

Constantino, Mike

From: Lori Wright [Lori.Wright@fmc-na.com]
Sent: Tuesday, October 09, 2012 4:01 PM
To: Constantino, Mike
Cc: clare.ranalli@hklaw.com
Subject: #12-047 Response to ITD
Attachments: #12-047 Response to ITD.pdf

Mike,

Attached is supplemental information in response to the ITD issued #12-047. Hard copy will follow via UPS overnight.

Thank you



Lori Wright
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Fresenius Medical Care

October 9, 2012

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

**Re: Supplemental Information
Project # 12-047 Fresenius Medical Care Plainfield North**

Dear Ms. Avery,

The enclosed pages contain supplemental information in response to the Intent to Deny given to the above mentioned project at the September 12, 2012 meeting.

Thank you for your time and consideration of this information.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Ranalli

Fresenius Medical Services ♦ North Division

One Westbrook Corporate Center, Suite 1000 Westchester, IL 60154 708-562-0371

**SUPPLEMENTAL INFORMATION FOR
#12-047 Fresenius Medical Care Plainfield North**

In response to the Intent to Deny issued to project #12-047, at the September 12, 2012 meeting, Fresenius Medical Care is submitting this additional information for the Board's consideration. The applicant requests the Board to reconsider its Intent to Deny based on the following information.

There is not currently a clinic operating in the Village of Plainfield. The only area clinic serving Plainfield is actually in Joliet. This clinic (Fresenius Plainfield) is so named because of its mailing address not location.

The Village of Plainfield was considered to be one of the fastest growing cities in the United States between 2000 and 2010 according to the U.S. Census Bureau. It sits on the far southwest edge of the westward migration of the Chicago suburbs.

Population Growth for Village of Plainfield	2000		2010		2010 vs 2000	
	Population	% of Total Population	Population	% of Total Population	Total Growth	Growth Percent
Total Population	13,038	100%	39,581	100%	26,543	204%
White	12,497	96%	32,347	82%	19,850	159%
Hispanic	504	4%	4,247	11%	3,743	743%
African American	110	1%	2,202	6%	2,092	1902%
Age 65 and older	818	6%	2,079	5%	1,261	154%
Age 45 and older	3,343	26%	10,674	27%	7,331	219%

The population as a whole more than doubled between the 2000 and 2010 U.S. Census. Plainfield's predominant population is white; however **the Hispanic and African American populations grew at a drastically higher rate than the white population.** This is significant to dialysis location planning because these two populations are at an increased (double) risk of developing diabetes and high blood pressure that lead to kidney failure.

Another demographic group that saw a significant increase were the residents over age 45 and over age 65. With 27% of the residents over age 45 the incidence of kidney failure will also increase as older populations are more frequently diagnosed with diabetes and high blood pressure as well as increased incidence of heart disease.

Given its population of nearly 40,000 and a growth rate of 204% over the past decade, it is reasonable that there should be a dialysis clinic in this village to serve its residents.

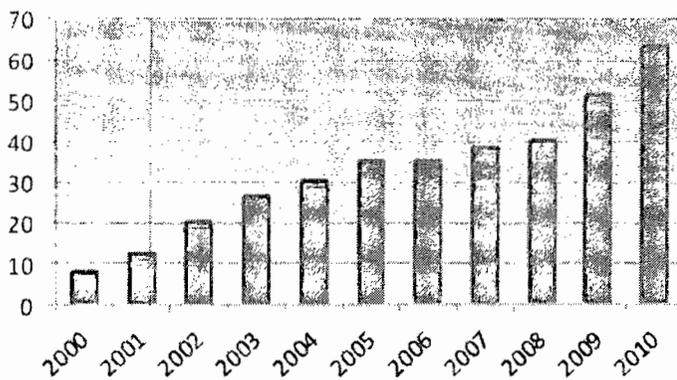
Along with population growth the area experienced significant increase of end stage renal disease patients too as seen in the chart below.

Plainfield Zip Codes	ESRD Patients Per The Renal Network										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
60544	8	12	20	26	30	35	34	35	34	39	41
60585	0	0	0	0	0	0	0	1	1	4	3
60586	0	0	0	0	0	0	1	2	5	8	19
Totals	8	12	20	26	30	35	35	38	40	51	63

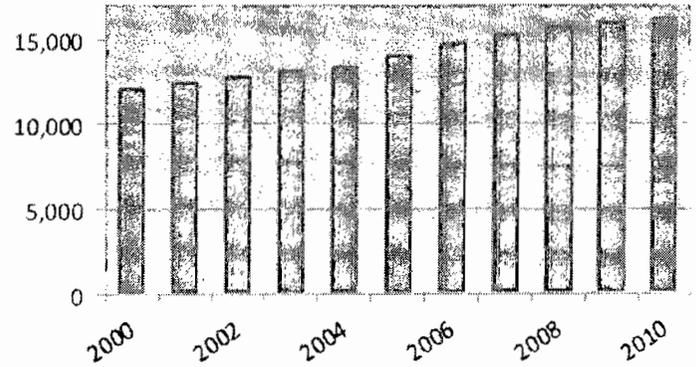
State of Illinois	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	12,055	12,345	12,732	13,072	13,332	13,998	14,697	15,268	15,766	15,984	16,186

The bar graphs below evidence the steady rise in ESRD in the Plainfield zip codes when compared to the steady but more gradual increase for the State as a whole. It is also important to note the drastic increase in ESRD from 2008 – 2010 in Plainfield as compared to the slowing and more even rate of increase in the State.

Plainfield ESRD Patient Growth 2000-2010



Illinois ESRD Patient Growth 2000-2010



These factors back-up the need that we see in Plainfield for a dialysis clinic as also evidenced by **the unprecedented growth of the Fresenius Plainfield clinic**, of which Dr. Alausa is the Medical Director. This facility reached 80% utilization a year and a half after opening and requested to add 4 more stations before being open two years. These 4 stations have been operational less than a year and the facility is again above 80% utilization.

Operating 12 Stations								Operating 16 Stations			
December 2009		December 2010		June 2011		December 2011		June 2012		September 2012	
Patients	UTL	Patients	UTL	Patients	UTL	Patients	UTL	Patients	UTL	Patients	UTL
1	1%	52	72%	57	79%	63	88%	78	81%	80	83%

5100.0% Growth from 12/09 to 12/10	21.2% Growth from 12/10 to 12/11	27.0% Growth from 12/11 to 09/12
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Fresenius Plainfield is the closest facility to the proposed Fresenius Plainfield North facility at approximately at 11 minutes. This facility, as previously mentioned, experienced extreme growth and is operating (as of September 30, 2012) at 83% utilization with 80 patients. The growth/utilization of this facility is the reason for the proposed new facility for Plainfield. At the current growth rate the facility is expected to reach capacity before the Plainfield North facility is operating.

Of the other clinics within 30 minutes, 4 are operating at high rates of utilization and cannot accommodate Dr. Alausa's practice patients. They are:

- DaVita Silver Cross West** - 88.48%
- Fox Valley Dialysis** - 92.95%
- Fresenius Bolingbrook** - 84.03%
- Fresenius Naperville** - 90%

This leaves 5 clinics that remain under 80% utilization, however they are not viable options for the patients of Dr. Alausa who reside in the Plainfield area. They include:

USR Bolingbrook is not yet certified, however the physicians supporting this facility identified 106 patients whom they will refer to that facility to bring it to 80%, which will occur prior to the opening of the Plainfield North facility. Bolingbrook is a heavily populated area and the current Fresenius Plainfield facility was established because patients at that time were experiencing hardships driving from the Plainfield area to Bolingbrook for treatment.

Fresenius Naperbrook is not yet operational, however is not a viable option for the Plainfield area patients because soon after its completion, Fresenius will be relocating the entire patient load from its Naperville clinic, which is operating at 90% to the Naperbrook clinic. The Naperville clinic will then be closed. So essentially, the Naperbrook facility could be considered above 80%.

Sun Health is operating in the 50% range and has for many, many years. It is also operating only 2 shifts a day vs. the 6 shifts that Board methodology utilizes. At 2 shifts a day, the facility is at 79% utilization. It is a long distance from Plainfield at 11 miles and 24 minutes. Traffic congestion increases this travel time which is a long distance when ill. Aside from this, Dr. Alausa has stated under oath that his attempts to refer

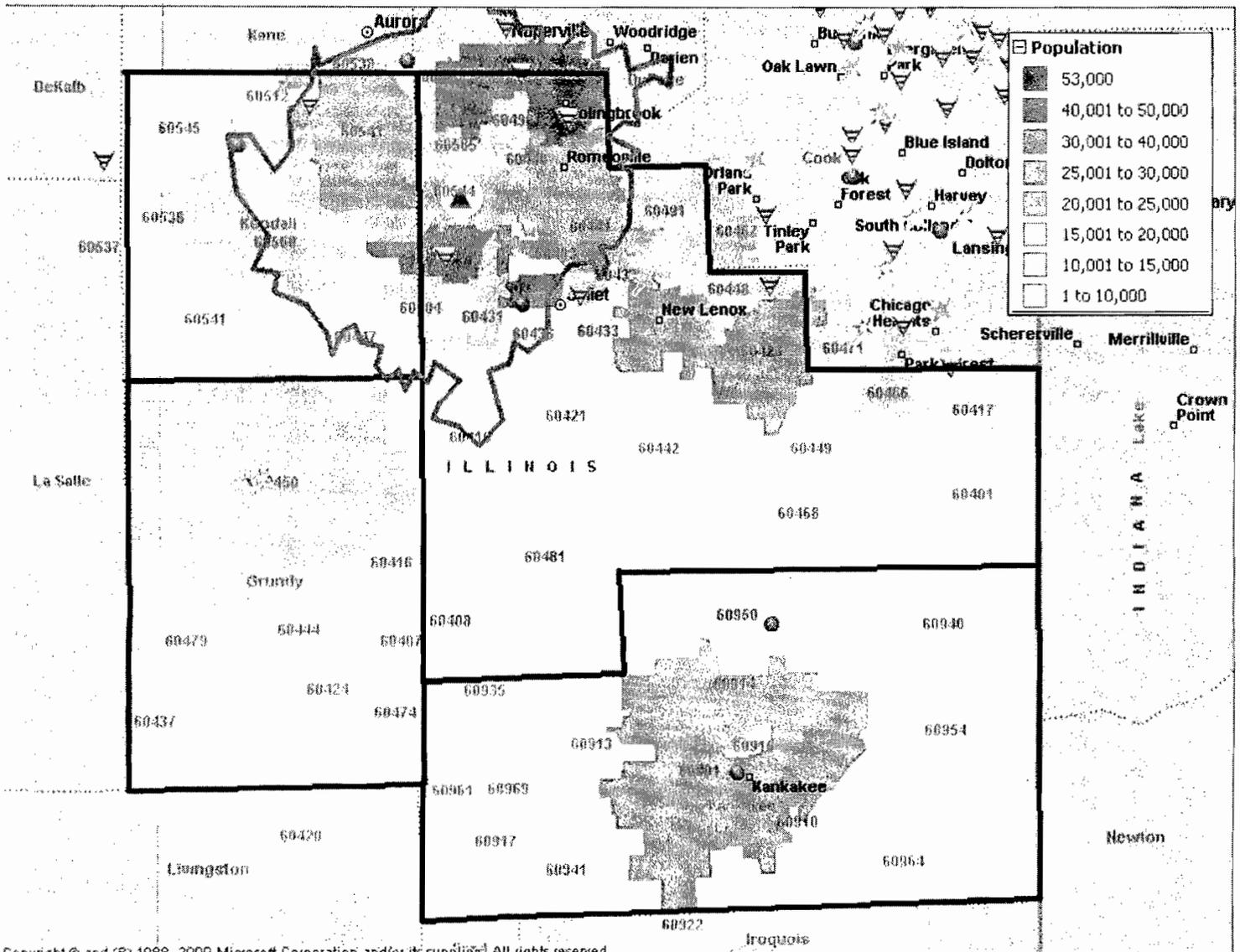
patients there have been turned down. This makes the Sun Health facility inaccessible for many of Dr. Alausa's practice patients.

Fresenius Oswego is at 62% and might be considered within 30 minutes (27) according to the travel study however, a near 30 minute drive under normal conditions can easily turn into a 45 minute drive in congestion or in inclement weather. This is too far for dialysis patients to be expected to travel. Patients in the Plainfield market simply do not travel to Oswego for their healthcare.

Yorkville Dialysis is a small 8 station facility located 29 minutes "normal" travel time in another county. The least bit of traffic delays push the drive time well over 30 minutes. At 17 miles away patients from Plainfield do not seek healthcare services in Yorkville nor would Dr. Alausa refer a patient this far away unless it was their request.

The heavily populated and ever growing Plainfield area is in need of additional dialysis access despite there being an excess of stations in HSA 9. HSA 9 covers a large area with a portion situated right along the edge of the heavily populated Chicago suburbs while the opposite edges are situated in rural areas of Illinois farmland. Many of the more rural clinics in the HSA don't operate all 6 shifts which skews the inventory calculation.

HSA 9, Population and 30 Minute Drive Time from Fresenius Plainfield North



Because the Plainfield North facility will not be fully operational for approximately 2 more years and because of previously mentioned patient growth it is proper health care planning to not only address need seen now in Plainfield but also for future projected patients. Given the Fresenius Plainfield facility's historic growth, it would not be imprudent to assume this clinic will be above capacity long before the Plainfield North facility is able to accept patients.

We therefore respectfully urge the Board to approve the Plainfield North facility for this rapidly expanding community to secure continued access to dialysis services for its residents and to consider that the 47 station excess is representative of a greater need in the suburban collar communities not accounted for in the inventory.

Also, to address the Board's recent concerns in regards to providing for patients who are uninsured or underinsured, we have attached a letter from the Regional Vice President who will be responsible for the Plainfield North facility certifying that we will accept all patients regardless of ability to pay for services.