

**ShermanHealth**

Every life, every moment, every day

1425 North Randall Road  
Elgin, Illinois 60123  
phone 847-742-9800  
shermanhealth.com

October 6, 2010

**RECEIVED**

OCT 06 2010

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

VIA FACSIMILE (217)785-4111

Mr. Dale Galassie  
Chairman  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson St., 2nd Floor  
Springfield, IL 62761**Re: Letter of Support for Crystal Lake Dialysis Center, Project 10-047**

Dear Chairman Galassie:

I am writing to you on behalf of Sherman Hospital (the "Hospital") in support of the proposed relocation and expansion of the Crystal Lake Dialysis Center. As you know, the Hospital sold this facility to DaVita, Inc. this July. The Hospital continues to own the real estate.

In a letter dated July 12, 2010, the Hospital's Director of Property and Project Management, Keith Golden, articulated some of the real estate issues surrounding the current location and the unwillingness of the Hospital to enter into a long term lease with DaVita for that location. As that letter notes, other than the dialysis services, the building is currently vacant. Based on its age and configuration, it is not suited for the location of additional health care services at this time. Because of its condition and age and the value of the larger parcel that it sits on, the property will be sold.

With regard to the planned expansion of the facility, it was the Hospital's experience that a six station facility is too small for the efficient operation of this service. The twelve stations that DaVita is proposing is much more consistent with industry norms and should provide for better patient through-put, better staffing ratios and better access for patients.

DaVita is a leading provider of dialysis services in the United States. The Hospital would like to see patients have a choice between dialysis providers and allowing DaVita to expand in the metro Chicago market is critical to maintaining that choice.

Finally, one reason the Hospital chose DaVita is for its superior programs. DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease (CKD) and end-stage renal disease. One example is its EMPOWER program. DaVita launched the EMPOWER program workshops in 2008. These workshops are free community-based educational seminars that encourage patients with CKD to take control of their health and make informed decisions about their dialysis care. Led by a team of DaVita nurses, renal dieticians, and social workers, EMPOWER uses a multidisciplinary approach to educate patients with CKD about their disease, ways to delay progression, and different treatment options. Workshops also focus on preparing patients for life on dialysis or with a kidney transplant. DaVita recognizes

Mr. Dale Galassie  
October 6, 2010  
Page 2

the unique and vital role that it plays in enhancing care for renal patients throughout the country and the Hospital is pleased that its patient base now has the benefit of this provider in the community.

As a final note, we understood that in the July CON Board meeting, DaVita made a commitment to the CON Board to retain services in the Crystal Lake area. Given the Hospital's dealings with DaVita, I do not believe the intent of that commitment was to stay at the same location or to stay at precisely the same number of stations but rather to ensure access to needed services. Sherman Hospital believes that the project before the CON Board to relocate within the Crystal Lake area is consistent with that commitment and Sherman Hospital supports the expansion and relocation of DaVita's Crystal Lake dialysis program.

Thank you for your consideration.

Very truly yours,



Eric Krueger  
Chief Financial Officer



**ShermanHealth**  
Every life, every moment, every day

1425 North Randall Road  
Elgin, Illinois 60123  
Phone 847-742-9800  
ShermanHealth.com

# Fax

<b>To:</b> Dale Galassie	<b>From:</b> Eric Krueger
<b>Fax:</b> 217-785-4111	<b>Pages:</b> 3 (including cover page)
<b>Phone:</b>	<b>Date:</b> October 6, 2010
<b>Re:</b> See attached	<b>CC:</b>

---

*Please call (224) 783-8116 if you experience difficulty with this transmission.*

---

## Constantino, Mike

---

**From:** Kara Friedman [KFriedman@Polsinelli.com]  
**Sent:** Wednesday, October 06, 2010 2:16 PM  
**To:** Constantino, Mike  
**Subject:** Crystal Lake Dialysis Letter of Support (Project No. 10-047)  
**Attachments:** 10\_6 Letter of Support.pdf

**Importance:** High

Letter of support is attached.

-Kara Friedman  
312-873-3639

---

**From:** Wilcox, Elisa [mailto:Elisa.Wilcox@ShermanHospital.org]  
**Sent:** Wednesday, October 06, 2010 12:52 PM  
**To:** Kara Friedman  
**Subject:** Letter of Support  
**Importance:**

Kara,

Attached is the support letter for DaVita. Per your request, the letter has been faxed.

Thank you.

*Lisa Wilcox*

Administrative Assistant to:  
Ian Jones, M.D., Vice President Clinical Performance  
Eric Krueger, Chief Financial Officer

*Sherman Hospital*  
1425 North Randall Road  
Elgin, IL 60123  
Phone: 224-783-8116  
Fax: 224-783-3002

---

This electronic mail message contains CONFIDENTIAL information which is (a) ATTORNEY - CLIENT PRIVILEGED COMMUNICATION, WORK PRODUCT, PROPRIETARY IN NATURE, OR OTHERWISE PROTECTED BY LAW FROM DISCLOSURE, and (b) intended only for the use of the Addressee(s) named herein. If you are not an Addressee, or the person responsible for delivering this to an Addressee, you are hereby notified that reading, copying, or distributing this message is prohibited. If you have received this electronic mail message in error, please reply to the sender and take the steps necessary to delete the message completely from your computer system.

---

IRS CIRCULAR 230 DISCLOSURE: Unless expressly stated otherwise, any U.S. federal tax advice contained in this e-mail, including attachments, is not intended or written by Polsinelli Shughart PC to be used, and any such tax advice cannot be used, for the purpose of avoiding penalties that may be imposed by the Internal Revenue Service.



**ShermanHealth**

Every life, every moment, every day

1425 North Randall Road  
Elgin, Illinois 60123  
phone 847-742-9800  
shermanhealth.com

October 6, 2010

**VIA FACSIMILE (217)785-4111**

Mr. Dale Galassie  
Chairman  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson St., 2nd Floor  
Springfield, IL 62761

**Re: Letter of Support for Crystal Lake Dialysis Center, Project 10-047**

Dear Chairman Galassie:

I am writing to you on behalf of Sherman Hospital (the "Hospital") in support of the proposed relocation and expansion of the Crystal Lake Dialysis Center. As you know, the Hospital sold this facility to DaVita, Inc. this July. The Hospital continues to own the real estate.

In a letter dated July 12, 2010, the Hospital's Director of Property and Project Management, Keith Golden, articulated some of the real estate issues surrounding the current location and the unwillingness of the Hospital to enter into a long term lease with DaVita for that location. As that letter notes, other than the dialysis services, the building is currently vacant. Based on its age and configuration, it is not suited for the location of additional health care services at this time. Because of its condition and age and the value of the larger parcel that it sits on, the property will be sold.

With regard to the planned expansion of the facility, it was the Hospital's experience that a six station facility is too small for the efficient operation of this service. The twelve stations that DaVita is proposing is much more consistent with industry norms and should provide for better patient through-put, better staffing ratios and better access for patients.

DaVita is a leading provider of dialysis services in the United States. The Hospital would like to see patients have a choice between dialysis providers and allowing DaVita to expand in the metro Chicago market is critical to maintaining that choice.

Finally, one reason the Hospital chose DaVita is for its superior programs. DaVita has taken on many initiatives to improve the lives of patients suffering from chronic kidney disease (CKD) and end-stage renal disease. One example is its EMPOWER program. DaVita launched the EMPOWER program workshops in 2008. These workshops are free community-based educational seminars that encourage patients with CKD to take control of their health and make informed decisions about their dialysis care. Led by a team of DaVita nurses, renal dieticians, and social workers, EMPOWER uses a multidisciplinary approach to educate patients with CKD about their disease, ways to delay progression, and different treatment options. Workshops also focus on preparing patients for life on dialysis or with a kidney transplant. DaVita recognizes

Mr. Dale Galassie  
October 6, 2010  
Page 2

the unique and vital role that it plays in enhancing care for renal patients throughout the country and the Hospital is pleased that its patient base now has the benefit of this provider in the community.

As a final note, we understood that in the July CON Board meeting, DaVita made a commitment to the CON Board to retain services in the Crystal Lake area. Given the Hospital's dealings with DaVita, I do not believe the intent of that commitment was to stay at the same location or to stay at precisely the same number of stations but rather to ensure access to needed services. Sherman Hospital believes that the project before the CON Board to relocate within the Crystal Lake area is consistent with that commitment and Sherman Hospital supports the expansion and relocation of DaVita's Crystal Lake dialysis program.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "Eric Krueger", with a long horizontal flourish extending to the right.

Eric Krueger  
Chief Financial Officer