



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

<b>DOCKET NO:</b> I-05	<b>BOARD MEETING:</b> January 9, 2018	<b>PROJECT NO:</b> 17-024	<b>PROJECT COST:</b> Original: \$2,788,837
<b>FACILITY NAME:</b> Fresenius Kidney Care Springfield East		<b>CITY:</b> Springfield	
<b>TYPE OF PROJECT:</b> Substantive			<b>HSA:</b> III

**PROJECT DESCRIPTION:** The Applicants (Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Springfield East, LLC) propose the establishment of a nine (9) station ESRD facility in 7,081 GSF of leased space in Springfield, Illinois. The cost of the project is \$2,788,837, and the scheduled completion date is March 31, 2019.

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION:**

- The Applicants (Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Springfield East, LLC) propose the establishment of a nine (9) station ESRD facility in 7,081 GSF of leased space in Springfield, Illinois. The cost of the project is \$2,788,837, and the scheduled completion date is March 31, 2019.
- At the September 2017 State Board this project received an Intent to Deny. At the conclusion of this report is the transcript from that State Board Meeting.

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The project is before the State Board because the project proposes to establish a health care facility as defined at 20 ILCS 3960/3

### **PURPOSE OF THE PROJECT:**

- The Applicants state:  
*“The purpose of this project is to provide access to dialysis services in a Federally Designated Medically Underserved Area in Springfield, Sangamon County, in HSA-03. The proposed Fresenius Kidney Care (FKC) Springfield East facility will offer patients a continued choice of a dialysis provider, access closer to the neediest ESRD patients while providing access to treatment times that meet each patient’s need. The proposed Springfield East facility will bring access to dialysis services to a medically underserved area where residents experience low income and high rates of Medicaid eligibility as well as lack of any insurance coverage. Fresenius Kidney Care treats all patients regardless of ability to pay and assists all patients in securing some type of insurance coverage that not only covers their dialysis treatment but other healthcare services as well. The goal of Fresenius Kidney Care is to establish dialysis services to meet the needs of the underserved, maintain access to preferred treatment schedules, and maintain access to an FKC facility, securing patient choice.”*

### **RESPONSE TO INTENT TO DENY**

- In response to the Intent to Deny issued to project #17-024 at the September 26, 2017 meeting, Fresenius Kidney Care submitting additional information and stated in part:  
*“We note that the application met all but two criteria. While there may be an excess of stations in HSA 3, as mentioned in the application, the vastly rural nature of the HSA produces clinics that generally do not operate the six treatment shifts that utilization and need calculations are based on. Typically, this is because the population is not sufficient to sustain the three shifts per day, six day a week operations requirement, and the focus is on the first two shifts because it is not safe for ESRD patients to travel long distances on two-lane country roads, especially in inclement weather or at night. Public transportation is also not available to these patients in the evening (the third shift). Although Springfield is not rural itself, many patients come into Springfield for treatment from surrounding rural areas. The map on the following page shows the demographics of the current patient population at the Fresenius Centre-West facility. A significant number travel up to almost 30 miles from outlying rural areas. It is in the rural patient's best interest to be able to travel to and from dialysis in the daytime. The Springfield East facility will provide adequate access for patients who want to dialyze at a Fresenius clinic, who would otherwise have to dialyze on a night shift if it is not approved.”* [Response to the Intent to Deny is included at the end of this report]

**PUBLIC HEARING/COMMENT:**

- No public hearing was requested. Letters of support and opposition were received by the State Board. These comments are included at the end of this report [See Appendix II].

**SUMMARY:**

- This project received an Intent to Deny at the September 2017 State Board Meeting. Supplemental information was provided by the Applicants to address the Intent to Deny on October 26, 2017 and that supplemental information is provided at the end of this report. The supplemental information did not increase or decrease the cost of the project. The Part 77 IAC 1120 criteria, which was met, remain unchanged from the Original State Board Staff report and are not repeated as part of this Supplemental Report.
- The State Board is estimating an excess of 24-stations in the HSA-03 ESRD Planning Area, per the November 2017 Inventory Update by 2020. There appears to be sufficient demand for the 9-stations as the Applicants have identified 70 patients that will need dialysis within one to two years after project completion. If the project is approved the facility will be located in a Federally Designated Medically Underserved Area. There are four (4) facilities within thirty (30) minutes of the proposed facility that based upon their current utilization can accommodate an additional 44 patients before reaching 80% target occupancy. There is a fifth facility that operates as a hospital-based operation serving patients who otherwise cannot receive dialysis in an outpatient setting (Memorial Medical Center). It does appear there will be an unnecessary duplication of service or a mal-distribution of stations in the planning area, due to underutilized ESRD facilities in close proximity to the proposed facility.

**CONCLUSIONS:**

- **The Applicants addressed twenty one (21) criteria and did not meet the following:**

<b>State Board Standards Not Met</b>	
<b>Criteria</b>	<b>Reasons for Non-Compliance</b>
<b>Criterion 1110.1430(c)(1) – Planning Area Need</b>	The State Board is estimating an excess of 24-stations in the HSA III ESRD Planning Area by CY 2020 based upon the estimated population and the current usage rate.
<b>Criterion 1110.1430(d)(1), (2), (3) – Unnecessary Duplication/Maldistribution of Service/Impact on Other Providers</b>	There are four facilities within 30 minutes of the proposed facility currently operating at approximately 69%. These four facilities can accommodate an additional 44 patients before reaching the target occupancy of 80%.

**SUPPLEMENTAL  
STATE BOARD STAFF REPORT  
Fresenius Kidney Care Springfield East  
PROJECT #17-024**

<b>APPLICATION SUMMARY/CHRONOLOGY</b>	
Applicants	Fresenius Medical Care Holdings, Inc. Fresenius Medical Care Springfield East, LLC d/b/a Fresenius Kidney Care Springfield East
Facility Name	Fresenius Kidney Care Springfield East
Location	1800 East Washington, Springfield, Illinois
Application Received	May 12, 2017
Application Deemed Complete	May 12, 2017
Review Period Ends	September 9, 2017
Permit Holder	Fresenius Medical Care Springfield East, LLC d/b/a Fresenius Kidney Care Springfield East
Operating Entity	Fresenius Medical Care Springfield East, LLC d/b/a Fresenius Kidney Care Springfield East
Owner of the Site	BB Properties, LLC
Project Financial Commitment Date	September 30, 2018
Gross Square Footage	7,081 GSF
Project Completion Date	March 31, 2019
Expedited Review	No
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

**I. The Proposed Project**

The Applicants (Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Springfield East, LLC d/b/a Fresenius Kidney Care Springfield East) propose the establishment of a nine (9) station ESRD facility in 7,081 GSF of leased space in Springfield, Illinois. The cost of the project is \$2,788,837, and the completion date is March 31, 2019.

**II. Summary of Findings**

- A. The State Board Staff finds the proposed project **is not** in conformance with the provisions of 77 IAC 1110 (Part 1110).
- B. The State Board Staff finds the proposed project is in conformance with the provisions of 77 IAC 1120 (Part 1120).

**III. General Information**

The Applicants are Fresenius Medical Care Holdings, Inc and Fresenius Medical Care Springfield East, LLC d/b/a Fresenius Kidney Care Springfield East. Fresenius Medical Care Holdings, operating as Fresenius Medical Care North America or FMCNA, operates a network of some 2,100 dialysis clinics located throughout the continent. One of the largest providers of kidney dialysis services, FMCNA offers outpatient and in-home hemodialysis treatments for chronic kidney disease. The company's operating units also

market and sell dialysis machines and related equipment and provide renal research, laboratory, and patient support services. FMCNA oversees the North American operations of dialysis giant Fresenius Medical Care AG & Co. Fresenius Medical Care Springfield East, LLC is a wholly owned subsidiary of Fresenius Medical Care Holdings, Inc. Fresenius Kidney Care Springfield East will be located at 1800 East Washington Street, Springfield, Illinois in the HSA-03 ESRD planning area. HSA III includes Adams, Brown, Calhoun, Cass, Christian, Greene, Hancock, Jersey, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, and Scott counties. The State Board has projected an excess of 24 ESRD stations by CY 2020. This is a substantive project subject to an 1110 and 1120 review. Financial commitment will occur after permit issuance. Table One outlines the current Fresenius projects approved by the State Board and their completion date.

<b>TABLE ONE</b>			
<b>Current Fresenius Projects and Status</b>			
Project Number	Name	Project Type	Completion Date
#15-028	FMC Schaumburg	Establishment	5/31/2018
#15-036	FMC Zion	Establishment	12/31/2018
#15-046	FMC Beverly Ridge	Establishment	10/31/2018
#15-050	FMC Chicago Heights	Establishment	09/30/2018
#15-062	FMC Belleville	Establishment	12/31/2018
#16-024	FMC Kidney Care East Aurora	Establishment	9/30/2018
#16-029	FMC Ross Dialysis – Englewood	Relocation/Expansion Establishment	12/31/2018
#16-034	FKC Woodridge	Establishment	3/31/2019
#16-042	FKC Paris Community	Establishment	12/31/2017
#16-049	FMC Macomb	Relocation/Establishment	12/31/2018
#17-003	FMC Gurnee	Expansion	3/31/2018
#17-004	FKC Mount Prospect	Establishment	12/31/2018

**IV. Project Costs**

The Applicants are funding this project with cash and securities of \$1,782,714 and the fair market value of leased space and equipment of \$1,006,123. The estimated start-up costs and the operating deficit are projected to be \$151,283.

<b>TABLE TWO</b>			
<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>Reviewable</b>	<b>Non Reviewable</b>	<b>Total</b>
Modernization Contracts	\$940,003	\$313,334	\$1,253,337
Contingencies	\$90,283	\$30,094	\$120,377
Architectural/Engineering Fees	\$97,500	\$32,500	\$130,000
Movable or Other Equipment (not in construction contracts)	\$219,000	\$60,000	\$279,000
Fair Market Value of Leased Space & Equipment*	\$783,675	\$222,448	\$1,006,123
<b>TOTAL USES OF FUNDS</b>	<b>\$2,130,461</b>	<b>\$658,376</b>	<b>\$2,788,837</b>
<b>SOURCE OF FUNDS</b>	<b>Reviewable</b>	<b>Non Reviewable</b>	<b>Total</b>
Cash and Securities	\$1,346,786	\$435,928	\$1,782,714
Leases (fair market value)	\$783,675	\$222,448	\$1,006,123
<b>TOTAL SOURCES</b>	<b>\$2,130,461</b>	<b>\$658,376</b>	<b>\$2,788,837</b>
Source: Page 6 of the Application for Permit.			

**V. Purpose of Project, Safety Net Impact Statement and Alternatives**

**A) Criterion 1110.230(a) Purpose of the Project**

*“The purpose of this project is to provide access to dialysis services in a Federally Designated Medically Underserved Area in Springfield, Sangamon County, in HSA-03. The proposed Fresenius Kidney Care (FKC) Springfield East facility will offer patients a continued choice of a dialysis provider, access closer to the neediest ESRD patients while providing access to treatment times that meet each patient’s need. The proposed Springfield East facility will bring access to dialysis services to a medically underserved area where residents experience low income and high rates of Medicaid eligibility as well as lack of any insurance coverage. Fresenius Kidney Care treats all patients regardless of ability to pay and assists all patients in securing some type of insurance coverage that not only covers their dialysis treatment but other healthcare services as well. The goal of Fresenius Kidney Care is to establish dialysis services to meet the needs of the underserved, maintain access to preferred treatment schedules, and maintain access to an FKC facility, securing patient choice.”*

**B) Criterion 1110.230(b) - Safety Net Impact Statement**

**The Applicants stated the following:**

*“The proposed Fresenius Kidney Care Springfield East dialysis facility will not have any impact on safety net services in the Springfield area of Sangamon County. Fresenius Medical Care is a for-profit, publicly traded company and is not required to provide charity care, nor does it do so according to the Board’s definition”. “However, Fresenius Medical Care provides care to all patients regardless of their ability to pay.” “There are patients treated by Fresenius who either do not qualify for or will not seek any type of coverage for dialysis services.” “These patients are considered self-pay patients.” “These patients are invoiced as all patients are invoiced, however payment is not expected and Fresenius does not initiate any collections activity on these accounts.” “These unpaid invoices are written off as bad debt.” “Fresenius notes that as a for-profit entity, it does pay sales, real estate, and income taxes.” “It also provides community benefit by supporting various medical education activities and associations, such as the Renal National Kidney Foundation and American Kidney Fund.” (Application, p. 106)*

<b>TABLE THREE <sup>(1)</sup></b>			
<b>SAFETY NET INFORMATION</b>			
<b>Fresenius Medical Care Facilities in Illinois</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Net Revenue</b>	<b>\$411,981,839</b>	<b>\$438,247,352</b>	<b>\$449,611,441</b>
<b>CHARITY</b>			
Charity (# of self-pay patients)	251	195	233
Charity (self-pay) Cost	\$5,211,664	\$2,983,427	\$3,269,127
% of Charity Care to Net Rev.	1.27%	0.68%	.072%
<b>MEDICAID</b>			
Medicaid (Patients)	750	396	320
Medicaid (Revenue)	\$22,027,882	\$7,310,484	\$4,383,383
% of Medicaid to Net Revenue	5.35%	1.67%	.097%
<ol style="list-style-type: none"> <li>1. Source: Page 106 of the Application for Permit.</li> <li>2. Charity (self-pay) patient numbers decreased however, treatments were higher per patient (application, p. 106).</li> <li>3. 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.</li> <li>4. 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.</li> </ol>			

**C) Criterion 1110.230(c) - Alternatives to the Project**

The Applicants considered the following three (3) alternatives to the proposed project.

1. Do Nothing/Project of Greater or Lesser Scope.
2. Pursuing a joint venture or similar arrangement
3. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project.

**Do Nothing/Project of Greater or Lesser Scope**

The Applicants state the alternative of doing nothing would not address the lack of access to preferred treatment times or enhance patient choice for dialysis in the Springfield area. The only other Fresenius facility in the area is the most highly utilized (73%), resulting in a lack of access for Dr. Forero’s patients that choose a Fresenius facility. There were no costs associated with this alternative, and this alternative was rejected.

**Pursue a Joint Venture or Similar Arrangement**

The Applicants note the ownership of this facility is structured to allow for a joint ownership venture in the future, if an interested investor presented him or herself. However, it is noted that Fresenius Kidney Care always maintains control of its facilities.

**Utilize Other Health Care Resources Available to Serve All or a Portion of the Population**

The Applicants note the Springfield Clinic Nephrology practice already admits patients to a majority of the clinics in the service area. Dr. Forero and Dr. Downer would like to maintain access to Fresenius facility and ensure their patients access to preferential treatment times. There are no costs associated with this alternative.

After considering each of the three above mentioned alternatives, the Applicants concluded that the optimal alternative for providing services to its patient base would be to establish a 9-station facility in the 1800 block of East Washington Street, in Springfield. Cost of the chosen alternative: \$2,788,837.

**VI. Project Scope and Size, Utilization and Unfinished/Shell Space**

**A) Criterion 1110.234(a) - Size of Project**

The Applicants are proposing the construction of 7,081 GSF of leased space, 5,306 of it classified as clinical for nine stations or five hundred ninety (590) GSF per station. The State Board standard is 450-650 GSF per station. (See Application for Permit page 40)

**B) Criterion 1110.234(b) – Projected Utilization**

The referring physician (Dr. Nicholas Forero, M.D.) has identified 90 pre-ESRD patients who live in the service area who could ultimately require dialysis services. Of these pre-ESRD patients, he has conservatively identified 70 that he expects would require dialysis treatment in the first two years that the new Springfield facility is in operation, and resulting in utilization surpassing the 80th percentile. (See Application for Permit page 51).

70 patients x156 treatment per year = 10,920 treatments

9 stations x 936 treatments per stations per year = 8,424 treatments  
10,920 treatments/8,424 treatments = 129% utilization

**C) Criterion 1110.234(e) – Assurances**

The Applicants provided the necessary assurance that they will be at target occupancy within two years after project completion. (See Application for Permit page 92)

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF PROJECT, PROJECTED UTILIZATION, ASSURANCES (77 IAC 1110.234(a), (b) and (e))**

**VII. In-Center Hemo-dialysis Projects**

**A) Criterion 1110.1430(b)(1) to (3) - Background of Applicant**

**To address this criterion the Applicants must provide a list of all facilities currently owned in the State of Illinois and an attestation documenting that no adverse actions have been taken against the Applicants 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 and Services Review Board; and authorization to the State Board and IDPH to access information in order to verify any documentation or information submitted in response to the requirements of the application for permit.**

The Applicants provided sufficient background information, to include a list of facilities and the necessary attestations as required by the State Board at *pages 41-46 of the application for permit*. The State Board Staff concludes the Applicants have met this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANT (77 IAC 1110.1430(b)(1) to (3))**

**B) Criterion 1110.1430(c) - Planning Area Need**

**The applicant must document the following:**

- 1) 77 Ill. Adm. Code 1100 (Formula Calculation)
- 2) Service to Planning Area Residents
- 3) Service Demand – Establishment of In-Center Hemodialysis Service
- 5) Service Accessibility/Service Restrictions

- 1) The proposed facility will be located in the HSA-03 ESRD Planning Area. The State Board has calculated an excess of 24 ESRD stations by 2020 in this planning area, per the State Board's November 2017 ESRD Inventory Update.
- 2) The Applicants note the primary purpose of the project is to provide dialysis services to the residents of Springfield, in a designated Federal Medically Underserved area in HSA-03. The Applicants note the need for preferential treatment times, closer access for the patient base with the most need, and

ensuring patient choice in dialysis facilities, as supporting factors in establishing the 9-station facility. The Applicants note that 100% of the patient base resides in zip codes encompassing HSA-03, and the Sangamon County service area.

- 3) Dr. Nicholas Forero, M.D., and Dr. Merry Downer, M.D., the referring physicians, have identified and reports having treated approximately seventy-three (73) patients in various stages of chronic kidney disease (Pre-ESRD) in the Springfield area. Of these seventy-three (73) patients, there are approximately seventy (70) patients expected to begin dialysis at the East Springfield facility in the first two (2) years of operation. Pages 57-60 of the application contains zip code origins of historical patient referrals from the Springfield area. [See Appendix I end of this report]
- 5) The proposed East Springfield facility will be located in HSA-03, where an excess of 24 ESRD stations currently exists. The Applicants note the location of the proposed facility is in a Federal Medically Underserved Area, where access to dialysis services is limited. The Applicants propose to establish the nine-station facility in an effort to afford a choice in service providers, preferential treatment times, and geographical advantage to a population deemed as being underserved in terms of healthcare.

While the facility will be located in a medically underserved area there is an excess of 24 stations in the planning area. It appears that the existing facilities can accommodate the workload of the proposed project.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 IAC 1110.1430(c)(1), (2), (3) and (5))**

**C) Criterion 1110.1430(d)(1), (2) and (3) - Unnecessary Duplication/Maldistribution/ Impact on Other Facilities**

- 1) The applicant shall document that the project will not result in an unnecessary duplication.
- 2) The applicant shall document that the project will not result in maldistribution of services.
- 3) The applicant shall document that, within 24 months after project completion, the proposed project will not lower the utilization of other area providers below the occupancy standards specified in 77 Ill. Adm. Code 1100 and will not lower, to a further extent, the utilization of other area providers that are currently (during the latest 12-month period) operating below the occupancy standards.

The ratio of ESRD stations to population in the zip codes within a thirty (30) minute radius of Fresenius Kidney Care Springfield East is 1 station per 3,063 residents according to the 2010 census. The State ratio is 1 station per 2,814 residents (based on US Census estimates for 2015 and the State Board Station Inventory).

The Applicants argue

*“there are conditions existing in Springfield and HSA 3 that make this ratio misrepresentative of actual availability of stations. Memorial Hospital Springfield hospital based dialysis unit is a 6-station facility that treats patients whose health/physical condition limits them to dialyzing at the hospital. Area nephrologists do not utilize this facility as a general out-patient facility and as of March 31, 2017 had zero patients. If these six (6) stations are removed from the ratio calculation the ratio of stations to population is 1 station per 3,342. Further conditions misrepresenting these ratios is the fact that of the fourteen (14) ESRD facilities in HSA 3, nine (9) are largely serving rural areas. Only one (1) of these facilities is operating the 6 patient shifts, (3 daily M/W/F and 3 daily T/TH/S) that the Board bases its utilization calculations on. The shifts in operation are usually the 2 daytime shifts. Many rural clinics will continue to add stations per the 2-year/10% rule in order to keep rural patients dialyzing on these two daytime shifts because there is limited transportation in rural areas and generally any available transportation does not operate in the evening hours. In the rural areas it is preferred for patients and staff to avoid travelling on long dark country roads after dark. If Board utilization calculations took into account how rural clinics generally operate the ratio of stations to population would exhibit a much higher station need in rural HSAs.” [Application for Permit page 71]*

Table Four shows that there are underutilized facilities in the 30-minute service area. There are five (5) facilities within thirty (30) minutes of the proposed facility; with four (4) facilities reporting patient data for the third quarter of 2017 and had an average utilization of approximately 69%. The unreported facility serves an inpatient population and is not reporting utilization data (See Table Four below). Although the applicants’ referral letter from Dr. Nicholas Forero, M.D. provides sufficient referral patients to minimalize impact on other providers, there are still underutilized facilities in the immediate service area susceptible to negative impact, and a negative finding results for this criterion.

**TABLE FOUR**  
**Facilities within thirty (30) minutes of the proposed facility and utilization**

Facility	City	Time	Stations	Medicare Star Rating	Utilization	Met Standard?
Springfield Central Dialysis <sup>^</sup>	Springfield	8	21	4	69.5%	No
DaVita Springfield South <sup>*</sup>	Springfield	10	12	5	62.50%	No
Fresenius West Centre	Springfield	12	16	3	73.96%	No
DaVita Montvale	Springfield	14	17	3	67.65%	No
<b>Total Stations/Average Utilization</b>			<b>66</b>		<b>68.40%</b>	
Memorial Medical Ctr. <sup>+</sup>	Springfield	6	6	N/A	N/A	No
<small>*Recently approved, in 2-year ramp-up  <sup>^</sup>Relocation pending, per #16-036. Utilization expected to surpass State Standard (80%) upon opening  <sup>+</sup>ESRD facility dedicated to serving inpatient ESRD patients at Memorial Medical Center            Information from 3<sup>rd</sup> Quarter ESRD patient information for 2017</small>						

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION**

**OF SERVICE/MADISTRIBUTION/IMPACT ON OTHER FACILITIES (77 IAC 1110.1430(d) (1), (2) and (3))**

- E) Criterion 1110.1430(f) - Staffing**
- F) Criterion 1110.1430(g) - Support Services**
- G) Criterion 1110.1430(h) - Minimum Number of Stations**
- H) Criterion 1110.1430(i) - Continuity of Care**
- I) Criterion 1110.1430(k) – Assurances**

The proposed facility will be certified by Medicare if approved therefore appropriate staffing is required for certification. Support services including nutritional counseling, psychiatric/social services, home/self training, and clinical laboratory services will be provided at the proposed facility. The following services will be provided via referral to Memorial Medical Center, Springfield: blood bank services, rehabilitation services and psychiatric services. The Applicants are proposing nine (9) stations and the minimum number of stations in an MSA is eight (8) stations. Continuity of care will be provided at Memorial Medical Center, Springfield as stipulated in the agreement provided in the application for permit. Additionally, the appropriate assurances have been provided by the Applicants asserting the proposed facility will be at the target occupancy of eighty percent (80%) two years after project completion and that the proposed facility will meet the adequacy outcomes stipulated by the State Board. (See Application for Permit Pages 74-92)

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA STAFFING, SUPPORT SERVICES, MINIMUM NUMBER OF STATIONS, CONTINUITY OF CARE, ASSURANCES (77 IAC 1110.1430(f), (g), (h), (i) and (k))**

**Appendix I  
Zip Code of Patient Residence**

Pre- ESRD Patients				New Patients			
Zip Code	#	City	County	Zip Code	#	City	County
62684	2	Sherman	Sangamon	60446	1	Romeoville	Will
62520	1	Dawson	Sangamon	62522	1	Decatur	Macon
62561	2	Riverton	Sangamon	62530	2	Divernon	Sangamon
62707	3	Springfield	Sangamon	62548	1	Mt Pulaski	Logan
62563	2	Rochester	Sangamon	62558	2	Pawnee	Sangamon
62701	1	Springfield	Sangamon	62560	2	Raymond	Sangamon
62625	1	Cantral	Sangamon	62561	5	Riverton	Sangamon
62702	16	Springfield	Sangamon	62568	1	Taylorville	Christian
62703	11	Springfield	Sangamon	62615	3	Auburn	Sangamon
62704	15	Springfield	Sangamon	62618	1	Beardstown	Cass
62711	8	Springfield	Sangamon	62627	1	Chandlerville	Cass
62712	3	Springfield	Sangamon	62629	2	Chatham	Sangamon
62536	1	Glenarm	Sangamon	62642	1	Greenview	Sangamon
62629	3	Chatham	Sangamon	62670	3	New Berlin	Sangamon
Total	70			62675	1	Petersburg	Menard
				62702	2	Springfield	Sangamon
				62703	2	Springfield	Sangamon
				62704	5	Springfield	Sangamon
				62707	1	Springfield	Sangamon
				62711	3	Springfield	Sangamon
				62712	1	Springfield	Sangamon
				Total	34		

## **Appendix II Support and Opposition Comments**

**Aaron Vaughn**, Patient stated:

“I am writing to provide support for the Fresenius Kidney Care Springfield East clinic. I am a home dialysis patient the Centre-West clinic that Fresenius operates here in Springfield and I receive excellent care here. There are times when a home dialysis patient may need to have back-up hemodialysis treatments in the clinic or it is also possible that at some point I may not be able to do dialysis at home anymore. I know that the Centre-West clinic is very full and it scares me to think that if the time comes that I need to go back to the clinic I may have to switch to a DaVita clinic. I want to be able to stay at a Fresenius clinic because I think they are the best and that is what I choose for my care. I also want to be at the clinic where my physicians are running things, not at a clinic where my doctors are not in charge. If you don't let them build the other clinic here I may have no choice on who gives me my treatments and I am not comfortable with that. I should have the right to go where I want.”

**Lydia Cluck**, Patient stated:

“My name is Lydia Cluck and I go for dialysis treatments at the Springfield Centre West dialysis clinic. I heard that the Fresenius company and my doctor want to build a new clinic in Springfield that is right by my house. This made me very excited because I would love to have a clinic closer to me. There are some other clinics closer but I prefer the clinic I am at now over the other ones and don't want to switch. If you would approve the new clinic it would make getting to and from my treatments so much easier because I can't drive and must have help with transportation.”

**Yasmin Nixon**, Patient stated:

“My name is Yasmin and I work for Fresenius Kidney Care. I also have kidney disease. I am a patient of Dr Downer's with Alport Syndrome. It is not a common kidney disease, but eventually my kidneys will fail. Unfortunately, even though I was diagnosed early with kidney disease, I was not diagnosed with Alports until after my two sons were born. Alports is a genetic disease that effects boys worse than girls. Both my boys have tested positive. This means that their kidneys will fail and they will be on dialysis before their teen years are over. We live here in the Springfield area and when the time comes, will choose Fresenius for our dialysis. My concern is that there will not be enough availability at the current location. From a nurse perspective, I know that the current facility is fairly full. And as it is the only Fresenius in town, it will most likely stay that way. I am concerned that with limited availability, we will have to have a "take what we can get" mentality with our chair times and days. I love the company I work for, my Dr supports Fresenius and really do not want to go to a non-Fresenius dialysis clinic. The need for dialysis is growing substantially every year. I ask for you to please consider approving another clinic in Springfield. My children and I thank you.”

**Dena Bell**, CareGiver stated in support

“I am writing on behalf of my family in support of the Fresenius Kidney Care Springfield East Clinic. I assist my father Carl Bell with home dialysis. I was trained through Fresenius Kidney Care Springfield Centre West facility. Where my father receives excellent care and where I received exceptional training making it possible to have a successful treatment plan. He has been on hemodialysis at my home for 6 months. Prior to his home treatment he was a patient of DaVita. Which was an awful experience. He started with Clinic treatment then we switched to home then we had to go back to Clinic due to the vague training we received through DaVita. There was rarely any support for home treatment through the facility. He spent most of his days sick and was in and out of the hospital on a regular basis. He began with clinic peritoneal treatments at the DaVita clinic, then home which was unsuccessful, then back to Davita in clinic hemodialysis. I feel the quality of DaVita patient care is poor. And we had been assigned to 2 different ones. If there ever comes a time my father has to do clinic for some reason or another or if he has to go back to clinic on a regular basis: I would hope that he did not have to go to DaVita. Another Fresenius facility is greatly needed in the Springfield area. Wish they were able to build several. Anyone on dialysis deserves the quality care they provide.”

**Davita, Inc.** in a letter received 8.29.2017 stated in part in opposition:

“There is no need for a new 9-station dialysis facility in Springfield, and approval of the proposed facility will result in unnecessary duplication and mal-distribution of dialysis services within HSA 3. Furthermore, none of the existing dialysis facilities within 30 minutes of the proposed Fresenius Kidney Care Springfield East ("FMC Springfield East") are operating above the Illinois Health Facilities and Services Review Board ("State Board") utilization standard nor trending to exceed target utilization in the near future. Based on that fact, when DaVita sought approval to relocate its facility it did not expand its capacity as it might have if there was increasing demand. Accordingly, approval of a new dialysis facility in Springfield is unwarranted. For these reasons, DaVita respectfully requests the State Board deny Fresenius Kidney Care's application for a 9 station dialysis facility.”

**DaVita, Inc.** in a letter received 12/20/2017 stated in part in opposition:

“There is no need for the proposed dialysis facility in the Springfield service area. There is currently an excess of 24 stations in HSA 3, *one of the largest station excess of any health service area in Illinois.* Accordingly, the addition of 9 stations will create an even greater excess (33 stations) in the HSA. Last year, the State Board approved DaVita's application to relocate its Springfield Central facility. In determining whether to expand Springfield Central, DaVita analyzed the historical utilization of the existing facilities within HSA 3, Given the underutilization of the existing facilities coupled with the limited growth in the service area, DaVita concluded additional stations were not needed at that time. Since approval of the Springfield Central relocation last September, the area facilities have experienced moderate growth despite a contrary assertion. Fresenius' assertion that there could be 88 patients within the next two years based on one quarter of growth is flawed. Utilization is cyclical and growth is not constant as Fresenius infers in its calculation. To more accurately project utilization, the historical data used to calculate such projections should be for a number of years no less than the number of years projected. Total growth from September 2015 to September 2017 was 6.25% (or 16 patients). Applying this two year growth rate to the September 2017 census only yields 296 patients. Importantly, there is sufficient capacity among the existing Springfield dialysis facilities to accommodate Dr. Nicolas Foreror's projected referrals.”



**FRESENIUS  
KIDNEY CARE**

**Fresenius Kidney Care**

3500 Lacey Road, Downers Grove, IL 60515

T 630-960-6807 F 630-960-6812

Email: lori.wright@fmc-na.com

September 27, 2017

**RECEIVED**

SEP 28 2017

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

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**Re: Project # 17-024, Fresenius Kidney Care Springfield East**

Dear Ms. Avery,

On September 26, 2017 the Illinois Health Facilities & Services Review Board issued an Intent-to-Deny for the above referenced application for permit. I am writing to notify the Board that Fresenius Medical Care plans to submit additional information and requests to reappear before the Board in regard to this matter.

Sincerely,

Lori Wright  
Senior CON Specialist

cc: Clare Ranalli



**FRESENIUS  
KIDNEY CARE**

**Fresenius Kidney Care**  
3500 Lacey Road, Downers Grove, IL 60515  
T 630-960-6807 F 630-960-6812  
Email: lori.wright@fmc-na.com

October 25, 2016

**RECEIVED**

OCT 26 2017

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

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

**Re: Supplemental Information  
Project #17-024, Fresenius Kidney Care Springfield East**

Dear Ms. Avery,

The enclosed pages contain supplemental information in response to the Intent to Deny given to the above-mentioned project at the September 26, 2017 meeting.

Thank you for your time and consideration of this information.

Sincerely,

Lori Wright  
Senior CON Specialist

cc: Clare Connor



**SUPPLEMENTAL INFORMATION FOR  
#17-024 Fresenius Kidney Care Springfield East**

In response to the Intent to Deny issued to project #17-024 at the September 26, 2017 meeting, Fresenius Kidney Care is submitting this additional information. We note that the application met all but two criteria.

**Planning Area Need**

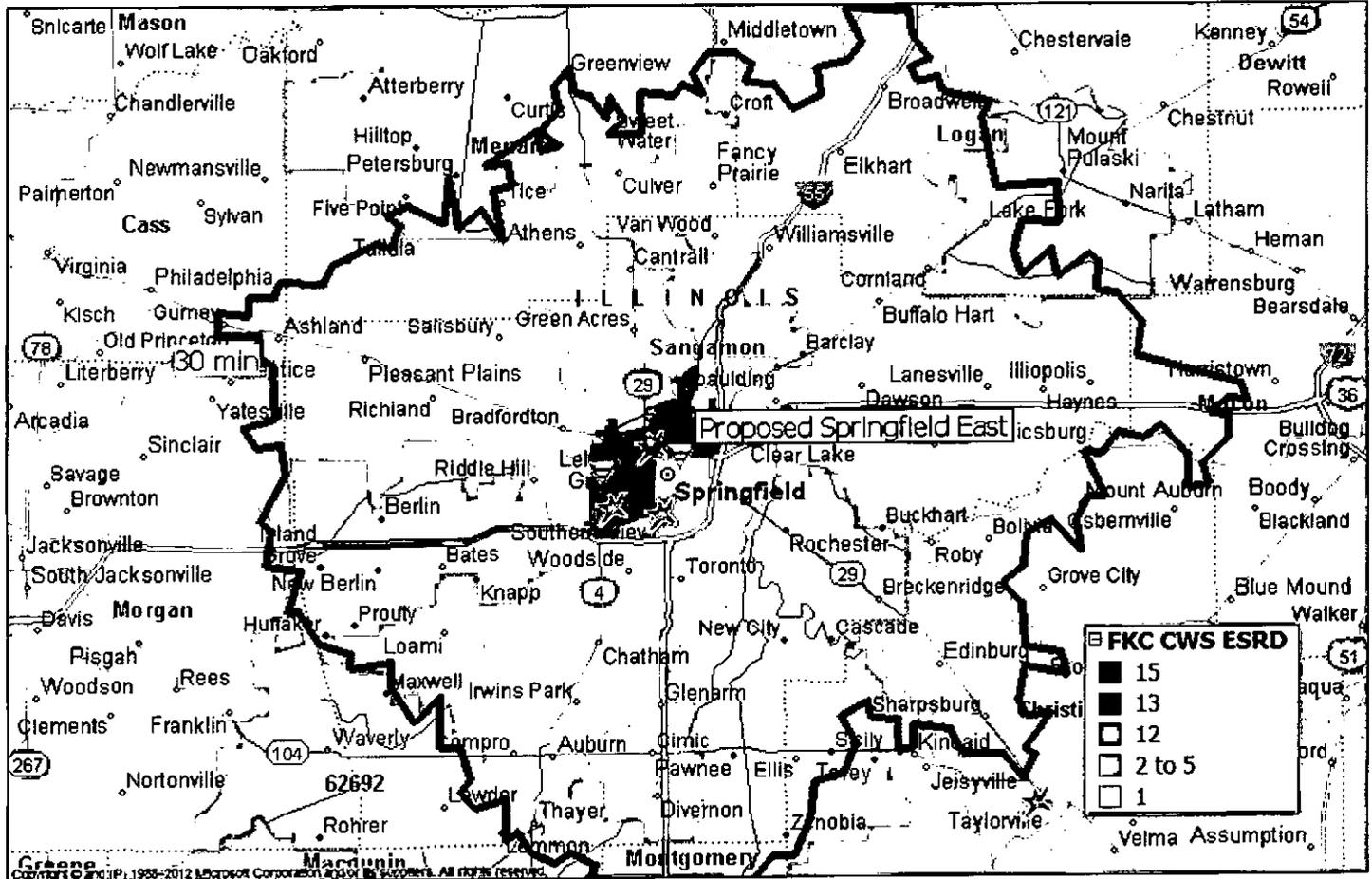
While there may be an excess of stations in HSA 3, as mentioned in the application, the vastly rural nature of the HSA produces clinics that generally do not operate the six treatment shifts that utilization and need calculations are based on. Typically, this is because the population is not sufficient to sustain the three shifts per day, six day a week operations requirement, and the focus is on the first two shifts because it is not safe for ESRD patients to travel long distances on two-lane country roads, especially in inclement weather or at night. Public transportation is also not available to these patients in the evening (the third shift).

Although Springfield is not rural itself, many patients come into Springfield for treatment from surrounding rural areas. The map on the following page shows the demographics of the current patient population at the Fresenius Centre-West facility. A significant number travel up to almost 30 miles from outlying rural areas. It is in the rural patient's best interest to be able to travel to and from dialysis in the daytime. The Springfield East facility will provide adequate access for patients who want to dialyze at a Fresenius clinic, who would otherwise have to dialyze on a night shift if it is not approved.



# FRESENIUS KIDNEY CARE

## Demographics of Fresenius Medical Care Centre-West Springfield Current Patients



### Unnecessary Duplication of Services - Clinics Within 30 Minutes Travel Time

Facility	Address	City	ZIP Code	MapQuest		x1.15 Adj	Stations	Isolation Stations <sup>4</sup>	June 2017		Sept 2017		Sept 2017 Util without Isolation Stations
				Miles	Time				Patients	Utilization	Patients	Utilization	
FKC Centre West Springfield <sup>1</sup>	1112 Centre West Dr	Springfield	62704	4.4	12	14	16	1	70	73.90%	71	73.96%	78.89%
DaVita Springfield Central <sup>2</sup>	932 N Rutledge St	Springfield	62702	7	2.1	2	21	1	83	65.80%	87	69.05%	72.50%
DaVita Springfield South <sup>3</sup>	2930 S 6th Street	Springfield	62703	11	3.9	4	12	1	42	58.30%	45	62.50%	68.18%
DaVita Montvale	2930 Montvale Dr	Springfield	62704	6.1	16	18	17	0	66	64.70%	69	67.65%	64.70%
							66	3	261	66%	272	68%	71.07%

1. Dr. Forero certified that he has 90 patients who will begin dialysis here in the next two years before the Springfield East facility is operating.
2. Pending relocation #16-036 certified the facility will relocate and be at 87% utilization.
3. Recently approved still in ramp-up period with certified to identified patients.
4. Isolation stations can only be used if the facility has a patient requiring isolation treatment and cannot be used for the general population of ESRD patients. Operating an isolation reduces a clinic's utilization because it is often unable to be used but is still included in the utilization calculation per Board rules.

Memorial Hospital	800 N Rutledge	Springfield	62702	2	6	6.9	6
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This is a small hospital based facility and only serves patients who because of physical and health limitations are not able to dialyze at a non-hospital based dialysis clinic. Therefore the this facility has not been included in review of the area clinics here as well as in the Board Staff Report.



The chart on the previous page shows the increase in patients since this project was reviewed at the September meeting using June 30th utilization data to the most recent September 2017 data. There are 11 additional ESRD patients dialyzing in the market and a 2% rise in overall area utilization in just three months' time. While this may not seem significant, if you spread this same growth out over the next two years there could be 88 additional ESRD patients in Springfield bringing area utilization to 91%. As Dr. Forero has stated, he has 90 patients who will begin dialysis in the next two years - the 91% utilization rate two years from now seems quite reasonable. If approved, the Fresenius Springfield East facility will be beginning operations and thus will not be creating a duplication of services nor will it negatively impact the provider that operates all but one facility in HSA 3.

As of the date of this letter the Centre-West Springfield facility is serving 73 in-center patients, and operates 15 general stations and one isolation station, so as a result it is at 81% utilization. It is the only Fresenius facility within Health Service Area 3. This Board has consistently valued provider choice as an issue to consider. However, access to a physician's or patient's choice of provider is quickly being diminished in HSA 3, given the only Fresenius clinic is almost full.

### ESRD Seamless Care Organization (ESCO)

Aside from addressing the negatives on this project I'd like to point out an important positive that will come with access to dialysis services by Fresenius Kidney Care in the medically underserved area the clinic is proposed in. As you may know, approximately 80% of patients on dialysis are insured through Medicare. These patients often have several co-morbid conditions that cause them to use healthcare resources beyond what is provided at the dialysis center. They are more likely to be admitted to the hospital than the general population and occasionally re-admitted to the hospital within 30 days of a previous stay. This not only increases costs to the healthcare system, but significantly reduces the quality of life of these patients and their families.

In 2015, CMS (Medicare) reached out to the dialysis providers to see if they would be willing to work on a demonstration project designed to improve quality of care and reduce overall healthcare costs for ESRD patients. Fresenius Kidney Care accepted the challenge to participate in this Value Based Care Model and made significant investments in technology, personnel, and staff training. By focusing on caring for the patient we are changing the way care has traditionally been delivered in our industry.

This care model is called an ESCO, or ESRD Seamless Care Organization. **Fresenius Kidney Care is the only provider approved by CMS to participate in this type of program in Illinois.** We pioneered the program in the Chicagoland market in 2016 and, based upon the successes of the program, CMS approved an additional ESCO for the Central Illinois Market for 2017 and have applied for an ESCO expansion into the Springfield market for 2018.



## **FRESENIUS KIDNEY CARE**

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In the ESCO, the nephrologists and our clinic staff work together to develop a highly coordinated care plan that is focused on the needs of individual patients. This is accomplished through careful monitoring and managing of each patient's physical and emotional health indices, timely clinical interventions, and patient education.

An additional unique feature of the ESCO is our Care Navigation Unit (CNU). This consists of a team of specially trained nurses and care technicians who provide 24/7 patient support and care management services for both patients and healthcare providers. The CNU has proven that through rigorous patient monitoring and appropriate intervention, they can significantly improve patient health outcomes, reducing hospitalizations by up to 20 percent and readmissions by up to 27 percent in ESRD populations.

The Care Navigation Unit also assists hospitals by providing 24-hour access to critical patient information that can help them make informed choices about the care they provide for patients in need. No other dialysis provider offers this service.

This demonstrates the value that Fresenius Kidney Care and our nephrology partners place on collaboration with CMS, policymakers, and hospitals for the benefit of patients. It is one of the reasons Dr. Ferero is so passionate about Fresenius in Springfield and wants to make sure he has the option of a Fresenius clinic for his patients.

It is important to note that patients attributed to the ESCO continue to maintain complete and total freedom of choice for all aspects of their care as a Medicare beneficiary.

Our commitment is to help patients take an active role in their own care. That is what ultimately improves health outcomes, reduces unnecessary utilization of healthcare resources, and improves the quality of life for ESRD patients and their families.

In closing, we respectfully ask that you consider the value that Fresenius Kidney Care brings to ESRD patient's healthcare in the Springfield area and vote for continued access to a Fresenius clinic offering patients a choice.

(Please see Dr. Forero's additional letter of support on following page.)



*Leading the Way*

October 18, 2017

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

Dear Ms. Olson:

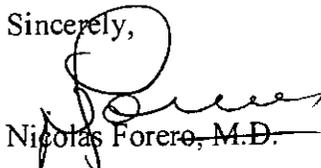
My name is Nicolas Forero, M.D. and I practice nephrology in Springfield, Illinois at the Springfield Clinic with my partner Merry Downer, M.D. who is the Medical Director of Fresenius Kidney Care Centre West Springfield. I am supporting the proposed Fresenius Springfield East facility with the patients in my practice.

I currently refer almost all my patients to the Fresenius Centre West facility because I find the quality of care there beyond reproach. This facility historically is operating near and sometimes above your utilization target of 80%. I have 90 patients who will begin dialysis in the next two years and there will not be room at the Centre West facility for them. I have another 70 patients who will begin dialysis in the following two years. It is being suggested that I should refer my patients to other clinics in Springfield but I do not feel I should not be forced to work with a different provider.

If it is my patient's choice to go to another provider that is one thing, because I feel all patients should have a choice. However, it is a different story if they are forced to and my own strong choice is for their treatment to be at a Fresenius clinic. It is not clear to me, as a physician, why Fresenius Kidney Care couldn't have another clinic in Springfield to accommodate the large number of patients I have that will be starting dialysis.

I respectfully ask you to consider my patient's choice of a provider as well as the lack of choice in Springfield and vote yes to provide access for my patients at the provider of choice.

Sincerely,

  
Nicolas Forero, M.D.

Springfield Clinic Carpenter  
350 West Carpenter  
Springfield, Illinois 62702  
217.528.7541 • 800.444.7541  
[www.SpringfieldClinic.com](http://www.SpringfieldClinic.com)

1 MR. ROATE: Thank you.

2 Madam Chair?

3 CHAIRWOMAN OLSON: Yes, based on no  
4 findings.

5 MR. ROATE: That's five votes in the  
6 affirmative, one absent.

7 CHAIRWOMAN OLSON: Motion passes.  
8 Thank you.

9 Next we have Project 17-024, Fresenius  
10 Kidney Care Springfield East.

11 May I have a motion to approve Project  
12 17-024, Fresenius Kidney Care Springfield East, to  
13 establish a nine-station ESRD facility in  
14 Springfield?

15 MEMBER MURPHY: Motion.

16 CHAIRWOMAN OLSON: And a second,  
17 please?

18 MEMBER SEWELL: Second.

19 CHAIRWOMAN OLSON: Your report -- oh,  
20 let's swear in the applicant.

21 (Witnesses sworn)

22 CHAIRWOMAN OLSON: Mr. Constantino,  
23 your report.

24 MR. CONSTANTINO: Thank you, Madam

1 Chair.

2 The applicants are proposing to  
3 establish a nine-station ESRD facility in  
4 Springfield, Illinois. The cost of the project is  
5 approximately \$2.8 million and the expected  
6 completion date is March 31st, 2019.

7 No public hearing was requested. There  
8 was opposition to this project and there were  
9 findings.

10 Thank you, Madam Chair.

11 CHAIRWOMAN OLSON: Thank you, Mr.  
12 Constantino.

13 Comments for the Board?

14 MS. CONNOR: Thank you. Good  
15 afternoon. Clare Connor again, CON counsel to  
16 Fresenius Kidney Care. And with me is Dr. Nick  
17 Forero and Pat Komoroski. Pat is the Regional Vice  
18 President for the Springfield area.

19 I'm going to turn it over to Dr. Forero  
20 to address the negatives in the State Board report  
21 and then I may add a comment or two. And then we  
22 will be done and open for questions.

23 DR. FORERO: Good afternoon.

24 MEMBER SEWELL: Good afternoon, Doctor.

1 CHAIRWOMAN OLSON: Good afternoon.

2 DR. FORERO: I have not appeared before  
3 you previously and I thank you for the opportunity  
4 to do so.

5 I understand that I should justify why  
6 should you approve this clinic even though,  
7 according to your rules, there are 39 excess  
8 stations and other facilities have capacity.

9 Regarding the points of excess stations  
10 and capacity, I would note the service area is  
11 predominantly rural. Even though Springfield is  
12 not a rural area, it quickly becomes so once you  
13 travel outside the area. The state formula for  
14 calculating station needs does not take that into  
15 account.

16 I recognize that we must abide by these  
17 rules, but I also understand that you have  
18 discretion in consideration of these projects. In  
19 exercising that discretion, please consider that  
20 excess stations capacity are directly impacted by  
21 the fact that many of the area clinics operate only  
22 two shifts per day for patients.

23 Also in exercising your discretion,  
24 please take into consideration that all but one of

1 the health service area clinics are operated by  
2 DaVita. The only Fresenius clinic in this service  
3 area is at the Springfield clinic that Dr. Downer,  
4 my partner, runs, which is called Centre West. And  
5 this dialysis unit is almost at full capacity of 80  
6 percent utilization today. It is a CMS four-star  
7 clinic which was rank now increased to five star.  
8 Also, we have a home program dialysis that is now  
9 ranked number four among the Fresenius systems  
10 nationwide. We are very proud of this dialysis  
11 unit that is running.

12 And most importantly, the care that my  
13 patients are receiving in this dialysis unit is  
14 extremely important, as I can rely on the nursing  
15 staff as well as the technicians who are performing  
16 these dialysis treatments for my patients. And I  
17 think that they are delivering the care that I  
18 really want for my patients. I have found that  
19 these RNs and technicians are providing really  
20 ultimate care and sometimes they go beyond their  
21 realm of activities to make my patients feel quite  
22 comfortable.

23 Unfortunately, I have experienced in  
24 other places a dialysis unit that has been a little

1 bit less than optimal, which has been very  
2 frustrating for me and the patients. Additionally,  
3 the comments of some of the patients who I have saw  
4 sometimes have experienced the dissatisfaction that  
5 I mentioned and they have even moved to receive  
6 care elsewhere. For these reasons, I do not accept  
7 that I should have to send my patients to the area  
8 DaVita clinic here in town.

9 And as mentioned, we are very proud of  
10 the quality of service that we provide to our  
11 patients at the current facility, at the Centre  
12 West facility. However, it is close to full  
13 capacity, as I mentioned before, and neither I or  
14 my patients will have a choice but to scatter out  
15 these number of DaVita patients in those clinics.  
16 And basically sometimes we have to get these third  
17 shifts that are in the evening that are  
18 inconvenient for the patients. And for that  
19 matter, I ask you to take into consideration the  
20 project that we are presenting to you.

21 CHAIRWOMAN OLSON: Thank you.

22 MS. CONNOR: Thank you, Dr. Forero.

23 I wanted to just real briefly, you  
24 know, from a more technical standpoint -- I think

1 Dr. Forero spoke well to the kind of reality  
2 issues, but from a technical standpoint, I'm fully  
3 cognizant of the fact that the negative findings --  
4 all findings are important but some are a little  
5 bit softer than others and some are a little bit  
6 more direct to the purpose of your evaluation of  
7 the project.

8 We recognize that the need and  
9 maldistribution findings here are findings that are  
10 important to this project and how you might  
11 perceive it. However, again, in this HSA -- I'm  
12 not just talking within 30 minutes but the entire  
13 HSA -- there are 13 clinics, 12 DaVita, one  
14 Fresenius. Fresenius here in Springfield is at  
15 target. The DaVita facilities are not. They  
16 typically run in around the 60 to 65 percent range.  
17 Most of the facilities that are outside of  
18 Springfield do operate only two shifts, the  
19 Springfield clinics two to three. But the  
20 Fresenius clinic is now full. It's at 80 percent.  
21 It can only take a couple more patients.

22 Dr. Forero has identified 70 pre-ESRD  
23 patients to dialyze within the next two years by  
24 the time this proposed clinic would be operational.

1 At that point, if Fresenius doesn't have a clinic  
2 other than the one it operates now in the service  
3 area, those patients will have to scatter to a  
4 number of different clinics not Dr. Forero's  
5 choice, and, you know, his patients may or may not  
6 -- it may or may not be their choice. But they  
7 ought to be able to go to a Fresenius clinic.

8 The clinic here in Springfield, as Dr.  
9 Forero mentioned, is a five star facility. It  
10 operates a very robust home program. And the  
11 reason that's important is because the home program  
12 is linked to a clinic. It has to be, out of  
13 necessity, because the patients that dialyze in a  
14 home program have to have a backup clinic available  
15 to them, and I think once a month they need to go  
16 to the clinic and be evaluated for continued home  
17 program participation. That program is very full.  
18 As Dr. Forero said, it's fourth in the entire  
19 country of Fresenius's home programs on quality.  
20 And a new clinic would allow even further expansion  
21 of that home program and linking up with the  
22 Fresenius clinic. And it's a Fresenius-operated  
23 home program, so it needs a link with a Fresenius  
24 clinic.

1           So, for those reasons, we're  
2   respectfully asking you to exercise discretion and  
3   approve this clinic in Springfield. Thank you.

4           CHAIRWOMAN OLSON: Thank you.

5           Questions or comments from Board  
6   Members?

7           Seeing none, I would ask for a roll  
8   call vote.

9           MR. ROATE: Thank you, Madam Chair.

10          Motion made by Ms. Murray, seconded by  
11   Mr. Sewell.

12          Senator Demuzio?

13          MEMBER DEMUZIO: Yes. Even though I  
14   know that there's been some findings, you have  
15   explained those, so I vote yes.

16          MR. ROATE: Thank you.

17          Mr. Johnson?

18          MEMBER JOHNSON: I'm going to vote no,  
19   for the reasons stated in the Board report,  
20   unnecessary duplication and the planning area  
21   overage.

22          MR. ROATE: Thank you.

23          Mr. McGlasson?

24          MEMBER McGLASSON: Yes, based on the

1 testimony given.

2 MR. ROATE: Thank you.

3 Ms. Murphy?

4 MEMBER MURPHY: Yes, based on today's  
5 testimony.

6 MR. ROATE: Thank you.

7 Mr. Sewell?

8 MEMBER SEWELL: I'm going to vote no,  
9 based on the state agency report.

10 MR. ROATE: Thank you.

11 Madam Chair?

12 CHAIRWOMAN OLSON: I'm actually going  
13 to vote yes, because I believe this is an access  
14 and choice issue for patients, and I think that  
15 overrides the two negative findings.

16 MR. ROATE: Thank you, Madam Chair.

17 That's four votes in the affirmative,  
18 two votes in the negative.

19 CHAIRWOMAN OLSON: The motion fails.

20 MS. MITCHELL: You've received an  
21 intent to deny. You'll have an opportunity to  
22 reappear before the Board and submit additional  
23 information. If you do not take advantage of that  
24 opportunity, your application will be considered

1 withdrawn.

2 MS. CONNOR: Thank you.

3 CHAIRWOMAN OLSON: Next is Project  
4 14-025, Fresenius Medical Care Crestwood.

5 May I have a motion to approve Project  
6 17-025, Fresenius Medical Care Crestwood, to  
7 relocate a 24-station ESRD facility in Crestwood?  
8 May I have a motion, please?

9 MEMBER SEWELL: So moved.

10 CHAIRWOMAN OLSON: And a second?

11 MEMBER DEMUZIO: Second.

12 CHAIRWOMAN OLSON: Mr. Constantino,  
13 your report.

14 MR. CONSTANTINO: Thank you, Madam  
15 Chair.

16 The applicants are proposing the  
17 discontinuation of a 24-station facility in  
18 Crestwood and the establishment of a 24-station in  
19 Crestwood, Illinois. The cost of the project is  
20 approximately \$7.7 million and the completion date  
21 is expected to be September 30th, 2019.

22 There were no findings. The existing  
23 facility is approximately 37 years old and it would  
24 appear that it is necessary for relocation. There