

Original

14-059

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

NOV 07 2014

This Section must be completed for all projects.

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: <i>Fresenius Medical Care Glendale Heights</i>
Street Address <i>130 E. Army Trail Road</i>
City and Zip Code: <i>Glendale Heights 60139</i>
County: <i>DuPage</i> Health Service Area <i>7</i> Health Planning Area:

Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: <i>WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Glendale Heights</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Ron Kuerbitz</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>800-662-1237</i>

Type of Ownership of Applicant

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each
- o is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**Co-Applicant Identification**

Provide for each co-applicant [refer to Part 1130.220]

Exact Legal Name: <i>Fresenius Medical Care Holdings, Inc.</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Ron Kuerbitz</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>800-662-1237</i>

**Type of Ownership of Co-Applicant**

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership	
<input checked="" type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois Certificate of Good Standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENT-1, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Primary Contact**

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6807</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>630-960-6812</i>

**Additional Contact**

[Person who is also authorized to discuss the application for permit]

Name: <i>Coleen Muldoon</i>
Title: <i>Regional Vice President</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6706</i>
E-mail Address: <i>coleen.muldoon@fmc-na.com</i>
Fax Number: <i>630-960-6812</i>

**Post Permit Contact**

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960

Name: <i>Lori Wright</i>
Title: <i>Senior CON Specialist</i>
Company Name: <i>Fresenius Medical Care</i>
Address: <i>3500 Lacey Road, Suite 900, Downers Grove, IL 60515</i>
Telephone Number: <i>630-960-6807</i>
E-mail Address: <i>lori.wright@fmc-na.com</i>
Fax Number: <i>630-960-6812</i>

**Additional Contact**

[Person who is also authorized to discuss the application for permit]

Name: <i>Clare Ranalli</i>
Title: <i>Attorney</i>
Company Name: <i>McDermott, Will &amp; Emery</i>
Address: <i>227 W. Monroe Street, Suite 4700, Chicago, IL 60606</i>
Telephone Number: <i>312-984-3365</i>
E-mail Address: <i>cranalli@mwe.com</i>
Fax Number: <i>312-984-7500</i>

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: <i>Glendale Heights Retail Investors, LLC</i>
Address of Site Owner: <i>One Trans AM Plaza, Suite 310, Oakbrook Terrace, IL 60181</i>
Street Address or Legal Description of Site: <i>130 E. Army Trail Road, Glendale Heights, 60139</i>
<b>Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: <i>WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Glendale Heights</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
<b>APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Organizational Relationships**

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

**APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Flood Plain Requirements** **NOT APPLICABLE – EXPANSION ONLY**

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at [www.FEMA.gov](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://www.illinoisfloodmaps.org). **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

**APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Historic Resources Preservation Act Requirements** **NOT APPLICABLE – EXPANSION ONLY**

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

**APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**DESCRIPTION OF PROJECT****1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Substantive  
 Non-substantive

## 2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

*WSKC Dialysis Services, Inc. proposes to expand its current 21-station in-center ESRD facility by 8 stations. The result will be a 29-station facility at the current site, 130 E. Army Trail Road in Glendale Heights.*

*Fresenius Medical Care Glendale Heights is in HSA 7. There is a need for 58 ESRD stations in HSA 7.*

*This project is "substantive" under Planning Board rule 1110.10(b) as it entails the addition of stations totaling more than 10% of its current station count.*

**Project Costs and Sources of Funds**

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	12,000	N/A	12,000
Contingencies	N/A	N/A	N/A
Architectural/Engineering Fees	N/A	N/A	N/A
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	165,010	N/A	165,010
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	114,600	N/A	114,600
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
<b>TOTAL USES OF FUNDS</b>	<b>\$291,610</b>	<b>N/A</b>	<b>\$291,610</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities	177,010	N/A	177,010
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	114,600	N/A	114,600
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$291,610</b>	<b>N/A</b>	<b>\$291,610</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	

The project involves the establishment of a new facility or a new category of service  
 Yes     No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ N/A.

**Project Status and Completion Schedules**

**For facilities in which prior permits have been issued please provide the permit numbers.**

Indicate the stage of the project's architectural drawings:

None or not applicable                       Preliminary

Schematics     Final Working

Anticipated project completion date (refer to Part 1130.140): January 31, 2016

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

Purchase orders, leases or contracts pertaining to the project have been executed.

Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies

Project obligation will occur after permit issuance.

**APPEND DOCUMENTATION AS ATTACHMENT-B, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**State Agency Submittals**

Are the following submittals up to date as applicable:

Cancer Registry

APORS

All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted

All reports regarding outstanding permits

**Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**

### Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

**APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of WSKC Dialysis Services, Inc. \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.



SIGNATURE

Mark Fawcett  
Vice President & Treasurer

PRINTED TITLE



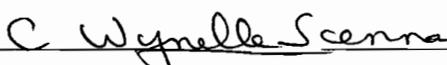
SIGNATURE

Bryan Mello  
Assistant Treasurer

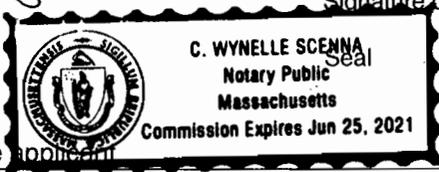
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_ 2014

Notarization:  
Subscribed and sworn to before me  
this 20 day of August 2014

 Signature of Notary

Seal



\*Insert EXACT legal name of the applicant

**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Fresenius Medical Care Holdings, Inc. \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

PRINTED NAME Mark Fawcett  
Vice President & Treasurer

PRINTED TITLE

SIGNATURE

PRINTED NAME Bryan Mello  
Assistant Treasurer

PRINTED TITLE

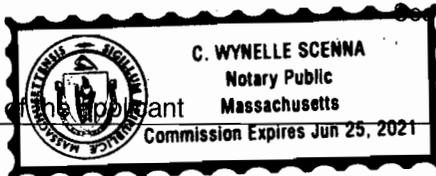
Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_ 2014

Notarization:  
Subscribed and sworn to before me  
this 20 day of August 2014

Signature of Notary

Signature of Notary

Seal



\*Insert EXACT legal name of applicant

### SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

#### Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

**APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.**

##### PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

**NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.**

**APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.**

**ALTERNATIVES**

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
  - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

**APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE****Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
  - c. The project involves the conversion of existing space that results in excess square footage.

**Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.**

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

**APPEND DOCUMENTATION AS ATTACHMENT-14. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**PROJECT SERVICES UTILIZATION:**

**This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.**

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

**A table must be provided in the following format with Attachment 15.**

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

**APPEND DOCUMENTATION AS ATTACHMENT-15. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**UNFINISHED OR SHELL SPACE: NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE**

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF tot be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data are available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**ASSURANCES: NOT APPLICABLE – THERE IS NO UNFINISHED SHELLSPACE**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA**

***This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:***

**G. Criterion 1110.1430 - In-Center Hemodialysis**

- Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
- Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
<input checked="" type="checkbox"/> In-Center Hemodialysis	21	29

- READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

<b>APPLICABLE REVIEW CRITERIA</b>	<b>Establish</b>	<b>Expand</b>	<b>Modernize</b>
1110.1430(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(b)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(c)(1) - Unnecessary Duplication of Services	X		
1110.1430(c)(2) - Maldistribution	X		
1110.1430(c)(3) - Impact of Project on Other Area Providers	X		
1110.1430(d)(1) - Deteriorated Facilities			X
1110.1430(d)(2) - Documentation			X
1110.1430(d)(3) - Documentation Related to Cited Problems			X
1110.1430(e) - Staffing Availability	X	X	
1110.1430(f) - Support Services	X	X	X
1110.1430(g) - Minimum Number of Stations	X		
1110.1430(h) - Continuity of Care	X		
1110.1430(j) - Assurances	X	X	X

**APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST**

- Projects for relocation of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1110.130 - "Discontinuation" and subsection 1110.1430(i) - "Relocation of Facilities".

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

**VIII. - 1120.120 - Availability of Funds**

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

<u>177,010</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and</li> <li>2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;</li> </ol>
<u>N/A</u>	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
<u>N/A</u>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>114,600</u>	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> <li>1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;</li> <li>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
<u>N/A</u>	<p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;</p>
<u>N/A</u>	<p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p>
<u>N/A</u>	<p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<b><u>\$291,610</u></b>	<b>TOTAL FUNDS AVAILABLE</b>

**APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**IX. 1120.130 - Financial Viability**

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

**Financial Viability Waiver**

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

**APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio	<b>APPLICANT MEETS THE FINANCIAL VIABILITY WAIVER CRITERIA IN THAT ALL OF THE PROJECTS CAPITAL EXPENDITURES ARE COMPLETELY FUNDED THROUGH INTERNAL SOURCES, THEREFORE NO RATIOS ARE PROVIDED.</b>			
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

**APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**X. 1120.140 - Economic Feasibility**

**This section is applicable to all projects subject to Part 1120.**

**A. Reasonableness of Financing Arrangements**

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
  - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
  - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

**B. Conditions of Debt Financing**

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

**C. Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

- 1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
<b>TOTALS</b>									

\* Include the percentage (%) of space for circulation

**D. Projected Operating Costs**

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

**E. Total Effect of the Project on Capital Costs**

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

**APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XI. Safety Net Impact Statement**

**SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:**

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

**Safety Net Impact Statements shall also include all of the following:**

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

**A table in the following format must be provided as part of Attachment 40.**

Safety Net Information per PA 96-0031			
CHARITY CARE			
Net Revenue	2011	2012	2013
	\$362,977,407	\$387,393,758	\$398,570,288
Charity * (# of self-pay patients)	93	203	642
Charity (cost in dollars)	\$642,947	\$1,536,372	\$5,346,976
Ratio Charity Care Cost to Net Patient Revenue	0.18%	.40%	1.34%
MEDICAID			
	2011	2012	2013
Medicaid (# of patients)	1,865	1,705	1,660
Medicaid (revenue)	\$42,367,328	\$36,254,633	\$31,373,534
Ratio Medicaid to Net Patient Revenue	12%	12.99%	7.87%

**APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XII. Charity Care Information**

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 41.

CHARITY CARE			
	2011	2012	2013
<b>Net Patient Revenue</b>	<b>\$362,977,407</b>	<b>\$387,393,758</b>	<b>\$398,570,288</b>
Amount of Charity Care (charges)	\$642,947	\$1,566,380	\$5,346,976
Cost of Charity Care	\$642,947	\$1,566,380	\$5,346,976
	0.18%	.40%	1.34%

**APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant/Co-applicant Identification including Certificate of Good Standing	22-23
2	Site Ownership	24
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	25
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	26
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	27
8	Obligation Document if required	28
9	Cost Space Requirements	29
10	Discontinuation	
11	Background of the Applicant	30-35
12	Purpose of the Project	36
13	Alternatives to the Project	37-38
14	Size of the Project	39
15	Project Service Utilization	40
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	<b>Service Specific:</b>	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	41-55
27	Non-Hospital Based Ambulatory Surgery	
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	
35	Freestanding Emergency Center Medical Services	
	<b>Financial and Economic Feasibility:</b>	
36	Availability of Funds	
37	Financial Waiver	56-57
38	Financial Viability	
39	Economic Feasibility	58-62
40	Safety Net Impact Statement	63-64
41	Charity Care Information	65-67
	Appendix 1 – Physician Referral Letter	68-75

**Applicant Identification**

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: <i>WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Glendale Heights*</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Ron Kuerbitz</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02451</i>
Telephone Number: <i>800-662-1237</i>

**Type of Ownership of Applicant**

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

*\*Certificate of Good Standing for WSKC Dialysis Services, Inc. on following page.*

**Co - Applicant Identification**

[Provide for each co-applicant [refer to Part 1130.220].

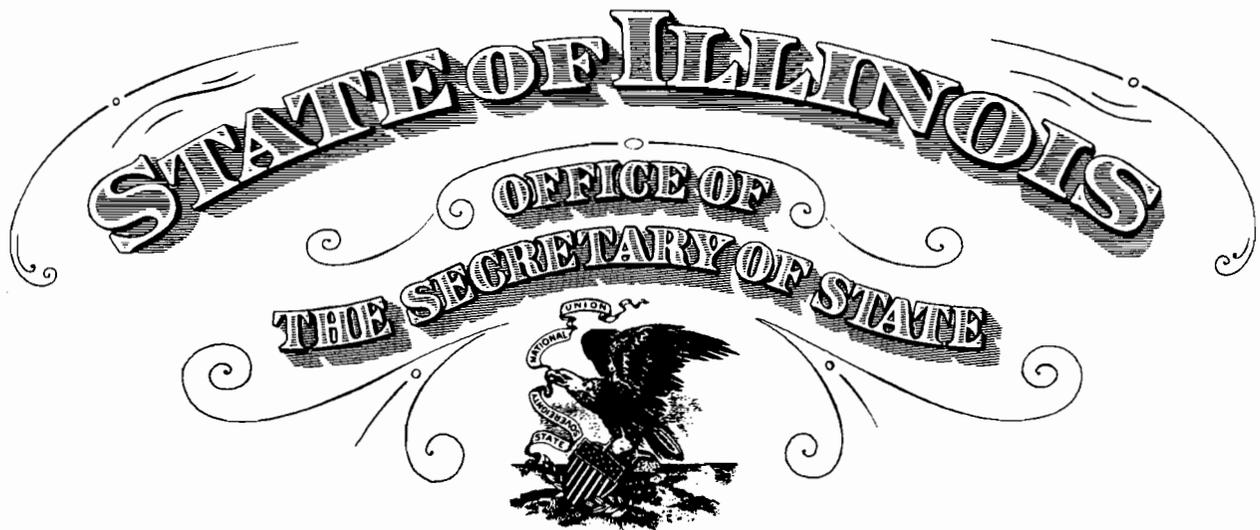
Exact Legal Name: <i>Fresenius Medical Care Holdings, Inc.</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Ron Kuerbitz</i>
CEO Address: <i>920 Winter Street, Waltham, MA 02541</i>
Telephone Number: <i>781-669-9000</i>

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**Type of Ownership – Co-Applicant**

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.



**To all to whom these Presents Shall Come, Greeting:**

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

WSKC DIALYSIS SERVICES, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 31, 1969, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1422701792

Authenticate at: <http://www.cyberdriveillinois.com>

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 15TH day of AUGUST A.D. 2014 .***

*Jesse White*

SECRETARY OF STATE

Certificate of Good Standing  
**ATTACHMENT 1**

## Site Ownership

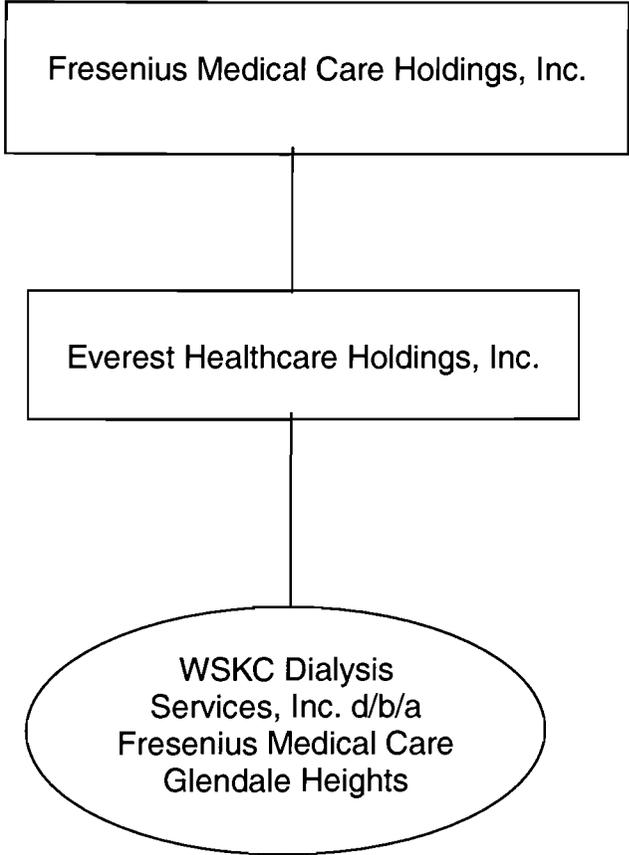
Exact Legal Name of Site Owner: <i>Glendale Heights Retail Investors, LLC</i>
Address of Site Owner: <i>One Trans AM Plaza, Suite 310, Oakbrook Terrace, IL 60181</i>
Street Address or Legal Description of Site: <i>130 E. Army Trail Road, Glendale Heights, 60139</i> Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
<b>APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

## Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: <i>WSKC Dialysis Services, Inc. d/b/a Fresenius Medical Care Glendale Heights</i>		
Address: <i>920 Winter Street, Waltham, MA 02451</i>		
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"><li>○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>○ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>○ <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>		

## Certificate of Good Standing at Attachment – 1.



**SUMMARY OF PROJECT COSTS**

<b>Modernization</b>	
Plumbing	12,000
<b>Total</b>	<b>\$12,000</b>
<b>Contingencies</b>	
	<b>\$0</b>
<b>Architecture/Engineering Fees</b>	
	<b>\$0</b>
<b>Moveable or Other Equipment</b>	
Dialysis Chairs	25,000
Clinical Furniture & Equipment	30,000
Office Equipment & Other Furniture	0
Water Treatment	0
TVs & Accessories	100,000
Telephones	10
Generator	0
Facility Automation	0
Other miscellaneous	10,000
	<b>\$165,010</b>
<b>Fair Market Value of Leased Space and Equipment</b>	
FMV Leased Dialysis Machines	114,600
	<b>\$114,600</b>
<b>Grand Total</b>	<b>\$291,610</b>

## **Project Status and Completion Schedules**

- Anticipated completion date is January 31, 2016.
- Project obligation will occur after permit issuance.
- **List of Current CON Permits**

<b>Project Number</b>	<b>Name</b>	<b>Project Type</b>	<b>Completion Date</b>
#10-063	Fresenius Lakeview	Expansion	04/15/2015
#12-046	Fresenius Spoon River	Relocation/Expansion	12/31/2014
#12-029	Fresenius SW Illinois	Relocation	08/01/2014
#12-069	Fresenius Pekin	Relocation/Expansion	10/31/2014
#12-095	Fresenius Waterloo	Establishment	02/28/2015
#12-098	Fresenius Monmouth	Establishment	02/28/2015
#E-010-13	Fresenius Naperville North	Expansion	04/30/2015
#13-008	Fresenius Chicago Kidney Center	Relocation	12/31/2014
#13-053	Fresenius Evanston	Expansion	11/15/2015
#14-010	Fresenius Highland Park	Establishment	11/30/2015
#14-012	Fresenius Gurnee	Relocation/Expansion	12/31/2015
#14-019	Fresenius Summit	Establishment	12/31/2015

**Cost Space Requirements**

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
In-Center Hemodialysis	291,600	1,200			1,200		
Total Clinical	291,600	1,200			1,200		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	<b>\$291,600</b>	<b>1,200</b>			<b>1,200</b>		

**APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## **Fresenius Medical Care**

Fresenius Medical Care is the leading provider of dialysis products and services in the world and as such has a long-standing commitment to adhere to high quality standards, to provide compassionate patient centered care, educate patients to become in charge of their health decisions, implement programs to improve clinical outcomes while reducing mortality & hospitalizations and to stay on the cutting edge of technology in development of dialysis related products.

The size of the company and range of services provides healthcare partners/employees and patients with an expansive range of resources from which to draw experience, knowledge and best practices. It has also allowed it to establish an unrivaled emergency preparedness and disaster relief program that's designed to provide life sustaining dialysis care to dialysis patients whose access to clinics are disrupted in areas of the U.S. that are compromised by disaster (e.g. hurricanes, tornadoes, earthquakes). Through this program we also provide clinics, employees and others with essential supplies such as generators, gasoline and water.

**Quality Measures** – Fresenius Medical Care continually tracks five quality measures on all patients. These are:

- eKdrt/V – tells us if the patient is getting an adequate treatment
- Hemoglobin – monitors patients for anemia
- Albumin – monitors the patient's nutrition intake
- Phosphorus – monitors patient's bone health and mineral metabolism
- Catheters – tracks patients access for treatment, the goal is no catheters which leads to better outcomes

The above measures as well as other clinic operations are discussed each month with the Medical Directors, Clinic Managers, Social Workers, Dietitians, Area Managers and referring nephrologists at each clinic's Quality Assessment Performance Improvement (QAI) meeting to ensure the provision of high quality care, patient safety, and regulatory compliance.

**INITIATIVES** that Fresenius has implemented to bring about better outcomes and increase the patient's quality of life are the TOPS program, Right Start Program and The Catheter Reduction Program.

**TOPs Program** (Treatment Options) – This is a company-wide program designed to reach the pre-ESRD patient (also known as CKD – Chronic Kidney Disease) to educate them about available treatment options when they enter end stage renal disease. TOPs programs are held routinely at local hospitals and physician offices. Treatment options include transplantation, in-center hemodialysis, home hemodialysis, peritoneal dialysis and nocturnal dialysis.

**Right Start Program** – This is an intensive 90-day intervention program for the new dialysis patient centering on education, anemia management, adequate dialysis dose, nutrition, reduction of catheter use, review of medications and logistical and psychosocial support. The Right Start Program results in improved morbidity and mortality in the long term but also notably in the first 90 days of the start of dialysis.

**Catheter Reduction Program** – This is a key strategic clinical initiative to support nephrologists and clinical staff with increasing the number of patients dialyzed with a permanent access, preferably a venous fistula (AVF) versus a central venous catheter (CVC) venous fistula). Starting dialysis with or converting patients to an AVF can significantly lower serious complications, hospitalizations and mortality rates. Overall adequacy of dialysis treatment also increases with the use of the AVF.

**Diabetes Care Partnership** - Fresenius Medical Care and Joslin Diabetes Center, the world's preeminent diabetes research, clinical care and education organization, announced an agreement to jointly develop renal care programs in select Joslin Affiliated Centers for patients with diabetic kidney disease (DKD). Fresenius and Joslin will jointly develop clinical guidelines and effective care delivery systems to manage high blood pressure, glucose, and nutrition in patients with DKD. In addition, the organizations will help educate patients as they prepare for the possibility of end stage renal disease (ESRD) and the necessity for dialysis or kidney transplantation. Fresenius Medical Care and Joslin's multidisciplinary and coordinated approach to chronic disease management will seek to improve patient outcomes while reducing unnecessary or lengthy hospitalizations, drug interactions and overall morbidity and mortality associated with uncoordinated care.

**Locally**, in Illinois, Fresenius Medical Care is a predominant supporter of the National Kidney Foundation of Illinois (NKFI), Kidney Walk in downtown Chicago. Fresenius Medical Care employees in Chicago alone raised almost \$15,000 for the foundation. The NKFI is an affiliate of the National Kidney Foundation, which funds medical research improving lives of those with kidney disease, prevention screenings and is a leading educator on kidney disease. Fresenius Medical Care also donates another \$25,000 annually to the NKFI and another \$5,000 in downstate Illinois.

**Fresenius Medical Care Holdings, Inc. In-center Clinics in Illinois**

Clinic	Provider #	Address	City	Zip	Fac > 10% Medicaid Treatments
Alsip	14-2630	12250 S. Cicero Ave Ste. #105	Alsip	60803	
Antioch	14-2673	311 Depot St., Ste. H	Antioch	60002	
Aurora	14-2515	455 Mercy Lane	Aurora	60506	
Austin Community	14-2653	4800 W. Chicago Ave., 2nd Fl.	Chicago	60651	17%
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402	17%
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406	
Bolingbrook	14-2605	329 Remington	Boilingbrook	60440	
Breese	14-2637	160 N. Main Street	Breese	62230	
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609	26%
Burbank	14-2641	4811 W. 77th Street	Burbank	60459	15%
Carbondale	14-2514	1425 Main Street	Carbondale	62901	
Centre West Springfield	14-2546	1112 Centre West Drive	Springfield	62704	
Champaign	14-2588	1405 W. Park Street	Champaign	61801	
Chatham	14-2744	333 W. 87th Street	Chicago	60620	
Chicago Dialysis	14-2506	1806 W. Hubbard Street	Chicago	60622	35%
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608	38%
Cicero	14-2754	3000 S. Cicero	Chicago	60804	28%
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624	23%
Crestwood	14-2538	4861W. Cal Sag Road	Crestwood	60445	
Decatur East	14-2603	1830 S. 44th St.	Decatur	62521	
Deerfield	14-2710	405 Lake Cook Road	Deerfield	60015	
Des Plaines	14-2774	1625 Oakton Place	Des Plaines	60018	
Downers Grove	14-2503	3825 Highland Ave., Ste. 102	Downers Grove	60515	
DuPage West	14-2509	450 E. Roosevelt Rd., Ste. 101	West Chicago	60185	18%
DuQuoin	14-2595	825 Sunset Avenue	DuQuoin	62832	
East Peoria	14-2562	3300 North Main Street	East Peoria	61611	
Elgin	14-2726	2130 Point Boulevard	Elgin	60123	18%
Elk Grove	14-2507	901 Biesterfield Road, Ste. 400	Elk Grove	60007	
Elmhurst	14-2612	133 E. Brush Hill Road, Suite 4	Elmhurst	60126	
Evanston	14-2621	2953 Central Street, 1st Floor	Evanston	60201	11%
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805	
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609	16%
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139	13%
Glenview	14-2551	4248 Commercial Way	Glenview	60025	11%
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619	19%
Gurnee	14-2549	101 Greenleaf	Gurnee	60031	21%
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429	
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195	14%
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649	26%
Joliet	14-2739	721 E. Jackson Street	Joliet	60432	
Kewanee	14-2578	230 W. South Street	Kewanee	61443	
Lake Bluff	14-2669	101 Waukegan Rd., Ste. 700	Lake Bluff	60044	11%
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613	13%
Logan Square	14-2766	2721 N. Spalding	Chicago	60647	
Lombard	14-2722	1940 Springer Drive	Lombard	60148	
Macomb	14-2591	523 E. Grant Street	Macomb	61455	
Marquette Park	14-2566	6515 S. Western	Chicago	60636	14%
McHenry	14-2672	4312 W. Elm St.	McHenry	60050	
McLean Co	14-2563	1505 Eastland Medical Plaza	Bloomington	61704	
Melrose Park	14-2554	1111 Superior St., Ste. 204	Melrose Park	60160	21%
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803	
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960	15%
Midway	14-2713	6201 W. 63rd Street	Chicago	60638	11%
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448	
Monmouth(Maple City)		1225 N. Main Street	Monmouth	61462	
Morris	14-2596	1401 Lakewood Dr., Ste. B	Morris	60450	
Mundelein	14-2731	1400 Townline Road	Mundelein	60060	
Naperbrook	14-2765	2451 S Washington	Naperville	60565	
Naperville	14-2543	100 Spalding Drive Ste. 108	Naperville	60566	
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563	
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714	

Clinic	Provider #	Address	City	Zip	Fac > 10% Medicaid Treatments
Normal		1531 E. College Avenue	Normal	61761	
Norridge	14-2521	4701 N. Cumberland	Norridge	60656	13%
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160	
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630	18%
Northcenter	14-2531	2620 W. Addison	Chicago	60618	27%
Northfield	14-2771	480 Central Avenue	Northfield	60093	11%
Northwestern University	14-2597	710 N. Fairbanks Court	Chicago	60611	
Oak Forest	14-2764	5340A West 159th Street	Oak Forest	60452	
Oak Park	14-2504	773 W. Madison Street	Oak Park	60302	
Orland Park	14-2550	9160 W. 159th St.	Orland Park	60462	
Oswego	14-2677	1051 Station Drive	Oswego	60543	
Ottawa	14-2576	1601 Mercury Circle Drive, Ste. 3	Ottawa	61350	
Palatine	14-2723	691 E. Dundee Road	Palatine	60074	
Pekin	14-2571	3521 Veteran's Drive	Pekin	61554	
Peoria Downtown	14-2574	410 W Romeo B. Garrett Ave.	Peoria	61605	
Peoria North	14-2613	10405 N. Juliet Court	Peoria	61615	
Plainfield	14-2707	2320 Michas Drive	Plainfield	60544	
Polk	14-2502	557 W. Polk St.	Chicago	60607	19%
Pontiac	14-2611	804 W. Madison St.	Pontiac	61764	
Prairie	14-2569	1717 S. Wabash	Chicago	60616	
Randolph County	14-2589	102 Memorial Drive	Chester	62233	
Regency Park	14-2558	124 Regency Park Dr., Suite 1	O'Fallon	62269	
River Forest	14-2735	103 Forest Avenue	River Forest	60305	
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645	19%
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008	12%
Roseland	14-2690	135 W. 111th Street	Chicago	60628	27%
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621	22%
Round Lake	14-2616	401 Nippersink	Round Lake	60073	11%
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946	
Sandwich	14-2700	1310 Main Street	Sandwich	60548	
Skokie	14-2618	9801 Wood Dr.	Skokie	60077	
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617	15%
South Deering	14-2756	10559 S. Torrence Ave.	Chicago	60617	
South Holland	14-2542	17225 S. Paxton	South Holland	60473	
South Shore	14-2572	2420 E. 79th Street	Chicago	60649	10%
Southside	14-2508	3134 W. 76th St.	Chicago	60652	19%
South Suburban	14-2517	2609 W. Lincoln Highway	Olympia Fields	60461	
Southwestern Illinois	14-2535	7 Professional Drive	Alton	62002	
Spoon River	14-2565	340 S. Avenue B	Canton	61520	
Spring Valley	14-2564	12 Wolfer Industrial Drive	Spring Valley	61362	
Steger	14-2725	219 E. 34th Street	Steger	60475	
Streator	14-2695	2356 N. Bloomington Street	Streator	61364	
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640	24%
Waterloo		513-535 Hamacher Street	Waterloo	62298	
Waukegan Harbor	14-2727	101 North West Street	Waukegan	60085	
West Batavia	14-2729	2580 W. Fabyan Parkway	Batavia	60510	
West Belmont	14-2523	4943 W. Belmont	Chicago	60641	35%
West Chicago	14-2702	1859 N. Neltnor	West Chicago	60185	11%
West Metro	14-2536	1044 North Mozart Street	Chicago	60622	25%
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302	13%
West Willow	14-2730	1444 W. Willow	Chicago	60620	
Westchester	14-2520	2400 Wolf Road, Ste. 101A	Westchester	60154	
Williamson County	14-2627	900 Skyline Drive, Ste. 200	Marion	62959	
Willowbrook	14-2632	6300 S. Kingery Hwy, Ste. 408	Willowbrook	60527	

\*Medicaid percentages are reflected in treatments, not patients. Any patient can have more than one type of coverage in any given year, therefore treatment numbers reflects more accurately the clinic's % of coverage. Only clinics above 10% Medicaid are reported here to show those facilities with significant Medicaid numbers.

All Illinois Clinics are Medicare certified, and do not discriminate against patients based on their ability to pay or payor source.

All clinics are open to all physicians who meet credentialing requirements.

Certification & Authorization

WSKC Dialysis Services, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against WSKC Dialysis Services, Inc. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities & Services Review Board; and

In regards to section III, A (3) of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: [Signature]  
ITS: Mark Fawcett  
Vice President & Treasurer

By: [Signature]  
ITS: Bryan Mello  
Assistant Treasurer

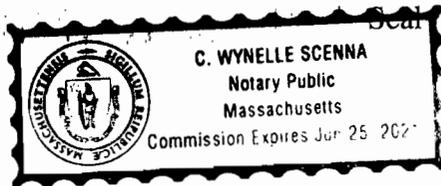
Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Notarization:  
Subscribed and sworn to before me  
this 20 day of August, 2014

[Signature]  
Signature of Notary

[Signature]  
Signature of Notary

Seal



Certification & Authorization

Fresenius Medical Care Holdings, Inc.

In accordance with Section III, A (2) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby certify that no adverse actions have been taken against Fresenius Medical Care Holdings, Inc. by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities Planning Board; and

In regards to section III, A (3) of the Illinois Health Facilities Planning Board Application for Certificate of Need; I do hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

By: [Signature]  
ITS: Mark Fawcett  
Vice President & Treasurer

By: [Signature]  
ITS: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014

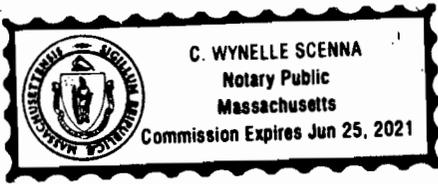
Notarization:  
Subscribed and sworn to before me  
this 20 day of August, 2014

C Wynelle Scenna  
Signature of Notary

Signature of Notary

Seal

Seal



## Criterion 1110.230 – Purpose of Project

1. The purpose of this project is to maintain life-sustaining dialysis services, cost effectively, in the Glendale Heights area by adding 8 stations in existing space at the Fresenius Glendale Heights ESRD facility currently operating at 89% utilization with 21 stations. The addition will raise the total station count at the facility to 29.
2. This facility is located in Glendale Heights in northwest DuPage County, which is part of HSA 7.
3. The Glendale Heights facility has operated above 80% for many years resulting in the addition of stations, most recently in 2013. The facility also relocated in 2013, due to flooding at its previous site, into a larger space with room for expansion. The facility continues to operate above 80%, currently at 89% utilization with 112 patients.
4. Not Applicable
5. Increasing the station count at the Fresenius Glendale Heights facility will maintain access to dialysis services in the Glendale Heights area, which has historically experienced high utilization rates. The additional stations will also provide patients with a choice of treatment shift times that would better coordinate with their home life, employment and transportation options.
6. The goal of Fresenius Medical Care is to keep dialysis access available to this patient population. There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications. It is expected that this facility would continue to have similar quality outcomes after the relocation. Currently the Glendale Heights patients have the quality values below:
  - 96% of patients had a URR  $\geq$  65%
  - 96% of patients had a Kt/V  $\geq$  1.2

## Alternatives

### 1) All Alternatives

A-C. Several alternatives to this project have already been considered and acted upon. These are listed below.

- The alternative of adding fewer stations was rejected. As recently as 2013 four additional stations were added to this facility, which brought the utilization just below 80%. Despite this the facility is at 89% utilization due to high demand. The physician referral letter reflects this demand will he will continue to support the 8 stations at target utilization.
- Relocating and building a new facility versus expanding the current site is not a cost effective alternative. The current site was recently chosen with ample square footage included to allow for future expansion if/when necessary. Using occupied space to expand is less costly than building a new facility to provide access. The cost of relocating into a larger space was \$4,421,707.
- The facility is not currently a joint venture and simply adding stations does not warrant the creation of a joint venture nor would it address the needed access. The physicians do not desire to invest in the facility at this time. The cost of the project if it were a joint venture would be the same with the JV partner sharing the cost.

D. The best alternative for addressing the patient's need for additional access while maintaining cost effectiveness is to add 8 stations at the current site as outlined in this application. The cost of this project is minimal at \$291,610.

**2) Comparison of Alternatives**

	<b>Total Cost</b>	<b>Patient Access</b>	<b>Quality</b>	<b>Financial</b>
Project of lesser scope – addition of 4 stations.	Rejected as insufficient due to current utilization and growth at facility. Recently added 4 stations and still above 80%.			
Relocate and add stations	Not cost effective – recently relocated facility has ample room to expand.			
Admit patients to other area facilities.	Physicians already admit to various area facilities.			
Establish a Joint Venture	\$ 291,610	Same as current project.	Same as current project.	Same as current project, however JV Partner would share in costs.
Expand Fresenius Glendale Heights by 8 stations.	\$291,610	Access to dialysis treatment will be maintained in the Glendale Heights area. Patients will have treatment shift options with additional stations.	Fresenius Medical Care Glendale Heights quality is above standard and it is expected to remain so.  With access to treatment patient's transportation problems will decrease and thus missed treatments keeping quality high.	This cost is to Fresenius only.  The patients will benefit by having lower transportation costs.

**3. Empirical evidence, including quantified outcome data that verifies improved quality of care, as available.**

There is no direct empirical evidence relating to this project other than that when chronic care patients have adequate access to services, it tends to reduce overall healthcare costs and results in less complications Fresenius Glendale Heights has had above standard quality outcomes as demonstrated below.

- 96% of patients had a URR  $\geq$  65%
- 96% of patients had a Kt/V  $\geq$  1.2

**Criterion 1110.234, Size of Project**

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD 450-650 BGSF Per Station</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD IN-CENTER HEMODIALYSIS SPACE TO BE MODERNIZED	1,200 (8 Stations)	3,600 – 5,200 BGSF	None	Yes
ESRD IN-CENTER TOTAL LEASED SPACE	12,300 (29 Stations)	13,050 – 18,850 BGSF	None	Yes

As seen in the chart above, the State Standard for ESRD is between 450 - 650 BGSF per station. The space to be modernized for the additional 8 stations is 1,200 BGSF and does not exceed the State standard.

**Criterion 1110.234, Project Services Utilization**

<b>UTILIZATION</b>					
	<b>DEPT/SERVICE</b>	<b>HISTORICAL UTILIZATION</b>	<b>PROJECTED UTILIZATION</b>	<b>STATE STANDARD</b>	<b>MET STANDARD?</b>
	IN-CENTER HEMODIALYSIS	89% Sept. 2014 21 stations		80%	Yes
<b>YEAR 1*</b>	IN-CENTER HEMODIALYSIS	29 stations	90%	80%	Yes
<b>YEAR 2*</b>	IN-CENTER HEMODIALYSIS	29 stations	99%	80%	Yes

\*With additional 8 stations

As seen in the chart above, the facility has already met the State standard utilization target of 80%. While some of these pre- ESRD patients may choose home dialysis, it is impossible to determine which patients will choose this modality. Therefore, all are included in the total count of pre-ESRD for the Glendale Heights facility. Taking this into account natural patient attrition of ESRD patients, the facility is expected to reach and maintain utilization above the State standard of 80%.

**2. Planning Area Need – Service To Planning Area Residents:**

- A. The primary purpose of this project is to provide in-center hemodialysis services to the residents of the Glendale Heights area in HSA 7. 100% of the pre-ESRD patients reside in HSA 7 and 100% of the current Glendale Heights clinic patients also reside in HSA 7.

**Current Glendale Heights Patients**

Zip Code	Patients
60101	14
60103	1
60104	1
60108	20
60133	4
60137	7
60139	28
60148	3
60172	2
60187	1
60188	29
60189	1
60609	1
<b>Total</b>	<b>112</b>

HSA	# Current Fresenius Medical Care Glendale Heights Patients
<b>7</b>	<b>112 – 100%</b>

**Pre-ESRD**

Zip Code	Patients
60101	6
60103	17
60106	1
60108	19
60126	2
60133	14
60137	27
60139	30
60143	1
60148	5
60172	7
60181	2
60184	1
60185	43
60187	40
60188	59
60190	19
<b>Total</b>	<b>293</b>

HSA	# Pre-ESRD Patients Identified who could be referred to Fresenius Medical Care Glendale Heights
<b>7</b>	<b>293 – 100%</b>

## Service Demand – Expansion of In-center Hemodialysis Service

### A. Historical Service Demand

- i) The Glendale Heights 21-station facility has been operating at an average utilization rate of 84% for the past 12 months despite the addition of 4 stations in 2013 per #13-027. The clinic is currently at 89% utilization with 21-stations and 112 patients.

See attached physician support/referral letter on following page.



October 30, 2014

**Nephrology Associates**

**Gregory A. Kozeny, M.D.**

**Ernest F. DeJesus, M.D.**

**Jeffrey J. Kropp, M.D.**

**Maureen Chapman, APN  
Nurse Practitioner**

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

Dear Ms. Avery:

My name is Ernest DeJesus, M.D. and I am the Medical Director of the Fresenius Medical Care Glendale Heights dialysis facility and am in practice with Nephrology Associates of Northern Illinois (NANI). The Glendale Heights facility has been operating above 80% utilization for many years. Four additional stations were added in 2013 and still the facility remains at a high utilization, 89%. In order to provide continued access to dialysis services for patients in the Glendale Heights area additional stations are needed for this facility. I am writing to express my support for the Fresenius proposal to expand the Glendale Heights facility by 8 more stations to accommodate our practice's patients who live in this area that will be requiring dialysis treatment in the near future.

My partners and I at NANI have referred 127 new patients for hemodialysis services over the past twelve months. We were treating 403 hemodialysis patients at the end of 2011, 417 at the end of 2012, 426 at the end of 2013 and as of June 30, 2014 we were treating 438 hemodialysis patients. We have approximately 293 Pre-ESRD patients in stage 3 and 4 living in the Glendale Heights area that I expect would begin dialysis in the first two years after the new stations are operable. However, because of the natural attrition of patients and those stage 4 patients who will not require dialysis until three years out, I expect that approximately 105 of these patients will begin dialysis during this time at the Fresenius Glendale Heights facility.

To keep dialysis access available to this growing ESRD population, I ask the Board to please vote in favor of the

25 N. Winfield Road  
Suite 414  
Winfield, IL 60190  
630.690.1220  
Fax: 630.690.5323



**Nephrology Associates**

**Gregory A. Kozeny, M.D.**

**Ernest F. DeJesus, M.D.**

**Jeffrey J. Kropp, M.D.**

**Maureen Chapman, APN  
Nurse Practitioner**

25 N. Winfield Road  
Suite 414  
Winfield, IL 60190  
630.690.1220  
Fax: 630.690.5323

Fresenius Medical Care Glendale Heights 8-station expansion.  
Thank you for your consideration.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

Sincerely,

Ernest DeJesus, M.D.

Notarization:

Subscribed and sworn to before me  
this 31<sup>ST</sup> day of October, 2014

\_\_\_\_\_  
Signature of Notary  
(Seal)



**PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO THE  
GLENDALE HEIGHTS FACILITY IN THE 1<sup>ST</sup> 2 YEARS  
AFTER PROJECT COMPLETION**

<b>Zip Code</b>	<b>Patients</b>
60101	6
60103	17
60106	1
60108	19
60126	2
60133	14
60137	27
60139	30
60143	1
60148	5
60172	7
60181	2
60184	1
60185	43
60187	40
60188	59
60190	19
<b>Total</b>	<b>293</b>

There are 293 patients currently identified who live in the Glendale Heights area that would be expected to begin dialysis at the Glendale Heights facility within two years of the addition of the 8 stations. Due to patient attrition, I expect approximately 105 to begin dialysis during that time.

**CURRENT FRESENIUS GLENDALE HEIGHTS PATIENTS**

<b>Zip Code</b>	<b>Patients</b>
60101	14
60103	1
60104	1
60108	20
60133	4
60137	7
60139	28
60148	3
60172	2
60187	1
60188	29
60189	1
60609	1
<b>Total</b>	<b>112</b>

**NEW REFERRALS OF NANI FOR THE PAST TWELVE MONTHS  
10/01/2013 THROUGH 09/30/2014**

Zip Code	Fresenius Medical Care										Tri Cities	Total
	Bolingbrook	DuPage West	West Batavia	Lombard	Naperbrook	Plainfield	Glendale Heights	Naperville	Naperville North	West Chicago		
60016	1											1
60073								1				1
60101							2			1		3
60103										1		1
60107							1					1
60108							1			1		2
60119											1	1
60133		1					2					3
60134			1									1
60137		1		1			1					3
60138							1					1
60139		1					3			1		5
60148				2			1					3
60174			1									1
60175											1	1
60181							1		1			2
60185		5								1		6
60187		2					2					4
60188							6			4		10
60189		3			1							4
60190		1								1		2
60404						2						2
60435						1						1
60436						1						1
60439	1											1
60440	6				1			1	2			10
60441									1			1
60446	3											3
60447									1			1
60490	1											1
60503									1			1
60504								1				1
60505									1			1
60506			1									1
60510			1							1		2
60514	1											1
60517	3								1			4
60525								1				1
60532									1			1
60540								2	4			6
60543									1			1
60544	6					2						8
60555		3					1					4
60563		1						1	3			5
60564					1			2				3
60565					1				2			3
60585						1						1
60586						2						2
60608	1											1
60609							1					1
60636									1			1
60644					1							1
<b>Total</b>	<b>23</b>	<b>18</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>9</b>	<b>23</b>	<b>9</b>	<b>20</b>	<b>11</b>	<b>2</b>	<b>127</b>

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**PATIENTS OF NANI AS OF DECEMBER 31, 2011**

Zip Code	Fresenius Medical Care						Total
	Bolingbrook	DuPage West	Plainfield	Glendale Heights	Naperville	Naperville North	
60074					1		1
60101				5			5
60103		1					4
60107		1					1
60108		1		8			2
60112		1					1
60119						1	1
60120						1	1
60123		1					1
60126			1			2	3
60131				1			1
60133				6			5
60134							0
60137		1		8		1	10
60138		2					2
60139		1		17	1		1
60140						1	1
60148				1		1	2
60172		1					1
60174		1					2
60175				1			1
60181				1	2		3
60185		23					6
60187		5		3		1	1
60188		5		16			2
60189		3		3		2	8
60190		6					6
60193		1					1
60402					1		1
60432	1						1
60433	1						1
60435			1				1
60438			1				1
60439	2						2
60440	39				7	1	47
60446	12		2		1	1	16
60447			1				1
60453						1	1
60490	5				5	2	12
60502		1				3	4
60503						1	1
60504		1			6	5	12
60505		1			3	2	6
60506					1		1
60510		2					2
60513						1	1
60515					1		1
60516	1						1
60517	4				6	3	13
60523					1		1
60527		1					1
60532					6	6	12
60540					7	13	1
60543		1			1		2
60544	6		2		2		10
60555		8			2		10
60559					1		1
60563	1	2			4	10	17
60564			1		7	3	11
60565					8	5	13
60585	1		1				2
60586			3				3
60608						1	1
60612				1			1
60617						1	1
60636					1		1
60638						1	1
60643				1			1
60803	1						1
62704						1	1
63146		1					1
65020					1		1
<b>Total</b>	<b>74</b>	<b>72</b>	<b>13</b>	<b>72</b>	<b>76</b>	<b>66</b>	<b>405</b>

**PATIENTS OF NANI AS OF DECEMBER 31, 2012**

Zip Code	Fresenius Medical Care								Total
	Bolingbrook	DuPage West	West Batavia	Plainfield	Glendale Heights	Naperville	Naperville North	West Chicago	
60074						1			1
60101					8				8
60103		1						7	8
60106					2				2
60107		1						1	2
60108		1			8			1	10
60119								1	1
60120								1	1
60123		1							1
60126				1			2		3
60131					1				1
60133					6			3	9
60137		1			6				7
60138		2							2
60139		1			18	1		1	21
60140								1	1
60142						1			1
60143					1				1
60148					1		1		2
60172					2				2
60174		2	3					1	6
60175					1				1
60177			1					1	2
60181					1	1			2
60185		24						7	31
60187		6			2		2	1	11
60188		5			17			2	24
60189		2			1		2		5
60190		5							5
60402						1			1
60403				1					1
60432	1					1			2
60433	1								1
60439	1								1
60440	40					9	2		51
60441	2								2
60446	13			2		1	1		17
60453								1	1
60490	8					1	3		12
60502							3		3
60503						1	1		2
60504		1				7	5		13
60505		1				2	2		5
60506			1			1			2
60510		1	1						2
60513							1		1
60515						1			1
60516	1								1
60517	3					6	3		12
60523						1			1
60527		1							1
60532						5	8		13
60538		1							1
60540						5	12		17
60543		1				1	1		3
60544	7					2			9
60554		1	1						2
60555		6				1			7
60559						1			1
60563	1	1				3	12		17
60564						8	2		10
60565						11	6		17
60585	1			1					2
60586		1		3			1		5
60612					1				1
60618								1	1
60636						1			1
60637	1								1
60643					1				1
60803	1								1
61071						1			1
63146		1							1
65020						1			1
<b>Total</b>	<b>81</b>	<b>68</b>	<b>7</b>	<b>8</b>	<b>77</b>	<b>76</b>	<b>70</b>	<b>20</b>	<b>412</b>

48

**PATIENTS OF NANI AS OF DECEMBER 31, 2013**

Zip Code	Fresenius Medical Care								Tri-Cities	USR Oak Brook	Total
	Bolingbrook	DuPage West	West Batavia	Plainfield	Glendale Heights	Naperville	Naperville North	West Chicago			
60016	1										1
60026						1					1
60073							1				1
60074						1					1
60101					7			1			8
60103					1			8			9
60107		1						1			2
60108		2			10						12
60119			1					1			2
60120								1			1
60126				1			1				2
60133					8			4			12
60134		1	1								2
60137		2			5		1				8
60138		2			1						3
60139		1			21	1		1			24
60140								1			1
60143					1						1
60148					2		1				3
60153	1										1
60164							1				1
60172					2						2
60174		1	2					1	1		5
60181						1					1
60185		29						6			35
60187		5			3		1				9
60188		3			14			1			18
60189		2			2		2				6
60190		4						1			5
60302						1					1
60403				1							1
60404				1							1
60410				1							1
60439	3										3
60440	42					5	3			1	51
60441	1										1
60446	12			3		1					16
60447				1							1
60490	7						2				9
60502							2				2
60503						1	1				2
60504		1				6	7				14
60505		1	1			2	2				6
60506			2			1					3
60510		2	1						1		4
60513							1				1
60515						1					1
60516	1										1
60517	3					7	3				13
60532						6	7				13
60540						5	10				15
60543		1					1				2
60544	5			2		3					10
60554		1	1								2
60555		7				1					8
60559						1		1			2
60563						2	15				17
60564				2		6	2				10
60565	2					11	6				19
60585	1			3							4
60586		1		4			1				6
60612					1						1
60624							1				1
60636						1					1
60641		1									1
60643					1						1
60644		1									1
60803	1										1
60804				1							1
61071						1					1
Total	80	69	9	20	79	66	72	28	2	1	426

**PATIENTS OF NANI AS OF JUNE 30, 2014**

Zip Code	Fresenius Medical Care								Tri Cities	USR Oak Brook	Total
	Bolingbrook	DuPage West	West Batavia	Naperbrook	Plainfield	Glendale Heights	Naperville North	West Chicago			
60026				1							1
60074				1							1
60101						10					10
60103		1				1		9			11
60106						1					1
60107		1						1			2
60108						13					13
60119								1			1
60120			1					1			2
60126					1						1
60133						7		3			10
60134			2								2
60137		2				4	1				7
60138		2						1			3
60139		1		1		20		1			23
60140								1			1
60143						1					1
60148						3	1				4
60153	1										1
60172						2					2
60174		1	1					1			3
60175									1		1
60181				1							1
60185		26	1					8			35
60187		4				2					6
60188		2				18		3			23
60189		4		1		2	2				9
60190		6						1			7
60302				1							1
60403					1						1
60404				1	2						3
60435					1						1
60436				1							1
60439	4										4
60440	38			9			3			1	51
60441	1						1				2
60446	14			1	2						17
60447					1						1
60490	7			1		1	1				10
60502							2				2
60503				1			2				3
60504		1		5			6				12
60505		1	1	1			3				6
60506			2								2
60510		2	1								3
60513							1				1
60515				1							1
60516	1										1
60517	3			6			4				13
60532				6			5				11
60540				6			11				17
60543		1									1
60544	10			2	2						14
60554		1	1								2
60555		7		1			1				9
60559				1				1			2
60563				2			12				14
60564				8	2		2				12
60565	2			12			6				20
60585	1				3						4
60586					5						5
60609						1					1
60612						1					1
60624							1				1
60636							1				1
60643						1					1
60644		1		1							2
60803	1										1
60804					1						1
<b>Total</b>	<b>83</b>	<b>64</b>	<b>10</b>	<b>72</b>	<b>21</b>	<b>88</b>	<b>66</b>	<b>32</b>	<b>1</b>	<b>1</b>	<b>438</b>

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Ernest DeJesus, M.D. is currently the Medical Director for Fresenius Medical Care Glendale Heights and will continue to be the Medical Director. Attached is his curriculum vitae.

B. All Other Personnel

The Glendale Heights facility currently employs the following staff:

- Clinic Manager who is a Registered Nurse
- Charge Nurse who is a Registered Nurse
- 6.5 Registered Nurses
- 9 Patient Care Technicians
- 1 Part-time Registered Dietitian
- 1 Part-time Licensed Master level Social Worker
- 1 Part-time Equipment Technician
- Full-time Secretary

After the expansion the facility will hire an additional 2 Registered Nurses and 4 Patient Care Technicians. The Dietitian, Social Worker and Equipment Technician will move to full-time hours.

- 3) All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing a 9 week orientation training program through the Fresenius Medical Care staff education department.

Annually all clinical staff must complete OSHA training, Compliance training, CPR Certification, Skills Competency, CVC Competency, Water Quality training and pass the Competency Exam.

- 4) The above staffing model is required to maintain a 4 to 1 patient-staff ratio at all times on the treatment floor. A RN will be on duty at all times when the facility is in operation.

# Ernest DeJesus, MD

## PERMANENT HOME ADDRESS/PERSONAL DATA

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Birthplace: Cleveland, OH

## EMPLOYMENT HISTORY

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**Nephrology Associates of Northern Illinois** 2005-Present  
*Regional Office/DuPage West; Physician/Group practice*  
www.kidneyphysicians.com

## PRACTICE AND BUSINESS ADDRESS

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Primary Office Address:  
25 N Winfield Road, Suite 414  
Winfield, IL 60190 630-690-1220

Remittance Address: PO Box 3369, Oak Park IL 60303

**Credentialing/Business Correspondence Address:**  
Nephrology Associates No. Illinois  
855 Madison Street, Oak Park, IL 60302

## EDUCATION / TRAINING

---

Nephrology Fellowship/Northwestern University, Chicago IL 7/2003-6/2005  
McGaw Medical Center of Feinberg School of Medicine

Internal Medicine Residency/Northwestern University, Chicago IL 7/2000-6/2003  
McGaw Medical Center of Feinberg School of Medicine

The Ohio State University College of Medicine 8/1996-6/2000  
Columbus, Ohio-Medical Doctor  
\*received honors pediatrics 3<sup>rd</sup> year clerkship and Internal Medicine clerkship

John Carroll University 1994-1995  
Deans List/Pre-Requisites

University of Michigan 8/1990-6/1994  
Bachelor of Arts/Economics

## BOARD CERTIFICATION

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American Board of Internal Medicine (IM) 2003-2013

American Board of Internal Medicine/Nephrology

The Ohio State University College of Medicine 8/1996-6/2000  
Columbus, Ohio-Medical Doctor

\*received honors pediatrics 3<sup>rd</sup> year clerkship and Internal Medicine clerkship

## **HONORS AND AWARDS**

---

McGaw Medical Center, Northwestern University  
Excellence in Teaching Award September 2000, January 2001, March 2001, November 2002

Medical School-Roessler Research Scholarship 1997

Undergraduate School

John Carroll Research Grant 2005

Most Outstanding Biological Research Presentation at STARS Conference, Dayton OH 1995

Diabetes Research Grant 1991

## **ORGANIZATIONS/MEMBERSHIP**

---

American Society of Nephrology (ASN)

National Kidney Foundation (NKF)

Renal Physicians Association (RPA)

## **RESEARCH AND PUBLICATIONS**

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### Research

- Extrarenal Potassium Metabolism, July 2001-2005
- Effects of Steroid-free Maintenance Immunosuppression on Renal Allograft Survival 4/2004-2005
- Effects of doxorubicin on diastolic function, vascular coupling and contractile reserve in piglets, 1995
- Oral Glucose Tolerance Tests and Perinatal Morbidity, 1991

### Publications:

Rosa RM, Lerma E, Yu W., Young JB, Rosner K.; Racial differences in the metabolism of sodium and potassium: Implications regarding the role of diet in the etiology of hypertension in African Americans. 2005

Rosa RM, Young JB, Rosner K., Suh A., DeJesus E.; Racial Differences in Extrarenal Potassium Metabolism. ASN Poster SA-P0893 November 2002.

Criterion 1110.1430 (f) – Support Services

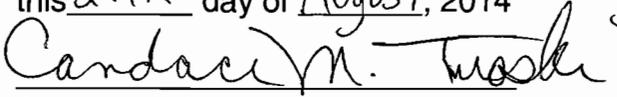
I am the Regional Vice President of the West Chicago Region of Fresenius Medical Care, which includes the Fresenius Medical Care Glendale Heights facility. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

- Fresenius Medical Care utilizes a patient data tracking system in all of its facilities.
- These support services are available at Fresenius Medical Care Glendale Heights during all six shifts:
  - Nutritional Counseling
  - Psychiatric/Social Services
  - Home/self training
  - Clinical Laboratory Services – provided by Spectra Laboratories
- The following services are provided via referral to Central Du Page Hospital, Winfield:
  - Blood Bank Services
  - Rehabilitation Services
  - Psychiatric Services

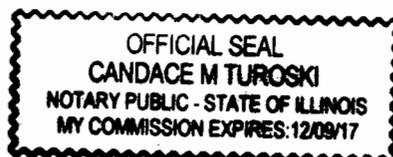
  
Signature – Coleen Muldoon

Regional Vice President/Manager  
Title

Subscribed and sworn to before me  
this 29<sup>th</sup> day of August, 2014

  
Signature of Notary

Seal



Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President of the West Chicago Region of Fresenius Medical Care. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Glendale Heights, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Glendale Heights in the first two years after the addition of the new stations, the facility is expected to achieve and maintain the utilization standard, specified in 77 Ill. Adm. Code 1100, of 80% and;
2. Fresenius Medical Care hemodialysis patients at Fresenius Medical Care Glendale Heights have achieved adequacy outcomes of:
  - 95% of patients had a URR  $\geq$  65%
  - 96% of patients had a Kt/V  $\geq$  1.2

These are expected to remain the same.



Signature – Coleen Muldoon

Regional Vice President/Manager

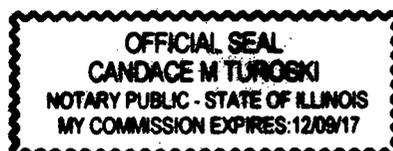
Title

Subscribed and sworn to before me  
this 29<sup>th</sup> day of August 2014



Signature of Notary

Seal



## **Criterion 1120.310 Financial Viability**

### Financial Viability Waiver

This project is being funded entirely through cash and securities thereby meeting the criteria for the financial waiver.

2012 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #13-040, Fresenius Medical Care Lemont.

2013 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #14-029, Fresenius Medical Care Grayslake and are the same financials that pertain to this application. In order to reduce bulk these financials can be referred to if necessary.

**Criterion 1120.310 (c) Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		10.00			1,200			12,000	12,000
Contingency		0			0			0	0
<b>TOTALS</b>		<b>\$10.00</b>			<b>1,200</b>			<b>\$12,000</b>	<b>\$12,000*</b>

Include the percentage (%) of space for circulation

\*Construction cost is plumbing only.

**Criterion 1120.310 (d) – Projected Operating Costs**

**Year 2016**

Salaries	\$1,387,812
Benefits	246,953
Supplies	<u>337,435</u>
Total	\$1,972,200

Annual Treatments 21,715

Cost Per Treatment \$90.82

**Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs**

**Year 2016**

Depreciation/Amortization	\$212,226
Interest	<u>0</u>
<b>CAPITAL COSTS</b>	<b>\$212,226</b>

Treatments: 21,715

Capital Cost per treatment \$9.77

**Criterion 1120.310(a) Reasonableness of Financing Arrangements**

WSKC Dialysis Services, Inc.

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By: [Signature]  
Title: Mark Fawcett  
Vice President & Treasurer

By: [Signature]  
Title: Bryan Mello  
Assistant Treasurer

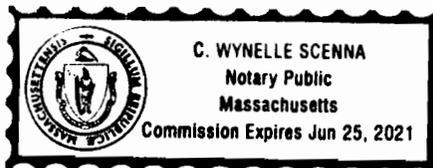
Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Notarization:  
Subscribed and sworn to before me  
this 20 day of Aug, 2014

Signature of Notary C Wynelle Scenna Signature of Notary

Seal

Seal



**Criterion 1120.310(a) Reasonableness of Financing Arrangements**

Fresenius Medical Care Holdings, Inc.

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period.

By:   
Title: Mark Fawcett  
Vice President & Treasurer

By:   
Title: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014

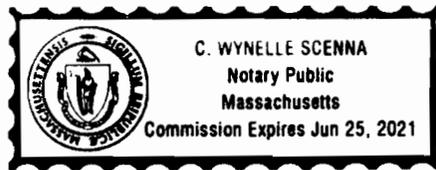
Notarization:  
Subscribed and sworn to before me  
this 20 day of August, 2014

\_\_\_\_\_  
Signature of Notary

C Wynelle Scenna  
\_\_\_\_\_  
Signature of Notary

Seal

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**Criterion 1120.310(b) Conditions of Debt Financing**

WSKC Dialysis Services, Inc.

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By:   
ITS: Mark Fawcett  
Vice President & Treasurer

By:   
ITS: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014

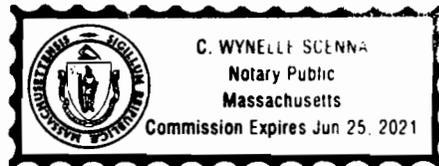
Notarization:  
Subscribed and sworn to before me  
this 20 day of August, 2014

\_\_\_\_\_  
Signature of Notary

C Wynelle Scenna

\_\_\_\_\_  
Signature of Notary

Seal



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**Criterion 1120.310(b) Conditions of Debt Financing**

Fresenius Medical Care Holdings, Inc.

In accordance with 77 ILL. ADM Code 1120, Subpart D, Section 1120.310, of the Illinois Health Facilities & Services Review Board Application for Certificate of Need; I do hereby attest to the fact that:

There is no debt financing. The project will be funded with cash and leasing arrangements; and

The expenses incurred with leasing the proposed facility and cost of leasing the equipment is less costly than constructing a new facility or purchasing new equipment.

By: 

ITS: Mark Fawcett  
Vice President & Treasurer

By: 

ITS: Bryan Mello  
Assistant Treasurer

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014

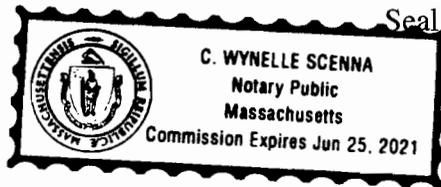
Notarization:  
Subscribed and sworn to before me  
this 20 day of August, 2014

\_\_\_\_\_  
Signature of Notary

C Wynelle Scenna

\_\_\_\_\_  
Signature of Notary

Seal



Seal

## Safety Net Impact Statement

The 8-station expansion of the Fresenius Medical Care Glendale Heights dialysis facility will not have any impact on safety net services in the Glendale Heights area of DuPage County. Outpatient dialysis services are not typically considered "safety net" services, to the best of our knowledge. However, we do provide care for patients in the community who are economically challenged and/or who are undocumented aliens, who do not qualify for Medicare/Medicaid pursuant to an Indigent Waiver policy. We assist patients who do not have insurance in enrolling when possible in Medicaid and/or Medicaid as applicable, and also our social services department assists patients who have issues regarding transportation and/or who are wheel chair bound or have other disabilities which require assistance with respect to dialysis services and transport to and from the unit.

This particular application will not have an impact on any other safety net provider in the area, as no hospital within the area provides dialysis services on an outpatient basis.

Fresenius Medical Care is a for-profit publicly traded company and is not required to provide charity care, nor does it do so according to the Board's definition. However, Fresenius Medical Care provides care to patients who do not qualify for any type of coverage for dialysis services. These patients are considered "self-pay" patients. They are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants. Fresenius notes that as a for profit entity, it does pay sales, real estate and income taxes. It also does provide community benefit by supporting various medical education activities and associations, such as the Renal Network and National Kidney Foundation.

The table on the following page shows the amount of "self-pay" care and Medicaid services provided for the 3 fiscal years prior to submission of the application for all Fresenius Medical Care facilities in Illinois.

<b>Safety Net Information per PA 96-0031</b>			
<b>CHARITY CARE</b>			
<b>Net Revenue</b>	<b>\$362,977,407</b>	<b>\$387,393,758</b>	<b>\$398,570,288</b>
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Charity * (# of self-pay patients)</b>	<b>93</b>	<b>203</b>	<b>642</b>
<b>Charity (cost In dollars)</b>	<b>\$642,947</b>	<b>\$1,536,372</b>	<b>\$5,346,976</b>
<b>Ratio Charity Care Cost to Net Patient Revenue</b>	<b>0.18%</b>	<b>.40%</b>	<b>1.34%</b>
<b>MEDICAID</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Medicaid (# of patients)</b>	<b>1,865</b>	<b>1,705</b>	<b>1,660</b>
<b>Medicaid (revenue)</b>	<b>\$42,367,328</b>	<b>\$36,254,633</b>	<b>\$31,373,534</b>
<b>Ratio Medicaid to Net Patient Revenue</b>	<b>12%</b>	<b>9.36%</b>	<b>7.87%</b>

Note:

A new billing procedure was put into place in late 2012 to reduce the amount of voids and rebilling. Previously patients with Medicaid pending were considered only under Medicaid and after the procedure change, Medicaid pending patients are considered under self-pay. This has resulted in the increase in "charity" (self-pay) patients and costs.

Medicaid number of patients appears to be going down, however this is due to the reassignment of the "charity" (self-pay) patients associated with the billing change.

## Charity Care Information

The applicant(s) do not provide charity care at any of their facilities per the Board's definition of charity care because self-pay patients are billed and their accounts are written off as bad debt. Fresenius takes Medicaid patients without limitations or exception. The applicant(s) are for profit corporations and do not receive the benefits of not for profit entities, such as sales tax and/or real estate exemptions, or charitable donations. The applicants are not required, by any State or Federal law, including the Illinois Healthcare Facilities Planning Act, to provide charity care. The applicant(s) are prohibited by Federal law from advising patients that they will not be invoiced for care, as this type of representation could be an inducement for patients to seek care prior to qualifying for Medicaid, Medicare or other available benefits. Self-pay patients are invoiced and then the accounts written off as bad debt.

Uncompensated care occurs when a patient is not eligible for any type of insurance coverage (whether private or governmental) and receives treatment at our facilities. It is rare in Illinois for patients to have no coverage as patients who are not Medicare eligible are Medicaid eligible. This represents a small number of patients, as Medicare covers all dialysis services as long as an individual is entitled to receive Medicare benefits (i.e. has worked and paid into the social security system as a result) regardless of age. In addition, in Illinois Medicaid covers patients who are undocumented and/or who do not qualify for Medicare, and who otherwise qualify for public assistance. Also, the American Kidney Fund provides low cost insurance coverage for patients who meet the AKF's financial parameters and who suffer from end stage renal disease (see uncompensated care attachment). The applicants work with patients to procure coverage for them as possible whether it be Medicaid, Medicare and/or coverage through the AKF. The applicants donate to the AKF to support its initiatives.

If a patient has no available insurance coverage, they are billed for services rendered, and after three statement reminders the charges are written off as bad debt. Collection actions are not initiated unless the applicants are aware that the patient has substantial financial resources available and/or the patient has received reimbursement from an insurer for services we have rendered, and has not submitted the payment for same to the applicants

Nearly all dialysis patients in Illinois will qualify for some type of coverage and Fresenius works aggressively to obtain insurance coverage for each patient.

### Uncompensated Care For All Fresenius Facilities in Illinois

<b>CHARITY CARE</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Net Patient Revenue</b>	<b>\$362,977,407</b>	<b>\$387,393,758</b>	<b>\$398,570,288</b>
<b>Amount of Charity Care (charges)</b>	\$642,947	\$1,566,380	\$5,346,976
<b>Cost of Charity Care</b>	\$642,947	\$1,566,380	\$5,346,976
<b>Ratio Charity Care Cost to Net Patient Revenue</b>	0.18%	.40%	1.34%

## **Fresenius Medical Care North America - Community Care**

Fresenius Medical Care North America (FMCNA) assists all of our patients in securing and maintaining insurance coverage when possible.

### **American Kidney Fund**

FMCNA works with the American Kidney Fund (AKF) to help patients with insurance premiums at no cost to the patient.

Applicants must be dialyzed in the US or its territories and referred to AKF by a renal professional and/or nephrologist. The Health Insurance Premium Program is a "last resort" program. It is restricted to patients who have no means of paying health insurance premiums and who would forego coverage without the benefit of HIPP. Alternative programs that pay for primary or secondary health coverage, and for which the patient is eligible, such as Medicaid, state renal programs, etc. must be utilized. Applicants must demonstrate to the AKF that they cannot afford health coverage and related expenses (deductible etc.).

Our team of Financial Coordinators and Social Workers connect patients who cannot afford to pay their insurance premiums, with AKF, which provides financial assistance to the patients for this purpose. The benefit of working with the AKF is that the insurance coverage which AKF facilitates applies to all of the patient's insurance needs, not just coverage for dialysis services.

### **Indigent Waiver Program**

FMCNA has established an indigent waiver program to assist patients who are unable to obtain insurance coverage or who lack the financial resources to pay for medical services. In order to qualify for an indigent waiver, a patient must satisfy eligibility criteria for both annual income and net worth.

**Annual Income:** A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have an annual income in excess of two (2) times the Federal Poverty Standard in effect at the time. Patients whose annual income is greater than two (2) times the Federal Poverty Standard may qualify for a partial indigent waiver based upon a sliding scale schedule approved by the Office of Business Practices and Corporate Compliance.

**Net Worth:** A patient (including immediate family members who reside with, or are legally responsible for, the patient) may not have a net worth in excess of \$75,000 (or such other amount as may be established by the Office of Business Practices and Corporate Compliance based on changes in the Consumer Price Index

The Company recognizes the financial burdens associated with ESRD and wishes to ensure that patients are not denied access to medically necessary care for financial reasons. At the same time, the Company also recognizes the limitations imposed by federal law on offering "free" or "discounted" medical items or services to Medicare and other government supported patients for the purpose of inducing such patients to receive ESRD-related items and services from FMCNA. An indigent waiver excuses a patient's obligation to pay for items and services furnished by FMCNA. Patients may have dual coverage of AKF assistance and an Indigent Waiver if their financial status qualifies them for both programs.

### **IL Medicaid and Undocumented patients**

FMCNA has a bi-lingual Regional Insurance Coordinator who works directly with Illinois Medicaid to assist patients with Medicaid applications. An immigrant who is unable to produce proper documentation will not be eligible for Medicaid unless there is a medical emergency. ESRD is considered a medical

emergency.

The Regional Insurance Coordinator will petition Medicaid if patients are denied and assist undocumented patients through the application process to get them Illinois Medicaid coverage. This role is actively involved with the Medicaid offices and attends appeals to help patients secure and maintain their Medicaid coverage for all of their healthcare needs, including transportation to their appointments.

### **FMCNA Collection policy**

FMCNA's collection policy is designed to comply with federal law while not penalizing patients who are unable to pay for services.

FMCNA does not use a collection agency for patient collections unless the patient receives direct insurance payment and does not forward the payment to FMCNA.

### **Medicare and Medicaid Eligibility**

**Medicare:** Patients are eligible for Medicare when they meet the following criteria: age 65 or older, under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

There are three insurance programs offered by Medicare, Part A for hospital coverage, Part B for medical coverage and Part D for pharmacy coverage. Most people don't have to pay a monthly premium, for Part A. This is because they or a spouse paid Medicare taxes while working. If a beneficiary doesn't get premium-free Part A, they may be able to buy it if they (or their spouse) aren't entitled to Social Security, because they didn't work or didn't pay enough Medicare taxes while working, are age 65 or older, or are disabled but no longer get free Part A because they returned to work. Part B and Part D both have monthly premiums. Patients must have Part B coverage for dialysis services.

Medicare does allow members to enroll in Health Plans for supplemental coverage. Supplemental coverage (secondary) is any policy that pays balances after the primary pays reducing any out of pocket expenses incurred by the member.

Medicare will pay 80% of what is allowed by a set fee schedule. The patient would be responsible for the remaining 20% not paid by Medicare. The supplemental (secondary) policy covers the cost of co-pays, deductibles and the remaining 20% of charges.

**Medicaid:** Low-income Illinois residents who can't afford health insurance may be eligible for Medicaid. In addition to meeting federal guidelines, individuals must also meet the state criteria to qualify for Medicaid coverage in Illinois.

### **Self-Pay**

A self-pay patient would not have any type of insurance coverage (un-insured). They may be un-insured because they do not meet the eligibility requirements for Medicare or Medicaid and can not afford a commercial insurance policy.

In addition, a patient balance becomes self-pay after their primary insurance pays, but the patient does not have a supplemental insurance policy to cover the remaining balance. The AKF assistance referenced earlier may or may not be available to these patients, dependent on whether or not they meet AKF eligibility requirements.



**Nephrology Associates**

**Gregory A. Kozeny, M.D.**

**Ernest F. DeJesus, M.D.**

**Jeffrey J. Kropp, M.D.**

**Maureen Chapman, APN  
Nurse Practitioner**

25 N. Winfield Road  
Suite 414  
Winfield, IL 60190  
630.690.1220  
Fax: 630.690.5323

October 30, 2014

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

Dear Ms. Avery:

My name is Ernest DeJesus, M.D. and I am the Medical Director of the Fresenius Medical Care Glendale Heights dialysis facility and am in practice with Nephrology Associates of Northern Illinois (NANI). The Glendale Heights facility has been operating above 80% utilization for many years. Four additional stations were added in 2013 and still the facility remains at a high utilization, 89%. In order to provide continued access to dialysis services for patients in the Glendale Heights area additional stations are needed for this facility. I am writing to express my support for the Fresenius proposal to expand the Glendale Heights facility by 8 more stations to accommodate our practice's patients who live in this area that will be requiring dialysis treatment in the near future.

My partners and I at NANI have referred 127 new patients for hemodialysis services over the past twelve months. We were treating 403 hemodialysis patients at the end of 2011, 417 at the end of 2012, 426 at the end of 2013 and as of June 30, 2014 we were treating 438 hemodialysis patients. We have approximately 293 Pre-ESRD patients in stage 3 and 4 living in the Glendale Heights area that I expect would begin dialysis in the first two years after the new stations are operable. However, because of the natural attrition of patients and those stage 4 patients who will not require dialysis until three years out, I expect that approximately 105 of these patients will begin dialysis during this time at the Fresenius Glendale Heights facility.

To keep dialysis access available to this growing ESRD population, I ask the Board to please vote in favor of the



**Nephrology Associates**

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630.690.1220  
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Fresenius Medical Care Glendale Heights 8-station expansion.  
Thank you for your consideration.

I attest to the fact that to the best of my knowledge, all the information contained in this letter is true and correct and that the projected referrals in this document were not used to support any other CON application.

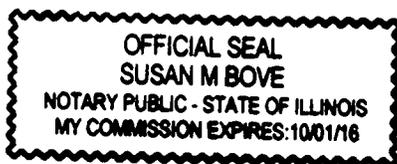
Sincerely,

Ernest DeJesus, M.D.

Notarization:

Subscribed and sworn to before me  
this 31<sup>ST</sup> day of October, 2014

\_\_\_\_\_  
Signature of Notary  
(Seal)



**PRE-ESRD PATIENTS EXPECTED TO BE REFERRED TO THE  
GLENDALE HEIGHTS FACILITY IN THE 1<sup>ST</sup> 2 YEARS  
AFTER PROJECT COMPLETION**

<b>Zip Code</b>	<b>Patients</b>
60101	6
60103	17
60106	1
60108	19
60126	2
60133	14
60137	27
60139	30
60143	1
60148	5
60172	7
60181	2
60184	1
60185	43
60187	40
60188	59
60190	19
<b>Total</b>	<b>293</b>

There are 293 patients currently identified who live in the Glendale Heights area that would be expected to begin dialysis at the Glendale Heights facility within two years of the addition of the 8 stations. Due to patient attrition, I expect approximately 105 to begin dialysis during that time.

**CURRENT FRESenius GLENDALE HEIGHTS PATIENTS**

<b>Zip Code</b>	<b>Patients</b>
60101	14
60103	1
60104	1
60108	20
60133	4
60137	7
60139	28
60148	3
60172	2
60187	1
60188	29
60189	1
60609	1
<b>Total</b>	<b>112</b>

**NEW REFERRALS OF NANI FOR THE PAST TWELVE MONTHS**  
**10/01/2013 THROUGH 09/30/2014**

Zip Code	Fresenius Medical Care										Tri Cities	Total	
	Bolingbrook	DuPage West	West Batavia	Lombard	Naperbrook	Plainfield	Glendale Heights	Naperville	Naperville North	West Chicago			
60016	1												1
60073								1					1
60101							2				1		3
60103											1		1
60107							1						1
60108							1				1		2
60119												1	1
60133		1					2						3
60134			1										1
60137		1		1			1						3
60138							1						1
60139		1					3				1		5
60148				2			1						3
60174			1										1
60175												1	1
60181							1		1				2
60185		5									1		6
60187		2					2						4
60188							6				4		10
60189		3			1								4
60190		1									1		2
60404						2							2
60435						1							1
60436						1							1
60439	1												1
60440	6				1			1	2				10
60441									1				1
60446	3												3
60447									1				1
60490	1												1
60503									1				1
60504								1					1
60505									1				1
60506			1										1
60510			1								1		2
60514	1												1
60517	3								1				4
60525								1					1
60532									1				1
60540								2	4				6
60543									1				1
60544	6					2							8
60555		3					1						4
60563		1						1	3				5
60564					1			2					3
60565					1				2				3
60585						1							1
60586						2							2
60608	1												1
60609							1						1
60636									1				1
60644					1								1
<b>Total</b>	<b>23</b>	<b>18</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>9</b>	<b>23</b>	<b>9</b>	<b>20</b>	<b>11</b>	<b>2</b>	<b>127</b>	

**PATIENTS OF NANI AS OF DECEMBER 31, 2011**

Zip Code	Fresenius Medical Care							Total
	Bolingbrook	DuPage West	Plainfield	Glendale Heights	Naperville	Naperville North	West Chicago	
60074					1			1
60101				5				5
60103		1					4	5
60107		1					1	2
60108		1		8			2	11
60112		1						1
60119							1	1
60120							1	1
60123		1						1
60126			1			2		3
60131				1				1
60133				6			5	11
60134								0
60137		1		8		1		10
60138		2						2
60139		1		17	1		1	20
60140							1	1
60148				1		1		2
60172		1						1
60174		1					2	3
60175				1				1
60181				1	2			3
60185		23					6	29
60187		5		3		1	1	10
60188		5		16			2	23
60189		3		3		2		8
60190		6						6
60193		1						1
60402					1			1
60432	1							1
60433	1							1
60435			1					1
60438			1					1
60439	2							2
60440	39				7	1		47
60446	12		2		1	1		16
60447			1					1
60453							1	1
60490	5				5	2		12
60502		1				3		4
60503						1		1
60504		1			6	5		12
60505		1			3	2		6
60506					1			1
60510		2						2
60513						1		1
60515					1			1
60516	1							1
60517	4				6	3		13
60523					1			1
60527		1						1
60532					6	6		12
60540					7	13	1	21
60543		1			1			2
60544	6		2		2			10
60555		8			2			10
60559					1			1
60563	1	2			4	10		17
60564			1		7	3		11
60565					8	5		13
60585	1		1					2
60586			3					3
60608						1		1
60612				1				1
60617							1	1
60636					1			1
60638						1		1
60643				1				1
60803	1							1
62704						1		1
63146		1						1
65020					1			1
<b>Total</b>	<b>74</b>	<b>72</b>	<b>13</b>	<b>72</b>	<b>76</b>	<b>66</b>	<b>30</b>	<b>403</b>

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**PATIENTS OF NANI AS OF DECEMBER 31, 2012**

Zip Code	Fresenius Medical Care								Total
	Bolingbrook	DuPage West	West Batavia	Plainfield	Glendale Heights	Naperville	Naperville North	West Chicago	
60074						1			1
60101					8				8
60103		1						7	8
60106					2				2
60107		1						1	2
60108		1			8			1	10
60119								1	1
60120								1	1
60123		1							1
60126				1			2		3
60131					1				1
60133					6			3	9
60137		1			6				7
60138		2							2
60139		1			18	1		1	21
60140								1	1
60142						1			1
60143					1				1
60148					1		1		2
60172					2				2
60174		2	3					1	6
60175					1				1
60177			1					1	2
60181					1	1			2
60185		24						7	31
60187		6			2		2	1	11
60188		5			17			2	24
60189		2			1		2		5
60190		5							5
60402						1			1
60403				1					1
60432	1					1			2
60433	1								1
60439	1								1
60440	40					9	2		51
60441	2								2
60446	13			2		1	1		17
60453								1	1
60490	8					1	3		12
60502							3		3
60503						1	1		2
60504		1				7	5		13
60505		1				2	2		5
60506			1			1			2
60510		1	1						2
60513							1		1
60515						1			1
60516	1								1
60517	3					6	3		12
60523						1			1
60527		1							1
60532						5	8		13
60538		1							1
60540						5	12		17
60543		1				1	1		3
60544	7					2			9
60554		1	1						2
60555		6				1			7
60559						1			1
60563	1	1				3	12		17
60564						8	2		10
60565						11	6		17
60585	1			1					2
60586		1		3			1		5
60612					1				1
60618								1	1
60636						1			1
60637	1								1
60643					1				1
60803	1								1
61071						1			1
63146		1							1
65020						1			1
<b>Total</b>	<b>81</b>	<b>68</b>	<b>7</b>	<b>8</b>	<b>77</b>	<b>76</b>	<b>70</b>	<b>30</b>	<b>417</b>

**PATIENTS OF NANI AS OF DECEMBER 31, 2013**

Zip Code	Fresenius Medical Care								Tri-Cities	USR Oak Brook	Total
	Bolingbrook	DuPage West	West Batavia	Plainfield	Glendale Heights	Naperville	Naperville North	West Chicago			
60016	1										1
60026						1					1
60073							1				1
60074						1					1
60101					7			1			8
60103					1			8			9
60107		1						1			2
60108		2			10						12
60119			1					1			2
60120								1			1
60126				1			1				2
60133					8			4			12
60134		1	1								2
60137		2			5		1				8
60138		2			1						3
60139		1			21	1		1			24
60140								1			1
60143					1						1
60148					2		1				3
60153	1										1
60164							1				1
60172					2						2
60174		1	2					1	1		5
60181						1					1
60185		29						6			35
60187		5			3		1				9
60188		3			14			1			18
60189		2			2		2				6
60190		4						1			5
60302						1					1
60403				1							1
60404				1							1
60410				1							1
60439	3										3
60440	42					5	3			1	51
60441	1										1
60446	12			3		1					16
60447				1							1
60490	7						2				9
60502							2				2
60503						1	1				2
60504		1				6	7				14
60505		1	1			2	2				6
60506			2			1					3
60510		2	1						1		4
60513							1				1
60515						1					1
60516	1										1
60517	3					7	3				13
60532						6	7				13
60540						5	10				15
60543		1					1				2
60544	5			2		3					10
60554		1	1								2
60555		7				1					8
60559						1		1			2
60563						2	15				17
60564				2		6	2				10
60565	2					11	6				19
60585	1			3							4
60586		1		4			1				6
60612					1						1
60624							1				1
60636						1					1
60641		1									1
60643					1						1
60644		1									1
60803	1										1
60804				1							1
61071						1					1
Total	80	69	9	20	79	66	72	28	2	1	426

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**PATIENTS OF NANI AS OF JUNE 30, 2014**

Zip Code	Fresenius Medical Care								Tri Cities	USR Oak Brook	Total
	Bolingbrook	DuPage West	West Batavia	Naperbrook	Plainfield	Glendale Heights	Naperville North	West Chicago			
60026				1							1
60074				1							1
60101						10					10
60103		1				1		9			11
60106						1					1
60107		1						1			2
60108						13					13
60119								1			1
60120			1					1			2
60126					1						1
60133						7		3			10
60134			2								2
60137		2				4	1				7
60138		2						1			3
60139		1		1		20		1			23
60140								1			1
60143						1					1
60148						3	1				4
60153	1										1
60172						2					2
60174		1	1					1			3
60175									1		1
60181				1							1
60185		26	1					8			35
60187		4				2					6
60188		2				18		3			23
60189		4		1		2	2				9
60190		6						1			7
60302				1							1
60403					1						1
60404				1	2						3
60435					1						1
60436				1							1
60439	4										4
60440	38			9			3			1	51
60441	1						1				2
60446	14			1	2						17
60447					1						1
60490	7			1		1	1				10
60502							2				2
60503				1			2				3
60504		1		5			6				12
60505		1	1	1			3				6
60506			2								2
60510		2	1								3
60513							1				1
60515				1							1
60516	1										1
60517	3			6			4				13
60532				6			5				11
60540				6			11				17
60543		1									1
60544	10			2	2						14
60554		1	1								2
60555		7		1			1				9
60559				1				1			2
60563				2			12				14
60564				8	2		2				12
60565		2		12			6				20
60585		1			3						4
60586					5						5
60609						1					1
60612						1					1
60624							1				1
60636							1				1
60643						1					1
60644		1		1							2
60803		1									1
60804					1						1
Total	83	64	10	72	21	88	66	32	1	1	438

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