

NORTHEAST NEPHROLOGY CONSULTANTS, Ltd.

815 N. Larkin Avenue, Suite 205
Joliet, Illinois 60436
Telephone: (815) 744-5550

1890 Silver Cross Blvd., Suite 415
New Lenox, Illinois 60451
Telephone: (815) 462-4400



Naila I. Ahmad, M.D.
Preeti R. Nagarkatte, M.D.
Teresa Majka-Kravets, M.D.
Aaron Gurfinkel, M.D.
Sandeep Mehta, M.D.

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OCT 16 2013

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

*Sent by Fed Ex
From Dalita*

October 15, 2013

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Opposition to Fresenius Medical Care Lemont (Proj. No. 13-040)

Dear Chair Olson:

I am the practice administrator for Northeast Nephrology Consultants (NENC). In that capacity, I am writing on behalf of NENC to oppose Fresenius Medical Care's proposal to establish a 12-station in-center hemodialysis facility to be located at 16177 West 127th Street, Lemont, Illinois. This application is nearly identical to U.S. Renal's application, which received an intent to deny at the December 10, 2012 Health Facilities and Services Review Board (HFSRB) meeting. In fact, the site of the proposed Fresenius Lemont facility is 1.04 miles (or 2 minutes) from the proposed U.S. Renal Lemont facility. Since the U.S. Renal intent to deny, nothing has changed. Accordingly, there is no need at this time and the HFSRB should deny Fresenius' application for a 12-station facility in Lemont.

On December 10, 2012, the HFSRB issued an intent to deny U.S. Renal's application for a 13-station in-center hemodialysis facility in Lemont. While there was a need for 51 stations at the time, average utilization of existing facilities in the market was 63.7%, with only 10 of 15 stations operating above the HFSRB 80% utilization standard. (See U.S. Renal Lemont SAR p 10). During HFSRB consideration of the U.S. Renal application, several Board members expressed concern about the number of underutilized facilities in the area. As set forth in the Lemont application, Fresenius identified 16 existing facilities within 30 minutes of the proposed Lemont facility. Average utilization of the existing facilities is 63% with only 3 facilities operating at or above HFSRB's 80% utilization standard. (App. p 59). Importantly, 8 of the underutilized facilities are Fresenius' facilities. Based upon underutilization of existing facilities in the area, there is no need for Fresenius' proposed Lemont facility.

Additionally, it should be noted that in its letter opposing the U.S. Renal Lemont application, Fresenius noted the "patients identified for the Lemont facility do not reside in HSA 7; therefore it will not serve the residents in the HSA in which it is being established per the Board rules." In its application, Fresenius identifies only 15 of 91 (or 16%) of pre-ESRD patients who reside in HSA 7. Therefore, Fresenius' proposed Lemont facility will likewise not serve the residents of the HSA pursuant to the HFSRB's rules.

Based upon the underutilization of existing facilities and the fact that the proposed Lemont facility will not primarily serve the residents of HSA 7, the HFSRB should deny Fresenius's application for a 12-station facility in Lemont, Illinois.

Sincerely,



Constance Fredericks
Practice Administrator
Northeast Nephrology Consultants