Information on the Kidney Smart, IMPACT and CathAway programs, in addition to six press releases: "DaVita HealthCare Partners Celebrates Milestones of 2013," "DaVita's Approach to Integrated Care Nationally Recognized," "DaVita's Teammate-Focused Culture Gains National and Local Awards," "FORTUNE Magazine Names DaVita Among Most Admired Companies for Ninth Consecutive Year," "DaVita Gives \$1.2 Million to Nonprofits Across the US," "DaVita Delivers First-of-its-Kind Dialysis Treatment in the U.S.," and "DaVita Receives National Award for Outstanding Efforts in Immunizations" were previously submitted as part of the Applicants' application for Proj. No. 14-016. The press release: "DaVita Receives National Award for Outstanding Efforts in Immunizations" was previously submitted with Proj. No. 14-024. Seven recent press releases: "DaVita Response Team Prepares Patients for Emergencies," "DaVita Reports on 2013 Corporate Social Responsibility Progress," "DaVita Rx Delivers 15 Millionth Prescription," "DaVita Names Chief Medical Officer for Saudi Operations," "DaVita Kidney Care Outperforms All Dialysis Providers in Quality Incentive Program," "DaVita Recognized as a Top Workplace by Bay Area News Group," and "Dr. Martin Schreiber Joins DaVita Kidney Care Team" were just submitted with Proj. No. 14-042.

There are over 26 million patients with CKD and that number is expected to rise. Current data reveals troubling trends, which help explain the growing need for dialysis services:

- Between 1988-1994 and 2005-2010, the overall prevalence estimate for CKD rose from 12.3 to 14.0 percent. The largest relative increase, from 25.4 to 40.8 percent, was seen in those with cardiovascular disease.¹
- Many studies have shown that diabetes, hypertension, cardiovascular disease, higher body mass index, and advancing age are associated with the increasing prevalence of CKD.²
- Nearly six times the number of new patients began treatment for ESRD in 2011 (approximately 116,000) versus 1980 (approximately 20,000).³
- Nearly eleven times more patients are now being treated for ESRD than in 1980 (approximately 615,000 versus approximately 60,000).⁴
- U.S. patients newly diagnosed with ESRD were 1 in 2,800 in 2011 versus 1 in 11,000 in 1980.⁵

¹ US Renal Data System, USRDS 2013 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 44 (2013).

² Id. at 46

³ Id. at 158

⁴ Id.

⁵ Id. at 160

- U.S. patients treated for ESRD were 1 in 526 in 2011 versus 1 in 3,400 in 1980.⁶
- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD; 44% of new ESRD cases have a primary diagnosis of diabetes; 28% have a primary diagnosis of hypertension.⁷
- Nephrology care prior to ESRD continues to be a concern. Since the 2005 introduction of the new Medical Evidence form (2728), with fields addressing pre-ESRD care, there has been little progress made in this area (pre-ESRD data, however, should be interpreted with caution because of the potential for misreporting). Forty-two percent of new ESRD patients in 2011, for example, had not seen a nephrologist prior to beginning therapy. And among these patients, 51 percent of those on hemodialysis began therapy with a catheter, compared to 19 percent of those who had received a year or more of nephrology care. Among those with a year or more of pre-ESRD nephrologist care, 30 percent began therapy with a fistula – five times higher than the rate among non-referred patients.⁸

Additionally, DaVita's Kidney Smart program helps to improve intervention and education for pre-ESRD patients. Approximately 65-75% of CKD Medicare patients have never been evaluated by a nephrologist.⁹ Timely CKD care is imperative for patient morbidity and mortality. Adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may result in improved patient outcomes and reduce ESRD:

- Reduced GFR is an independent risk factor for morbidity and mortality,
- A reduction in the rate of decline in kidney function upon nephrologists referrals has been associated with prolonged survival of CKD patients,
- Late referral to a nephrologist has been correlated with lower survival during the first 90 days of dialysis, and
- Timely referral of CKD patients to a multidisciplinary clinical team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the Kidney Smart program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's Kidney Smart program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

To extend DaVita's CKD education and awareness programs to the Spanish-speaking population, DaVita launched its Spanish-language website (DaVita.com/Espanol) in November 2011. Similar to DaVita's English-language website, DaVita.com/Espanol provides easy-to-access information for Spanish-speaking kidney care patients and their families, including educational information on kidney disease, treatment options, and recipes.

DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. In fact, since piloting in October 2007,

⁶ Id.

⁷ Id at 161

⁸ Id. at 216-217

⁹ US Renal Data System, *USRDS 2011 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States*, Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases; 2011.

the program has not only shown to reduce mortality rates by 8 percent but has also resulted in improved patient outcomes.

DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII") to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NVAII through patient education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal. Since the inception of the program, DaVita has achieved a 45 percent reduction in the number of "Day 90+" catheter patients. As of November 2013, DaVita's catheter use rate is at an all-time low with 13 percent of patients dialyzing at DaVita for 90 days or more with a catheter in place. DaVita is an industry leader in the rate of fistula use and has the lowest day-90 catheter rates among large dialysis providers.

DaVita was recognized at the National Adult and Influenza Immunization Summit (NAIIS) as the national winner in the "Healthcare Personnel Campaign" category of the 2014 Immunization Excellence Awards. In 2013, DaVita was the first large dialysis provider to implement a comprehensive teammate vaccination order, requiring all teammates who work in or whose jobs require frequent visits to dialysis centers to either be vaccinated against influenza or wear surgical masks in patient-care areas. As of March 15, DaVita achieved 100 percent compliance with its teammate immunization-or-mask directive, with more than 86 percent of teammates choosing vaccination. As of the same date, 92.2 percent of patients were vaccinated for the flu, marking the fourth consecutive year that DaVita's patient vaccination rates exceeded the U.S. Department of Health and Human Services Healthy People 2020 recommendations.

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

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

Through Patient Pathways, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement to reduce the length of hospital inpatient stays and readmissions. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, who specializes in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provide information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

DaVita currently partners with over 350 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. Since its creation in 2007, Patient Pathways has impacted over 130,000 patients. In 2012 alone, the Patient Pathways program reduced renal-related readmission rates by more than 73 percent and saved partnering hospitals a total of 40,800 bed days and 18,500 acute dialysis treatments. Combined, these efficiencies reduced the country's 2012 health care costs by more than \$50 million. Moreover, patients are better educated and arrive at the dialysis center more prepared and less stressed. They have a

better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis facility. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

Since 1996, Village Health has innovated to become the country's largest renal National Committee for Quality Assurance accredited disease management program. VillageHealth's Integrated Care Management ("ICM") services partners with patients, providers and care team members to focus on the root causes of unnecessary hospitalizations such as unplanned dialysis starts, infection, fluid overload and medication management.

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

DaVita's transplant referral and tracking program ensures every dialysis patient is informed of transplant as a modality option and promotes access to transplantation for every patient who is interested and eligible for transplant. The social worker or designee obtains transplant center guidelines and criteria for selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/financial factors related to post-transplant functioning.

In an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients. DaVita has improved clinical outcomes each year since 2000, generating an estimated \$204M in net savings to the American healthcare system in 2013.

DaVita Rx, the first and largest licensed, full-service U.S. renal pharmacy, focuses on the unique needs of dialysis patients. Since 2005, DaVita Rx has been helping improve outcomes by delivering medications to dialysis centers or to patients' homes, making it easier for patients to keep up with their drug regimens. As of 2012, DaVita Rx patients have an 82% adherence rate, compared to those who use chain pharmacies and have a 32% adherence rate, and those who use independent pharmacies and have a 36% adherence rate. In addition, better adherence may lead to fewer hospitalizations for patients using DaVita Rx versus those patients not on this service. Hospitalizations (per member per 1000) was 1.4 for Non-DaVita Rx patients versus 1.0 for DaVita Rx patients in 2012.

DaVita has been repeatedly recognized for its commitment to its employees (or teammates), particularly its more than 1,700 teammates who are reservists, members of the National Guard, military veterans, and military spouses. In June 2013, DaVita received the prestigious Secretary of Defense Employer Support Freedom Award. Presented annually by the Employer Support of the Guard and Reserve ("ESGR"), an arm of the Department of Defense, the Freedom Award recognizes employers for outstanding support of employees who serve in the Guard and Reserve. It is the highest military-friendly award presented by the U.S. government. Nearly 3,000 employers were nominated for a Freedom Award in 2013. An awards committee composed of senior Department of Defense officials, business leaders and prior honorees selected just 15 companies to receive the 2013 Freedom Award. DaVita also received the 2013 award for Best Military Recruiting Program from ERE Media and was recognized this year with Top 100 Military Friendly Employer and 2013 Top 100 Military Friendly Spouse Employer awards from GI Jobs, a Most Valuable Employers award from CivilianJobs.com and a "Best for Vets" award from Military Times EDGE.

In April 2014, DaVita received three major national and local awards for its focus on its teammates: WorldBlu Most Democratic Workplaces, Top Workplaces Colorado and LearningElite Silver. For the seventh consecutive year, DaVita appeared on WorldBlu's list of most democratic work places. WorldBlu surveys organizations' teammates to determine the level of democracy practiced. For the third consecutive year, WorkplaceDynamics also recognized DaVita as one of the top workplaces in Colorado, based on employee input. DaVita was named a Silver LearningElite organization for 2014 by *Chief Learning Officer* magazine for creating and implementing exemplary teammate development practices that deliver measurable business value. DaVita ranked No. 29 in a record breaking field of more than 200 companies. Finally, DaVita has been recognized as a one of *Fortune*® Magazine's Most Admired Companies in 2014. DaVita ranked first overall among health care facilities and was the second highest-rated company in Colorado.

DaVita is also committed to sustainability and reducing its carbon footprint. In fact, it is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In 2010, DaVita opened the first LEED-certified dialysis center in the U.S. Furthermore, it annually saves approximately 8 million pounds of medical waste through dialyzer reuse and it also diverts more than 85% of its waste through composting and recycling programs. It has also undertaken a number of similar initiatives at its offices and is seeking LEED Gold certification for its corporate headquarters. In addition, DaVita was also recognized as an "EPA Green Power Partner" by the U.S. Environmental Protection Agency.

DaVita consistently raises awareness of community needs and makes cash contributions to organizations aimed at improving access to kidney care. DaVita provides significant funding to kidney disease-awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. Its own employees, or members of the "DaVita Village," assisted in these initiatives and have raised approximately \$5 million, thus far, through the annual Tour DaVita bicycle ride, with \$1 million coming in 2013 alone. The Kidney Rock 5K Run/Walk raised an estimated \$1 million for Bridge of Life – DaVita Medical Missions in 2011 and 2012, combined. DaVita continued its "DaVita Way of Giving" program in 2013 with teammates at clinics across DaVita's 43-state footprint selecting more than 1100 charities from Ronald McDonald House to small community-support entities in their local areas, to receive approximately \$1.2 million in contributions.

DaVita does not limit its community engagement to the U.S. alone. It founded Bridge of Life, a 501(c)(3) nonprofit organization that operates on donations to bring care to those for whom it is out of reach. In 2013, nearly 50 volunteers from Bridge of Life- DaVita Medical Missions™ worked to complete 15 missions in 11 countries, during which volunteers and partners helped to install or repair 77 dialysis machines and train more than 50 kidney care professionals, bringing treatment and quality care to an addition 420 people around the world.

Background of Applicant

Identification, General Information, and Certification Applicants

Certificates of Good Standing for DaVita HealthCare Partners Inc. and Total Renal Care, Inc. (collectively, the "Applicants" or "DaVita") are attached at Attachment – 4A. Total Renal Care, Inc. is the operator of Crystal Springs Dialysis. Crystal Springs Dialysis is a trade name of Total Renal Care, Inc. and is not separately organized. As the person with final control over the operator, DaVita HealthCare Partners Inc. is named as an applicant for this application for exemption. DaVita HealthCare Partners Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita HealthCare Partners Inc. from the state of its incorporation, Delaware, is attached.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA HEALTHCARE PARTNERS INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF JULY, A.D. 2014.

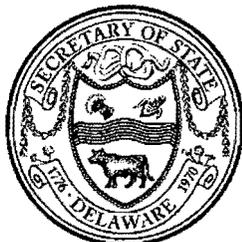
AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA HEALTHCARE PARTNERS INC." WAS INCORPORATED ON THE FOURTH DAY OF APRIL, A.D. 1994.

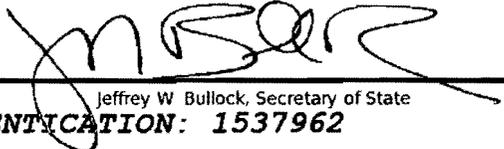
AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

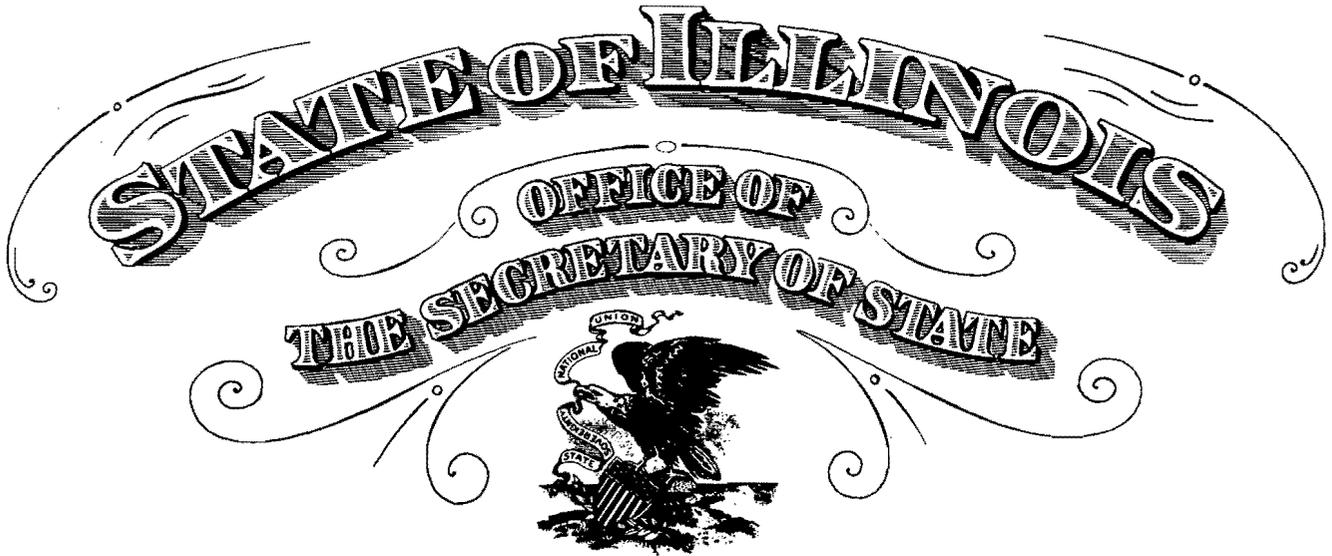
2391269 8300

140958293




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1537962

DATE: 07-15-14



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 31ST day of MARCH A.D. 2014 .

Jesse White

Transaction Document

The Transaction Document to change the operating entity back to the original operator, Total Renal Care Inc, from Seasons Dialysis, LLC is attached at Attachment – 5.

ASSIGNMENT AND ASSUMPTION AND BILL OF TRANSFER

This Assignment and Assumption and Bill of Transfer (the “**Agreement**”), is made and entered into this 1st day of November 1, 2014 (the “**Effective Date**”) by and among Seasons Dialysis, LLC, a Delaware limited liability company (“**Assignor**”) and Total Renal Care, Inc., a California corporation (“**Assignee**”).

WHEREAS, Assignor operates the freestanding renal dialysis center known as “Crystal Springs Dialysis” and located at 720 Cog Circle, Crystal Lake, Illinois 60014 (the “**Center**”); and

WHEREAS, Assignor desires to convey, transfer, assign and deliver to Assignee, all of the tangible and intangible assets used or useable and necessary in connection with the operation of the Center (the “**Assets**”) and the Transferred Liabilities (as define in Section 2(a) below), and Assignee desires to accept and assume the Assets and the Transferred Liabilities.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements therein and hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Bill of Transfer.

(a) Assignor hereby conveys, transfers, assigns and delivers to Assignee, its successors and assigns, the Assets, and Assignee does hereby acquire from Assignor, all right, title and interest in, to and under the Assets. The Assets shall include all rights, privileges, hereditaments and appurtenances belonging, incident or appertaining to the Assets.

(b) It is understood by both Assignor and Assignee that, contemporaneously with the execution and delivery of this Agreement, Assignor may be executing and delivering to Assignee certain further assignments and other instruments of transfer which in particular cover certain of the property and assets described herein, the purpose of which is to supplement, facilitate and otherwise implement the transfer intended hereby.

2. Assignment and Assumption of Transferred Liabilities.

(a) Assignor hereby assigns to Assignee, its successors and assigns, and Assignee hereby assumes: (i) salaries, wages, benefits and accrued paid time off applicable to the employees of Assignor who were rendering services on behalf of the Center prior to the Effective Date, regardless of whether such employees remain Assignor employees and are leased or otherwise provided to Assignee or if such employees become Assignee employees directly; (ii) any and all existing debts, liens, claims, encumbrances, liabilities and obligations to which the Center or any of the Assets may be subject as of the Effective Date, including all accounts payable incurred or accrued in connection with the development and, if applicable, the operation of the Center prior to the Effective Date; and (iii) all obligations arising on and after the Effective Date under all contracts and leases relating to the Center and assigned to Assignee (the

“Assigned Contracts”). Clauses (i) – (iii) above are hereinafter referred to as the “Transferred Liabilities.”

(b) Any payment that may be received by Assignor to which Assignee is entitled by reason of this Agreement shall be received by Assignor as trustee for Assignee, and will be delivered promptly to Assignee.

(c) In the event that Assignor and/or Assignee determines after execution of this Agreement that one or more contracts or agreements between Assignor and any third party necessary to operate the Assets was not designated as an Assigned Contract (each an “**Omitted Agreement**”), and the parties consent in writing to the assignment and assumption of such Omitted Agreement, which consent shall not be unreasonably withheld, then, such Omitted Agreement shall be deemed assigned by Assignor to Assignee as of 12:01 a.m. on the Effective Date.

(d) Notice of the assignment under this Agreement may be given at the option of either party to all parties to the Assigned Contracts (other than Assignor) or to such parties’ duly authorized agents.

(e) The assumption by Assignee of any Transferred Liabilities shall not enlarge the rights of any third party with respect to any Transferred Liabilities, nor shall it prevent Assignee, with respect to any party other than Assignor, from contesting or disputing any Transferred Liability.

3. Interim Billing and Collections.

(a) Assignee shall have the right to receive all revenues from any source relating to services provided at or with respect to the Center on and following the Effective Date (the “Post-Transfer Services”) and Assignor shall pay to Assignee all cash received relating thereto. Assignor shall instruct the financial institution at which Assignor’s lock-box account (the “Assignor Lock-box Account”) is located to sweep all funds received in connection with the Post-Transfer Services to an account designated by Assignee. Assignor shall have the right to retain all revenues received from any source relating to services provided at or with respect to the Center prior to the Effective Date, and any such revenue received by Assignee shall be returned to Assignor.

(b) Assignor hereby grants Assignee a license to use its name, provider numbers and employer identification number on the terms set forth below. From the period of time commencing on the Effective Date and until Assignee’s receipt of written notification from the Centers for Medicare and Medicaid Services (“CMS”) and/or the Assignor’s fiscal intermediary indicating that CMS has processed and approved Assignee’s change of ownership application (the “Medicare CHOW Approval”), to the extent permitted by law and to ensure cash flow to the Center during such period of time while the change of ownership application is processed, Assignee shall submit claims for services provided at the Center using Assignor’s name, provider numbers, employer identification number and electronic funds transfer arrangements, as permitted by the Medicare Program Integrity Manual. Assignor shall not close

or otherwise modify the Assignor's Lock-box Account or the electronic funds transfer arrangement with third party payors until Assignee has received the Medicare CHOW Approval.

4. Consideration. In consideration of the transfer by Assignor to Assignee of the Assets, Assignee shall assume from Assignor the Transferred Liabilities.

5. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

6. Further Assurances. After the Effective Date, each party will from time to time, at the other party's request and without further cost to the party receiving the request, execute and deliver to the requesting party such other instruments and take such other action as the requesting party may reasonably request so as to enable it to exercise and enforce its rights under and fully enjoy the benefits and privileges with respect to this Agreement and to carry out the provisions and purposes hereof.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in that State without giving effect to conflicts of law principle.

8. Counterparts. This Agreement may be signed in any number of counterparts and all such counterparts shall be read together and construed as one and the same document.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Assignment and Assumption and Bill of Transfer to be duly executed on their behalf on the date first written above.

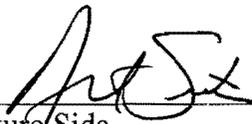
ASSIGNOR:

SEASONS DIALYSIS, LLC,
a Delaware limited liability company
By: Its Sole Member,
Total Renal Care, Inc.,
a California Corporation

ASSIGNEE:

TOTAL RENAL CARE, INC.,
a California corporation

By: 
Arturo Sida
Assistant Secretary

By: 
Arturo Sida
Assistant Secretary

Financial Statements

A copy of DaVita's 2013 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted with the application 14-016.