

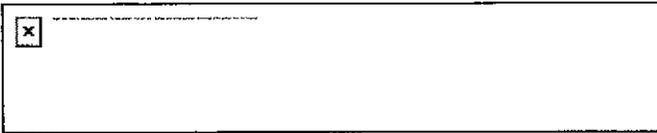
Roate, George

From: Joseph Van Leer [JVanLeer@Polsinelli.com]
Sent: Wednesday, February 08, 2012 4:41 PM
To: Roate, George
Cc: Kara Friedman
Subject: Response to Opposition Letter
Attachments: Prof. No. 11-003_Response to Opposition Letter_P. Davis.pdf

George,

Please find attached a letter from Penny Davis of DaVita in response to the opposition letter filed by Mount Sinai earlier this week. Let me know if you have any questions or need anything else. Thanks!

Joe



Joseph Van Leer
Associate

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dale Galassie
Chair
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Proj. No. 11-003 – Response to Impact Letter from Mount Sinai Hospital

Dear Chairman Galassie:

I am writing in response to a letter from Mount Sinai Hospital submitted in relation to the proposed establishment of Lawndale Dialysis. The planned 16-station chronic renal dialysis facility, to be located at 3934 West 24th Street, Chicago, IL 60623, will improve access to life-sustaining dialysis treatment with the highest level of care for a largely low-income, minority urban community.

In the current period, utilization has increased substantially in the community surrounding the proposed facility. In 9 months, patient growth at Mount Sinai demonstrates this. Based on operational stations, as of September 30, 2011, utilization at Mount Sinai's dialysis facility was 85%.¹ This is a 10% increase from 75% utilization on December 31, 2010 based on only three quarters of Renal Network Utilization Data. If growth continues at this pace, Mount Sinai will reach 100% utilization by the end of 2012. Notably, although the facility is approved for 16 dialysis stations, Mount Sinai executives advised us last month that their program is only able to operate 15 stations. They explained they currently have other capital priorities and cannot expand dialysis to meet rising patient demand for life-saving dialysis services. Moreover, there is a need for 100 dialysis stations in HSA 6.

Furthermore, as stated in our CON Application, because of special eligibility guidelines all indigent patients who are unemployed, even undocumented residents, are eligible for Medicare or Medicaid benefits regardless of their age. While Medicare is nearly an all payor system for ESRD, those few indigent patients that do not qualify for Medicare benefits and who are not covered by commercial insurance are eligible for Medicaid benefits. Finally, if there is a gap in coverage, the American Kidney Foundation and the National Kidney Foundation provide patient assistance grants.

¹The Renal Network, Utilization Data for the Quarter Ending September 30, 2011.



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Although we recognize the important services that Mount Sinai delivers, our planned facility will not impact its operations. Mount Sinai employs the nephrologists on their medical staff and they refer exclusively or primarily to the Mount Sinai facility. Lawndale Dialysis will be supported by Dr. Aneziokoro and Dr. Magana, who are collectively treating 288 patients with chronic kidney disease. Mount Sinai can only accommodate 13 additional patients. Thus, they do not have capacity to take on the growth of its own employed physicians, let alone the growth of outside nephrologists.

Furthermore, the payor mix of a dialysis facility is driven less by admissions and financial assistance policies, but rather by the demographics of the population surrounding the facility. Nevertheless, DaVita's commitment to delivering care to underserved Chicago communities in need of essential safety net services is evidenced by its assumption of the dialysis operations of the University of Chicago. Those facilities treat a vastly underserved population, many of whom are Medicaid recipients. Thus, DaVita clearly contributes to protecting the safety net in and around the City of Chicago.

DaVita is committed to meeting community needs in all the communities it serves, regardless of its tax status. DaVita consistently raises awareness to community needs and makes cash contributions to organizations aimed at improving access to kidney care. In 2010, DaVita donated more than \$2 million to kidney disease awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. Furthermore, its own employees, or members of the "DaVita Village," assisted in these initiatives by raising more than \$3.4 million through Tour DaVita and DaVita Kidney Awareness Run/Walks.

Additionally, DaVita's EMPOWER program helps to improve intervention and education for pre-ESRD patients. Through the EMPOWER program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. It also encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

Moreover, 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, the program has not only shown to reduce mortality rates by 8 percent but has also resulted in improved patient outcomes. DaVita will continue to contribute to meeting community needs, both inside and outside Chicago through programs like those mentioned in this letter.

DaVita.

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For these reasons, we ask that the Board approve the proposed establishment of Lawndale Dialysis.

Sincerely,

A handwritten signature in cursive script that reads "Penny Davis" followed by a flourish.

Penny Davis, RN, FACHE
Division Vice President - Skyline
DaVita Inc.