

17-003

Original

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

ORIGINAL

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

JAN 27 2017

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: <i>Fresenius Medical Care Gurnee</i>			
Street Address <i>50 Tower Court, Suite B</i>			
City and Zip Code: <i>Gurnee 60031</i>			
County: <i>Lake</i>	Health Service Area <i>8</i>	Health Planning Area:	

Applicant Identification

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

Exact Legal Name: <i>Fresenius Medical Care Lake County, LLC d/b/a Fresenius Medical Care Gurnee</i>	
Address: <i>920 Winter Street, Waltham, MA 02451</i>	
Name of Registered Agent: <i>CT Systems</i>	
Name of Chief Executive Officer: <i>Bill Valle</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 type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" 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>Bill Valle</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		<input type="checkbox"/>

Corporations and limited liability companies must provide an **Illinois Certificate of Good Standing**.
 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 & 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>Greenleaf Center</i>
Address of Site Owner: <i>15 Tower Court, Suite 145, Gurnee, IL 60031</i>
Street Address or Legal Description of Site: <i>50 Tower Court, Suite B, Gurnee, IL 60031</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.

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: <i>Fresenius Medical Care Lake County, LLC d/b/a Fresenius Medical Care Gurnee</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>

- | | |
|---------------------------------------------------------------|-----------------------------------------------------------------------|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input checked="" 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.
- o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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 or 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.

Fresenius Medical Care Lake County, LLC proposes to expand its Gurnee dialysis center, located at 50 Tower Court by 8 stations. The facility currently has 16 stations and the result will be a 24-station facility. The facility was operating at 96% with 92 patients as of December 2016 and has been operating above 80% for the past ten years despite station additions.

Fresenius Medical Care Gurnee is in HSA 8. There is a need for an additional 10 stations in this HSA as of December 2016.

This project is "non- substantive" under Planning Board rule 1110.10(c) as it entails the addition of ESRD stations to an existing facility.

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.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
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	20,000	N/A	20,000
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)	146,000	N/A	146,000
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	128,925	N/A	128,925
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
TOTAL USES OF FUNDS	\$294,925	N/A	\$294,925
SOURCE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Cash and Securities	166,000	N/A	166,000
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)	128,925	N/A	128,925
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
TOTAL SOURCES OF FUNDS	\$294,925	N/A	\$294,925
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 \$ <u>N/A</u> .		

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:
<input checked="" type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary
<input type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>March 31, 2018</u>
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.
<input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
<input checked="" type="checkbox"/> Project obligation will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:
<input type="checkbox"/> Cancer Registry
<input type="checkbox"/> APORS
<input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
<input checked="" type="checkbox"/> 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
REVIEWABLE							
In-center Hemodialysis	\$294,925	11,000			1,200		
Total Clinical	\$294,925	11,000			1,200		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL	\$294,925	11,000			1,200		

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 Fresenius Medical Care Lake County, LLC *

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

Coleen Muldoon

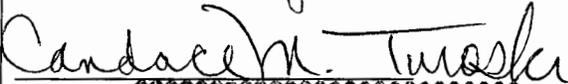
PRINTED NAME

Regional Vice President

PRINTED TITLE

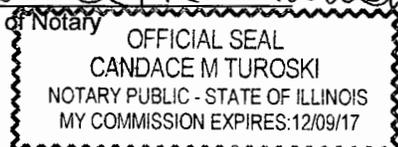
Notarization:

Subscribed and sworn to before me
this 20th day of July 2016



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:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

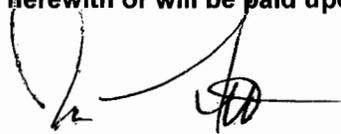
This Application for Permit is filed on the behalf of Fresenius Medical Care Holdings, Inc. *

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 **Bryan Mello**
Assistant Treasurer

PRINTED TITLE


SIGNATURE

Mark Fawcett
Senior Vice President & Treasurer
PRINTED NAME

PRINTED TITLE

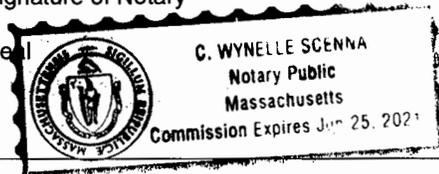
Notarization:
Subscribed and sworn to before me
this ____ day of _____ 2016

Notarization:
Subscribed and sworn to before me
this 14 day of July 2016

Signature of Notary C. Wynelle Scenna Signature of Notary

Seal

Seal



*Insert EXACT legal name of the 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 to 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

1. Applicants proposing to establish, expand and/or modernize In-Center Hemodialysis must submit the following information:
2. 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	16	24

3. READ the applicable review criteria outlined below and submit the required documentation for the criteria:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
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

4. 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>166,000</u>	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 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 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;
<u>N/A</u>	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.
<u>N/A</u>	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
<u>128,925</u>	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: <ol style="list-style-type: none"> 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; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 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.; 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; 5) For any option to lease, a copy of the option, including all terms and conditions.
<u>N/A</u>	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;
<u>N/A</u>	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
<u>N/A</u>	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>\$294,925</u>	TOTAL FUNDS AVAILABLE

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	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.			
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)	
ESRD		16.67			1,200			20,000	20,000
Contingency		-			-			-	-
TOTALS		16.67			1,200			20,000	20,000*
Include the percentage (%) of space for circulation								*Numbers rounded	

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			
	2013	2014	2015
Net Revenue	\$398,570,288	\$411,981,839	\$438,247,352
Charity *(# of self-pay patients)	499	251	195
Charity (cost in dollars)	\$5,346,976	\$5,211,664	\$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	.68%
MEDICAID			
	2013	2014	2015
Medicaid (# of patients)	1,660	750	396
Medicaid (revenue)	\$31,373,534	\$22,027,882	\$7,310,484
Ratio Medicaid to Net Patient Revenue	7.87%	5.35%	1.67%

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			
	2013	2014	2015
Net Patient Revenue	\$398,570,288	\$411,981,839	\$438,247,352
Amount of Charity Care (charges)	\$5,346,976	\$5,211,664	\$2,983,427
Cost of Charity Care	\$5,346,976	\$5,211,664	\$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	0.68%

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:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
231	Applicant/Co-applicant Identification including Certificate of Good Standing	22a – 22b
2	Site Ownership	23
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	24
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	25
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	26
8	Obligation Document if required	27
9	Cost Space Requirements	28
10	Discontinuation	
11	Background of the Applicant	29-38
12	Purpose of the Project	39
13	Alternatives to the Project	40-41
14	Size of the Project	42
15	Project Service Utilization	43
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
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	44-59
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	
	Financial and Economic Feasibility:	
36	Availability of Funds	
37	Financial Waiver	60
38	Financial Viability	
39	Economic Feasibility	61-64
40	Safety Net Impact Statement	65-66
41	Charity Care Information	67-68
	Appendix 1 – Physician Referral Letter	69-77

Applicant Identification

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

Exact Legal Name: <i>Fresenius Medical Care Lake County, LLC d/b/a Fresenius Medical Care Gurnee</i>
Address: <i>920 Winter Street, Waltham, MA 02451</i>
Name of Registered Agent: <i>CT Systems</i>
Name of Chief Executive Officer: <i>Bill Valle</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 type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" 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 Fresenius Medical Care Lake County, LLC 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>Bill Valle</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.

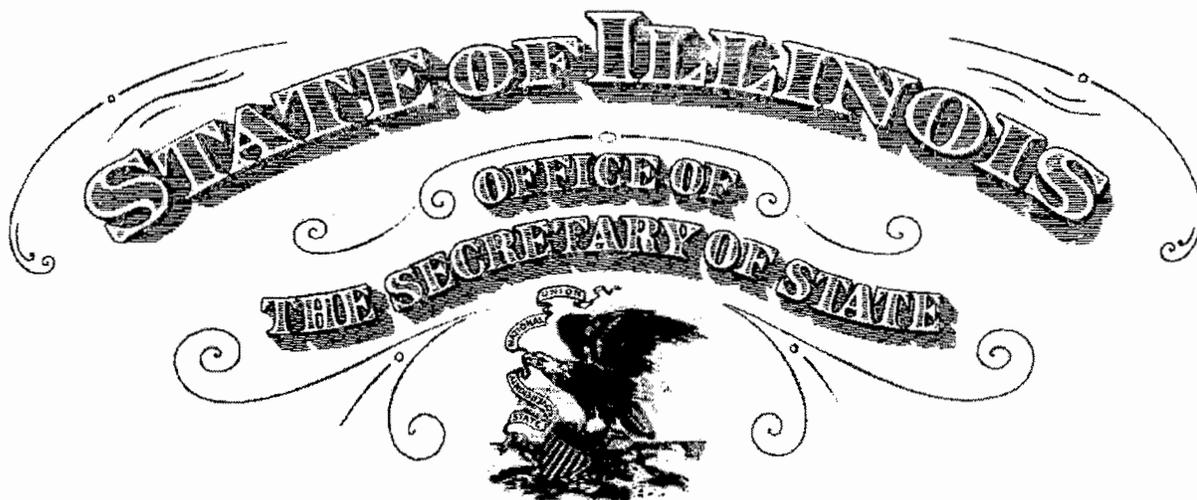
Type of Ownership – Co-Applicant

<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.

File Number

0507075-9



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

FRESENIUS MEDICAL CARE LAKE COUNTY, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON FEBRUARY 13, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 6TH day of JULY A.D. 2016 .

Jesse White

SECRETARY OF STATE

Authentication #: 1618801826 verifiable until 07/06/2017
Authenticate at: <http://www.cyberdriveillinois.com>

Certificate of Good Standing
ATTACHMENT 1

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: *Greenleaf Center*

Address of Site Owner: *15 Tower Court, Suite 145, Gurnee, IL 60031*

Street Address or Legal Description of Site: *50 Tower Court, Suite B, Gurnee, IL 60031*

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.

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: *Fresenius Medical Care Lake County, LLC d/b/a Fresenius Medical Care Gurnee**

Address: *920 Winter Street, Waltham, MA 02451*

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

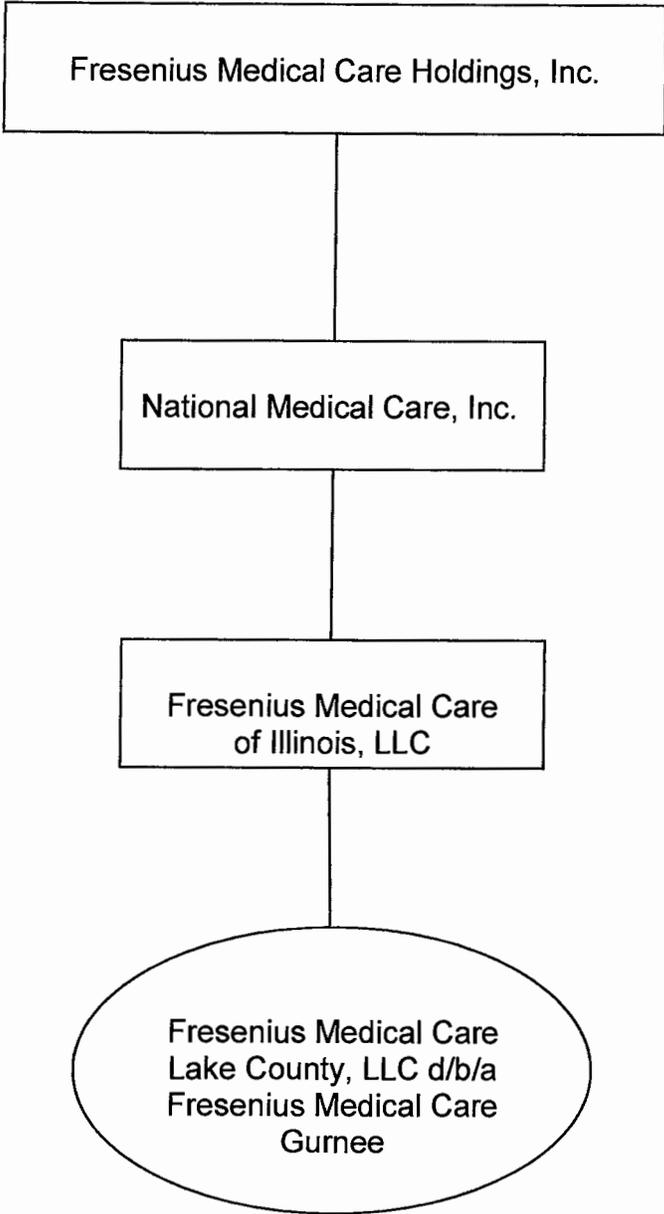
- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

***Certificate of Good Standing at Attachment – 1.**

Ownership

Fresenius Medical Care of Illinois, LLC has a 51% membership interest in Fresenius Medical Care Lake County, LLC.

Grahm Partners, LLC has a 49% membership interest in Fresenius Medical Care Lake County, LLC. Its address is 120 W. 22nd Street, Oak Brook, IL 60523.



SUMMARY OF PROJECT COSTS

Modernization	
Plumbing	20,000
Total	\$20,000
Contingencies	
	\$0
Architecture/Engineering Fees	
	\$0
Moveable or Other Equipment	
Dialysis Chairs	32,000
Clinical Furniture & Equipment	24,000
Office Equipment & Other Furniture	0
Water Treatment	0
TVs & Accessories	80,000
Telephones	0
Generator	0
Facility Automation	0
Other miscellaneous	10,000
	\$146,000
Fair Market Value of Leased Space and Equipment	
FMV Leased Dialysis Machines	128,925
	\$128,925
Grand Total	\$294,925

Itemized Costs
ATTACHMENT - 7

Current Fresenius CON Permits and Status

Project Number	Project Name	Project Type	Completion Date	Comment
#14-012	Fresenius Medical Care Gurnee	Relo/Expansion	04/30/2017	Open 3/21/16 awaiting CMS certification letter
#14-026	Fresenius Kidney Care New City	Establishment	09/30/2017	Open 11/02/2016
#14-047	Fresenius Kidney Care Humboldt Park	Establishment	12/31/2016	Opening 02/2017
#14-065	Fresenius Medical Care Plainfield North	Relocation	12/31/2016	Open 9/19/2016 awaiting CMS certification letter
#15-028	Fresenius Kidney Care Schaumburg	Establishment	02/28/2017	Obligated/Bidding/Permitting Phase
#15-036	Fresenius Kidney Care Zion	Establishment	06/30/2017	Obligated/Construction Underway
#15-046	Fresenius Kidney Care Beverly Ridge	Establishment	06/30/2017	Obligated/Permitting Phase
#15-050	Fresenius Kidney Care Chicago Heights	Establishment	12/31/2017	Obligated/Construction Underway
#15-062	Fresenius Kidney Care Belleville	Establishment	12/31/2017	Obligated/Bidding/Permitting Phase
#16-024	Fresenius Kidney Care East Aurora	Establishment	09/30/2018	Lease Negotiations/Space Plans
#16-035	Fresenius Kidney Care Evergreen Park	Relocation	12/31/2017	Obligated/Construction Underway
#16-029	Fresenius Medical Care Ross Dialysis - Englewood	Relocation/Expansion	12/31/2018	Permitted January 24, 2017

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
REVIEWABLE							
In-center Hemodialysis	\$294,925	11,000			1,200		
Total Clinical	\$294,925	11,000			1,200		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL	\$294,925	11,000			1,200		

Fresenius Kidney Care

Fresenius Kidney 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.

Alongside our core business with dialysis products and the treatment of dialysis patients, Fresenius Kidney Care maintains a network of additional medical services to better address the full spectrum of our patients' health care needs. These include pharmacy services, vascular, cardiovascular and endovascular surgery services, non-dialysis laboratory testing services, physician services, hospitalist and intensivist services, non-dialysis health plan services and urgent care services. We have a singular focus: improving the quality of life of every patient every day.

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 Kidney 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 Kidney 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 Kidney Care is a predominant supporter of the National Kidney Foundation of Illinois (NKFI), Kidney Walk in downtown Chicago. Fresenius Kidney Care employees in Chicago alone raised \$22,000 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 Kidney Care also donates another \$25,000 annually to the NKFI and another \$5,000 in downstate Illinois.



**FRESENIUS
MEDICAL CARE**

PATIENTS & FAMILIES HEALTHCARE PROFESSIONALS ABOUT US CAREERS



Fresenius Kidney Care Tops Government's National Five-Star Quality Ratings

🕒 OCTOBER 25, 2016 👤 DARBY

Newly Released Quality Ratings Underscores Fresenius Kidney Care's Clinical Leadership as America's Dialysis Provider of Choice

WALTHAM, Mass. – Oct. 25, 2016 – Fresenius Medical Care North America, the leading provider of kidney care products and services across the continent, announced today that its dialysis services business, Fresenius Kidney Care, achieved the country's largest number of top-rated Five-Star dialysis centers, based on the annual Dialysis Facility Compare Five-Star Quality Rating System issued by the Centers for Medicare and Medicaid Services (CMS).

Based on quality measures gathered within U.S. dialysis centers during the 2015 treatment year, the latest federal government rating shows Fresenius Kidney Care operates the most four- and five-star centers among all major dialysis providers, both in terms of absolute number of clinics and percentage of clinics owned.

"High-quality care is not possible without high-quality people, and I am humbled to work with such a remarkable group of caring individuals who are the life force behind everything we do," said Bill Valle, President of Fresenius Kidney Care. "Each of our employees, physician partners, and medical directors values our patients as family, and we strive to do all we can to help our patients live longer, thriving lives, caring for them the way we would want our own family cared for."

Fresenius Kidney Care's latest Five-Star rating builds on a track record of success. Each year since 2006, the company has helped patients live longer and spend less time in the hospital, improving mortality rates of its dialysis patients and lowering the average time spent in a hospital setting by two-and-a-half days.

Fresenius Medical Care North America is the largest vertically integrated dialysis provider in North America, as well as the largest participant in CMS's Comprehensive End-Stage Renal Disease (ESRD) Care Initiative, the nation's first disease-specific shared savings program, designed to identify, test, and evaluate new ways to improve care for ESRD patients. As a trailblazer in this initiative, Fresenius Medical Care North America operates six ESRD Seamless Care Organizations (ESCOs) across the country—more than any other provider—innovating beyond traditional methods of care delivery with a patient-centric focus that addresses the unique needs of each individual, both in and outside the dialysis center.

"As the leader in kidney care innovation, our mission is to improve the quality of life for every patient, every day, and that means imagining new models of personalized medicine beyond what current policy envisions." Background

said Dr. Franklin Maddux, Fresenius Medical Care North America's Chief Medical Officer and Executive Vice President of Clinical and Scientific Affairs. "Our Five-Star performance reflects the dedication and clinical excellence of every one of our caregivers, nurses, physician partners, and clinical innovators. We are proud of these results and will strive to continually improve."

About Fresenius Medical Care North America

Fresenius Medical Care North America is the premier health care company focused on providing the highest quality care to people with renal and other chronic conditions. Through its industry-leading network of dialysis centers, outpatient cardiac and vascular labs, and urgent care centers, as well as the continent's largest practice of hospitalist and post-acute providers, Fresenius Medical Care North America provides coordinated health care services at pivotal care points for hundreds of thousands of chronically ill customers. As the world's largest fully vertically integrated renal company, it offers specialty pharmacy and laboratory services, and manufactures and distributes the most comprehensive line of dialysis equipment, disposable products, and renal pharmaceuticals. For more information, visit www.FMCNA.com.

About Fresenius Kidney Care

Fresenius Kidney Care, a division of Fresenius Medical Care North America (FMCNA), provides dialysis treatment and services to nearly 200,000 people with kidney disease at more than 2,200 dialysis centers nationwide. Fresenius Kidney Care supports people by helping to address both the physical and emotional aspects of kidney disease through personalized care, education, and lifestyle support services so they can lead meaningful and fulfilling lives. Fresenius Kidney Care patients have access to Fresenius Medical Care North America's integrated network of kidney care services, as highlighted above. As a leader in renal care technology, innovation, and clinical research, FMCNA's more than 67,000 employees are dedicated to the mission of delivering superior care that improves the quality of life for people with kidney disease. For more information, visit www.FreseniusKidneyCare.com and like us on Facebook.

Media Contact:

Jon Stone

Jonathan.d.stone@fmc-na.com

Office: 781-699-9704

Cell: 781-392-4680

NEWSROOM HOME, PRESS RELEASES CMS, DIALYSIS, FIVE STAR QUALITY RATING, FIVE-STAR, FRESENIUS KIDNEY CARE, FRESENIUS MEDICAL CARE NORTH AMERICA

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ESCO Fact Sheet



End Stage Renal Disease Seamless Care (ESCO) Fact Sheet

1

What is an End Stage Renal Disease Seamless Care Organization, or ESCO?

An ESCO is a partnership between nephrologists and dialysis providers that offers highly coordinated, patient-centered care to assigned Medicare beneficiaries with End Stage Renal Disease (ESRD). By monitoring and managing the total care of the ESRD patient, the ESCO aims to avoid inappropriate hospitalizations and help patients move from high-risk to lower-risk on the health care continuum.

ESCOs are designated to provide these services by the Centers for Medicare and Medicaid Services (CMS). To support this model, CMS grants the ESCO special waivers that allow the ESCO to encourage patients to become more actively engaged in their own care. The program follows the Accountable Care Organization (ACO) model and is the nation's first disease-specific shared savings program.

2

Why does Fresenius Medical Care North America (FMCNA) participate in the ESCO program?

Health care is moving toward a value-based system focused on caring for the whole patient, improving efficiencies and reducing costs. FMCNA, operating under the name Fresenius Seamless Care, is making an investment in ESCOs in a very disciplined and thoughtful way because the company believes value-based care is fundamentally important. This investment demonstrates the value FMCNA places on collaboration with CMS, policymakers and physicians for the benefit of its patients. It also shows the importance the company places on patients taking an active role in their own care.

3

What makes FMCNA's ESCOs unique?

The cornerstone of the ESCO program for FMCNA is its Care Navigation Unit (CHU), a team of specially trained nurses and care technicians who provide 24/7 patient support and care management services. By focusing on both the physical and emotional needs of each patient, the Care Navigation Unit can anticipate issues before they arise and help patients respond more quickly when they happen. The Care Navigation Unit has proven that through rigorous patient monitoring and appropriate intervention, they can significantly improve patient health outcomes, reducing hospital admissions by up to 20 percent and readmissions by up to 27 percent in ESRD populations.

4

How do patients become part of an ESCO, and what eligibility criteria exists?

CMS will prospectively match eligible beneficiaries to ESCOs through a claims-based process identifying individuals for whom CMS will hold an ESCO clinically and financially accountable. There is not an enrollment process in which beneficiaries sign-up as they would for a managed Medicare plan. Beneficiaries will remain part of the ESCO for the life of the demonstration program, unless they lose eligibility.

Company Fact Sheet



Company Fact Sheet



Headquarters

920 Water Street
Waltham, MA 02451
781-699-9000 main
800-662-1237 toll free

Fresenius Medical Care North America (FMCNA) is the continent's leading provider of kidney care products and services. As the largest and most comprehensive integrated renal care network in North America, we deliver high-quality care for people living with chronic kidney disease (CKD) and end stage renal disease (ESRD).

Company Profile

At FMCNA, we strive to be the partner of choice by leading the way with collaborative, entrepreneurial new models of value-based care that take full responsibility for the patients we serve while reducing costs and improving outcomes. This approach allows us to coordinate health care services at pivotal care points for hundreds of thousands of chronically ill people and enhance the lives of those trusted to our care.

Our integrated network includes more than 2,200 dialysis centers nationwide in addition to outpatient vascular labs and urgent care centers; the country's largest practice of hospitalists, intensive and emergency care; a specialty pharmacy and laboratory; and a manufacturing and distribution division offering a comprehensive line of dialysis equipment, disposable products and renal pharmaceuticals. The scope and sophistication of this vertically integrated network provides us with seamless oversight of our patients' entire care continuum.

With an unmatched ability to analyze immense amounts of clinical data from within our own care ecosystem, FMCNA maintains a world-class research network encompassing more than 200 principal investigators across 250 dialysis research sites, with access to more than 183,000 active ESRD patients and 390,000 active CKD patients. The ability to champion data-driven care innovations remains one of the company's key competitive advantages, informing every aspect of patient care and experience, quality improvement programs, coordinated care delivery and care integration.

Together with our 67,000 employees, physicians and trusted business partners, we are driven by our shared commitment to improve the lives of our patients by innovating the next generation of renal care for tomorrow and beyond.

Executive Biographies

Fresenius Kidney Care In-center Clinics in Illinois

Clinic	Provider #	Address	City	Zip
Aledo	14-2658	409 NW 9th Avenue	Aledo	61231
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
Belleville	-	6525 W. Main Street	Belleville	62223
Berwyn	14-2533	2601 S. Harlem Avenue, 1st Fl.	Berwyn	60402
Blue Island	14-2539	12200 S. Western Avenue	Blue Island	60406
Bolingbrook	14-2605	329 Remington	Bolingbrook	60440
Breese	14-2637	160 N. Main Street	Breese	62230
Bridgeport	14-2524	825 W. 35th Street	Chicago	60609
Burbank	14-2641	4811 W. 77th Street	Burbank	60459
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
Chicago Westside	14-2681	1340 S. Damen	Chicago	60608
Cicero	14-2754	3000 S. Cicero	Chicago	60804
Congress Parkway	14-2631	3410 W. Van Buren Street	Chicago	60624
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
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
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
Evergreen Park	14-2545	9730 S. Western Avenue	Evergreen Park	60805
Garfield	14-2555	5401 S. Wentworth Ave.	Chicago	60609
Geneseo	14-2592	600 North College Ave, Suite 150	Geneseo	61254
Glendale Heights	14-2617	130 E. Army Trail Road	Glendale Heights	60139
Glenview	14-2551	4248 Commercial Way	Glenview	60025
Greenwood	14-2601	1111 East 87th St., Ste. 700	Chicago	60619
Gurnee	14-2549	101 Greenleaf	Gurnee	60031
Hazel Crest	14-2607	17524 E. Carriageway Dr.	Hazel Crest	60429
Highland Park	14-2782	1657 Old Skokie Road	Highland Park	60035
Hoffman Estates	14-2547	3150 W. Higgins, Ste. 190	Hoffman Estates	60195
Humboldt Park	-	3500 W. Grand Avenue	Chicago	60651
Jackson Park	14-2516	7531 South Stony Island Ave.	Chicago	60649
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
Lakeview	14-2679	4008 N. Broadway, St. 1200	Chicago	60613
Lemont	-	16177 W. 127th Street	Lemont	60439
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
Maple City	14-2790	1225 N. Main Street	Monmouth	61462
Marquette Park	14-2566	6515 S. Western	Chicago	60636
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
Merrionette Park	14-2667	11630 S. Kedzie Ave.	Merrionette Park	60803
Metropolis	14-2705	20 Hospital Drive	Metropolis	62960
Midway	14-2713	6201 W. 63rd Street	Chicago	60638
Mokena	14-2689	8910 W. 192nd Street	Mokena	60448
Moline	14-2526	400 John Deere Road	Moline	61265
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

Clinic	Provider #	Address	City	Zip
Naperville North	14-2678	516 W. 5th Ave.	Naperville	60563
New City	-	4622 S. Bishop Street	Chicago	60609
Niles	14-2500	7332 N. Milwaukee Ave	Niles	60714
Normal	14-2778	1531 E. College Avenue	Normal	61761
Norridge	14-2521	4701 N. Cumberland	Norridge	60656
North Avenue	14-2602	911 W. North Avenue	Melrose Park	60160
North Kilpatrick	14-2501	4800 N. Kilpatrick	Chicago	60630
Northcenter	14-2531	2620 W. Addison	Chicago	60618
Northfield	14-2771	480 Central Avenue	Northfield	60093
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
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
Rock Island	14-2703	2623 17th Street	Rock Island	61201
Rock River - Dixon	14-2645	101 W. Second Street	Dixon	61021
Rogers Park	14-2522	2277 W. Howard St.	Chicago	60645
Rolling Meadows	14-2525	4180 Winnetka Avenue	Rolling Meadows	60008
Roseland	14-2690	135 W. 111th Street	Chicago	60628
Ross-Englewood	14-2670	6333 S. Green Street	Chicago	60621
Round Lake	14-2616	401 Nippersink	Round Lake	60073
Saline County	14-2573	275 Small Street, Ste. 200	Harrisburg	62946
Sandwich	14-2700	1310 Main Street	Sandwich	60548
Schaumburg	-	815 Wise Road	Schaumburg	60193
Silvis	14-2658	880 Crosstown Avenue	Silvis	61282
Skokie	14-2618	9801 Wood Dr.	Skokie	60077
South Chicago	14-2519	9200 S. Chicago Ave.	Chicago	60617
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
Southside	14-2508	3134 W. 76th St.	Chicago	60652
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 Woifer Industrial Drive	Spring Valley	61362
Steger	14-2725	219 E. 34th Street	Steger	60475
Streator	14-2695	2356 N. Bloomington Street	Streator	61364
Summit	-	7319-7322 Archer Avenue	Summit	60501
Uptown	14-2692	4720 N. Marine Dr.	Chicago	60640
Waterloo	14-2789	624 Voris-Jost Drive	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
West Chicago	14-2702	1859 N. Neltor	West Chicago	60185
West Metro	14-2536	1044 North Mozart Street	Chicago	60622
West Suburban	14-2530	518 N. Austin Blvd., 5th Floor	Oak Park	60302
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
Zion	-	1920-1920 N. Sheridan Road	Zion	60099

Certification & Authorization

Fresenius Medical Care Lake County, LLC

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 Fresenius Medical Care Lake Coutny, LLC 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: Adam Neuld
ITS: Regional Vice President

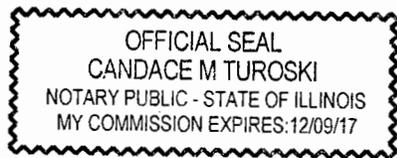
Notarization:

Subscribed and sworn to before me
this 20th day of July, 2016

Candace M. Turosski

Signature of Notary

Seal



Certification & Authorization

Fresenius Medical Care Holdings, 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 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 & 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: [Signature], Assistant Treasurer

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

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2016

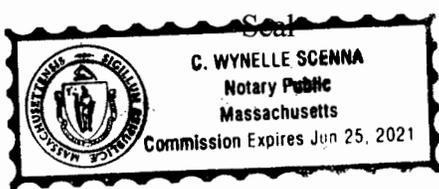
Notarization:
Subscribed and sworn to before me
this 14 day of July, 2016

Signature of Notary

[Signature]

Signature of Notary

Seal



Criterion 1110.230 – Purpose of Project

1. The purpose of this project is to maintain life-sustaining dialysis services the quickest and most cost effective way in the Gurnee area of Lake County by adding 8 ESRD stations in existing space at the Fresenius Gurnee facility which is operating at 96% with 92 patients in 16 stations. The addition will raise the total station count at the facility to 24.
2. This facility is located in Gurnee which is in Lake County in HSA 8. There is a need for 10 additional stations in this HSA.
3. The Gurnee facility has historically operated above 80% for over ten years. Two stations were added in 2016, however the utilization remains high at 96% with 92 patients.
4. Not Applicable
5. Increasing the station availability at the Fresenius Gurnee facility will maintain access to dialysis services in an area of Lake County that 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 and will ease over utilization at neighboring facilities.
6. The goal of Fresenius Kidney 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 addition of stations. Currently the Gurnee patients have the quality outcomes below:
 - 98% of patients had a URR \geq 65%
 - 98% of patients had a Kt/V \geq 1.2

Alternatives

1) All Alternatives

A-C.

- The alternative to do nothing will not address patient access issues due to the high utilization currently and historically at the Fresenius Gurnee clinic and therefore was not considered. There is no cost to this alternative.
- The physician's supporting this project currently admit to the majority of the area facilities most of which are also operating above the 80% State target utilization. Most recently, in 2012, Fresenius opened the Waukegan Harbor 21-station facility just a few miles away to accommodate additional area patients. This facility quickly rose above 80% and is operating at 90% with 114 patients as of December 2016. Additional access is needed. There is no cost to referring patients to other area facilities.
- The alternative of adding fewer stations was already acted upon. Two new stations were permitted in 2014 (#14-012) at the Gurnee facility. This had little impact to the overutilization and the clinic remains at 96% utilization. The cost of installing these two stations was approximately \$85,000.
- The facility is already a joint venture.

- D. The best alternative for addressing the patient's need for additional access in the Gurnee area while maintaining cost containment is to add 8 stations in existing space at the current site. The cost of this project is minimal at \$294,925.

2) Comparison of Alternatives

	Total Cost	Patient Access	Quality	Financial
Do Nothing	Rejected – won't address patient access issues in Lake County.			
Admit patients to other area facilities.	Physicians already admit to the majority of area facilities. The closest facilities are operating at high utilization rates. The next closest facility, Waukegan Harbor, opened in 2012, is at 90% utilization. There is no cost to this alternative.			
Establish a Joint Venture	The facility is already a joint venture.			
Expand Fresenius Gurnee by 8 stations.	\$294,925	Access to dialysis treatment will be maintained in the Gurnee area of Lake County. Patients will have treatment shift options with additional stations.	Fresenius Medical Care Gurnee's quality is above standards 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 Gurnee has had above standard quality outcomes as demonstrated below.

- 98% of patients had a URR \geq 65%
- 98% of patients had a Kt/V \geq 1.2

Criterion 1110.234, Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD 450-650 BGSF Per Station	DIFFERENCE	MET STANDARD?
ESRD IN-CENTER HEMODIALYSIS	11,000 (24 Stations)	10,800 – 15,600 BGSF	None	Yes

The State Standard for ESRD is between 450 - 650 BGSF per station or 10,800 – 15,600 BGSF. The proposed 11,000 BGSF falls within the State standard.

Criterion 1110.234, Project Services Utilization

UTILIZATION					
	DEPT/SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
	IN-CENTER HEMODIALYSIS	12/31/2016 96%		80%	Yes
YEAR 1	IN-CENTER HEMODIALYSIS	106 patients	74%	80%	Yes
YEAR 1	IN-CENTER HEMODIALYSIS	123 patients	85%	80%	Yes

Planning Area Need – Formula Need Calculation:

Fresenius Medical Care Gurnee is located in HSA 8. HSA 8 is comprised of Lake, McHenry and Kane Counties. According to the December 2016 Inventory there is a need for an additional 10 stations in this HSA.

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 Gurnee area of Lake County in HSA 8. 97% of the current Fresenius Gurnee patients are from HSA 8 and 100% of the pre-ESRD patients identified for this project reside in HSA 8.

Pre-ESRD Patients

HSA	County	City	Zip Code	Pre-ESRD
8	Lake	Gurnee	60031	53

Current Dialysis Patients at the Gurnee Facility

HSA	County	City	Zip Code	Pre-ESRD
	Wisconsin	Kenosha	53143	1
8	Lake	Grayslake	60030	3
		Gurnee	60031	24
		North Chicago	60064	13
		Wadsworth	60083	3
		Park City/Waukegan	60085	33
		Beach Park/Waukegan	60087	6
		Zion	60099	7
		6	Cook	Wheeling
Palatine	60074			1
97% Current Patients are From HSA 8			Total	92

Service Demand – Expansion of In-center Hemodialysis Service

A. Historical Service Demand

- i) The Fresenius Medical Care Gurnee 16-station (recently went from 14-16 stations - #14-012) dialysis facility has been operating between 82% and 102% for the past ten years. It has an average utilization rate of 88% for the past 12 months. The clinic is currently at 96% utilization with 92 patients.

See attached physician support/referral letter on following page.

January 16, 2017

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

Dear Ms. Avery:

I am a nephrologist in practice with Nephrology Associates of Northern Illinois (NANI) and am the Medical Director of the Fresenius Gurnee and Waukegan Harbor ESRD facilities. The Gurnee facility recently relocated and added two stations for a total of 16, however the facility remains at capacity due to the ongoing growth of ESRD in the area. My partners (Dr. Degani, Dr. Alapishvili, Dr. Sujata & Dr. Din) and I have a large and expanding practice here in northeast Lake County and require additional access to dialysis services because of high clinic utilization in the area. We are therefore in full support of the proposed expansion of the Gurnee facility.

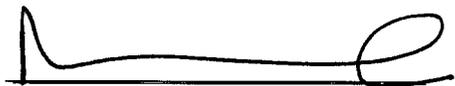
We were treating 190 hemodialysis patients at the end of 2013, 323 patients at the end of 2014, 331 at the end of 2015 and 336 as of December 31, 2016 as reported to The Renal Network. Over the past twelve months we have referred 62 new hemodialysis patients for services.

We currently have 118 patients in our practice with chronic kidney disease who live in the zip codes immediately surrounding the Gurnee facility. Of these, 53 reside in Gurnee and will be referred to the Gurnee facility to utilize the additional 8 stations. The remaining patients in these zip codes will likely be referred to the Gurnee facility but could also be referred to other nearby facilities with capacity.

Given that the Gurnee facility is near capacity and other area facilities are also full, I urge the Board to approve the addition of 8 stations at the Fresenius Gurnee facility in order to keep access available to this growing ESRD patient population. 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,

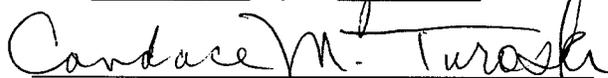


Rakhi Khanna, M.D.

Notarization:

Subscribed and sworn to before me

this 17th day of Jan, 2017



Signature of Notary

Seal



FRESENIUS GURNEE
PATIENTS AS OF 12-2016

Zip Code	Patients
53143	1
60030	3
60031	24
60064	13
60074	1
60083	3
60085	33
60087	6
60090	1
60099	7
Total	92

PRE-ESRD PATIENTS
IDENTIFIED FOR
FRESENIUS GURNEE

Zip Code	Patients
60031	53
Total	53

Note: Patients identified for the Gurnee facility in #14-012 were removed from the above patient list.

NEW HEMODIALYSIS REFERRALS OF THE
SUPPORTING PHYSICIANS
FOR THE PAST TWELVE MONTHS

Zip Code	Fresenius Kidney Care					DaVita		Total
	Antioch	Gurnee	Lake Bluff	Round Lake	Waukegan Harbor	Lake County	Waukegan	
53142	1							1
60020				1				1
60030						1		1
60031	1				1			2
60046	1							1
60053		1						1
60064		2	1		3			6
60069						1		1
60073	1			3	1			5
60079							1	1
60083		1					2	3
60084				1				1
60085	1	2			6	1	11	21
60087	1				1		4	6
60096							1	1
60099	2	1			2		3	8
60160	1							1
60645				1				1
Total	9	7	1	6	14	3	22	62

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2013

Zip Code	Fresenius Medical Care				Total	
	Antioch	McHenry	Gurnee	Round Lake		Waukegan Harbor
53179	2				2	
60002	12				12	
60020	1			2	3	
60030				2	2	
60031			12	1	2	15
60041	1			1		2
60042		1				1
60046	3			1		4
60047		1				1
60050		5				5
60064		1	7		8	16
60071	1					1
60073	5		1	16		22
60081				1		1
60083	2		1			3
60084				2		2
60085	2		33	1	28	64
60087			2	2	5	9
60096					1	1
60098		2				2
60099	6		1		9	16
60102		1				1
60617					1	1
60619					1	1
60623				1		1
60625			1			1
60644	1					1
Total	37	11	58	30	55	190

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2014

Zip Code	Fresenius Kidney Care						DaVita		Total
	Antioch	Gurnee	Lake Bluff	Mundeline	Round Lake	Waukegan Harbor	Lake County	Waukegan	
53140		1							1
53168	1								1
54930								1	1
60002	11								11
60005						1			1
60020					2				2
60025	1								1
60030		1		1	1		4		7
60031		9	1		2	2		3	17
60041					2				2
60046	2				1				3
60047							1		1
60048			1				4		5
60060				2			5		7
60061			1	3			4		8
60064	1	5	4			5		10	25
60069							1		1
60071	1								1
60073	3				12		1	1	17
60079						1			1
60083		1						2	3
60084				1	1				2
60085	1	34	3		1	32	5	50	126
60087		3	1			7		17	28
60096						1		2	3
60099	6	1	3			10		21	41
60110		1							1
60139							1		1
60181	1								1
60302				1					1
60612						1			1
60640								1	1
60649		1							1
Total	28	57	14	8	22	60	26	108	323

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2015

Zip Code	Fresenius Kidney Care					DaVita		Total	
	Antioch	Gurnee	Lake Bluff	Mundeline	Round Lake	Waukegan Harbor	Lake County Waukegan		
53140						1		1	
53143							1	1	
53168	1							1	
53179	1							1	
60002	7							7	
60005						1		1	
60020	1				2			3	
60025	1							1	
60030				1	1		4	6	
60031		10	1		2	3	2	18	
60041					3			3	
60046	3							3	
60048							4	4	
60060				1			6	7	
60061				2			3	5	
60064		6	3			8	1	23	
60069							1	1	
60073	1				14	1	2	18	
60079						1	1	2	
60083	1	2				1	1	5	
60084				1	1			2	
60085	2	26	2			36	4	135	
60087	1	4	1			8	2	32	
60096						1		1	
60099	4	3	1			13	19	40	
60139							1	1	
60154					1			1	
60160	1							1	
60181	1							1	
60187	1							1	
60302				1				1	
60609					1			1	
60645					1			1	
60649		1						1	
60659						1		1	
Total	26	52	8	6	26	75	28	110	331

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2016

Zip Code	Fresenius Kidney Care						DaVita		Total
	Antioch	Gurnee	Lake Bluff	Mundeline	Round Lake	Waukegan Harbor	Lake County	Waukegan	
53104	1								1
53140		1				1			2
53142	1								1
53168	1								1
53179	1								1
60002	10								10
60005						1			1
60020	1				1				2
60025	1								1
60030					1	1	4		6
60031		10	1		4	2		2	19
60041					3				3
60046	2				1				3
60048			1				5		6
60050	1								1
60060				2			6		8
60061				3			4		7
60064		5	3			9	1	8	26
60073	1				14		1		16
60079						1			1
60081	1								1
60083	1	1				2			4
60084				1	2				3
60085	1	31	2			32	3	61	130
60087		3	2			8	2	17	32
60096						1			1
60099	5	2	1			14		20	42
60110								1	1
60139							1		1
60181	1								1
60302				1					1
60624						1			1
60649		1							1
60659						1			1
Total	29	54	10	7	26	74	27	109	336

Criterion 1110.1430 (e)(1) – Staffing

2) A. Medical Director

Dr. Rakhi Khanna is currently the Medical Director for Fresenius Medical Care Gurnee and will continue to be the Medical Director. Attached is her curriculum vitae.

B. All Other Personnel

The Gurnee facility currently employs the following staff:

- Clinic Manager who is a Registered Nurse
- 4 Registered Nurses
- 8 Patient Care Technicians
- Full-time Registered Dietitian
- Full-time Licensed Master level Social Worker
- Full-time Equipment Technician
- Full-time Secretary

One registered nurse and four additional Patient Care Technicians will be hired for the 8-station expansion.

- 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.

Rakhi Khanna

Education

*Chicago College of Osteopathic Medicine
Midwestern University
Downers Grove, IL*

DO
June 2000

*Loyola University
Chicago, IL*

BS, Biology and Chemistry
1996, *Magna Cum Laude*

Training

*Long Island College Hospital
Brooklyn, NY*

Fellowship, Nephrology
July 2000 – June 2003

Licensure and Certification

- ABIM Certification in Internal Medicine 2003-2013
- Board Eligible in Nephrology, June 2005
- License to practice in the State of Illinois
- Current DEA registration
- AHA Certification in BLS and ACLS

Research

- Demographics, clinical features and survival experience of Human Immunodeficiency Virus peritoneal dialysis patients: A 16 year retrospective study. Presenting author at Dialysis Annual Conference, Tampa, FL, March 2005. *Peritoneal Dialysis International*, Vol25, Suppl, Feb 2005, PS16 (Abstract only)
- Association Between C-Reactive Protein (CRP) and Clinical Outcomes in Peritoneal Dialysis Patients. *Peritoneal Dialysis International*, Vol25, Suppl, Feb 2005, PS13 (Abstract only).
- Biochemical Advantages of Paricalcitol Therapy for Secondary Hyperparathyroidism In Patients on Maintenance Hemodialysis Previously Treated with Calcitriol; *American Journal of Kidney Diseases*, Vol 45, No 4, 2005 April pA29 (Abstract only).

Rakhi Khanna

- Study the dosing of Vancomycin in Obese End Stage Renal Disease Patients;
Abstract submitted to ASN 2005 for review.

Honors

- Phi Beta Kappa, Loyola University; 1996
- Letters of Commendation for teaching Medical Students; 2000 – 2001
- Appointment to Ethics Committee, Christ Medical Center, Oak Lawn, IL; 2001 – 2003

Professional Memberships

Member, American Society of Nephrology

Hospital Affiliations

Vista Medical Center East
1324 North Sheridan Road
Waukegan, IL 60085
Attending, Nephrology
2006 - Present

Condell Medical Center
700 Garfield Avenue
Libertyville, IL 60048
Attending, Nephrology
2006 – Present

Centegra Northern Illinois Medical Center
4201 Medical Center Drive
McHenry, IL 60050
Consultant, Nephrology
2006 – Present

Midwestern Regional Medical Center
2520 Elisha Avenue
Zion, IL 60099
Consultant, Nephrology
2006 – Present

Rakhi Khanna

Dialysis Center Affiliations

Medical Director McHenry / FMCNA
4312 West Elm Street
McHenry, IL 60050
2006 – Present

Consultant Evanston / DSI
1715 Central Street
Evanston, IL 60201
2006 – Present

Consultant Gurnee / FMCNA
101 South Greenleaf Avenue
Gurnee, IL 60031
2006 – Present

Consultant Round Lake / FMCNA
401 West Nippersink Road
Round Lake, IL 60073
2006 – Present

Consultant Antioch / FMCNA
311 West Depot Street
Antioch, IL 60002
2006 – Present

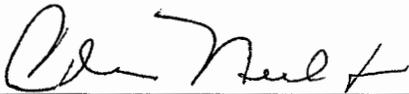
Practice

North Suburban Nephrology, LLC
1445 North Hunt Club Road
Suite 201
Gurnee, IL 60031
2006 - Present

Criterion 1110.1430 (f) – Support Services

I am the Regional Vice at Fresenius Kidney Care who oversees the Fresenius Medical Care Gurnee facility. In accordance with 77 Il. Admin Code 1110.1430, I certify to the following:

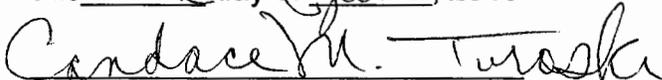
- Fresenius Medical Care utilizes a patient data tracking system in all of its facilities.
- These support services are available at Fresenius Medical Care Gurnee during all six shifts:
 - Nutritional Counseling
 - Psychiatric/Social Services
 - Home/self training
 - Clinical Laboratory Services – provided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



Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 30th day of June, 2016



Signature of Notary

Seal



Criterion 1110.1430 (j) – Assurances

I am the Regional Vice President at Fresenius Kidney Care who oversees the Gurnee facility. In accordance with 77 Il. Admin Code 1110.1430, and with regards to Fresenius Medical Care Gurnee, I certify the following:

1. As supported in this application through expected referrals to Fresenius Medical Care Gurnee in the first two years of operation of the additional 8 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 Gurnee hemodialysis patients have achieved adequacy outcomes of:
 - 98% of patients had a URR \geq 65%
 - 98% of patients had a Kt/V \geq 1.2

and same is expected after the expansion.

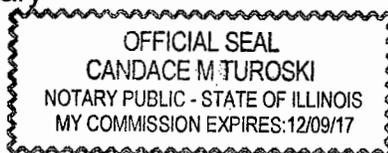

Signature

Coleen Muldoon/Regional Vice President
Name/Title

Subscribed and sworn to before me
this 30th day of June, 2016


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.

2014 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #15-022, Fresenius Medical Care Blue Island. 2015 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #16-023, Fresenius Kidney Care East Aurora. These 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(a) Reasonableness of Financing Arrangements

Fresenius Medical Care Lake County, LLC

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: Regional Vice President

Notarization:

Subscribed and sworn to before me
this 20th day of July 2016

[Signature]

Signature of Notary

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: *B. Mello*
Title: Bryan Mello
Assistant Treasurer

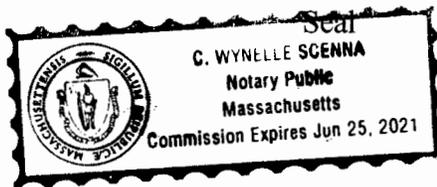
By: *[Signature]*
Title: Mark Fawcett
Senior Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2016

Notarization:
Subscribed and sworn to before me
this 14 day of July, 2016

Signature of Notary *C. Wynelle Scenna* Signature of Notary

Seal



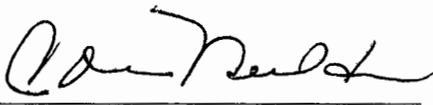
Criterion 1120.310(b) Conditions of Debt Financing

Fresenius Medical Care Lake County, LLC

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:

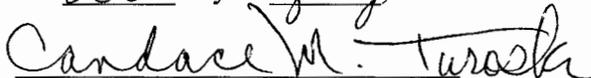
There is no debt financing. The project will be funded with cash and leasing arrangements; and

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: Regional Vice President

Notarization:

Subscribed and sworn to before me
this 20th day of July 2016


Signature of Notary

Seal



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: *Bryan Mello*
ITS: Bryan Mello
Assistant Treasurer

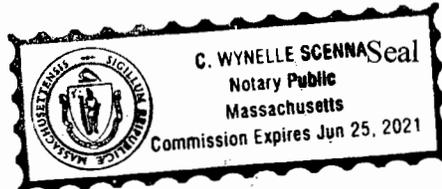
By: *Mark Fawcett*
ITS: Mark Fawcett
Senior Vice President & Treasurer

Notarization:
Subscribed and sworn to before me
this _____ day of _____, 2016

Notarization:
Subscribed and sworn to before me
this 14 day of July, 2016

Signature of Notary *C. Wynelle Scenna* Signature of Notary

Seal



Safety Net Impact Statement

The addition of 8 ESRD stations to the 16-station Fresenius Medical Care Gurnee facility will not have any impact on safety net services in the Gurnee area of Lake 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 for ESRD or insurance on the Healthcare Marketplace. 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 Kidney 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 Kidney 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, National Kidney Foundation and American Kidney Fund.

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 Kidney Care facilities in Illinois.

CHARITY CARE			
	2013	2014	2015
Net Revenue	\$398,570,288	\$411,981,839	\$438,247,352
Charity *			
(# of self-pay patients)	499	251 ¹	195 ²
Charity (cost In dollars)	\$5,346,976	\$5,211,664	\$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	0.68%
MEDICAID			
	2013	2014	2015
Medicaid (# of patients)	1,660	750	396 ³
Medicaid (revenue)	\$31,373,534	\$22,027,882	\$7,310,484
Ratio Medicaid to Net Patient Revenue	7.87%	5.35%	1.67%

Note:

- 1) Charity (self-pay) patient numbers decreased however treatments were higher per patient resulting in similar costs as 2013.
- 2) Charity (self-pay) patient numbers continue to decrease as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. Patients who cannot afford the premiums have them paid by the American Kidney Fund.
- 3) Medicaid number of patients is decreasing as Fresenius Financial Coordinators assist patients in signing up for health insurance in the Healthcare Marketplace. Patients who cannot afford the premiums have them paid by the American Kidney Fund.

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 or are able to purchase insurance on the Healthcare Marketplace with premiums paid for by The American Kidney Fund. 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 for ESRD only. Also, the American Kidney Fund funds health insurance premiums 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 on the Healthcare Marketplace funded by AKF. The applicants donate to the AKF to support its initiatives as do most dialysis providers.

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 with the patient to obtain insurance coverage for each patient.

Uncompensated Care For All Fresenius Facilities in Illinois

CHARITY CARE			
	2013	2014	2015
Net Patient Revenue	\$398,570,288	\$411,981,839	\$438,247,352
Amount of Charity Care (charges)	\$5,346,976	\$5,211,664	\$2,983,427
Cost of Charity Care	\$5,346,976	\$5,211,664	\$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	0.68%

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 or are able to purchase insurance on the Healthcare Marketplace with premiums paid for by The American Kidney Fund. 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 for ESRD only. Also, the American Kidney Fund funds health insurance premiums 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 on the Healthcare Marketplace funded by AKF. The applicants donate to the AKF to support its initiatives as do most dialysis providers.

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 with the patient to obtain insurance coverage for each patient.

Uncompensated Care For All Fresenius Facilities in Illinois

CHARITY CARE			
	2013	2014	2015
Net Patient Revenue	\$398,570,288	\$411,981,839	\$438,247,352
Amount of Charity Care (charges)	\$5,346,976	\$5,211,664	\$2,983,427
Cost of Charity Care	\$5,346,976	\$5,211,664	\$2,983,427
Ratio Charity Care Cost to Net Patient Revenue	1.34%	1.27%	0.68%

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 assist patients in purchasing insurance on the Healthcare Marketplace and then connects 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.

January 16, 2017

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

Dear Ms. Avery:

I am a nephrologist in practice with Nephrology Associates of Northern Illinois (NANI) and am the Medical Director of the Fresenius Gurnee and Waukegan Harbor ESRD facilities. The Gurnee facility recently relocated and added two stations for a total of 16, however the facility remains at capacity due to the ongoing growth of ESRD in the area. My partners (Dr. Degani, Dr. Alapishvili, Dr. Sujata & Dr. Din) and I have a large and expanding practice here in northeast Lake County and require additional access to dialysis services because of high clinic utilization in the area. We are therefore in full support of the proposed expansion of the Gurnee facility.

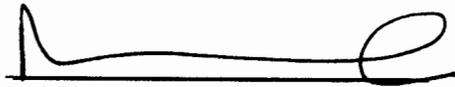
We were treating 190 hemodialysis patients at the end of 2013, 323 patients at the end of 2014, 331 at the end of 2015 and 336 as of December 31, 2016 as reported to The Renal Network. Over the past twelve months we have referred 62 new hemodialysis patients for services.

We currently have 118 patients in our practice with chronic kidney disease who live in the zip codes immediately surrounding the Gurnee facility. Of these, 53 reside in Gurnee and will be referred to the Gurnee facility to utilize the additional 8 stations. The remaining patients in these zip codes will likely be referred to the Gurnee facility but could also be referred to other nearby facilities with capacity.

Given that the Gurnee facility is near capacity and other area facilities are also full, I urge the Board to approve the addition of 8 stations at the Fresenius Gurnee facility in order to keep access available to this growing ESRD patient population. 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,

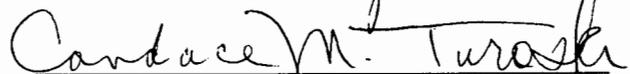


Rakhi Khanna, M.D.

Notarization:

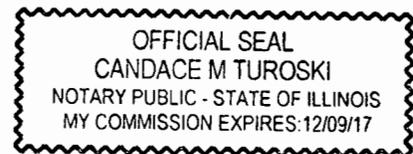
Subscribed and sworn to before me

this 17th day of Jan, 2017



Signature of Notary

Seal



FRESENIUS GURNEE
PATIENTS AS OF 12-2016

Zip Code	Patients
53143	1
60030	3
60031	24
60064	13
60074	1
60083	3
60085	33
60087	6
60090	1
60099	7
Total	92

PRE-ESRD PATIENTS
IDENTIFIED FOR
FRESENIUS GURNEE

Zip Code	Patients
60031	53
Total	53

Note: Patients identified for the Gurnee facility in #14-012 were removed from the above patient list.

NEW HEMODIALYSIS REFERRALS OF THE
SUPPORTING PHYSICIANS
FOR THE PAST TWELVE MONTHS

Zip Code	Fresenius Kidney Care					DaVita		Total
	Antioch	Gurnee	Lake Bluff	Round Lake	Waukegan Harbor	Lake County	Waukegan	
53142	1							1
60020				1				1
60030						1		1
60031	1				1			2
60046	1							1
60053		1						1
60064		2	1		3			6
60069						1		1
60073	1			3	1			5
60079							1	1
60083		1					2	3
60084				1				1
60085	1	2			6	1	11	21
60087	1				1		4	6
60096							1	1
60099	2	1			2		3	8
60160	1							1
60645				1				1
Total	9	7	1	6	14	3	22	62

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2013

Zip Code	Fresenius Medical Care					Total
	Antioch	McHenry	Gurnee	Round Lake	Waukegan Harbor	
53179	2					2
60002	12					12
60020	1			2		3
60030				2		2
60031			12	1	2	15
60041	1			1		2
60042		1				1
60046	3			1		4
60047		1				1
60050		5				5
60064		1	7		8	16
60071	1					1
60073	5		1	16		22
60081				1		1
60083	2		1			3
60084				2		2
60085	2		33	1	28	64
60087			2	2	5	9
60096					1	1
60098		2				2
60099	6		1		9	16
60102		1				1
60617					1	1
60619					1	1
60623				1		1
60625			1			1
60644	1					1
Total	37	11	58	30	55	190

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2014

Zip Code	Fresenius Kidney Care						DaVita		Total
	Antioch	Gurnee	Lake Bluff	Mundeline	Round Lake	Waukegan Harbor	Lake County	Waukegan	
53140		1							1
53168	1								1
54930								1	1
60002	11								11
60005						1			1
60020					2				2
60025	1								1
60030		1		1	1		4		7
60031		9	1		2	2		3	17
60041					2				2
60046	2				1				3
60047							1		1
60048			1				4		5
60060				2			5		7
60061			1	3			4		8
60064	1	5	4			5		10	25
60069							1		1
60071	1								1
60073	3				12		1	1	17
60079						1			1
60083		1						2	3
60084				1	1				2
60085	1	34	3		1	32	5	50	126
60087		3	1			7		17	28
60096						1		2	3
60099	6	1	3			10		21	41
60110		1							1
60139							1		1
60181	1								1
60302				1					1
60612						1			1
60640								1	1
60649		1							1
Total	28	57	14	8	22	60	26	108	323

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2015

Zip Code	Fresenius Kidney Care					DaVita		Total
	Antioch	Gurnee	Lake Bluff	Mundeline	Round Lake	Waukegan Harbor	Lake County Waukegan	
53140						1		1
53143							1	1
53168	1							1
53179	1							1
60002	7							7
60005						1		1
60020	1				2			3
60025	1							1
60030				1	1		4	6
60031		10	1		2	3		18
60041					3			3
60046	3							3
60048							4	4
60060				1			6	7
60061				2			3	5
60064		6	3			8	1	23
60069							1	1
60073	1				14	1	2	18
60079						1		2
60083	1	2				1		5
60084				1	1			2
60085	2	26	2			36	4	135
60087	1	4	1			8	2	32
60096						1		1
60099	4	3	1			13		40
60139							1	1
60154					1			1
60160	1							1
60181	1							1
60187	1							1
60302				1				1
60609					1			1
60645					1			1
60649		1						1
60659						1		1
Total	26	52	8	6	26	75	28	331

HEMODIALYSIS PATIENTS OF PHYSICIANS AT YEAR END 2016

Zip Code	Fresenius Kidney Care						DaVita		Total
	Antioch	Gurnee	Lake Bluff	Mundeline	Round Lake	Waukegan Harbor	Lake County	Waukegan	
53104	1								1
53140		1				1			2
53142	1								1
53168	1								1
53179	1								1
60002	10								10
60005						1			1
60020	1				1				2
60025	1								1
60030					1	1	4		6
60031		10	1		4	2		2	19
60041					3				3
60046	2				1				3
60048			1				5		6
60050	1								1
60060				2			6		8
60061				3			4		7
60064		5	3			9	1	8	26
60073	1				14		1		16
60079						1			1
60081	1								1
60083	1	1				2			4
60084				1	2				3
60085	1	31	2			32	3	61	130
60087		3	2			8	2	17	32
60096						1			1
60099	5	2	1			14		20	42
60110								1	1
60139							1		1
60181	1								1
60302				1					1
60624						1			1
60649		1							1
60659						1			1
Total	29	54	10	7	26	74	27	109	336