

## Hills, Bonnie

---

**From:** Bhuvan Chawla [B.Chawla@esunhealth.com]  
**Sent:** Monday, October 22, 2012 5:33 AM  
**To:** Constantino, Mike  
**Cc:** Hills, Bonnie  
**Subject:** Project # 12-058: US Renal Lemont Dialysis  
**Attachments:** US Renal Lemont SAR.doc

Mr. Constantino / Ms. Hills,

Please find attached my comments after review of the SAR for this project.  
Please acknowledge receipt.

Thank you,  
Bhuvan Chawla, M.D.  
Sun Health, Inc.  
2121 Oneida Street  
Joliet, IL 60435

Mr. Dale Galassie  
Chairman  
Illinois Health Facilities and Services Review Board  
525 West Jefferson, Second Floor  
Springfield, IL 62761  
October 21, 2012

**Re: State Agency Report  
Project No. 12-058: US Renal Care Lemont Dialysis**

Dear Chairman Galassie:

I would urge the Board to review my letter of opposition and to consider the following additional information after review of the SAR.

**Absence of Need:**

The Applicant claims to address a need for 92 ESRD stations in HSA-07, Suburban Cook County, contrary to the SAR, which lists the actual need in HSA-07 as 61 stations. However, almost all of Applicant's listed pre-ESRD patients live Will County, which is located in HSA-09, which has a listed surplus of 47 stations.

The SAR states that 100% of the pre-ESRD patients live in the planning area; this is at odds with the zip codes of origin of these patients as listed in the Application.

Of the 80 proposed patients, only 9 live in zip code 60439, which is located in Cook and Dupage counties. The remaining 71 patients live in Will County, which is part of HSA-09. Yet Dr. Nagarkette asks the Board to approve this application to serve the "growing population in DuPage County".

Thus, this Applicant effectively proposes to divert patients away from a planning area with a surplus of stations to a planning area with a deficit of stations. This simply does not make sense from a health facilities planning perspective, and will result in duplication and maldistribution. For example, how can 24 patients living in zip code 60435, on the west side of Joliet deep in Will County, provide justification for this project in Lemont for HSA 7 (suburban Cook County)?

Furthermore, as pointed out in my original letter of opposition, the Applicant appears to have listed the many of the same patients twice to justify need for two separate CON applications, namely US Renal Lemont and US Renal Plainfield. This would appear to contradict the sworn statements made by the physician partners of these two projects.

***The State Agency Report corroborates my letter of opposition***, ie. that this project is unneeded and will cause unnecessary duplication of service/maldistribution. The SAR affirms that 10 (67%) of the 15 facilities within 30 minutes of the proposed facility are below target utilization, and states that 6

of these 10 are new/start-up projects without even any reportable data, and the remaining 4 are at 63.7% utilization.

Furthermore, a number of facilities close to the zip codes of origin of the proposed patients are not even listed in this 30 minute radius, but would be the closest and most logical place for many of the listed pre-ESRD patients to receive care, such as Sun Health for the 24 patients listed in the same zip code - 60435. It would simply make no sense to refer these patients over 30 minutes away from their homes to US Renal Care Lemont.

Thus, this project will **actually worsen access** for some of the listed pre-ESRD patients, and will also **exacerbate duplication and maldistribution**, as it seeks to divert many patients away from their closest facility. This issue has been addressed in greater detail in my earlier letter of opposition. Facilities in the same zip codes as these patients are operating at below the target 80% occupancy, including FMC Joliet, Davita (Silver Cross) New Lenox, and Sun Health.

**Criterion 1110.230(c) - Alternatives:**

The Applicant has chosen to ignore the most logical alternative, which is to use existing facilities with available capacity. Sun Health remains a viable alternative, and would welcome the opportunity for collaboration to serve our community while avoiding duplication and maldistribution. This is a no-cost alternative, worthy of serious consideration. Perhaps the Board should encourage the Applicant to explore this option in good faith. On behalf of Sun Health, I would once again like to invite Dr. Nagarkatte and her group to refer their patients to Sun Health and also to take privileges at Sun Health so that they can continue to care for them.

The Applicant also dismisses the option of a joint venture with another provider on the grounds that this would negate its proven business model, and/or compromise the benefits realized by patients of US Renal Care. Yet, it had no qualms about forming a joint venture with the listed referring physicians for this CON application.

**Criterion 1110.234(b) - Project Services Utilization:**

Northeast Nephrology Consultants lists 80 patients for referral to this facility, and lists initially 50, subsequently increased to 65, for US Renal Plainfield.

This group states that it referred 86 patients for dialysis in 2011, which would potentially translate into 172 patients over 2 years. Thus, this physician group proposes to refer 145 new patients, or 74% of its future new patients away from preexisting facilities and only 27 new patients over the next two years to preexisting facilities being utilized by this group practice. These same facilities will likely see an annual patient attrition rate of 15-20%, which even at the group's stated 15% attrition rate translates into 35 patients/year or 70 patients over 2 years.

The group's census at these preexisting facilities would drop by 43 from 231 patients to 188, a drop of 18.6%. Yet the Applicant would have the Board believe that this project will have minimal impact on preexisting facilities.

I would also like to call the Board's attention to the fact that the number of dialysis patients treated by this group reportedly dropped from 298 in 2010 to 283 in 2011. The group reports having treated 231 patients through the 1<sup>st</sup> quarter of 2012. The listed distribution of these patients is:

Deerbrook Nursing Home	5
Fairview Nursing Home	5
Home dialysis	11
Fresenius Plainfield	5
Davita (Silver Cross) West	109
Davita (Silver Cross) New Lenox	80
Davita Morris	17

In center dialysis census may actually drop further with increased use of home dialysis and nursing home based dialysis.

**Criterion 1110.1430(c) (1)(2)(3):**

The SAR finds that this project could cause unnecessary duplication but not maldistribution.

I would venture that it will have both of these effects, and would urge the Board to examine these issues closely.

**Adverse Impact:**

This project will have an adverse impact on various facilities in the area, contrary to the Applicants attempt to minimize this. This Applicant is certainly aware that dialysis facilities can lose up to 15-20% of their patients each year to renal recovery, renal transplant, patient relocation or death. This number could be even higher with the push towards home dialysis, and nursing home based dialysis.

Existing facilities thus do require access to new patients, and the Applicant cannot in good faith sequester new pre-ESRD patients for its own proposed project and then claim that there would be minimal adverse impact on other providers.

**Letters:**

Letters of support need to be considered in the context of need as defined by the Board's own rules.

**Conclusion:**

I would humbly urge the Board accept the findings of its own State Agency Report, and to reject this application because it is unneeded, and will result in duplication and maldistribution.

Respectively submitted,

**Bhuvan Chawla, M.D.**

**Sun Health, Inc.**

**2121 Oneida Street**

**Joliet, IL 60435**