



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

August 29, 2016

CERTIFIED LETTER
RETURN RECEIPT REQUESTED

Asim Shazzad
Administrator
Dialysis Care Center
15786 S Bell Rd
Homer Glen, IL, 60491

Re: Projects #16-020 and #16-022

Dear Asim:

I have reviewed the information you have submitted July 8, 2016 for both projects [Project 16-020 and 16-022] and I need additional information:

1. The State Board considers leasing a form of debt financing; therefore I need a letter attesting to 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.
 - 1) That the selected form of debt financing for the project will be at the lowest net cost available; and
 - 2) 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 is less costly than constructing a new facility or purchasing new equipment

I need this letter for both projects. The letter needs to be signed and notarized.

2. I received an Admission Policy by mail for #16-022 - Dialysis Care Center Olympia Fields and I need the Admission Policy for #16-020 Dialysis Care Center Oak Lawn. I also need the policy for both facilities that provides guidance on how charity care patients will be served.
3. I am still unclear why Kidney Care Center should not be a co-applicant on these two applications. I need responses to the questions listed below.
 - Does Kidney Care Center have the right or power to approve and remove a controlling portion of the governing body of Dialysis Care Center Oak Lawn and Dialysis Care Center Olympia Fields?
 - Does Kidney Care Center have the right or power to approve the use of funds or assets of Dialysis Care Center Oak Lawn and Dialysis Care Center Olympia Fields?

- Does Kidney Care Center have the right or power to approve the Dialysis Care Center Oak Lawn and Dialysis Care Center Olympia Fields, amend, or modify by-laws or other rules of governance?
 - Will be Kidney Care Center be financially responsible for guaranteeing or making payments on any debt or leases related to the Dialysis Care Center Oak Lawn and Dialysis Care Center Olympia Fields?
 - Will Kidney Care Center be involved in the operation or provision of care and control the use of equipment or other capital assets that are components of the Dialysis Care Center Oak Lawn and Dialysis Care Center Olympia Fields?
4. I need the projected balance sheet for Dialysis Care Center Oak Lawn, LLC and Dialysis Care Center Olympia Fields, LLC.

The State Board rules require both applicants to submit projected financial information (ratio information). I do need the projected financial information (ratio information) for Dialysis Care Center Holdings, LLC.

I also need the projected income statement and balance sheet for Dialysis Care Center Holdings, LLC.

5. Will any of the patients currently receiving care at the facilities the physicians are referring to be transferred to the Dialysis Care Center Oak Lawn and/or Dialysis Care Center Olympia Fields if these two projects are approved. If not I need a letter attesting that no patients currently being referred to other ESRD facilities will be receiving care at the Dialysis Care Center Oak Lawn or Dialysis Care Center Olympia Fields signed and notarized.
6. I reviewed the bank letter from Chase dated June 20, 2016. I am still unclear where the cash for both projects will be coming from. From the letter it appears to me that the funding will be coming from Dialysis Care Center. If that is the case the entity known as Dialysis Care Center needs to be a co-applicant.

Asim please submit two separate responses; one for Project #16-020 and one #16-022.

Should you have any questions or concerns please contact Mike Constantino or George Roate at Mike.Constantino@illinois.gov or George.Roate@illinois.gov or 217.782.3516.

Sincerely,



Mike Constantino
Project Reviewer