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April 24, 2017

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

FEDERAL EXPRESS

Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Annual Progress Report – O’Fallon Dialysis (Proj. No. 16-004)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita Inc. and Total Renal Care Inc. (the “Permit Holders”) to submit the annual progress report for O’Fallon Dialysis (Project No. 16-004). As you are aware, on March 29, 2016, HFSRB approved the Permit Holders’ certificate of need application for the establishment of O’Fallon Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #16-004.

1. Status of the Project

The Project was obligated on August 29, 2016 through the execution of the construction contract for the dialysis facility. Construction began on September 9, 2016 and is complete. The Certificate of Occupancy was received on December 22, 2016. The facility treated its first patient on March 22, 2017 and is waiting for its Medicare certification survey. Based on recent experience, the Permit Holders anticipate it may take four to six months for the initial Medicare certification survey and subsequent receipt of Medicare enrollment documentation.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$2,499,799 in project costs.

Michael Constantino

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PROJECT COSTS	Approved	Expended
Modernization Contracts	\$1,155,000	\$1,094,203
Contingencies	\$110,000	\$0
A & E Fees	\$82,000	\$73,717
Consulting & Other Fees	\$90,000	\$20,000
Moveable Equipment	\$525,577	\$565,156
Fair Market Value of Leased Space & Equipment	\$746,723	\$746,723
Other Costs to be Capitalized	NA	NA
Net Book Value of Existing Equipment		
Estimated Total Project Cost	\$2,709,300	\$2,499,799

3. Sources of Funds

The project will be funded with \$2,709,300 in cash and cash equivalents.

4. Anticipated Completion Date

The anticipated completion date for the Project is September 30, 2017.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Timothy V. Tincknell

cc: Mary J. Anderson, DaVita Inc.
Don Robbins, DaVita, Inc.