17-049

[ORIGINAL]

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
SEP 29 2017
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Northgrove Dialysis		
Street Address: 2491 Industrial Drive		
City and Zip Code: Highland, IL 62249		
County: Madison	Health Service Area: 11	Health Planning Area:

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: DaVita Inc.
Street Address: 2000 16th Street
City and Zip Code: Denver, CO 80202
Name of Registered Agent: Illinois Corporation Service Company
Registered Agent Street Address: 801 Adali Stevenson Drive
Registered Agent City and Zip Code: Springfield, IL 62703
Name of Chief Executive Officer: Kent Thiry
CEO Street Address: 2000 16th Street
CEO City and Zip Code: Denver, CO 80202
CEO Telephone Number: (303) 405-2100

Type of Ownership of Applicants

- [ ] Non-profit Corporation
- [x] For-profit Corporation
- [ ] Limited Liability Company
- [ ] Partnership
- [ ] Governmental
- [ ] Sole Proprietorship
- [ ] Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are 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 [Person to receive ALL correspondence or inquiries]

Name: Tim Tincknell
Title: Administrator
Company Name: DaVita, Inc.
Address: 2484 North Elston Avenue, Chicago, Illinois 60647
Telephone Number: (773) 489-6973
E-mail Address: timothy.tincknell@davita.com
Fax Number: (866) 586-3214

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

Name: Mary Anderson
Title: Divisional Vice President
Company Name: DaVita, Inc.
Address: 1131 N. Galena, Dixon, IL 61021
Telephone Number: 815-248-0595 x20
E-mail Address: Mary.J.Anderson@davita.com
Fax Number:

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Fax Number:

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: Kara Friedman
Title: Attorney
Company Name: Polsinelli P.C.
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: (312) 873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Kunkel Commercial Group, Inc.
Address of Site Owner: 784 Wall Street, Suite 100-A, O'Fallon, Illinois 62269
Street Address or Legal Description of the Site: 2491 Industrial Drive, Suite 200, Highland, Illinois 62249 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, 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: Total Renal Care, Inc.
Address: 2000 16th Street, Denver, CO 80202

- ☐ Non-profit Corporation
- ☑ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ 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.**

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

Organizational Relationships

Provide (for each 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

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 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 #2006-5 (**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

[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:

- [x] Substantive
- [ ] Non-substantive

2. Narrative Description

In the space below, provide 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.

DaVita Inc. and Total Renal Care, Inc. (the "Applicants" or DaVita") seek authority from from the Illinois Health Facilities and Services Board (the "State Board") to establish a 12 station dialysis facility located at 2491 Industrial Drive, Highland, Illinois 62249. The proposed dialysis facility will include a total of approximately, 5,866 gross square feet in clinic space, 777 gross square feet of non-clinical space for a total of 6,643 gross rentable square feet.

This project has been classified as substantive because it involves the establishment of a health care 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 be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	$1,039,188	$137,649	$1,176,837
Contingencies	$103,919	$13,765	$117,684
Architectural/Engineering Fees	$118,000	$32,000	$150,000
Consulting and Other Fees	$80,000	$10,000	$90,000
Movable or Other Equipment (not in construction contracts)	$642,818	$80,122	$722,940
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	$681,027	$90,208	$771,235
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$2,664,952	$363,744	$3,028,696
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$1,983,925	$273,536	$2,257,461
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	$681,027	$90,208	$771,235
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	$2,664,952	$363,744	$3,028,696
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 ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

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

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

Estimated start-up costs and operating deficit cost is $ 339,874.

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): July 31, 2019

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

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
☒ Financial Commitment 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 [Section 1130.620(c)]

Are the following submittals up to date as applicable:
☐ Cancer Registry Not Applicable
☐ APORS Not Applicable
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (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.**

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

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

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME:			**CITY:**		
REPORTING PERIOD DATES:	**From:**		**to:**		
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

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 manager 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 DaVita 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	SIGNATURE
Arturo Sida	Michael D. Staffieri
PRINTED NAME	PRINTED NAME
Assistant Secretary	Chief Operating Officer – Kidney Care
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _____	Notarization: Subscribed and sworn to before me this 9th day of September 2016
See Attached	Monica Meyer
Signature of Notary	Signature of Notary
Seal	Seal MONICA MEYER NOTARY PUBLIC STATE OF COLORADO NOTARY ID # 20084018135 MY COMMISSION EXPIRES 06-02-2020

*Insert EXACT legal name of the applicant

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
Comm. #2055858
Notary Public • California
Los Angeles County
Comm. Expires Jan 25, 2018

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Ltr. to K.Olson (Northgrove Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Secretary

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc.

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SIGNATURE

Arturo Sida
PRINTED NAME

Assistant Secretary
PRINTED TITLE

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

See Attached

Signature of Notary

Seal

SIGNATURE

Michael D. Staffieri
PRINTED NAME

Chief Operating Officer- Kidney Care
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 9th day of September 2016

Monica Meyer
Signature of Notary

Seal

MONICA MEYER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 20084018135
MY COMMISSION EXPIRES 06-02-2020

*Insert EXACT legal name of the applicant

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Signature

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Comm. #2055858
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Los Angeles County
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☐ Individual

☒ Corporate Officer Assistant Secretary
(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity Total Renal Care, Inc.

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.

Background

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 that the information was 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.

Criterion 1110.230 – Purpose of the Project, and Alternatives

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 relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the 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 the age and condition of the project site, as well as 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 Staff 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 and it shall include the basis used for determining the space and the methodology applied.**

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 and certified by the facility's Medical Director.

   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

   c. The project involves the conversion of existing space that results in excess square footage.

   d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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	MEET 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:

Provide the following information:

1. Total gross square footage (GSF) 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 is 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:

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.

F. Criterion 1110.1430 - In-Center Hemodialysis

1. Applicants proposing to establish, expand and/or modernize the In-Center Hemodialysis category of service 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
☑ In-Center Hemodialysis	0	12

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

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

APPEND DOCUMENTATION AS ATTACHMENT 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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 1130.525 – "Requirements for Exemptions Involving the Discontinuation of a Health Care Facility or Category of Service" and subsection 1110.1430(j) - Relocation of an in-center hemodialysis facility.

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)**

VII. 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**]:

$2,257,461	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 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;
_____	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.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
$771,235	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: 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.

_____	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;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$3,028,696	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 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 35, 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.

	Historical 3 Years			**Projected**
Enter Historical and/or Projected Years:				
Current Ratio				
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.

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 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

   A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

   B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

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

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

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 38.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

SECTION XI. CHARITY CARE INFORMATION

Charity Care information MUST be furnished for ALL projects [1120.20(c)].

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 39.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

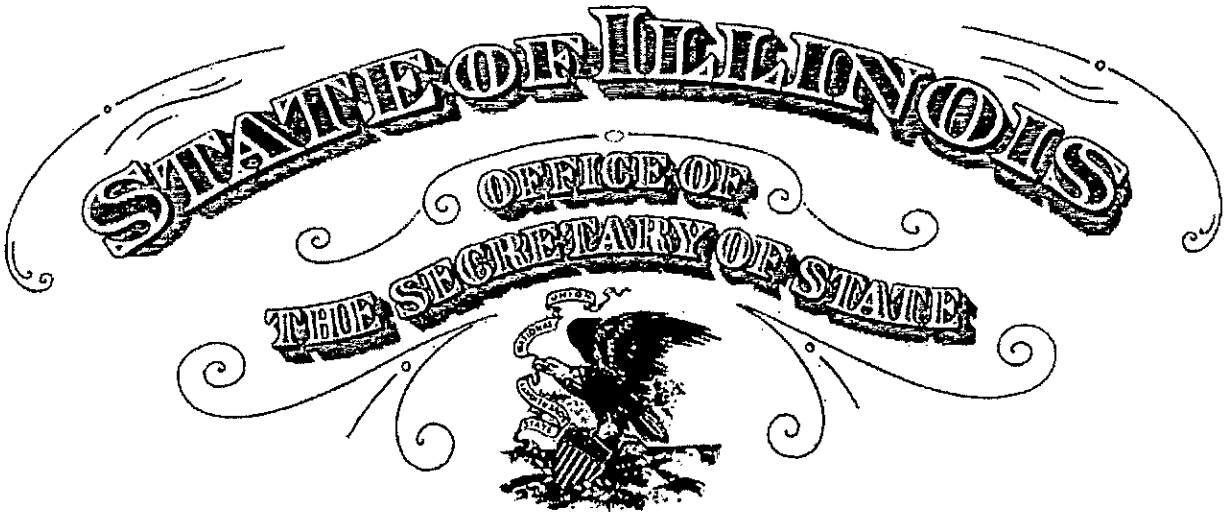
APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for DaVita Inc. and Total Renal Care, Inc. (collectively, the "Applicants" or "DaVita") are attached at Attachment – 1. Total Renal Care, Inc. will be the operator of Northgrove Dialysis. Northgrove Dialysis is a trade name of Total Renal Care, Inc. and is not separately organized. As the person with final control over the operator, DaVita Inc. is named as an applicant for this CON application. DaVita Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita Inc. from the state of its incorporation, Delaware, is attached.

Attachment - 1

File Number 5823-002-2



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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED 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* 24TH *day of* JULY *A.D.* 2017 .

Authentication #: 1720501710 verifiable until 07/24/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment – 1

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE EIGHTH DAY OF SEPTEMBER, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DAVITA INC." WAS INCORPORATED ON THE FOURTH DAY OF APRIL, A.D. 1994.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

2391269 8300

SR# 20165704525

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202957561

Date: 09-08-16

Attachment – 1

Section I, Identification, General Information, and Certification
Site Ownership

The letter of intent between Kunkel Commercial Group, Inc. and Total Renal Care, Inc. to lease the facility located at 2491 Industrial Drive, Suite 200, Highland, Illinois 62249 is attached at Attachment – 2.

Attachment - 2

CUSHMAN & WAKEFIELD
225 West Wacker Drive, Suite 3000
Chicago, IL 60606
Web: www.cushmanwakefield.com

September 19, 2017

Dave Kunkel
Kunkel Commercial Group, Inc.
784 Wall St, Suite 100A
O'Fallon, IL 62269

RE: LOI – 2491 Industrial Dr Suite 200, Highland, IL 62249

Mr. Kunkel:

Cushman & Wakefield ("C&W") has been authorized by Total Renal Care, Inc. a subsidiary of DaVita HealthCare Partners, Inc. to assist in securing a lease requirement. DaVita HealthCare Partners, Inc. is a Fortune 200 company with revenues of approximately $13 billion. They operate 2,278 outpatient dialysis centers across the US and 124 in 10 countries outside the US. Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

PREMISES:

2491 Industrial Drive Suite 200, Highland, IL 62249

A tract of land in the Southwest Quarter of Section 32, Township 4 North, Range 5 West of the Third Principal Meridian lying South of U.S. Route 40 described as follows:

Commencing at a point on the South right of way line of U.S. Route 40 said point also being on the West line of the East Half of the Southwest Quarter of said Section 32, Township 4 North, Range 5 West of the Third Principal Meridian, from this point thence South, 578.7 feet, thence East 765.7 feet; thence North 843.0 feet to the Southerly right of way line of U.S. Route 40, thence Southwesterly along said right of way line to the point of beginning. Except any interest in the coal, oil, gas and other mineral rights underlying the land which have been heretofore conveyed or reserved in prior conveyances, and all rights and easements in favor of the estate of said coal, oil gas and other minerals, if any.

Situated in Madison County, Illinois.

PPN: 02-1-18-32-00-000-024

TENANT:

Total Renal Care, Inc. or related entity to be named

LANDLORD:

Apex Holdings, LLC

SPACE REQUIREMENTS:

Requirement is for approximately 6,643 SF of contiguous rentable square feet. Tenant shall have the right to measure space based on ANSI/BOMA Z65.1-1996. Final premises rentable square footage to be confirmed prior to lease execution with approved floor plan and site plan attached to lease as an exhibit.

Attachment – 2

PRIMARY TERM:	10 years
BASE RENT:	Annual Lease is $15.00 per square foot with 2% annual increases. Triple Net Lease. In addition to Base Rent, Tenant shall pay their pro-rata share of 28.38% (6,643/23,404 SF) of the triple net expenses (real estate taxes, insurance and common area maintenance).
ADDITIONAL EXPENSES:	In addition to triple net expenses, Tenant will be responsible for utilities (electric, gas, water and sewer, telephone, internet), janitorial and interior maintenance. Landlord estimates the triple net operating expense costs to $3.50 psf in the first full lease year and no greater than 3% increases annually thereafter for controllable operating expenses. The term "controllable operating expenses" shall mean all operating expenses except for real estate taxes, insurance and snow removal.
LANDLORD'S MAINTENANCE:	Landlord, at its sole cost and expense, shall be responsible for the structural and capitalized items (per GAAP standards) for the Property.
POSSESSION AND RENT COMMENCEMENT:	Landlord shall deliver Possession of the Premises to the Tenant with Landlord's Work complete within 120 days from the later of lease execution or the waiver of CON contingency. Rent Commencement shall be the earlier of seven (7) months from Possession or Tenant opens for business.
LEASE FORM:	Tenant's standard lease form.
USE:	The operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose. *Please verify that the Use is permitted within the building's zoning and there are not any CCR's or other documents that may impact tenancy.* Current zoning is Industrial which allows for medical per City of Highland Zoning Code. Apex Physical Therapy, LLC d/b/a Apex Network Physical Therapy shall have the exclusive right to operate a business whose principal permitted use is physical and occupational therapy services.

PARKING:

Tenant requests:

a) A stated parking allocation of four stalls per 1,000 sf or higher if required by code
b) Of the stated allocation, dedicated parking at one stall per 1,000 sf
c) Handicapped stalls located near the front door to the Premiscs

BUILDING SYSTEMS:

Landlord shall warrant that the building's mechanical, electrical, plumbing, HVAC systems, (if installed by Landlord), and roof, and foundation are in good order and repair for one year after lease commencement. Furthermore, Landlord will remain responsible for ensuring the parking and common areas are ADA compliant.

LANDLORD WORK:

Landlord, at Landlord's expense shall deliver to the Premises the following improvements:

Construct a new separate glass entrance with soffit where existing overhead door is located solely dedicated to Tenant. Installation of six new exterior windows per Exhibit C. Windows to be installed with code compliant Energy efficient thermal pane windows with Low-E thermally broken aluminum frames. Landlord shall allow Tenant, at Tenant's discretion, to apply a translucent film to the existing windows (per manufactures recommendations) per Tenant's tenant improvement design.

Repair and patch all existing roof leaks and provide new flashing as required.

Infill all metal doors on southeast corner.

Building north and west exterior to be Hardie Board (cement fiber board) with stone accents at entry columns.

Create new landscaping based upon the below specifications which are subject to change based upon final site and landscaping design:

- The general theme of the landscaping plan will be a "Colorado" style / appearance.
- Landscaping beds/berms are planned along the North Elevation (Front) of the building. These will include rock, berms, various plants, shrubs, trees, and boulders.
    - Landscaping beds will likely extend north toward the porch area on both sides of the "Apex front entry" to the building.
- Landscaping beds/berms are planned for both of the areas between the various sidewalks / entrances on the West side of the building. These areas will include rock, berms, various plants, shrubs, trees, and boulders.

- Landscaping beds/berms are planned for the area in the middle of the circle drive at the entrance to the property. This area will include rock, berms, various plants, shrubs, trees, and boulders.
- Landscaping beds/berms are planned for the grass area toward the West side of the parking lot, between the parking spaces and the driveway. This area will include rock, berms, various plants, shrubs, trees, and boulders.
- On the Southern property line (back of the property at the top of the hill), Landlord shall install white pine trees to create a visual barrier between our property and the property owners to the South.
- Trees / berms are being contemplated for other areas of the property based on the suggestions of the landscaper.
- Landlord shall make reasonable efforts to evaluate the installation of a monument sign near Highway 40 at the entrance to the property. If installed, this area would be landscaped with rock, berms, shrubs, trees, and boulders.

Premises entirely demised and gutted. Landlord will be responsible for demolition of all interior partitions, doors and frames, plumbing, electrical, mechanical systems (other than current HVAC and what is designated for reuse by Tenant), remove all lighting, ceiling grid, carpet and/or ceramic tile and finishes of the existing building from slab to roof deck to create a "raw shell" condition. Premises shall be broom clean and ready for interior improvements; free and clear of any components, asbestos or material that is in violation of any EPA standards of acceptance and local hazardous material jurisdiction standards.

Repair and overlay the existing asphalt condition in the parking lot extending to the south end of the building to accommodate deliveries.

Construct new trash enclosure with stained cedar planks or aluminum planks, and new concrete pad with metal gate.

In addition, Landlord shall deliver the building structure and main utility lines serving the building in good working order and shape. If any defects in the structure including the exterior walls, lintels, floor and roof framing or utility lines are found, prior to or during Tenant construction (which are not the fault of the Tenant), repairs will be made by Landlord at its sole cost and expense. Any repairs shall meet all applicable federal, state and local laws, ordinances and regulations and approved a Structural Engineer and Tenant.

TENANT IMPROVEMENTS: Landlord to deliver space in the condition as described above under Landlord's Work.

OPTION TO RENEW: Tenant desires three, five-year options to renew the lease. Option rent shall be increased by 10% after Year 10 of the initial term and following each successive five-year option periods.

RIGHT OF FIRST OPPORTUNITY ON ADJACENT SPACE: Tenant shall have the on-going right of first opportunity on the adjacent 2,000 square feet of space that may become available during the initial term of the lease and any extension thereof, under the same terms and conditions of Tenant's existing lease.

FAILURE TO DELIVER PREMISES: If Landlord has not delivered the premises to Tenant with all base building items substantially completed within 120 days from the later of lease execution or waiver of CON contingency, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive two days of rent abatement for every day of delay beyond the 120 day delivery period.

HOLDING OVER: Tenant shall be obligated to pay 125% of the then current rate.

TENANT SIGNAGE: Tenant shall have the right to install building, and monument and dual pylon signage, if applicable, at the Premises, subject to compliance with all applicable laws and regulations. All signage subject to the City of Highland's and Landlord's reasonable approval.

BUILDING HOURS: Tenant requires building hours of 24 hours a day, seven days a week.

SUBLEASE/ASSIGNMENT: Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita Healthcare Partners, Inc. without the consent of the Landlord, or to unrelated entities with Landlord reasonable approval.

ROOF RIGHTS: Tenant shall have the right to place a satellite dish on the roof at no additional fee.

NON-COMPETE: Landlord agrees not to lease space to another dialysis provider within a five mile radius of Premises.

HVAC: Replacement of existing units at Tenant's expense.

DELIVERIES: Deliveries to be made to the SW corner of Tenant's space by backing a semi-tractor trailer up to building and receiving deliveries through a man door.

GOVERNMENTAL COMPLIANCE: Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the

building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s).

CERTIFICATE OF NEED:

Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

BROKERAGE FEE:

Landlord recognizes C&W as the Tenant's sole representative and Kunkel Commercial Group, Inc as Landlord's sole representative and shall pay a brokerage fee equal to six percent (6%) split 50/50 between Brokers, 50% shall be due upon the later of lease signatures or waiver of CON contingency, and 50% shall be due within one-hundred eighty (180) days from the later of lease signatures and waiver of CON contingency. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee. Brokerage fee applicable to only the base rental amount during the primary term.

CONTINGENCIES:

In the event the Landlord is not successful in obtaining all necessary approvals including, but not limited to, municipal, zoning and use, the Tenant shall have the right, but not the obligation to terminate the lease.

CUSHMAN & WAKEFIELD

It should be understood that this proposal is subject to the terms of Exhibit A attached hereto. Please complete and return the Potential Referral Source Questionnaire in Exhibit B. The information in this proposal is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized. Thank you for your time and consideration to partner with DaVita.

Sincerely,

Matthew Gramlich

CC: DaVita Regional Operational Leadership

CUSHMAN & WAKEFIELD

SIGNATURE PAGE

LETTER OF INTENT: 2491 Industrial Dr Suite 200, Highland, IL 62249

AGREED TO AND ACCEPTED THIS 19th DAY OF SEPTEMBER 2017

By: Molly E Ehlinger

On behalf of Total Renal Care, Inc., a subsidiary of DaVita, Inc.
("Tenant")

AGREED TO AND ACCEPTED THIS 22nd DAY OF SEPTEMBER 2017

By: Steven J. Oravec

APEX HOLDINGS, LLC
("Landlord")

EXHIBIT A

NON-BINDING NOTICE

NOTICE: THE PROVISONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPERATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR C&W) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD OR C&W INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. C&W IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES C&W HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD.

CUSHMAN & WAKEFIELD

EXHIBIT B

POTENTIAL REFERAL SOURCE QUESTIONAIRRE

RE: 2491 Industrial Dr Suite 200, Highland, IL 62249

(i) Is Landlord an individual or entity in any way involved in the healthcare business, including, but not limited to, a physician; physician group; hospital; nursing home; home health agency; or manufacturer, distributor or supplier of healthcare products or pharmaceuticals;

__X__ Yes _____ No

(ii) Is the immediate family member of the Landlord an individual involved in the healthcare business, or

____ Yes __X__ No

(iii) Is the Landlord an individual or entity that directly or indirectly owns or is owned by a healthcare-related entity; or

__X__ Yes _____ No

(iv) Is the Landlord an entity directly or indirectly owned by an individual in the healthcare business or an immediate family member of such an individual?

__X__ Yes _____ No

_Apex Holding, LLC_____
(Please add landlord or entity name)

By: Steven J. Oravec

Print: __Steven J. Oravec_____

Its: Owner

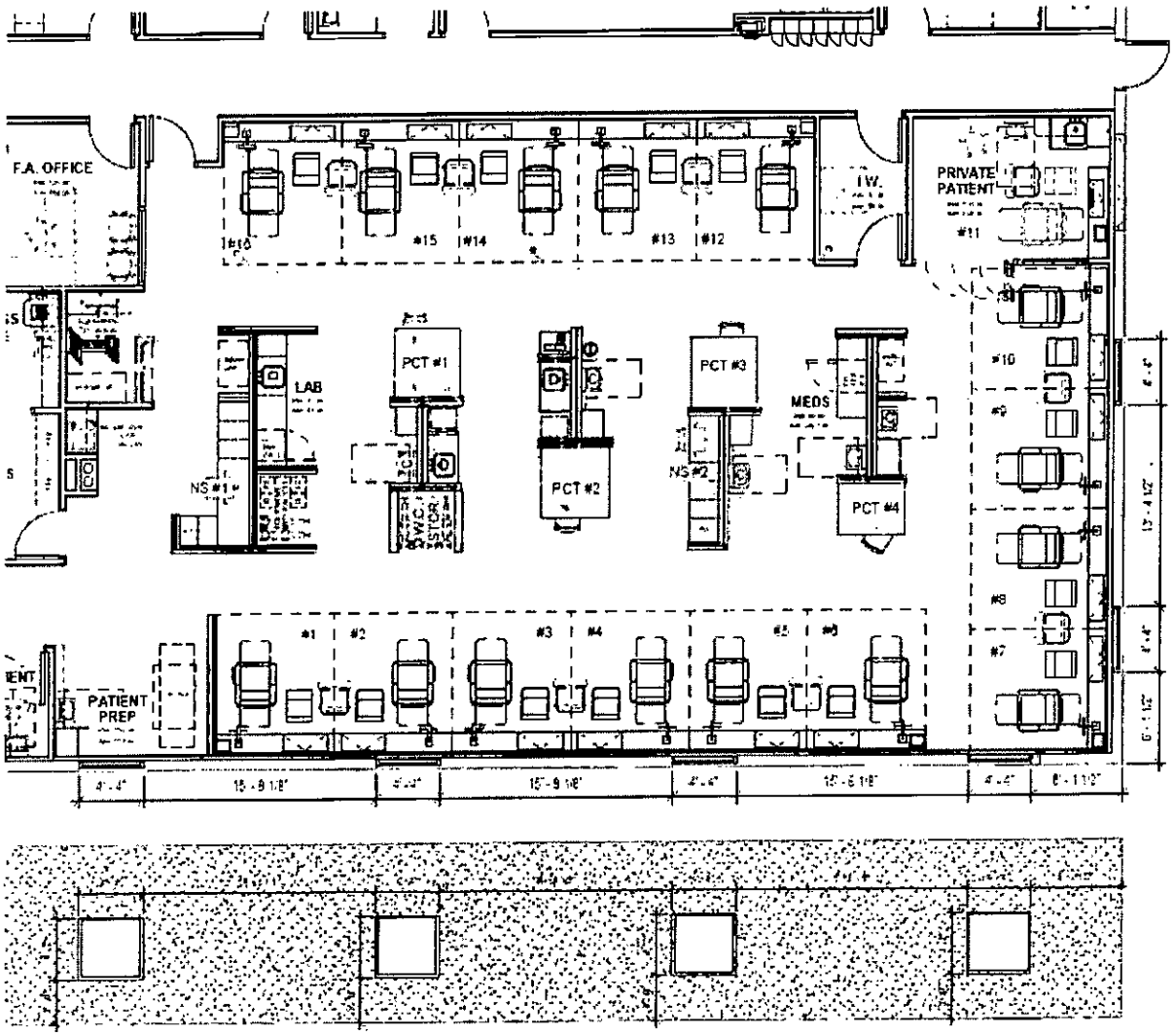
Date: 09/22/2017

Note: Apex Holdings, LLC (Landlord) is owned by individuals that also own Apex Physical Therapy, LLC. The Landlord is not a physician.

CUSHMAN & WAKEFIELD

EXHIBIT C

PRELIMINARY EXTERIOR WINDOW PLAN



Section I, Identification, General Information, and Certification
Operating Entity/Licensee

The Illinois Certificate of Good Standing for Total Renal Care, Inc. is attached at Attachment – 3.

Attachment - 3

File Number 5823-002-2

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

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED 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* 24TH *day of* JULY *A.D.* 2017 .

Authentication #: 1720501710 verifiable until 07/24/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment – 3

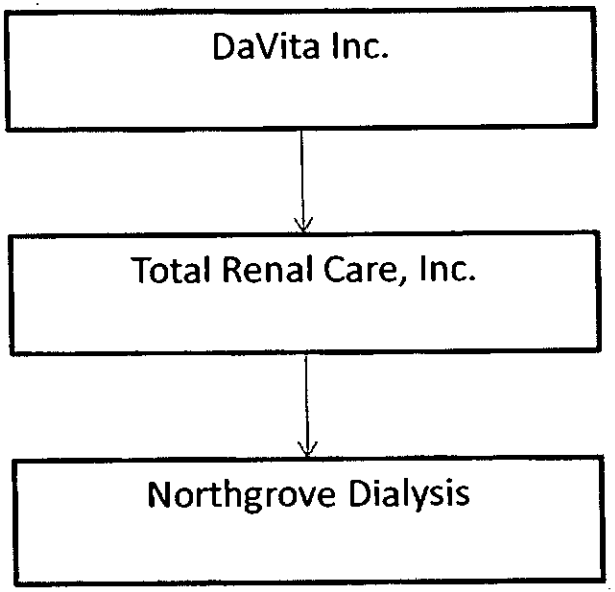
Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart for DaVita Inc., Total Renal Care, Inc. and Northgrove Dialysis is attached at Attachment – 4.

Attachment - 4

Organizational Structure

Northgrove Dialysis

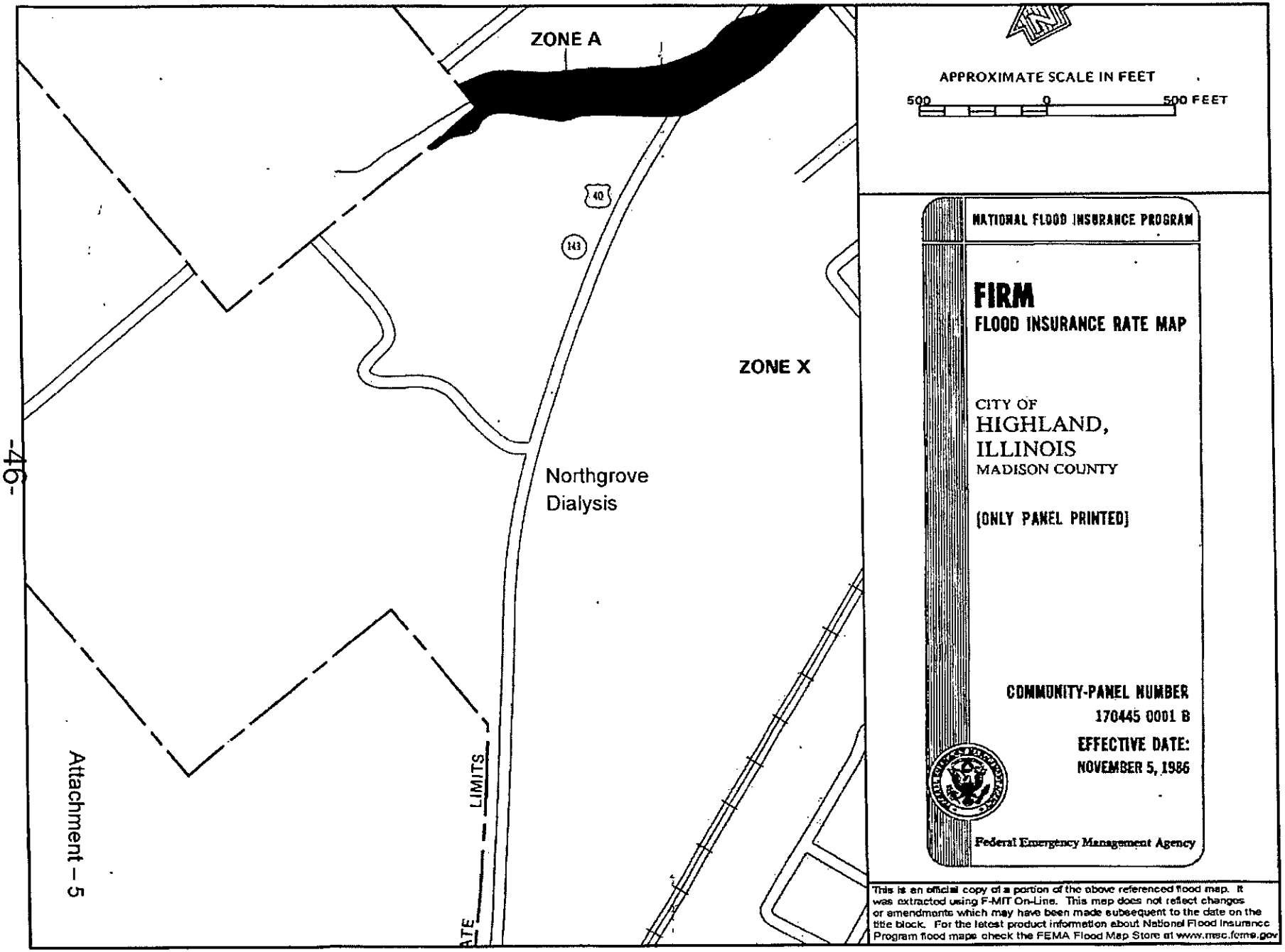


Attachment - 4

Attachment – 4

Section I, Identification, General Information, and Certification
Flood Plain Requirements

The site of the proposed dialysis facility complies with the requirements of Illinois Executive Order #06-05. The proposed dialysis facility will be located at 2491 Industrial Drive, Suite 200, Highland, Illinois 62249. As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment – 5, the location of the proposed Northgrove Dialysis is not included in a flood plain.



Attachment – 5

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment – 6.

Attachment - 6

Illinois Department of
Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

FAX (217) 524-7525

Madison County
Highland
CON - Lease to Establish a 12-Station Dialysis Center
2491 Industrial Dr.
SHPO Log #008081017

August 24, 2017

Anne Cooper
Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606-1599

Dear Ms. Cooper:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact David Halpin, Cultural Resources Manager, at 217/785-4998.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Attachment – 6

Section I, Identification, General Information, and Certification
Project Costs and Sources of Funds

Table 1120.110			
Project Cost	**Clinical**	**Non-Clinical**	**Total**
Modernization Contracts	$1,039,188	$137,649	$1,176,837
Contingencies	$103,919	$13,765	$117,684
Architectural/Engineering Fees	$118,000	$32,000	$150,000
Consulting and Other Fees	$80,000	$10,000	$90,000
Moveable and Other Equipment			
Communications	$78,117		$78,117
Water Treatment	$167,000		$167,000
Bio-Medical Equipment	$11,550		$11,550
Clinical Equipment	$368,646		$368,646
Clinical Furniture/Fixtures	$17,505		$17,505
Lounge Furniture/Fixtures		$3,855	$3,855
Storage Furniture/Fixtures		$5,862	$5,862
Business Office Fixtures		$30,905	$30,905
General Furniture/Fixtures		$27,500	$27,500
Signage		$12,000	$12,000
Total Moveable and Other Equipment	$642,818	$80,122	$722,940
Fair Market Value of Leased Space	$681,027	$90,208	$771,235
Total Project Costs	**$2,664,952**	**$363,744**	**$3,028,696**

Attachment - 7

Section I, Identification, General Information, and Certification
Project Status and Completion Schedules

The Applicants anticipate project completion within approximately **18** months of project approval.

Further, although the Letter of Intent attached at Attachment – 2 provides for project obligation to occur after permit issuance, the Applicants will begin negotiations on a definitive lease agreement for the facility, with the intent of project obligation being contingent upon permit issuance.

Section I, Identification, General Information, and Certification
Current Projects

DaVita Current Projects			
Project Number	**Name**	**Project Type**	**Completion Date**
15-020	Calumet City Dialysis	Establishment	7/31/2017
15-025	South Holland Dialysis	Relocation	10/31/2017
15-048	Park Manor Dialysis	Establishment	02/28/2018
15-049	Huntley Dialysis	Establishment	02/28/2018
15-052	Sauget Dialysis	Expansion	08/31/2017
15-054	Washington Heights Dialysis	Establishment	09/30/2017
16-004	O'Fallon Dialysis	Establishment	09/30/2017
16-009	Collinsville Dialysis	Establishment	11/30/2017
16-015	Forest City Rockford	Establishment	06/30/2018
16-023	Irving Park Dialysis	Establishment	08/31/2018
16-033	Brighton Park Dialysis	Establishment	10/31/2018
16-036	Springfield Central Dialysis	Relocation	03/31/2019
16-037	Foxpoint Dialysis	Establishment	07/31/2018
16-040	Jerseyville Dialysis	Expansion	07/31/2018
16-041	Taylorville Dialysis	Expansion	07/31/2018
16-051	Whiteside Dialysis	Relocation	03/31/2019

Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ESRD	$2,664,952		5,866		5,866		
Total Clinical	$2,664,952		5,866		5,866		
NON REVIEWABLE							
Administrative	$363,744		777		777		
Total Non-Reviewable	$363,744		777		777		
TOTAL	$3,028,696		6,643		6,643		

Attachment – 9

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(a), Project Purpose, Background and Alternatives

Background of the Applicant

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. This project is for the establishment of Northgrove Dialysis, a 12-station in-center hemodialysis facility to be located at 2491 Industrial Drive, Highland, Illinois.

DaVita Inc. is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2016 Community Care report details DaVita's commitment to quality, patient centric focus and community outreach and was previously included in the application for Proj. No, 17-032. Some key initiatives of DaVita which are covered in that report are also outlined below,

Kidney Disease Statistics

30 million or 15% of U.S. adults are estimated to have CKD.[1] Current data reveals troubling trends, which help explain the growing need for dialysis services:

- Between 1999-2002 and 2011-2014, the overall prevalence estimate for CKD rose from 13.9 to 14.8 percent. The largest relative increase, from 38.2 to 42.6 percent, was seen in those with cardiovascular disease.[2]
- Many studies now show that diabetes, hypertension, cardiovascular disease, higher body mass index, and advancing age are associated with the increasing prevalence of CKD.[3]
- Over six times the number of new patients began treatment for ESRD in 2014 (120,688) versus 1980 (approximately 20,000).[4]
- Over eleven times more patients are now being treated for ESRD than in 1980 (678,383 versus approximately 60,000).[5]
- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD; 44% of new ESRD cases have a primary diagnosis of diabetes; 28% have a primary diagnosis of hypertension.[6]
- Lack of access to nephrology care for patients with CKD prior to reaching end stage kidney disease which requires renal replacement therapy continues to be a public health concern.

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[1] Centers for Disease Control & Prevention, National Center for Chronic Disease Prevention and Health Promotion, National Chronic Kidney Disease Fact Sheet, 2017 (2017) *available at* https://www.cdc.gov/diabetes/pubs/pdf/kidney_factsheet.pdf (last visited Jul. 20, 2017).

[2] US Renal Data System, USRDS 2016 Annual Data Report: Epidemiology of Kidney Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 39 (2016).

[3] Id.

[4] Id. at 215.

[5] Id. at 216.

[6] Id. at 288.

Timely CKD care is imperative for patient morbidity and mortality. Beginning in 2005, CMS began to collect CKD data on patients beginning dialysis. Based on that data, it appears that little progress has been made to improve access to pre-ESRD kidney care. For example, in 2014, 24% of newly diagnosed ESRD patients had not been treated by a nephrologist prior to beginning dialysis therapy. And among those patients who had not previously been followed by a nephrologist, 63% of those on hemodialysis began therapy with a catheter rather than a fistula. Comparatively, only 34% of those patients who had received a year or more of nephrology care prior to reaching ESRD initiated dialysis with a catheter instead of a fistula.[7]

DaVita's Quality Recognition and Initiatives

Awards and Recognition

- Quality Incentive Program. DaVita ranked first in outcomes for the fourth straight year in the Centers for Medicare and Medicaid Services ("CMS") end stage renal disease ("ESRD") Quality Incentive Program. The ESRD QIP reduces payments to dialysis facilities that do not meet or exceed CMS-endorsed performance standards. DaVita outperformed the other ESRD providers in the industry combined with only 11 percent of facilities receiving adjustments versus 23 percent for the rest of the industry.

- Coordination of Care. On June 29, 2017, CAPG, the leading association in the country representing physician organizations practicing capitated, coordinated care, awarded both of DaVita's medical groups - HealthCare Partners in California and The Everett Clinic in Washington - its Standards of Excellence™ Elite Awards. The CAPG's Standards of Excellence™ survey is the industry standard for assessing the delivery of accountable and value based care. Elite awards are achieved by excelling in six domains including Care Management Practices, Information Technology, Accountability and Transparency, Patient-Centered Care, Group Support of Advanced Primary Care and Administrative and Financial Capability.

- Joint Commission Accreditation. In August 2016, DaVita Hospital Services, the first inpatient kidney care service to receive Ambulatory Health Care Accreditation from the Joint Commission, was re-accredited for three years. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. For the past three years, DaVita identified key areas for improvement, created training presentations and documents, provided WebEx training sessions and coordinated 156 hospital site visits for The Joint Commission Surveyors and DaVita teammates. Accreditation allows DaVita to monitor and evaluate the safety of kidney care and apheresis therapies against ambulatory industry standards. The accreditation allows for increased focus on enhancing the quality and safety of patient care; improved clinical outcomes and performance metrics, risk management and survey preparedness. Having set standards in place can further allow DaVita to measure performance and become better aligned with its hospital partners.

- Military Friendly Employer Recognition. DaVita has been repeatedly recognized for its commitment to its employees, particularly its more than 1,700 teammates who are reservists, members of the National Guard, military veterans, and military spouses. Victory Media, publisher of GI Jobs® and *Military Spouse Magazine*, recently recognized DaVita as a 2017 Top Military Friendly Employer for the eighth consecutive year. Companies compete for the elite Military Friendly® Employer title by completing a data-driven survey. Criteria include a benchmark score across key programs and policies, such as the strength of company military recruiting efforts, percentage of new hires with prior military service, retention programs for veterans, and company policies on National Guard and Reserve service.

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[7] Id. at 292-294.

- Workplace Awards. In April 2017, DaVita was certified by WorldBlu as a "Freedom-Centered Workplace." For the tenth consecutive year, DaVita appeared on WorldBlu's list, formerly known as "most democratic" workplaces. WorldBlu surveys organizations' teammates to determine the level of democracy practiced. For the sixth consecutive year, DaVita was recognized as a Top Workplace by The Denver Post. In 2017, DaVita was recognized among *Training* magazine's Top 125 for its whole-person learning approach to training and development programs for the thirteenth year in a row. Finally, DaVita has been recognized as one of Fortune® Magazine's Most Admired Companies in 2017 – for the tenth consecutive year and eleventh year overall.

Quality Initiatives

DaVita has undertaken many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and ESRD. These programs include the Kidney Smart, IMPACT, CathAway, and transplant assistance programs. These programs and others are described below.

- On June 16, 2016, DaVita announced its partnership with Renal Physicians Association ("RPA") and the American Board of Internal Medicine ("ABIM") to allow DaVita-affiliated nephrologists to earn Maintenance of Certification ("MOC") credits for participating in dialysis unit quality improvement activities. MOC certification highlights nephrologists' knowledge and skill level for patients looking for high quality care.

- To improve access to kidney care services, DaVita and Northwell Health in New York have joint ventured to serve thousands of patients in Queens and Long Island with integrated kidney care. The joint venture will provide kidney care services in a multi-phased approach, including:

  - Physician education and support
  - Chronic kidney disease education
  - Network of outpatient centers
  - Hospital services
  - Vascular access
  - Integrated care
  - Clinical research
  - Transplant services

The joint venture will encourage patients to better utilize in-home treatment options.

- DaVita's Kidney Smart program helps to improve intervention and education for CKD patients. Adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may improve patient outcomes and reduce ESRD as follows:

  - Reduced GFR is an independent risk factor for morbidity and mortality. A reduction in the rate of decline in kidney function upon nephrologists' referrals has been associated with prolonged survival of CKD patients,

  - Late referral to a nephrologist has been correlated with lower survival during the first 90 days of dialysis, and

- Timely referral of CKD patients to a multidisciplinary clinical team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the Kidney Smart program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's Kidney Smart program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

- DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. Through IMPACT, DaVita's physician partners and clinical team have had proven positive results in addressing the critical issues of the incident dialysis patient. The program has helped improve DaVita's overall gross mortality rate, which has fallen 28% in the last 13 years.

- DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII') to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NAVII through patient education outlining the benefits for AV fistula placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal.

- For more than a decade, DaVita has been investing and growing its integrated kidney care capabilities. Through Patient Pathways, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement to reduce the length of hospital inpatient stays and readmissions. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, specializing in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provides information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

  DaVita currently partners with over 250 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. Since its creation in 2007, Patient Pathways has impacted over 130,000 patients. The Patient Pathways program reduced overall readmission rates by 18 percent, reduced average patient stay by a half-day, and reduced acute dialysis treatments per patient by 11 percent. Moreover, patients are better educated and arrive at the dialysis center more prepared and less stressed. They have a better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis facility. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

- Since 1996, Village Health has innovated to become the country's largest renal National Committee for Quality Assurance accredited disease management program. VillageHealth's Integrated Care Management ("ICM") services partners with patients, providers and care team members to focus on the root causes of unnecessary hospitalizations such as unplanned dialysis starts, infection, fluid overload and medication management.

  VillageHealth ICM services for payers and ACOs provide CKD and ESRD population health management delivered by a team of dedicated and highly skilled nurses who support patients

both in the field and on the phone. Nurses use VillageHealth's industry-leading renal decision support and risk stratification software to manage a patient's coordinated needs. Improved clinical outcomes and reduced hospital readmission rates have contributed to improved quality of life for patients. As of 2014, VillageHealth ICM has delivered up to a 15 percent reduction in non-dialysis medical costs for ESRD patients, a 15 percent lower year-one mortality rate over a three-year period, and 27 percent fewer hospital readmissions compared to the Medicare benchmark. Applied to DaVita's managed ESRD population, this represents an annual savings of more than $30 million.

- Transplant Education. DaVita has long been committed to helping its patients receive a thorough kidney transplant education within 30 days of their first dialysis treatment. Patients are educated about the step-by-step transplant process and requirements, health benefits of a transplant and the transplant center options available to them. The social worker or designee obtains transplant center guidelines and criteria for selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/financial factors related to post-transplant functioning.

- Dialysis Quality Indicators. In an effort to better serve all kidney patients, DaVita believes in requiring that all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers: dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients.

- Pharmaceutical Compliance. DaVita Rx, the first and largest licensed, full-service U.S. renal pharmacy, focuses on the unique needs of dialysis patients. Since 2005, DaVita Rx has been helping improve outcomes by delivering medications to dialysis centers or to patients' homes, making it easier for patients to keep up with their drug regimens. DaVita Rx patients have medication adherence rates greater than 80%, almost double that of patients who fill their prescriptions elsewhere, and are correlated with 40% fewer hospitalizations.

Service to the Community

- DaVita consistently raises awareness of community needs and makes cash contributions to organizations aimed at improving access to kidney care. DaVita provides significant funding to kidney disease awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. DaVita Way of Giving program donated $2.2 million in 2016 to locally based charities across the United States. Its own employees, or members of the "DaVita Village," assist in these initiatives. In 2016, more than 560 riders participated in Tour DaVita, DaVita's annual charity bike ride, which raised $1.2 million to support Bridge of Life. Bridge of Life serves thousands of men, women and children around the world through kidney care, primary care, education and prevention and medically supported camps for kids. Since 2011, DaVita teammates have donated $9.1 million to thousands of organizations through DaVita Way of Giving.

- DaVita is committed to sustainability and reducing its carbon footprint. It is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In 2010, DaVita opened the first LEED-certified dialysis center in the U.S. Newsweek Green Rankings recognized DaVita as a 2015 Top Green Company in the United States, and it has appeared on the list every year since the inception of the program in 2009. Since 2013, DaVita has saved 645 million gallons of water through optimization projects. Through toner and cell phone recycling programs, more than $126,000 has been donated to Bridge of Life. In 2016,

Village Green, DaVita's corporate sustainability program, launched a formal electronic waste program and recycled more than 113,000 pounds of e-waste.

- DaVita does not limit its community engagement to the U.S. alone. In 2006, Bridge of Life, the primary program of DaVita Village Trust, an independent 501(c)(3) nonprofit organization, completed more than 398 international and domestic medical missions and events in 25 countries. More than 900 DaVita volunteers supported these missions, impacting more than 96,000 men, women and children.

Other Section 1110.230(a) Requirements.

Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health ("IDPH") has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any of the applicants, or against any Illinois health care facilities owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application.

A list of health care facilities owned or operated by the Applicants in Illinois is attached at Attachment – 11A. Dialysis facilities are currently not subject to State Licensure in Illinois.

Certification that no adverse action has been taken against either of the Applicants or against any health care facilities owned or operated by the Applicants in Illinois within three years preceding the filing of this application is attached at Attachment – 11B.

An authorization permitting the Illinois Health Facilities and Services Review Board ("State Board") and IDPH access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11B.

Attached at Attachment – 11C is an affidavit from Timothy Tincknell, CON Administrator for DaVita addressing the age of the signature pages and the reason for the delayed filing of the Northgrove Dialysis CON application.

DaVita Inc.
Illinois Facility Listing

Facility Name	Address	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST	QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE	ALTON	MADISON	IL	62002-5009	14-2619
Arlington Heights Renal Center	17 WEST GOLF ROAD	ARLINGTON HEIGHTS	COOK	IL	60005-3905	14-2628
Barrington Creek	28160 W. NORTHWEST HIGHWAY	LAKE BARRINGTON	LAKE	IL	60010	14-2736
Belvidere Dialysis	1755 BELOIT ROAD	BELVIDERE	BOONE	IL	61008	
Benton Dialysis	1151 ROUTE 14 W	BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE	CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE	NILES	COOK	IL	60714-4019	14-2712
Brighton Park Dialysis	4729 South California Avenue	Chicago	COOK	IL	60632	
Buffalo Grove Renal Center	1291 W. DUNDEE ROAD	BUFFALO GROVE	CODK	IL	60089-4009	14-2650
Calumet City Dialysis	1200 SIBLEY BOULEVARD	CALUMET CITY	COOK	IL	60409	
Carpentersville Dialysis	2203 RANDALL ROAD	CARPENTERSVILLE	KANE	IL	60110-3355	14-2598
Centralia Dialysis	1231 STATE ROUTE 161	CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD, STE B	CHICAGO HEIGHTS	CDOK	IL	60411-1733	14-2635
Chicago Ridge Dialysis	10511 SOUTH HARLEM AVE	WORTH	COOK	IL	60482	
Churchview Dialysis	5970 CHURCHVIEW DR	ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST, STE A	ELGIN	KANE	IL	60120-2125	14-2715
Collinsville Dialysis	101 LANTER COURT, BLDG 2	COLLINSVILLE	MADISON	IL	60234	
Country Hills Dialysis	4215 W 167TH ST	COUNTRY CLUB HILLS	COOK	IL	60478-2017	14-2575
Crystal Springs Dialysis	720 COG CIRCLE	CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST	DECATUR	MACON	IL	62523-1155	14-2599
Dixon Kidney Center	1131 N GALENA AVE	DIXON	LEE	IL	61021-1015	14-2651
Driftwood Dialysis	1808 SOUTH WEST AVE	FREEPORT	STEPHENSON	IL	61032-6712	14-2747
Edwardsville Dialysis	235 S BUCHANAN ST	EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR, STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580

DaVita Inc. Illinois Facility Listing						
Facility Name	Address	City	County	State	Zip	Medicare Certification Number
Emerald Dialysis	710 W 43RD ST	CHICAGO	COOK	IL	60609-3435	14-2529
Evanston Renal Center	1715 CENTRAL STREET	EVANSTON	COOK	IL	602014507	14-2511
Forest City Rockford	4103 West State Street	ROCKFORD	WINNEBAGO	IL	61101	
Foxpoint Dialysis	1300 Schaeffer Road	GRANITE CITY	MADISON	IL	62040	
Freeport Dialysis	1028 S KUNKLE BLVD	FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Garfield Kidney Center	3250 WEST FRANKLIN BLVD	CHICAGO	COOK	IL	606244509	14-2777
Grand Crossing Dialysis	7319 S COTTAGE GROVE AVENUE	CHICAGO	COOK	IL	60619-1909	14-2728
Granite City Dialysis Center	9 AMERICAN VLG	GRANITE CITY	MADISON	IL	62040-3706	14-2537
Harvey Dialysis	16641 S HALSTED ST	HARVEY	COOK	IL	60426-6174	14-2698
Hazel Crest Renal Center	3470 WEST 183rd STREET	HAZEL CREST	COOK	IL	60429-2428	14-2622
Huntley Dialysis	10350 HALIGUS ROAD	HUNTLEY	MCHENRY	IL	60142	
Illini Renal Dialysis	507 E UNIVERSITY AVE	CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Irving Park Dialysis	4323 North Pulaski Road	Chicago	Cook	IL	60641	
Jacksonville Dialysis	1515 W WALNUT ST	JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST	JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR, STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Kenwood Dialysis	4259 5 COTTAGE GROVE AVENUE	CHICAGO	COOK	IL	60653	14-2717
Lake County Dialysis Services	565 LAKEVIEW PARKWAY, STE 176	VERNON HILLS	LAKE	IL	60061	14-2552
Lake Villa Dialysis	37809 N IL ROUTE 59	LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lawndale Dialysis	3934 WEST 24TH ST	CHICAGO	COOK	IL	60623	14-2768
Lincoln Dialysis	2100 WEST FIFTH	LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	3157 N LINCOLN AVE	CHICAGO	COOK	IL	60657-3111	14-2528

DaVita Inc. Illinois Facility Listing						
Facility Name	Address	City	County	State	Zip	Medicare Certification Number
Litchfield Dialysis	915 ST FRANCES WAY	LITCHFIELD	MONTGOMERY	IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD	CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2838 NORTH KIMBALL AVE	CHICAGO	COOK	IL	60618	14-2534
Loop Renal Center	1101 SOUTH CANAL STREET	CHICAGO	COOK	IL	60607-4901	14-2505
Machesney Park Dialysis	6950 NORTH PERRYVILLE ROAD	MACHESNEY PARK	WINNEBAGO	IL	61115	
Macon County Dialysis	1090 W MCKINLEY AVE	DECATUR	MACON	IL	62526-3208	14-2584
Marengo City Dialysis	910 GREENLEE STREET, STE B	MARENGD	MCHENRY	IL	60152-8200	14-2643
Marion Dialysis	324 S 4TH ST	MARION	WILLIAMSON	IL	62959-1241	14-2570
Maryville Dialysis	2130 VADALABENE DR	MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 DEVELOPMENT DRIVE	CHARLESTON	COLES	IL	61938-4652	14-2585
Metro East Dialysis	5105 W MAIN ST	BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE	CHICAGO	COOK	IL	60634-4533	14-2649
Montgomery County Dialysis	1822 SENATOR MILLER DRIVE	HILLSBORO	MONTGOMERY	IL	62049	
Mount Vernon Dialysis	1800 JEFFERSON AVE	MDUNT VERNDN	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST	CHICAGO	COOK	IL	60655-3329	14-2660
O'Fallon Dialysis	1941 FRANK SCOTT PKWY E, STE B	O'FALLON	SAINT CLAIR	IL	62269	
Olney Dialysis Center	117 N BOONE ST	OLNEY	RICHLAND	IL	62450-2109	14-2674
Olympia Fields Dialysis Center	4557B LINCDLN HWY, STE B	MATTESDN	COOK	IL	60443-2318	14-2548

DaVita Inc. Illinois Facility Listing						
Facility Name	Address	City	County	State	Zip	Medicare Certification Number
Palos Park Dialysis	13155 5 LaGRANGE ROAD	ORLAND PARK	COOK	IL	60462-1162	14-2732
Park Manor Dialysis	95th Street & Colfax Avenue	Chicago	Cook	IL	60617	
Pittsfield Dialysis	640 W WASHINGTON ST	PITTSFIELD	PIKE	IL	62363-1350	14-2708
Red Bud Dialysis	LOT 4 IN 1ST ADDITION OF EAST INDUSTRIAL PARK	RED BUD	RANDOLPH	IL	62278	14-2772
Robinson Dialysis	1215 N ALLEN ST, STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE	ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD	ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Rushville Dialysis	112 SULLIVAN DRIVE	RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Sauget Dialysis	2061 GOOSE LAKE RD	SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Schaumburg Renal Center	1156 5 ROSELLE ROAD	SCHAUMBURG	COOK	IL	60193-4072	14-2654
Shiloh Dialysis	1095 NORTH GREEN MOUNT RD	SHILOH	ST CLAIR	IL	62269	14-2753
Silver Cross Renal Center - Morris	1551 CREEK DRIVE	MORRIS	GRUNDY	IL	60450	14-2740
Lenox	1890 SILVER CROSS BOULEVARD	NEW LENOX	WILL	IL	60451	14-2741
Silver Cross Renal Center - West	1051 ESSINGTON ROAD	JOLIET	WILL	IL	60435	14-2742
South Holland Renal Center	16136 SOUTH PARK AVENUE	SOUTH HOLLAND	COOK	IL	60473-1511	14-2544
Springfield Central Dialysis	932 N RUTLEDGE ST	SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR, STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 SOUTH 6th STREET	SPRINGFIELD	SANGAMON	IL	62703	14-2733

DaVita Inc. Illinois Facility Listing						
Facility Name	Address	City	County	State	Zip	Medicare Certification Number
Stonecrest Dialysis	1302 E STATE ST	ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE	OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE	CHICAGO	COOK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR	SYCAMORE	DEKALB	IL	60178-3113	14-2639
Taylorville Dialysis	901 W SPRESSER ST	TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
Tazewell County Dialysis	1021 COURT STREET	PEKIN	TAZEWELL	IL	61554	14-2767
Tinley Park Dialysis	16767 SOUTH 80TH AVENUE	TINLEY PARK	COOK	IL	60477	
Tmber Creek Dialysis	1001 S. ANNIE GLIDDEN ROAD	DEKALB	DEKALB	IL	60115	14-2763
TRC Children's Dialysis Center	2611 N HALSTED ST	CHICAGO	COOK	IL	60614-2301	14-2604
Vandalia Dialysis	301 MATTES AVE	VANDALIA	FAYETTE	IL	62471-2061	14-2693
Vermilion County Dialysis	22 WEST NEWELL ROAD	DANVILLE	VERMILION	IL	61834	
WashingtonHeights Dialysis	10620 SOUTH HALSTED STREET	CHICAGO	COOK	IL	60628	
Waukegan Renal Center	1616 NORTH GRAND AVENUE, STE C	Waukegan	COOK	IL	60085-3676	14-2577

DaVita®

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson:

1 hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 IAC 1130.140 has been taken against any in-center dialysis facility owned or operated by DaVita Inc. or Total Renal Care, Inc. in the State of Illinois during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Print Name: Arturo Sida
Its: Assistant Secretary
DaVita Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of _____, 2016

See Attached

_____
Notary Public

2000 16th Street, Denver, CO 80202 | P (303) 876-6000 | F (310) 536-2675 | DaVita.com

Attachment – 11B

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
Comm. #2055858
Notary Public · California
Los Angeles County
Comm. Expires Jan 25, 2018

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Ltr. to K.Olson (Northgrove Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Secretary

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc.

AFFIDAVIT OF TIMOTHY TINCKNELL

STATE OF ILLINOIS)
COUNTY OF COOK)

CITY OF CHICAGO

I, TIMOTHY TINCKNELL, being duly sworn, depose and state as follows:

1. I am over the age of 18 and understand the obligations of an oath. I make this affidavit based on personal knowledge.

2. I am a CON Administrator for DaVita Inc. ("DaVita"). At all relevant times, I have served as the CON Administrator.

3. In 2016, DaVita began preparations of a certificate of need ("CON") application for a 12 station dialysis facility to be located in Highland, Illinois.

4. As part the application preparation, DaVita obtained certification and signature pages from Arturo Sida, Assistant Secretary, DaVita Inc., and Michael D. Staffieri, Chief Operating Officers, Kidney Care, DaVita Inc.

5. DaVita initially identified a site on the campus of HSHS St. Joseph Hospital in Highland, Illinois; however, the initial site for the proposed Northgrove Dialysis proved infeasible.

6. Once it became clear the initial site could not be secured, DaVita placed the project on hold for six months while it identified a new site for the proposed Northgrove Dialysis.

7. After months searching for a site and negotiating with the landlord, on September 22, 2017, the letter of intent for the proposed Northgrove Dialysis was not executed.

8. Prior to submission of the CON application, the changes to the CON application made after execution of the original package were approved by DaVita.

9. I certify the CON application complies with the requirements and procedures of the Illinois Health Facilities Planning Act and the data and information provided is complete and correct to the best of my knowledge and belief.

The undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that she verily believes the same to be true.

Timothy Tinckneil
CON Administrator
DaVita Inc.
2484 North Elston Avenue
Chicago, Illinois 60647

Subscribed and sworn to me
This 27th day of SEPTEMBER, 2017

Notary Public

DIANE E. LUCIA
Official Seal
Notary Public-State of Illinois
My Commission Expires April 1, 2021

Attachment – 11C

Section III, Background, Purpose of the Project, and Alternatives – Information Requirements
Criterion 1110.230(b) – Background, Purpose of the Project, and Alternatives

Purpose of Project

1. The purpose of the project is to improve access to life sustaining dialysis services to the residents of Highland, Illinois and the surrounding area. Highland is a farming community approximately 35 miles northeast of St. Louis and is a U.S. Department of Health & Human Services, Health Resources and Service Administration ("HRSA") health professional shortage area ("HPSA"). See Attachment – 12A. HPSAs are designated by HRSA as having shortages of primary care, dental care, or mental health providers and may be geographic (a county or service area), population (e.g., low income or Medicaid eligible) or facilities (e.g., federally qualified health centers). The Highland Service Area is geographic HPSA, which means an insufficient number of providers exists to serve the entire population.

   There is no facility within 25 minutes of the site of the proposed Northgrove Dialysis. Further, Highland is rural community with no immediate access to interstate highways. Traveling to and from Highland requires driving on narrow two lane county roads, which are difficult to navigate particularly in the dark and during periods of inclement weather. This makes travel to facilities outside of Highland hazardous at times for patients, many of whom are elderly and/or infirm. With patients receiving hemodialysis three times a week indefinitely, travel to distant facilities is an unnessary burdern for patients whose life is already compromised by a serious and life threatening disease.

   Further, advancing age is associated with increasing prevalence of CKD. This is also true for ESRD. Thus, the dialysis patient population tends to be a senior population. While the growth in the incidence and prevalence of ESRD in other populations has remained stable for years, increases in new ESRD cases is present in the 65+ age cohort, which could reflect the emergence of the post-World War II baby boomers into the retirement age. Highland is an aging community. From 2010 to 2015, the 65+ age cohort experienced an 8% increase. With an aging population, it is imperative stations are available in Highland to serve the current and future need for dialysis services.

2. A map of the market area for the proposed facility is attached at Attachment – 12B. The market area encompasses an approximate 30 minute radius around the proposed facility. The boundaries of the market area are as follows:

   - North approximately 30 minutes normal travel time to New Douglas, IL.
   - Northeast approximately 30 minutes normal travel time to Greenville, IL.
   - East approximately 30 minutes normal travel time to Keyesport, IL.
   - Southeast approximately 30 minutes normal travel time to Germantown, IL.
   - South approximately 30 minutes normal travel time to New Baden, IL.
   - Southwest approximately 14 minutes normal travel time to O'Fallon, IL.
   - West approximately 15 minutes normal travel time to Granite City, IL
   - Northwest approximately 20 minutes normal travel time to Worden, IL.

   The purpose of this project is to improve access to life sustaining dialysis to residents of Highland and the surrounding area. Highland is a HRSA designated primary care HPSA.

3. The minimum size of a GSA is 30 minutes and all of the projected patients reside within Highland. Bassim Assioun, M.D. of HSHS Medical Group expects at least 65 of the current 148 CKD patients that reside in Highland to require dialysis within 12 to 24 months of project completion.

4. Source Information

US Renal Data System, USRDS 2016 Annual Data Report: Epidemiology of Kidney Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 39 (2016).

US Renal Data System, USRDS 2014 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD (2014).

CENTERS FOR DISEASE CONTROL & PREVENTION, NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION, NATIONAL CHRONIC KIDNEY DISEASE FACT SHEET, 2017 (2017) *available at* https://www.cdc.gov/diabetes/pubs/pdf/kidney_factsheet.pdf (last visited Jul. 20, 2017).

5. The proposed facility will improve access to dialysis services to the residents of Highland, Illinois. Highland is a rural community with an aging population. Travel to facilities outside of Highland can be hazardous for elderly and/or infirm patients, particularly during periods of inclement weather. Further, Highland is a HRSA designated primary care HPSA. Accordingly, this project will provide access to critical dialysis services to the residents of Highland.

6. The Applicants anticipate the proposed facility will have quality outcomes comparable to its other facilities. Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients.

U.S. Department of Health & Human Services

HRSA Health Resources & Services Administration
Data Warehouse

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Home > Tools > Analyzers > HPSA Find > HPSA Find Results

HPSA Find Results

Search Criteria

Start Over | Modify Search Criteria | Map View

Click on a column heading to sort the results in ascending or descending order.

Date as of 9/18/2017

State: Illinois
County: Madison County
Discipline: Primary Care
Metro: All
Status: D,P
Type: All
Date of Last Update: All Dates
HPSA Score: From 0 To 26

Collapse All

1 Page Size: 20

02 items in 01 pa

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA Population Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Update Date
Madison County	119	1179991761	Low Income - Alton/Wood River/Godfrey	Primary Care	HPSA Population	Low Income Population on HPSA	2	13	Designated	10/22/2012

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date
Madison County	119		4010	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4011	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4012	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4013	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4014	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4015	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4017.01	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4017.21	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4017.22	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4018	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4019.01	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4020	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4021	Primary Care	Census Tract			Designated	10/22/20
Madison County	119		4022	Primary Care	Census Tract			Designated	10/22/20

1 Page Size: 20

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Attachment – 12A

Collapse All

1 Page Size: 20

02 Items in 01 pa

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA Population Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Update Date
Madison County	119		4023	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4024	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4025	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4026	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4027.01	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4027.21	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4027.22	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4028.01	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4028.02	Primary Care	Census Tract				Designated	10/22/20
Madison County	119		4028.03	Primary Care	Census Tract				Designated	10/22/20
Madison County	119	1177608084	Highland Service Area	Primary Care	HPSA Geographic	Geographic Population	10	7	Designated	08/25/2017

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date
Madison County	119		Alhambra Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Hamel Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Helvetia Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Jarvis Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Leaf Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Marine Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		New Douglas Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Olive Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Omphghent Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Pin Oak Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		Saline Township	Primary Care	Minor Civil Division			Designated	12/23/20
Madison County	119		St. Jacob Township	Primary Care	Minor Civil Division			Designated	12/23/20

1 Page Size: 20

02 Items in 01 pa

Note: Satellite sites of Comprehensive Health Centers automatically assume the HPSA score of the affiliated grantee – they are not listed separately

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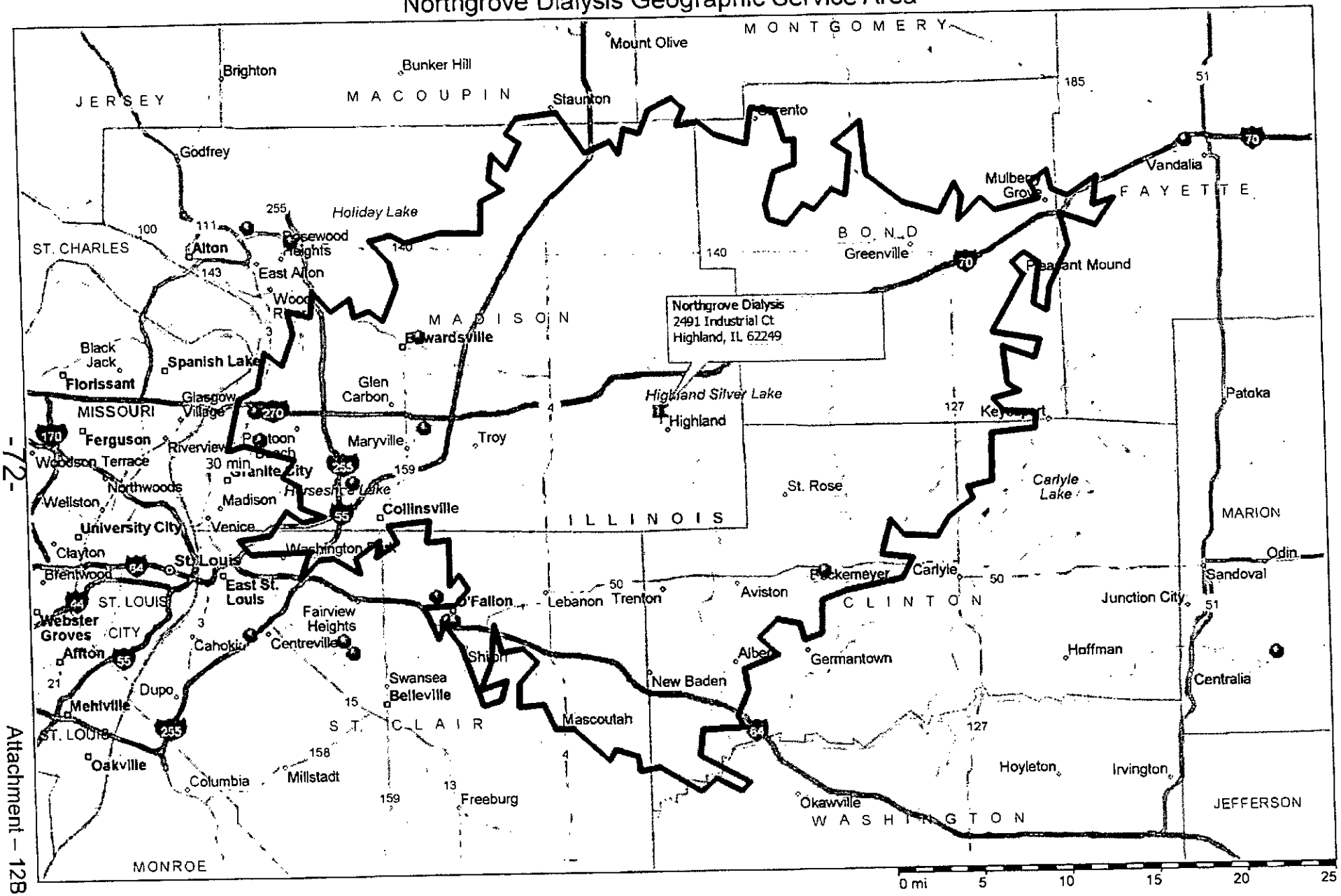
Attachment – 12A

Northgrove Dialysis Geographic Service Area



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Section III, Background, Purpose of the Project, and Alternatives
Criterion 1110.230(c) – Background, Purpose of the Project, and Alternatives

Alternatives

The Applicants considered three options prior to determining to establish a 12-station dialysis facility. The options considered are as follows:

1. Maintain the Status Quo/Do Nothing

2. Utilize Existing Facilities.

3. Establish a new facility.

After exploring these options, which are discussed in more detail below, the Applicants determined to establish a 12-station dialysis facility. A review of each of the options considered and the reasons they were rejected follows.

Maintain the Status Quo/Do Nothing

Highland is a farming community approximately 35 miles northeast of St. Louis and is a HRSA designated HPSA. HPSAs are designated by HRSA as having shortages of primary care, dental care, or mental health providers and may be geographic (a county or service area), population (e.g., low income or Medicaid eligible) or facilities (e.g., federally qualified health centers). The Highland Service Area is geographic HPSA, which means an insufficient number of providers exists to serve the entire population.

Currently, there are four dialysis facilities within 30 minutes of Highland. Importantly, there is no facility within 25 minutes of the site of the proposed Northgrove Dialysis. Further, Highland is rural community with no immediate access to interstate highways. Traveling to and from Highland requires driving on narrow two lane county roads, which are difficult to navigate particularly in the dark and during periods of inclement weather. This makes travel to facilities outside of Highland hazardous at times for patients, many of whom are elderly and/or infirm.

Advancing age is associated with increasing prevalence of CKD. This is also true for ESRD. While the growth in the incidence and prevalence of ESRD in other populations has remained stable for years, increases in new ESRD cases is present in the 65+ age cohort, which could reflect the emergence of the post-World War II baby boomers into the retirement age. Highland is an aging community. From 2010 to 2015, the 65+ age cohort experienced an 8% increase. With an aging population, it is imperative stations are available in Highland to serve the current and future need for dialysis services

Maintaining the status quo will not address the health professional shortage or the growing need for dialysis services in Highland. Accordingly, this alternative was rejected.

There is no capital cost with this alternative.

Utilize Existing Facilities

As noted above, there is no facility within 25 minutes of the site of the proposed Northgrove Dialysis. Further, Highland is rural community with no immediate access to interstate highways. Traveling to and from Highland requires driving on narrow two lane county roads, which are difficult to navigate particularly in the dark and during periods of inclement weather. This makes travel to facilities outside of Highland hazardous at times for patients, many of whom are elderly and/or infirm.

Further, HSHS Medical Group and Bassim Assioun, M.D. are currently treating 148 Stage 3, 4, and 5 CKD patients, who reside in Highland. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, Dr. Assioun anticipates that at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion.

Utilizing existing facilities will not address transportation issues or the health professional shortage in Highland. As a result, DaVita rejected this option.

There is no capital cost with this alternative.

Establish a New Facility

Highland is a farming community approximately 35 miles northeast of St. Louis and is a HRSA designated HPSA. While there are four dialysis facilities within 30 minutes of Highland, the closet facility is 25 minutes away. Traveling to and from facilities outside Highland on narrow two lane county roads is hazardous at times for patients, many of whom are elderly and/or infirm.

Further, Highland is an aging community, and it is imperative stations are available to serve the current and future need for dialysis services.

Finally, HSHS Medical Group and Bassim Assioun, M.D. are currently treating 148 Stage 3, 4, and 5 CKD patients, who reside in Highland. See Appendix – 1. They anticipate at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion.

The proposed Northgrove Dialysis will establish a high quality dialysis facility close to patients' homes and will address the health professional shortage in Highland. Accordingly, DaVita selected this alternative.

The cost of this alternative is **$3,028,696**.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(a), Size of the Project

The Applicants propose to establish a 12-station dialysis facility. Pursuant to Section 1110, Appendix B of the State Board's rules, the State standard is 360-520 gross square feet per dialysis station for a total of 4,320 – 6,240 gross square feet for 12 dialysis stations. The total gross square footage of the clinical space of the proposed Northgrove Dialysis is 5,866 of clinical gross square feet (or 488.8 GSF per station). Accordingly, the proposed facility meets the State standard per station.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD	5,866	4,320 – 6,240	N/A	Meets State Standard

Attachment – 14

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(b), Project Services Utilization

By the second year of operation, annual utilization at the proposed facility shall exceed State Board's utilization standard of 80%. Pursuant to Section 1100.1430 of the State Board's rules, facilities providing in-center hemodialysis should operate their dialysis stations at or above an annual utilization rate of 80%, assuming three patient shifts per day per dialysis station, operating six days per week. HSHS Medical Group and Bassim Assioun, M.D. are currently treating 148 Stage 3, 4, and 5 CKD patients, who reside in Highland. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, Dr. Assioun. anticipates that at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion.

Table 1110.234(b)
Utilization

	Dept./ Service	Historical Utilization (Treatments)	Projected Utilization	State Standard	Met Standard?
Year 2	ESRD	N/A	10,140	8,986	Yes

Attachment – 15

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(c), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430, In-Center Hemodialysis Projects – Review Criteria

1. Planning Area Need

Highland is a farming community approximately 35 miles northeast of St. Louis and is a HRSA designated HPSA. HPSAs are designated by HRSA as having shortages of primary care, dental care, or mental health providers and may be geographic (a county or service area), population (e.g., low income or Medicaid eligible) or facilities (e.g., federally qualified health centers). The Highland Service Area is geographic HPSA, which means an insufficient number of providers exists to serve the entire population.

There is no facility within 25 minutes of the site of the proposed Northgrove Dialysis. Further, Highland is rural community with no immediate access to interstate highways. Traveling to and from Highland requires driving on narrow two lane county roads, which are difficult to navigate particularly in the dark and during periods of inclement weather. This makes travel to facilities outside of Highland hazardous at times for patients, many of whom are elderly and/or infirm.

Advancing age is associated with increasing prevalence of CKD. This is also true for ESRD. While the growth in the incidence and prevalence of ESRD in other populations has remained stable for years, increases in new ESRD cases is present in the 65+ age cohort, which could reflect the emergence of the post-World War II baby boomers into the retirement age. Highland is an aging community. From 2010 to 2015, the 65+ age cohort experienced an 8% increase. With an aging population, it is imperative stations are available in Highland to serve the current and future need for dialysis services

Finally, HSHS Medical Group and Bassim Assioun, M.D. are currently treating 148 Stage 3, 4, and 5 CKD patients, who reside in Highland. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, Dr. Assioun anticipates that at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion.

The establishment of a 12-station dialysis facility will provide access to necessary dialysis services for those individuals living in Highland who suffer from ESRD.

2. Service to Planning Area Residents

The primary purpose of the proposed project is to improve access to life-sustaining dialysis services to the residents of Highland, Illinois. Highland is a HRSA designated primary care HPSA. As evidenced in the physician referral letter attached at Appendix - 1, All 148 pre-ESRD patients reside within Highland.

3. Service Demand

Attached at Appendix - 1 is a physician referral letter from HSHS Medical Group and Bassim Assioun, M.D. and a schedule of pre-ESRD and current patients by zip code. A summary of pre-EDRD patients projected to be referred to the proposed dialysis facility within the first two years after project completion is provided in Table 1110.1430(c)(3)(B) below.

Table 1110.1430(c)(3)(B) Projected Pre-ESRD Patient Referrals by Zip Code	
Zip Code	**Total Patients**
62249	148
Total	**148**

4. Service Accessibility

Highland is a rural community with an aging population. Travel to facilities outside of Highland can be hazardous for elderly and/or infirm patients, particularly during periods of inclement weather. Further, Highland is a HRSA designated primary care HPSA.

HSHS Medical Group and Bassim Assioun, M.D. are currently treating 148 Stage 3, 4, and 5 CKD patients, who reside within Highland. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, Dr. Assioun anticipates that at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion. While there are four dialysis facilities within the Northgrove Dialysis GSA, the closes facility is 25 minutes away. Given the narrow county roads, which can be treacherous during periods of inclement weather, facilities 25 minutes or more away are not viable options for Highland area patients, many of whom are elderly and/or infirm.

The establishment of a 12-station dialysis facility will provide access to necessary dialysis treatment for individuals living in Highland who suffer from ESRD.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(c), Unnecessary Duplication/Maldistribution

1. Unnecessary Duplication of Services

a. The proposed dialysis facility will be located at 2491 Industrial Drive, Highland, IL 62249. A map of the proposed facility's market area is attached at Attachment – 24A. A list of all zip codes located, in total or in part, within 30 minutes normal travel time of the site of the proposed dialysis facility as well as 2015 U.S. Census projections for each zip code is provided in Table 1110.1430(d)(1)(A).

Table 1110.1430(d)(1)(A)
Population of Zip Codes within
30 Minutes of Proposed Facility

ZIP Code	City	Population
62001	Alhambra	1,754
62025	Edwardsville	34,092
62034	Glen Carbon	13,827
62040	Granite City	42,495
62048	Hartford	1,779
62062	Maryville	8,204
62074	New Douglas	1,379
62088	Staunton	6,592
62097	Worden	2,918
62216	Aviston	2,925
62225	Scott Air Force Base	5,051
62230	Breese	6,288
62231	Carlyle	7,481
62234	Collinsville	32,054
62245	Germantown	1,575
62246	Greenville	9,996
62249	Highland	15,790
62253	Keyesport	825
62254	Lebanon	5,927
62260	Millstadt	6,862
62261	Modoc	148
62262	Mulberry Grove	1,773
62265	New Baden	4,562
62275	Pocahontas	3,497
62281	Saint Jacob	2,065
62284	Smithboro	616
62289	Summerfield	384
62293	Trenton	4,805

Attachment – 24

Table 1110.1430(d)(1)(A) Population of Zip Codes within 30 Minutes of Proposed Facility		
ZIP Code	**City**	**Population**
62294	Troy	14261
Total		**239,925**

Source: U.S. Census Bureau, Census 2015 ACS 5-Year Population Estimate, American Factfinder *available at* https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml# (last visited September 19, 2017).

b. A list of existing and approved dialysis facilities located within 30 minutes normal travel time of the proposed dialysis facility is provided at Attachment – 24B.

2. Maldistribution of Services

The proposed dialysis facility will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of facilities, stations, and services characterized by such factors as, but not limited to: (1) ratio of stations to population exceeds one and one-half times the State Average; (2) historical utilization for existing facilities and services is below the State Board's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards. As discussed in greater detail below, the ratio of stations to population is 44.5% of the State Average and sufficient population exists to achieve target utilization. Accordingly, the proposed dialysis facility will not result in a maldistribution of services.

a. Ration of Stations to Population

As shown in Table 1110.1430(d)(2)(A), the ratio of stations to population is 44.5% of the State Average.

Table 1110.1430(d)(2)(A) Ratio of Stations to Population				
	Population	**Stations**	**Stations to Population**	**Standard Met**
Northgrove GSA	239,925	38	1:6,314	Yes
Illinois	12,873,761	4,580	1:2,811	

b. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish a 12–station dialysis facility. To achieve the State Board's 80% utilization standard within the first two years after project completion, the Applicants would need 58 patient referrals. Dr. Assioun of HSHS Medical Group is currently treating 148 Stage 3, 4, and 5 CKD patients, who reside in Highland. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, Dr. Assioun anticipates that at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion. Accordingly, there is sufficient population to achieve target utilization.

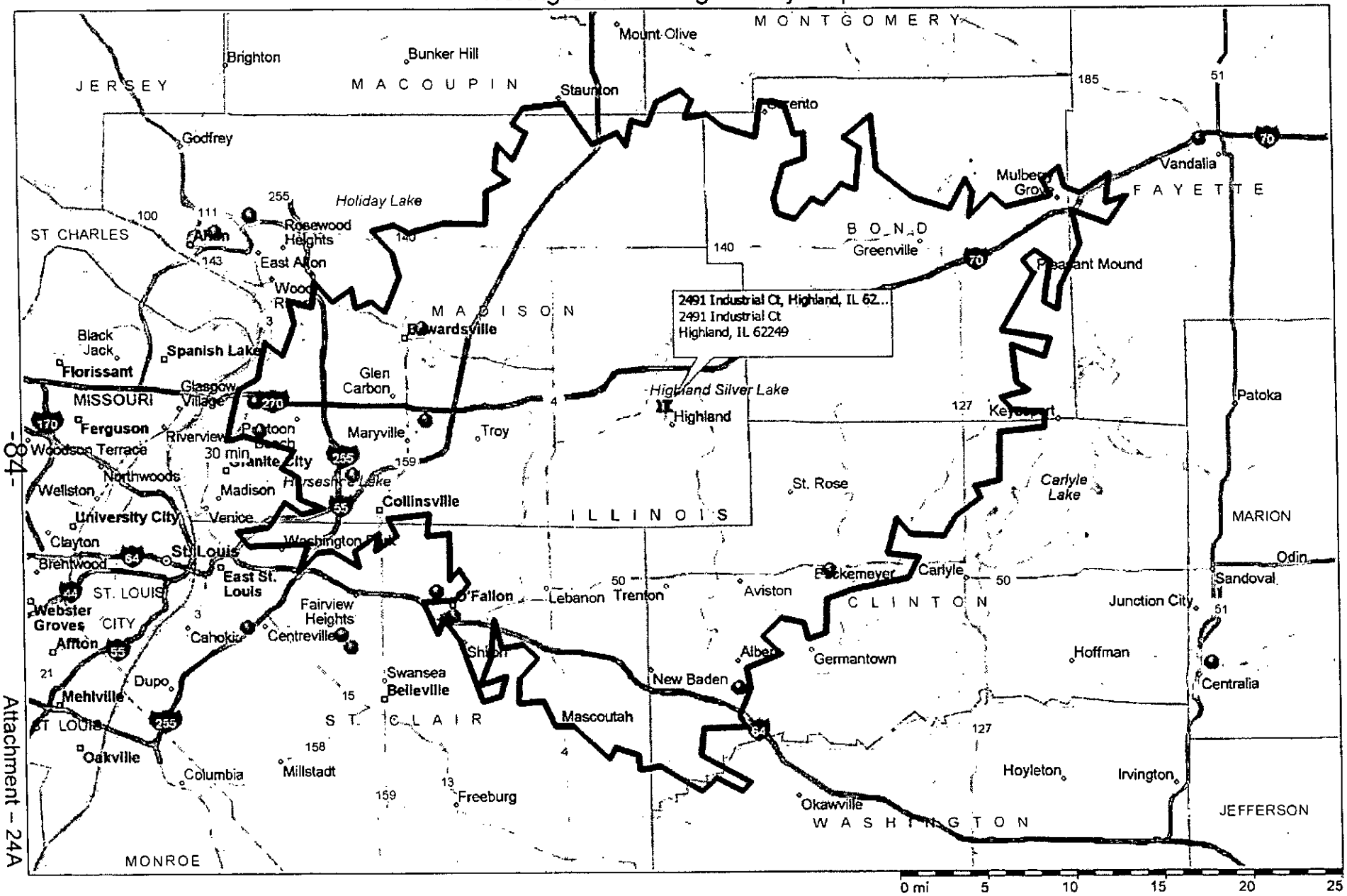
3. Impact to Other Providers

The proposed dialysis facility will not further lower utilization of area providers below the State Board utilization standards. There are four dialysis facilities within the proposed Northgrove GSA. Collectively, these facilities operated at 54.8% as of June 30, 2017. Over the past three years, the compound annual growth rate for the existing facilities within the Northgrove GSA was 3.1%. This growth is anticipated to continue to increase for the foreseeable future due to the demographics of the community and U.S. Centers for Disease Control and Prevention estimates that 15% of American adults suffer from CKD.

Dr. Assioun of HSHS Medical Group is currently treating 148 Stage 3, 4, and 5 CKD patients, who reside in Highland. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, Dr. Assioun anticipates that at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion.

Finally, the existing facilities are located between 25 to 30 minutes from the site of the proposed Northgrove Dialysis. These dialysis facilities' primary service areas are an approximate 15 to 20 minute radius around the respective facilities. No patients are expected to transfer from existing facilities. Accordingly, the proposed Northgrove Dialysis will not lower utilization of area providers below the State Board utilization standards.

Northgrove Existing Facility Map



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Facility	Address	City	Distance	Time	Number of Stations 5/1/2017	Number of Patients 3/31/2014	% Utilization 3/31/2014	Number of Patients 6/30/2017	% Utilization 06/30/2017
DaVita Collinsville Dialysis	101 Lanter Court	Collinsville	21.1	28	8	N/A	N/A	1	2.1%
Fresenius Medical Care Breese	160 N. Main Street	Breese	19.9	25	8	18	37.5%	26	54.2%
Maryville Dialysis- Renal Treatment Ctrs	2130 Vadalaberne Drive	Maryville	17.4	25	14	63	75.0%	63	75.0%
Edwardsville Dialysis	235 S. Buchanan	Edwardsville	16	27	8	32	66.7%	35	72.9%
Total					**38**	**113**	46.1%	**125**	**54.8%**
Less: Facilites Operational Less than 2 Years					**30**	**113**	**58.3%**	**124**	**68.9%**

Attachment – 24B

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(e), Staffing

1. The proposed facility will be staffed in accordance with all State and Medicare staffing requirements.

   a. Medical Director: Sriraj (Tim) Kanungo, M.D. will serve as the Medical Director for the proposed facility. A copy of Dr. Kanungo's curriculum vitae is attached at Attachment – 24C.

   b. Other Clinical Staff: Initial staffing for the proposed facility will be as follows:

      Administrator
      Registered Nurse (1.94 FTE)
      Patient Care Technician (4.88 FTE)
      Biomedical Technician (0.32 FTE)
      Social Worker (0.45 FTE)
      Registered Dietitian (0.46 FTE)
      Administrative Assistant (0.32 FTE)
      Training (0.13 FTE)

      As patient volume increases, nursing and patient care technician staffing will increase accordingly to maintain a ratio of at least one direct patient care provider for every 4 ESRD patients. At least one registered nurse will be on duty while the facility is in operation.

   c. All staff will be training under the direction of the proposed facility's Governing Body, utilizing DaVita's comprehensive training program. DaVita's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in-depth theory on the structure and function of the kidneys; including, homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia; principles of dialysis; components of hemodialysis system; water treatment; dialyzer reprocessing; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. A summary of the training program is attached at Attachment – 24D.

   d. As set forth in the letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. and Total Renal Care. Inc., attached at Attachment – 24E, Northgrove Dialysis will maintain an open medical staff.

Sriraj (Tim) Kanungo
456 Willow Weald Path
Chesterfield, MO 63005
Home: (636) – 536 – 1512
Cell: (314) – 477 – 9955
NPI # 1548355621
doctim@stlnh.com

EDUCATION:

- *Nephrology Fellowship*
  Saint Louis University School of Medicine, St. Louis, MO
  Clinical Nephrology, Transplant Nephrology, Interventional Nephrology
  7/2006 – 6/2008

- *Internal Medicine Internship/Residency:*
  Saint Louis University School of Medicine, St. Louis, MO
  8/2002 – 8/2005

- *Medical School:*
  M.D. Saint Louis University School of Medicine, St. Louis, MO
  8/1998 – 8/2002

- *College:*
  B.A. Saint Louis University, St. Louis, MO
  8/1994 – 8/1998
  Summa Cum Laude, 1998
  Major: Biology
  Minor: Psychology

PROFESSION EXPERIENCE

- *Saint Louis Nephrology and Hypertension*
  1034 South Brentwood Blvd, Suite 1280
  St. Louis, MO 63117
  7/2008 – Present

- *Saint Alexius Hospital Emergency Room*
  3933 South Broadway
  Saint Louis, MO 63118
  1/2006 – 6/2006

- *Gavini Medical Group Ltd*
  10000 Watson Road, Suite 2L – 16
  Crestwood, MO 63126
  9/2005 – 12/2005

Attachment – 24C

- *The Boeing Company*
  5900 North Lindbergh Blvd
  Hazelwood, MO 63042
  6/1995 – 8/1995

EXAMS/LICENSES/CERTIFICATIONS:

- USLME Step I September 1999 PASS
- USLME Step II January 2002 PASS
- USLME Step III February 2005 PASS
- Licensed in the State of Missouri since 2005
- Licensed in the State of Illinois since 2008
- **Board Certified in Internal Medicine – August 2007**
- **Board Certified in Nephrology – November 2008**

HONORS:

- Dean's Scholarship, 1994 – 1998
- Dean's List (GPA 3.7 or better), 1994 – 1998
- Med Scholar Program, 1994 – 1998
- Alpha Epsilon Delta – Pre-med Honor Socicty, 1994 – 1998
- Alpha Sigma Nu – National Jesuit Honor Society, 1994 – 1998

RESEARCH/PUBLICATIONS:

- *Fellowship*
  "Collasping Glomerulopathy as a complication of interferon therapy for hepatitis C infection" Nephrology Case Report
  Sriraj Kanungo MD, et al. *Int Urol Nephrol,* March 9 2009

- *Residency:*
  Isolation of Earthworm Protein for possible use in immunotherapy
  - Involved use of gel electrophoresis for isolation
  Supervisor: Raymond Slavin, MD and Patricia Hutcheson,
  Division of Allergy and Immunology
  Saint Louis University School of Medicine

Attachment – 24C

- *Medical School:*

  "Molecular Control of Cardiomyopathy & Atherosclerosis"
  Supervisor: Puran S. Bora, Ph.D
  St. Louis University School of Medicine, 1999

  "Diagnosis of Atherosclerosis in the Transplanted Heart"
  Supervisor: H. Peter Zassenhaus, Ph.D
  St. Louis University School of Medicine, 2000

VOLUNTARY WORK:

- Volunteer – Health Resource Center, a student run non-profit clinic,1998-1999
- Volunteer – Juvenile Diabetes Foundation "Walk for Cure", 1999 – 2000
- Volunteer – American Heart Association "Fundraising Walk", 2000 - 2001
- Volunteer – La Clinica, Clinic dedicated to the service of Spanish speaking population of St. Louis, 1999-2000

MEMBERSHIP:

- American Society of Nephrology (ASN)
- Renal Physicians Association (RPA)

INTERESTS:

- Science Fiction Novels
- Movies and Music

Attachment – 24C

Training Program Manual
Basic Training for Hemodialysis
DaVita HealthCare Partners Inc.

TITLE: BASIC TRAINING PROGRAM OVERVIEW

Mission
DaVita's Basic Training Program for Hemodialysis provides the instructional preparation and the tools to enable teammates to deliver quality patient care. Our core values of *service excellence, integrity, team, continuous improvement, accountability, fulfillment and fun* provide the framework for the Program. Compliance with State and Federal Regulations and the inclusion of DaVita's Policies and Procedures (P&P) were instrumental in the development of the program.

Explanation of Content
Two education programs for the new nurse or patient care technician (PCT) are detailed in this section. These include the training of new DaVita teammates **without** previous dialysis experience and the training of the new teammates **with** previous dialysis experience. A program description including specific objectives and content requirements is included.

This section is designed to provide a *quick reference* to program content and to provide access to key documents and forms.

The **Table of Contents** is as follows:

I. Program Overview (TR1-01-01)
II. Program Description (TR1-01-02)
- Basic Training Class ICHD Outline (TR1-01-02A)
- Basic Training Nursing Fundamentals ICHD Class Outline (TR1-01-02B)

III. Education Enrollment Information (TR1-01-03)
IV. Education Standards (TR1-01-04)
V. Verification of Competency
- New teammate without prior experience (TR1-01-05)
- New teammate with prior experience (TR1-01-06)
- Medical Director Approval Form (TR1-01-07)

VI. Evaluation of Education Program
- Program Evaluation
- Basic Training Classroom Evaluation (TR1-01-08A)
- Basic Training Nursing Fundamentals ICHD Classroom Evaluation (TR1-01-08B)
- Curriculum Evaluation

VII. Additional Educational Forms
- New Teammate Weekly Progress Report for the PCT (TR1-01-09)
- New Teammate Weekly Progress Report for Nurses (TR1-01-10)
- Training hours tracking form (TR1-01-11)

VIII. State-specific information/forms (as applicable)

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TITLE: BASIC TRAINING FOR HEMODIALYSIS PROGRAM DESCRIPTION

Introduction to Program

The Basic Training Program for Hemodialysis is grounded in DaVita's Core Values. These core values include a commitment to providing *service excellence*, promoting *integrity*, practicing a *team* approach, systematically striving for *continuous improvement*, practicing *accountability*, and experiencing *fulfillment* and *fun*.

The Basic Training Program for Hemodialysis is designed to provide the new teammate with the theoretical background and clinical skills necessary to function as a competent hemodialysis patient care provider.

DaVita hires both non-experienced and experienced teammates. Newly hired teammates must meet all applicable State requirements for education, training, credentialing, competency, standards of practice, certification, and licensure in the State in which he or she is employed. For individuals with experience in the armed forces of the United States, or in the national guard or in a reserve component, DaVita will review the individual's military education and skills training, determine whether any of the military education or skills training is substantially equivalent to the Basic Training curriculum and award credit to the individual for any substantially equivalent military education or skills training.

A **non-experienced teammate** is defined as:

- A newly hired patient care teammate without prior dialysis experience.
- A rehired patient care teammate who left prior to completing the initial training.
- A newly hired or rehired patient care teammate with previous dialysis experience who has not provided at least 3 months of hands on dialysis care to patients within the past 12 months.

An **experienced teammate** is defined as:

- A newly hired or rehired teammate who can show proof of completing a dialysis training program and has provided at least 3 months of hands on dialysis care to patients within the past 12 months.

The curriculum of the Basic Training Program for Hemodialysis is modeled after Federal Law and State Boards of Nursing requirements, the American Nephrology Nurses Association Core Curriculum for Nephrology Nursing, and the Board of Nephrology Examiners Nursing and Technology guidelines. The program also incorporates the policies, procedures, and guidelines of DaVita HealthCare Partners Inc.

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"Day in the Life" is DaVita's learning portal with videos for RNs, LPN/LVNs and patient care technicians. The portal shows common tasks that are done throughout the workday and provides links to policies and procedures and other educational materials associated with these tasks thus increasing their knowledge of all aspects of dialysis. It is designed to be used in conjunction with the "Basic Training Workbook."

Program Description

The education program for the newly hired patient care provider teammate **without prior dialysis experience** is composed of at least (1) 120 hours didactic instruction and a minimum of (2) 240 hours clinical practicum, unless otherwise specified by individual state regulations.

The **didactic phase** consists of instruction including but not limited to lectures, readings, self-study materials, on-line learning activities, specifically designed hemodialysis workbooks for the teammate, demonstrations and observations. This education may be coordinated by the Clinical Services Specialist (CSS), a nurse educator, the administrator, or the preceptor.

Within the clinic setting this training includes

- Principles of dialysis
- Water treatment and dialysate preparation
- Introduction to the dialysis delivery system and its components
- Care of patients with kidney failure, including assessment, data collection and interpersonal skills
- Dialysis procedures and documentation, including initiation, monitoring, and termination of dialysis
- Vascular access care including proper cannulation techniques
- Medication preparation and administration
- Laboratory specimen collection and processing
- Possible complications of dialysis
- Infection control and safety
- Dialyzer reprocessing, if applicable

The program also introduces the new teammate to DaVita Policies and Procedures (P&P), and the Core Curriculum for Dialysis Technicians.

The **didactic phase** also includes classroom training with the CSS or nurse educator. Class builds upon the theory learned in the Workbooks and introduces the students to more advanced topics. These include:

- Acute Kidney Injury vs. Chronic Renal Failure
- Manifestations of Chronic Renal Failure
- Normal Kidney Function vs. Hemodialysis
- Documentation & Flow Sheet Review

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- Patient Self-management
- Motivational Interviewing
- Infection Control
- Data Collection and Assessment
- Water Treatment and Dialyzer Reprocessing
- Fluid Management
- Pharmacology
- Vascular Access
- Renal Nutrition
- Laboratory
- The Hemodialysis Delivery System
- Adequacy of Hemodialysis
- Complications of Hemodialysis
- Importance of P&P
- Role of the Renal Social Worker
- Conflict Resolution
- The DaVita Quality Index

Also included are workshops, role play, and instructional videos. Additional topics are included as per specific state regulations.

A final comprehensive examination score of 80% (unless state requires a higher score) must be obtained to successfully complete this portion of the didactic phase. The *DaVita Basic Training Final Exam* can be administered by the instructor in a classroom setting, or be completed online (DVU2069-EXAM). The new teammate's preceptor will proctor the online exam. DVU2069-EXAM is part of the new teammate's new hire curriculum in the LMS. If the exam is administered in class and the teammate attains a passing score, The LMS curriculum will show that training has been completed.

If a score of less than 80% is attained, the teammate will receive additional appropriate remediation and a second exam will be given. The second exam may be administered by the instructor in a classroom setting, or be completed online. For online completion, if DVU2069-EXAM has not yet been taken in the teammate's curriculum no additional enrollment into the exam is necessary. If the new teammate took DVU2069-EXAM as the initial exam, the CSS or RN Trainer responsible for teaching Basic Training Class will communicate to the teammate's FA to enroll the teammate in the LMS DaVita Basic Training Final Exam (DVU2069-EXAM) and the teammate's preceptor will proctor the exam. If the new teammate receives a score of less than 80% on the second exam, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate. Note: FA teammate enrollment in DVU2069-EXAM is limited to one time.

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Also included in the **didactic phase** is additional classroom training covering Health and Safety Training, systems/applications training, One For All orientation training, Compliance training, Diversity training, mandatory water classes, emergency procedures specific to facility, location of disaster supplies, and orientation to the unit.

The **didactic phase** for nurses includes **three days** of additional classroom training and covers the following topics:

- Nephrology Nursing, Scope of Practice, Delegation and Supervision, Practicing according to P&P
- Nephrology Nurse Leadership
- Impact – Role of the Nurse
- Care Planning including developing a POC exercise
- Achieving Adequacy with focus on assessment, intervention, available tools
- Interpreting laboratory Values and the role of the nurse
- Hepatitis B – surveillance, lab interpretation, follow up, vaccination schedules
- TB Infection Control for Nurses
- Anemia Management – ESA Hyporesponse: a StarLearning Course
- Survey Readiness
- CKD-MBD – Relationship with the Renal Dietitian
- Pharmacology for Nurses – video
- Workshop
    - Culture of Safety, Conducting a Homeroom Meeting
    - Nurse Responsibilities, Time Management
    - Communication – Meetings, SBAR (Situation, Background, Assessment, Recommendation)
    - Surfing the VillageWeb – Important sites and departments, finding information

The **clinical practicum phase** consists of supervised clinical instruction provided by the facility preceptor, and/or a registered nurse. During this phase the teammate will demonstrate a progression of skills required to perform the hemodialysis procedures in a safe and effective manner. A *Procedural Skills Verification Checklist* will be completed to the satisfaction of the preceptor, and a registered nurse overseeing the training. The Basic Training workbook for Hemodialysis will also be utilized for this training and must be completed to the satisfaction of the preceptor and the registered nurse.

Those teammates who will be responsible for the Water Treatment System within the facility are required to complete the Mandatory Educational Water courses and the corresponding skills checklists.

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Both the didactic phase and/or the clinical practicum phase will be successfully completed, along with completed and signed skills checklists, prior to the new teammate receiving an independent assignment. The new teammate is expected to attend all training sessions and complete all assignments and workbooks.

The education program for the newly hired patient care provider teammate **with previous dialysis experience** is individually tailored based on the identified learning needs. The initial orientation to the *Health Prevention and Safety Training* will be successfully completed prior to the new teammate working/receiving training in the clinical area. The new teammate will utilize the Basic Training Workbook for Hemodialysis and progress at his/her own pace. This workbook should be completed within a timely manner as to also demonstrate acceptable skill-level. The *Procedural Skills Verification Checklist* including verification of review of applicable P&P will be completed by the preceptor, and the registered nurse in charge of the training upon demonstration of an acceptable skill-level by the new teammate, and then signed by the new teammate, the RN trainer and the facility administrator.

Ideally teammates will attend Basic Training Class, however, teammates with experience may opt-out of class by successful passing of the *DaVita Basic Training Final Exam* with a score of 80% or higher. The new experienced teammate should complete all segments of the workbook including the recommended resources to prepare for taking the *DaVita Basic Training Final Exam* as questions not only assess common knowledge related to the hemodialysis treatment but also knowledge related to specific DaVita P&P, treatment outcome goals based on clinical initiatives and patient involvement in their care. The new teammate with experience will be auto-enrolled in the *DaVita Basic Training Final Exam* (DVU2069-EXAM) in the LMS as part of their new hire curriculum. The new teammate's preceptor will proctor the exam.

If the new teammate with experience receives a score of less than 80% on the *DaVita Basic Training Final Exam*, this teammate will be required to attend Basic Training Class. The *DaVita Basic Training Final Exam* can be administered by the instructor in a classroom setting, or be completed online. If it is completed online, the CSS or RN Trainer responsible for teaching Basic Training Class will communicate to the teammate's FA to enroll the teammate in the LMS *DaVita Basic Training Final Exam* (DVU2069-EXAM) and the teammate's preceptor will proctor the exam. If the new teammate receives a score of less than 80% on the *DaVita Basic Training Final Exam* after class, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate. **Note:** FA teammate enrollment in DVU2069-EXAM is limited to one time.

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Prior to the new teammate receiving an independent patient-care assignment, the skills checklist must be completed and signed along with a passing score from the classroom exam or the *Initial Competency Exam*. Completion of the skills checklist is indicated by the new teammate in the LMS (RN: SKLINV1000, PCT: SKLINV2000) and then verified by the FA.

Following completion of the training, a *Verification of Competency* form will be completed (see forms TR1-01-05, TR1-01-06). In addition to the above, further training and/or certification will be incorporated as applicable by state law.

The goal of the program is for the trainee to successfully meet all training requirements. Failure to meet this goal is cause for dismissal from the training program and subsequent termination by the facility.

Process of Program Evaluation

The Hemodialysis Education Program utilizes various evaluation tools to verify program effectiveness and completeness. Key evaluation tools include the DaVita Basic Training Class Evaluation (TR1-01-08A) and Basic Training Nursing Fundamentals (TR1-0108B), the New Teammate Satisfaction Survey and random surveys of facility administrators to determine satisfaction of the training program. To assure continuous improvement within the education program, evaluation data is reviewed for trends, and program content is enhanced when applicable to meet specific needs.

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Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(f), Support Services

Attached at Attachment – 24E is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. and Total Renal Care, Inc. attesting that the proposed facility will participate in a dialysis data system, will make support services available to patients, and will provide training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(g), Minimum Number of Stations

The proposed dialysis facility will be located in the St. Louis-St. Charles-Farmington metropolitan statistical area ("MSA"). A dialysis facility located within an MSA must have a minimum of eight dialysis stations. The Applicants propose to establish a 12-station dialysis facility. Accordingly, this criterion is met.

DaVita®

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification of Support Services

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1110.1430(g) that Northgrove Dialysis will maintain an open medical staff.

I also certify the following with regard to needed support services:

- DaVita utilizes an electronic dialysis data system;
- Northgrove Dialysis will have available all needed support services required by CMS which may consist of clinical laboratory services, blood bank, nutrition, rehabilitation, psychiatric services, and social services; and
- Patients, either directly or through other area DaVita facilities, will have access to training for self-care dialysis, self-care instruction, and home hemodialysis and peritoneal dialysis.

Sincerely,

Print Name: Arturo Sida
Its: Assistant Secretary
DaVita Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of _____, 2016

See Attached

_____
Notary Public

2000 16th Street, Denver, CO 80202 | P (303) 876-6000 | F (310) 536-2675 | DaVita.com

Attachment – 24E

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
Comm. #2055858
Notary Public - California
Los Angeles County
Comm. Expires Jan 25, 2018

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Ltr. to K.Olson (Northgrove Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Secretary

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(h), Continuity of Care

DaVita Inc. has an agreement with St. Joseph's Hospital of the Hospital Sisters of the Third Order of St. Francis to provide inpatient care and other hospital services. Attached at Attachment – 24F is a copy of the service agreement with this area hospital.

FOR COMPANY USE ONLY:
Clinic #: XXXXX

PATIENT TRANSFER AGREEMENT

THIS PATIENT TRANSFER AGREEMENT (the "Agreement") is made as of the last date of signature below (the "Effective Date"), by and between **St. Joseph's Hospital, of the Hospital Sisters of the Third Order of St. Francis** (hereinafter "Hospital" or "HSHS St. Joseph's Hospital") and **Total Renal Care, Inc.**, a California corporation and subsidiary of DaVita Inc. ("Company").

RECITALS

WHEREAS, the parties hereto desire to enter into this Agreement governing the transfer of patients between Hospital and the following free-standing dialysis clinic owned and operated by Company:

Northgrove Dialysis
2491 Industrial Drive
Highland, IL 62249

WHEREAS, the parties hereto desire to enter into this Agreement in order to specify the rights and duties of each of the parties and to specify the procedure for ensuring the timely transfer of patients between the facilities;

WHEREAS, the parties wish to facilitate the continuity of care and the timely transfer of patients and records between the facilities; and

WHEREAS, only a patient's attending physician (not Company or the Hospital) can refer such patient to Company for dialysis treatments.

NOW THEREFORE, in consideration of the premises herein contained and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. HOSPITAL OBLIGATIONS. In accordance with the policies and procedures as hereinafter provided, and upon the recommendation of an attending physician, a patient of Company may be transferred to Hospital.

(a) Hospital agrees to exercise its best efforts to provide for prompt admission of patients provided that all usual, reasonable conditions of admission are met. All transfers between the facilities shall be made in accordance with applicable federal and state laws and regulations, the standards of The Joint Commission ("**TJC**") and any other applicable accrediting bodies, and reasonable policies and procedures of the facilities. Transfer record forms shall be completed in detail and signed by the physician or nurse in charge at Company and must accompany the patient to the receiving institution.

(b) Neither the decision to transfer a patient nor the decision to not accept a request to transfer a patient shall be predicated upon arbitrary, capricious or unreasonable discrimination or based upon the patient's inability to pay for services rendered by either facility.

2. **COMPANY OBLIGATIONS.**

(a) Upon transfer of a patient to Hospital, Company agrees:

i. That it shall transfer any needed personal effects of the patient, and information relating to the same, and shall be responsible therefore until signed for by a representative of Hospital;

ii. Original medical records kept by each of the parties shall remain the property of that institution; and

iii. That transfer procedures shall be made known to the patient care personnel of each of the parties.

(b) Company agrees to transmit with each patient at the time of transfer, or in case of an emergency, as promptly as possible thereafter, an abstract of pertinent medical and other records necessary to continue the patient's treatment without interruption and to provide identifying and other information, to include:

i. current medical findings;

ii. diagnosis;

iii. rehabilitation potential;

iv. discharge summary;

v. a brief summary of the course of treatment followed;

vi. nursing and dietary information;

vii. ambulating status; and

viii. administrative and pertinent social information.

(c) Company agrees to readmit to its facilities patients who have been transferred to Hospital for medical care as clinic capacity allows. Hospital agrees to keep the administrator or designee of Company advised of the condition of the patients that will affect the anticipated date of transfer back to Company and to provide as much notice of the transfer date as possible. Company shall assign readmission priority for its patients who have been treated at Hospital and who are ready to transfer back to Company.

(d) In emergent situations Company shall have responsibility for arranging transportation of the patient to the Hospital, including selection of the mode of transportation. The

Hospital's responsibility for the patient's care shall begin when the patient is admitted to the Hospital and end upon discharge from Hospital.

3. **BILLING, PAYMENT, AND FEES.** Hospital and Company each shall be responsible for billing the appropriate payor for the services it provides, respectively, hereunder. Company shall not act as guarantor for any charges incurred while the patient is a patient in Hospital.

4. **HIPAA.** Hospital and Company agree to comply with the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Hospital and Company acknowledge and agree that from time to time, HIPAA may require modification to this Agreement for compliance purposes. Hospital and Company further acknowledge and agree to comply with requests by the other party hereto related to HIPAA.

5. **STATUS AS INDEPENDENT CONTRACTORS.** The parties acknowledge and agree that their relationship is solely that of independent contractors. Governing bodies of Hospital and Company shall have exclusive control of the policies, management, assets, and affairs of their respective facilities. Nothing in this Agreement shall be construed as limiting the right of either to affiliate or contract with any other Hospital or facility on either a limited or general basis while this Agreement is in effect. Neither party shall use the name of the other in any promotional or advertising material unless review and approval of the intended use shall be obtained from the party whose name is to be used and its legal counsel.

6. **INSURANCE.** Each party shall secure and maintain, or cause to be secured and maintained during the term of this Agreement, commercial general liability, property damage, and workers compensation insurance in amounts generally acceptable in the industry, and professional liability insurance providing minimum limits of liability of $1,000,000 per occurrence and $3,000,000 in aggregate. Each party shall deliver to the other party certificate(s) of insurance evidencing such insurance coverage upon the request of the other party. Each party shall provide the other party with not less than thirty (30) days prior written notice of any change in or cancellation of any of such insurance policies. Said insurance shall survive the termination of this Agreement.

7. **INDEMNIFICATION.**

(a) Hospital Indemnity. Hospital hereby agrees to defend, indemnify and hold harmless Company and its shareholders, affiliates, officers, directors, employees, and agents for, from and against any claim, loss, liability, cost and expense (including, without limitation, costs of investigation and reasonable attorney's fees), directly or indirectly relating to, to the extent they result from or arise out of any negligent or willful action or failure to act arising out of this Agreement by Hospital and its agents or employees regardless of whether or not it is caused in part by Company or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any loss attributable in whole or in part to the negligence or willful act or omission of Company.

(b) Company Indemnity. Company hereby agrees to defend, indemnify and hold harmless Hospital and its shareholders, affiliates, officers, directors, employees, and agents for,

from and against any claim, loss, liability, cost and expense (including, without limitation, costs of investigation and reasonable attorney's fees), directly or indirectly relating to, to the extent they result from or arise out of any negligent or willful action or failure to act arising out of this Agreement by Company and its agents or employees regardless of whether or not it is caused in part by or its officers, directors, agents, representatives, employees, successors and assigns. This indemnification provision shall not be effective as to any loss attributable in whole or in part to the negligence or willful act or omission of Hospital.

(c) Survival. The indemnification obligations of the parties shall continue in full force and effect notwithstanding the expiration or termination of this Agreement with respect to any such expenses, costs, damages, claims and liabilities which arise out of or are attributable to the performance of this Agreement prior to its expiration or termination.

8. **DISPUTE RESOLUTION.** Intentionally omitted.

9. **TERM AND TERMINATION.** This Agreement shall be effective for an initial period of one (1) year from the Effective Date and shall continue in effect indefinitely after such initial term, except that either party may terminate by giving at least sixty (60) days notice in writing to the other party of its intention to terminate this Agreement. If this Agreement is terminated for any reason within one (1) year of the Effective Date of this Agreement, then the parties hereto shall not enter into a similar agreement with each other for the services covered hereunder before the first anniversary of the Effective Date. Termination shall be effective at the expiration of the sixty (60) day notice period. However, if either party shall have its license to operate its facility revoked by the State or become ineligible as a provider of service under Medicare or Medicaid laws, this Agreement shall automatically terminate on the date such revocation or ineligibility becomes effective.

10. **AMENDMENT.** This Agreement may be modified or amended from time to time by mutual written agreement of the parties, signed by authorized representatives thereof, and any such modification or amendment shall be attached to and become part of this Agreement. No oral agreement or modification shall be binding unless reduced to writing and signed by both parties.

11. **ENFORCEABILITY/SEVERABILITY.** The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provisions hereto in any jurisdiction shall in no way affect the validity or enforceability of any other terms or provisions in that jurisdiction, or of this entire Agreement in any other jurisdiction.

12. **COMPLIANCE RELATED MATTERS.** The parties agree and certify that this Agreement is not intended to generate referrals for services or supplies for which payment maybe made in whole or in part under any federal health care program. The parties will comply with statutes, rules, and regulations as promulgated by federal and state regulatory agencies or legislative authorities having jurisdiction over the parties.

13. **EXCLUDED PROVIDER.** Each party represents that neither that party nor any entity owning or controlling that party has ever been excluded from any federal health care program including the Medicare/Medicaid program or from any state health care program. Each party

further represents that it is eligible for Medicare/Medicaid participation. Each party agrees to disclose immediately any material federal, state, or local sanctions of any kind, imposed subsequent to the date of this Agreement, or any investigation which commences subsequent to the date of this Agreement, that would materially adversely impact Company's ability to perform its obligations hereunder.

14. **NOTICES.** All notices, requests, and other communications to any party hereto shall be in writing and shall be addressed to the receiving party's address set forth below or to any other address as a party may designate by notice hereunder, and shall either be (a) delivered by hand, (b) sent by recognized overnight courier, or (c) by certified mail, return receipt requested, postage prepaid.

If to Hospital: HSHS St. Joseph's Hospital
12866 Troxler Avenue
Highland, Illinois 62249
Attention: President and CEO

With copies to: SID – Office of General Counsel
224 W. Garfield
Belleville, Illinois 62220
Attention: Vice President of Legal Affairs

If to Company: Total Renal Care, Inc.
c/o: DaVita Inc.
2000 16th Street
Denver, Colorado 80202
Attention: Group General Counsel

With copies to: Northgrove Dialysis
c/o: DaVita Inc.
2491 Industrial Drive
Highland, Illinois 62249
Attention: Facility Administrator

DaVita Inc.
2000 16th Street
Denver, Colorado 80202
Attention: General Counsel

All notices, requests, and other communication hereunder shall be deemed effective (a) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (b) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (c) if sent by certified mail, five (5) business days following the day such mailing is made.

15. **ASSIGNMENT.** This Agreement shall not be assigned in whole or in part by either party hereto without the express written consent of the other party.

16. **COUNTERPARTS.** This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies of signatures sent by facsimile shall be deemed to be originals.

17. **NON-DISCRIMINATION.** All services provided by Hospital hereunder shall be in compliance with all federal and state laws prohibiting discrimination on the basis of race, color religion, sex national origin, handicap, or veteran status.

18. **WAIVER.** The failure of any party to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant, or condition, and the obligations of such party with respect thereto shall continue in full force and effect.

19. **GOVERNING LAW.** The laws of the State of Illinois shall govern this Agreement.

20. **HEADINGS.** The headings appearing in this Agreement are for convenience and reference only, and are not intended to, and shall not, define or limit the scope of the provisions to which they relate.

21. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or written, between the parties (including, without limitation, any prior agreement between Hospital and Company or any of its subsidiaries or affiliates) with respect to the subject matter hereof.

22. **APPROVAL BY DAVITA INC. ("DAVITA") AS TO FORM.** The parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the parties only upon full execution hereof by the parties and upon approval by DaVita Inc. as to the form hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year last written below.

Hospital:

HSHS St. Joseph's Hospital

By: DocuSigned by: John A. Ludwig D5298920D862407...

Name: John A. Ludwig

Its: President & CEO

Date: September 22, 2017

Company:

Total Renal Care, Inc.

By: DocuSigned by: Jill Glaser-Abernathy EC88D139DA1C46F...

Name: Jill Glaser-Abernathy

Its: Regional Operation Director

Date: September 18, 2017

APPROVED AS TO FORM ONLY:

By: DocuSigned by: Dave Wolff CB777D980EF8402...

Name: David G. Wolff

Its: Group General Counsel

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(j), Assurances

Attached at Attachment – 24G is a letter from Arturo Sida, Assistant Corporate Secretary, DaVita Inc. certifying that the proposed facility will achieve target utilization by the second year of operation.

DaVita®

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: In-Center Hemodialysis Assurances

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1430(k), I hereby certify the following:

- By the second year after project completion, Northgrove Dialysis expects to achieve and maintain 80% target utilization; and
- Northgrove Dialysis also expects hemodialysis outcome measures will be achieved and maintained at the following minimums:
  - ≥ 85% of hemodialysis patient population achieves urea reduction ratio (URR) ≥ 65%; and
  - ≥ 85% of hemodialysis patient population achieves Kt/V Daugirdas II .1.2

Sincerely,

Print Name: Arturo Sida
Its: Assistant Secretary
DaVita Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of _____, 2016

See Attached

_____
Notary Public

2000 16th Street, Denver, CO 80202 | P (303) 876-6000 | F (310) 536-2675 | DaVita.com

Attachment – 24G

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
Comm. #2055858
Notary Public - California
Los Angeles County
Comm. Expires Jan 25, 2018

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Ltr. to K.Olson (Northgrove Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Secretary
(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc.

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

The project will be funded entirely with cash and cash equivalents, and a lease with Kunkel Commercial Group, Inc. A copy of DaVita's 2016 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted on March 27, 2017. A letter of intent to lease the facility is attached at Attachment – 34.

Attachment – 34

CUSHMAN & WAKEFIELD
225 West Wacker Drive, Suite 3000
Chicago, IL 60606
Web: www.cushmanwakefield.com

September 19, 2017

Dave Kunkel
Kunkel Commercial Group, Inc.
784 Wall St, Suite 100A
O'Fallon, IL 62269

RE: LOI – 2491 Industrial Dr Suite 200, Highland, IL 62249

Mr. Kunkel:

Cushman & Wakefield ("C&W") has been authorized by Total Renal Care, Inc. a subsidiary of DaVita HealthCare Partners, Inc. to assist in securing a lease requirement. DaVita HealthCare Partners, Inc. is a Fortune 200 company with revenues of approximately $13 billion. They operate 2,278 outpatient dialysis centers across the US and 124 in 10 countries outside the US. Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

PREMISES: 2491 Industrial Drive Suite 200, Highland, IL 62249

A tract of land in the Southwest Quarter of Section 32, Township 4 North, Range 5 West of the Third Principal Meridian lying South of U.S. Route 40 described as follows:

Commencing at a point on the South right of way line of U.S. Route 40 said point also being on the West line of the East Half of the Southwest Quarter of said Section 32, Township 4 North, Range 5 West of the Third Principal Meridian, from this point thence South, 578.7 feet, thence East 765.7 feet; thence North 843.0 feet to the Southerly right of way line of U.S. Route 40, thence Southwesterly along said right of way line to the point of beginning. Except any interest in the coal, oil, gas and other mineral rights underlying the land which have been heretofore conveyed or reserved in prior conveyances, and all rights and easements in favor of the estate of said coal, oil gas and other minerals, if any.

Situated in Madison County, Illinois.

PPN: 02-1-18-32-00-000-024

TENANT: Total Renal Care, Inc. or related entity to be named

LANDLORD: Apex Holdings, LLC

SPACE REQUIREMENTS: Requirement is for approximately 6,643 SF of contiguous rentable square feet. Tenant shall have the right to measure space based on ANSI/BOMA Z65.1-1996. Final premises rentable square footage to be confirmed prior to lease execution with approved floor plan and site plan attached to lease as an exhibit.

Attachment – 34

PRIMARY TERM:	10 years
BASE RENT:	Annual Lease is $15.00 per square foot with 2% annual increases. Triple Net Lease. In addition to Base Rent, Tenant shall pay their pro-rata share of 28.38% (6,643/23,404 SF) of the triple net expenses (real estate taxes, insurance and common area maintenance).
ADDITIONAL EXPENSES:	In addition to triple net expenses, Tenant will be responsible for utilities (electric, gas, water and sewer, telephone, internet), janitorial and interior maintenance. Landlord estimates the triple net operating expense costs to $3.50 psf in the first full lease year and no greater than 3% increases annually thereafter for controllable operating expenses. The term "controllable operating expenses" shall mean all operating expenses except for real estate taxes, insurance and snow removal.
LANDLORD'S MAINTENANCE:	Landlord, at its sole cost and expense, shall be responsible for the structural and capitalized items (per GAAP standards) for the Property.
POSSESSION AND RENT COMMENCEMENT:	Landlord shall deliver Possession of the Premises to the Tenant with Landlord's Work complete within 120 days from the later of lease execution or the waiver of CON contingency. Rent Commencement shall be the earlier of seven (7) months from Possession or Tenant opens for business.
LEASE FORM:	Tenant's standard lease form.
USE:	The operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose. *Please verify that the Use is permitted within the building's zoning and there are not any CCR's or other documents that may impact tenancy.* Current zoning is Industrial which allows for medical per City of Highland Zoning Code. Apex Physical Therapy, LLC d/b/a Apex Network Physical Therapy shall have the exclusive right to operate a business whose principal permitted use is physical and occupational therapy services.

PARKING:

Tenant requests:

a) A stated parking allocation of four stalls per 1,000 sf or higher if required by code
b) Of the stated allocation, dedicated parking at one stall per 1,000 sf
c) Handicapped stalls located near the front door to the Premises

BUILDING SYSTEMS:

Landlord shall warrant that the building's mechanical, electrical, plumbing, HVAC systems, (if installed by Landlord), and roof, and foundation are in good order and repair for one year after lease commencement. Furthermore, Landlord will remain responsible for ensuring the parking and common areas are ADA compliant.

LANDLORD WORK:

Landlord, at Landlord's expense shall deliver to the Premises the following improvements:

Construct a new separate glass entrance with soffit where existing overhead door is located solely dedicated to Tenant. Installation of six new exterior windows per Exhibit C. Windows to be installed with code compliant Energy efficient thermal pane windows with Low-E thermally broken aluminum frames. Landlord shall allow Tenant, at Tenant's discretion, to apply a translucent film to the existing windows (per manufactures recommendations) per Tenant's tenant improvement design.

Repair and patch all existing roof leaks and provide new flashing as required.

Infill all metal doors on southeast corner.

Building north and west exterior to be Hardie Board (cement fiber board) with stone accents at entry columns.

Create new landscaping based upon the below specifications which are subject to change based upon final site and landscaping design:

- The general theme of the landscaping plan will be a "Colorado" style / appearance.
- Landscaping beds/berms are planned along the North Elevation (Front) of the building. These will include rock, berms, various plants, shrubs, trees, and boulders.
    - Landscaping beds will likely extend north toward the porch area on both sides of the "Apex front entry" to the building.
- Landscaping beds/berms are planned for both of the areas between the various sidewalks / entrances on the West side of the building. These areas will include rock, berms, various plants, shrubs, trees, and boulders.

- Landscaping beds/berms are planned for the area in the middle of the circle drive at the entrance to the property. This area will include rock, berms, various plants, shrubs, trees, and boulders.
- Landscaping beds/berms are planned for the grass area toward the West side of the parking lot, between the parking spaces and the driveway. This area will include rock, berms, various plants, shrubs, trees, and houlders.
- On the Southern property line (back of the property at the top of the hill), Landlord shall install white pine trees to create a visual barrier between our property and the property owners to the South.
- Trees / berms are being contemplated for other areas of the property based on the suggestions of the landscaper.
- Landlord shall make reasonable efforts to evaluate the installation of a monument sign near Highway 40 at the entrance to the property. If installed, this area would be landscaped with rock, berms, shrubs, trees, and boulders.

Premises entirely demised and gutted. Landlord will be responsible for demolition of all interior partitions, doors and frames, plumbing, electrical, mechanical systems (other than current HVAC and what is designated for reuse by Tenant), remove all lighting, ceiling grid, carpet and/or ceramic tile and finishes of the existing building from slab to roof deck to create a "raw shell" condition. Premises shall be broom clean and ready for interior improvements; free and clear of any components, asbestos or material that is in violation of any EPA standards of acceptance and local hazardous material jurisdiction standards.

Repair and overlay the existing asphalt condition in the parking lot extending to the south end of the building to accommodate deliveries.

Construct new trash enclosure with stained cedar planks or aluminum planks, and new concrete pad with metal gate.

In addition, Landlord shall deliver the building structure and main utility lines serving the building in good working order and shape. If any defects in the structure including the exterior walls, lintels, floor and roof framing or utility lines are found, prior to or during Tenant construction (which are not the fault of the Tenant), repairs will be made by Landlord at its sole cost and expense. Any repairs shall meet all applicable federal, state and local laws, ordinances and regulations and approved a Structural Engineer and Tenant.

TENANT IMPROVEMENTS: Landlord to deliver space in the condition as described above under Landlord's Work.

OPTION TO RENEW: Tenant desires three, five-year options to renew the lease. Option rent shall be increased by 10% after Year 10 of the initial term and following each successive five-year option periods.

RIGHT OF FIRST OPPORTUNITY ON ADJACENT SPACE: Tenant shall have the on-going right of first opportunity on the adjacent 2,000 square feet of space that may become available during the initial term of the lease and any extension thereof, under the same terms and conditions of Tenant's existing lease.

FAILURE TO DELIVER PREMISES: If Landlord has not delivered the premises to Tenant with all base building items substantially completed within 120 days from the later of lease execution or waiver of CON contingency, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive two days of rent abatement for every day of delay beyond the 120 day delivery period.

HOLDING OVER: Tenant shall be obligated to pay 125% of the then current rate.

TENANT SIGNAGE: Tenant shall have the right to install building, and monument and dual pylon signage, if applicable, at the Premises, subject to compliance with all applicable laws and regulations. All signage subject to the City of Highland's and Landlord's reasonable approval.

BUILDING HOURS: Tenant requires building hours of 24 hours a day, seven days a week.

SUBLEASE/ASSIGNMENT: Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita Healthcare Partners, Inc. without the consent of the Landlord, or to unrelated entities with Landlord reasonable approval.

ROOF RIGHTS: Tenant shall have the right to place a satellite dish on the roof at no additional fee.

NON-COMPETE: Landlord agrees not to lease space to another dialysis provider within a five mile radius of Premises.

HVAC: Replacement of existing units at Tenant's expense.

DELIVERIES: Deliveries to be made to the SW corner of Tenant's space by backing a semi-tractor trailer up to building and receiving deliveries through a man door.

GOVERNMENTAL COMPLIANCE: Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the

building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s).

CERTIFICATE OF NEED:

Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

BROKERAGE FEE:

Landlord recognizes C&W as the Tenant's sole representative and Kunkel Commercial Group, Inc as Landlord's sole representative and shall pay a brokerage fee equal to six percent (6%) split 50/50 between Brokers, 50% shall be due upon the later of lease signatures or waiver of CON contingency, and 50% shall be due within one-hundred eighty (180) days from the later of lease signatures and waiver of CON contingency. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee. Brokerage fee applicable to only the base rental amount during the primary term.

CONTINGENCIES:

In the event the Landlord is not successful in obtaining all necessary approvals including, but not limited to, municipal, zoning and use, the Tenant shall have the right, but not the obligation to terminate the lease.

It should be understood that this proposal is subject to the terms of Exhibit A attached hereto. Please complete and return the Potential Referral Source Questionnaire in Exhibit B. The information in this proposal is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized. Thank you for your time and consideration to partner with DaVita.

Sincerely,

Matthew Gramlich

CC: DaVita Regional Operational Leadership

CUSHMAN & WAKEFIELD

SIGNATURE PAGE

LETTER OF INTENT: 2491 Industrial Dr Suite 200, Highland, IL 62249

AGREED TO AND ACCEPTED THIS 19th DAY OF SEPTEMBER 2017

By: Molly E Ehlinger

On behalf of Total Renal Care, Inc., a subsidiary of DaVita, Inc.
("Tenant")

AGREED TO AND ACCEPTED THIS 22nd DAY OF SEPTEMBER 2017

By: Steven J. Oravec

APEX HOLDINGS, LLC
("Landlord")

EXHIBIT A

NON-BINDING NOTICE

NOTICE: THE PROVISONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPERATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR C&W) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD OR C&W INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. C&W IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES C&W HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD.

CUSHMAN & WAKEFIELD

EXHIBIT B

POTENTIAL REFERAL SOURCE QUESTIONAIRRE

RE: 2491 Industrial Dr Suite 200, Highland, IL 62249

(i) Is Landlord an individual or entity in any way involved in the healthcare business, including, but not limited to, a physician; physician group; hospital; nursing home; home health agency; or manufacturer, distributor or supplier of healthcare products or pharmaceuticals;

__X__ Yes _____ No

(ii) Is the immediate family member of the Landlord an individual involved in the healthcare business, or

____ Yes __X__ No

(iii) Is the Landlord an individual or entity that directly or indirectly owns or is owned by a healthcare-related entity; or

__X__ Yes _____ No

(iv) Is the Landlord an entity directly or indirectly owned by an individual in the healthcare business or an immediate family member of such an individual?

__X__ Yes _____ No

_Apex Holding, LLC_____
(Please add landlord or entity name)

By: Steven J. Oravec

Print: __Steven J. Oravec_____

Its: Owner

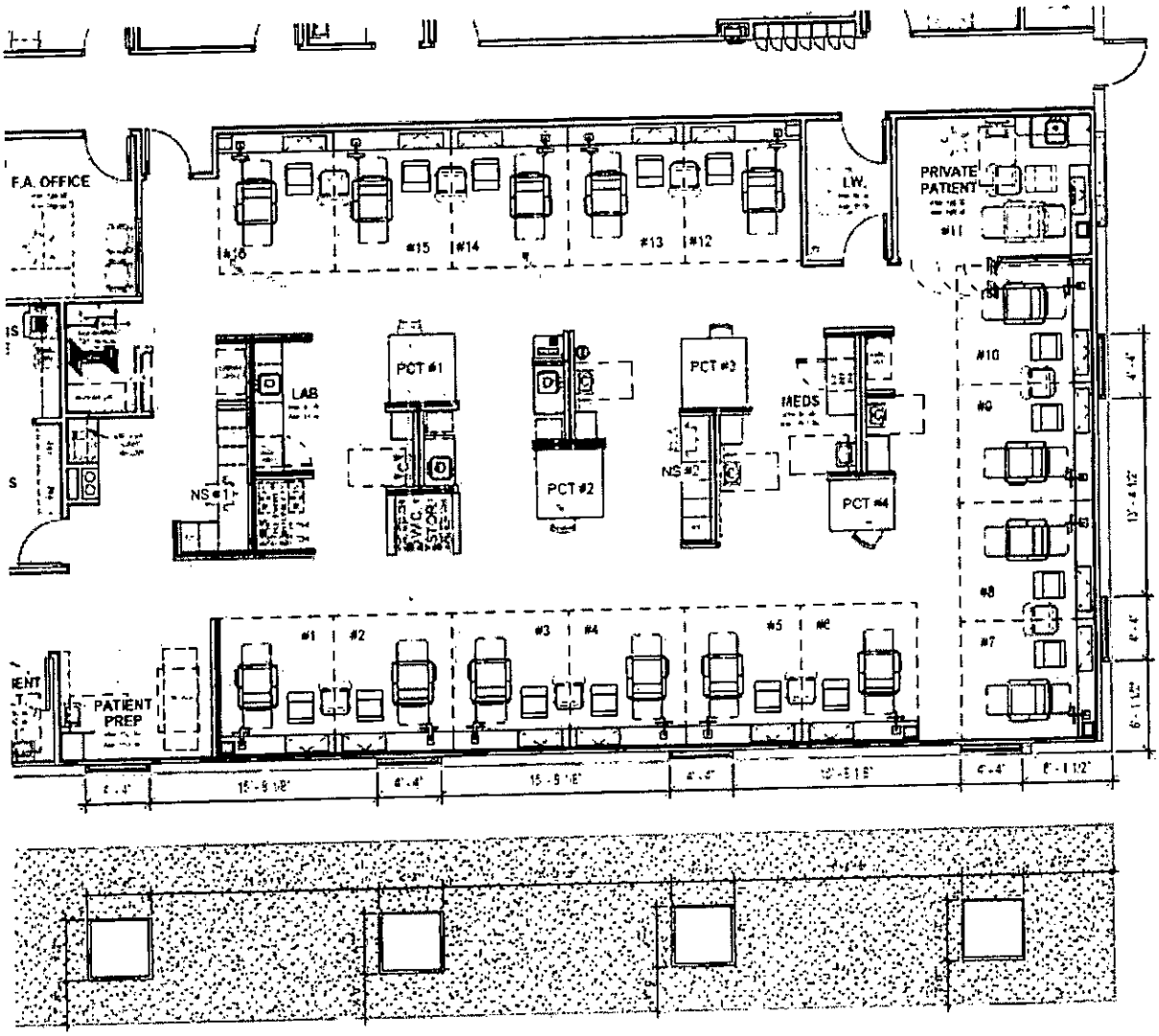
Date: 09/22/2017

Note: Apex Holdings, LLC (Landlord) is owned by individuals that also own Apex Physical Therapy, LLC. The Landlord is not a physician.

CUSHMAN & WAKEFIELD

EXHIBIT C

PRELIMINARY EXTERIOR WINDOW PLAN



Attachment – 34

Section IX, Financial Feasibility

Criterion 1120.130 – Financial Viability Waiver

The project will be funded entirely with cash. A copy of DaVita's 2016 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted on March 27, 2017.

Attachment – 35

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 37A is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. attesting that the total estimated project costs will be funded entirely with cash.

Attachment – 37A

DaVita®

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents.

Sincerely,

Print Name: Arturo Sida
Its: Assistant Secretary
DaVita Inc.
Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of _____, 2016

See Attached

_____
Notary Public

2000 16th Street, Denver, CO 80202 | P (303) 876-6000 | F (310) 536-2675 | DaVita.com

Attachment – 37A

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September 12, 2016 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
Comm. #2055858
Notary Public - California
Los Angeles County
Comm. Expires Jan 25, 2018

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Ltr. to K.Olson (Northgrove Dialysis)

Document Date: September 12, 2016 Number of Pages: 1 (one)

Signer(s) if Different Than Above:

Other Information:

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Secretary

(Title(s))

☐ Partner

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian/Conservator

☐ Other:

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department is provided in the table below.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below) CLINICAL	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)	
CLINICAL									
ESRD		$177.15			5,866			$1,039,188	$1,039,188
Contingency		$17.72			5,866			$103,919	$103,919
TOTAL CLINICAL		**$194.87**			**5,866**			**$1,143,107**	**$1,143,107**
NON-CLINICAL									
Admin		$177.15			777			$137,649	$137,649
Contingency		$17.72			777			$13,765	$13,765
TOTAL NON-CLINICAL		**$194.87**			**777**			**$151,414**	**$151,414**
TOTAL		**$194.87**			**6,643**			**$1,294,521**	**$1,294,521**

* Include the percentage (%) of space for circulation

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	**State Standard**	**Above/Below State Standard**
Modernization Construction Contracts & Contingencies	$1,143,107	$194.87 x 5,866 GSF = $1,143,107.42	Meets State Standard
Contingencies	$103,919	10% - 15% of Modernization Construction Contracts 10% - 15% x $1,039,188 = $103,919 - $155,878	Meets State Standard
Architectural/Engineering Fees	$118,000	6.90% - 10.36% of Modernization Construction Contracts + Contingencies) = 6.9% - 10.36% x ($1,039,188 + $103,919)	Meets State Standard

Attachment – 37C

Table 1120.310(c)			
	Proposed Project	**State Standard**	**Above/Below State Standard**
		= 6.90% - 10.36% x $1,143,107 = $78,874 - $118,769	
Consulting and Other Fees	$80,000	No State Standard	No State Standard
Moveable Equipment	$642,818	$53,682.74 per station x 12 stations $53,682.74 x 12 = $644,192	Below State Standard
Fair Market Value of Leased Space or Equipment	$681,027	No State Standard	No State Standard

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: $1,892,131

Treatments: 10,140

Operating Expense per Treatment: $186.60

Attachment – 37D

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs:

Depreciation:	$207,816
Amortization:	$10,638
Total Capital Costs:	$218,454

Treatments: 10,140

Capital Costs per Treatment: $21.54

Attachment – 37E

Section XI, Safety Net Impact Statement

1. This criterion is required for all substantive and discontinuation projects. DaVita Inc. and its affiliates are safety net providers of dialysis services to residents of the State of Illinois. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and Kidney Smarting patients, and community outreach. A copy of DaVita's 2016 Community Care report, which details DaVita's commitment to quality, patient centric focus and community outreach, was previously included in the application for Proj. No. 17-032. As referenced in the report, DaVita led the industry in quality, with twice as many Four- and Five-Star centers than other major dialysis providers. DaVita also led the industry in Medicare's Quality Incentive Program, ranking No. 1 in three out of four clinical measures and receiving the fewest penalties. DaVita has taken on many initiatives to improve the lives of patients suffering from CKD and ESRD. These programs include Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Furthermore, DaVita is an industry leader in the rate of fistula use and has the lowest day-90 catheter rates among large dialysis providers. During 2000 - 2014, DaVita improved its fistula adoption rate by 103 percent. Its commitment to improving clinical outcomes directly translated into 7% reduction in hospitalizations among DaVita patients.

   DaVita accepts and dialyzes patients with renal failure needing a regular course of hemodialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, disability or ability to pay. Because of the life sustaining nature of dialysis, federal government guidelines define renal failure as a condition that qualifies an individual for Medicare benefits eligibility regardless of their age and subject to having met certain minimum eligibility requirements including having earned the necessary number of work credits. Indigent ESRD patients who are not eligible for Medicare and who are not covered by commercial insurance are eligible for Medicaid benefits. If there are gaps in coverage under these programs during coordination of benefits periods or prior to having qualified for program benefits, grants are available to these patients from both the American Kidney Foundation and the National Kidney Foundation. If none of these reimbursement mechanisms are available for a period of dialysis, financially needy patients may qualify for assistance from DaVita in the form of free care.

2. The proposed project will not impact the ability of other health care providers or health care systems to cross-subsidize safety net services. The proposed dialysis facility will not further lower utilization of area providers below the State Board utilization standards. There are four dialysis facilities within the proposed Northgrove GSA. Collectively, these facilities operated at 54.8% as of June 30, 2017. Over the past three years, the compound annual growth rate for the existing facilities within the Northgrove GSA was 3.1%. This growth is anticipated to continue to increase for the foreseeable future due to the demographics of the community and U.S. Centers for Disease Control and Prevention estimates that 15% of American adults suffer from CKD.

   Dr. Assioun of HSHS Medical Group is currently treating 148 Stage 3, 4, and 5 CKD patients, who reside in Highland. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, return of function, or relocation, Dr. Assioun anticipates that at least 65 of these patients will initiate dialysis within 12 to 24 months following project completion.

   Finally, the existing facilities are located between 25 to 30 minutes from the site of the proposed Northgrove Dialysis. These dialysis facilities' primary service areas are an approximate 15 to 20 minute radius around the respective facilities. No patients are expected to transfer from existing facilities. Accordingly, the proposed Northgrove Dialysis will not lower utilization of area providers below the State Board utilization standards.

3. The proposed project is for the establishment of Northgrove Dialysis. As such, this criterion is not applicable.

4. A table showing the charity care and Medicaid care provided by the Applicants for the most recent three calendar years is provided below.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2014	2015	2016
Charity (# of patients)	146	109	110
Charity (cost in dollars)	$2,477,363	$2,791,566	$2,400,299
MEDICAID			
	2014	2015	2016
Medicaid (# of patients)	708	422	297
Medicaid (revenue)	$8,603,971	$7,381,390	$4,692,716

Attachment – 38

Section XII, Charity Care Information

The table below provides charity care information for all dialysis facilities located in the State of Illinois that are owned or operated by the Applicants.

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	**$268,319,949**	**$311,351,089**	**$353,226,322**
Amount of Charity Care (charges)	$2,477,363	$2,791,566	$2,400,299
Cost of Charity Care	$2,477,363	$2,791,566	$2,400,299

Appendix I – Physician Referral Letter

Attached as Appendix 1 is the physician referral letter from Melinda Clark, CEO of HSHS Medical Group and Dr. Bassim Assioun projecting 65 pre-ESRD patients will initiate dialysis within 12 to 24 months of project completion.

HSHS Medical Group

September 13, 2017

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson:

I am the Chief Executive Officer of HSHS Medical Group. We are multi-specialty medical group with over 350 medical providers providing primary and specialty care to patients in central and southern Illinois. We are pleased to support DaVita's establishment of Northgrove Dialysis.

DaVita's proposed facility will improve access to necessary dialysis services to our patients residing in Highland. Highland is a predominantly rural area and is a designated health care professional shortage area. Further, the closest dialysis facilities are located over twenty minutes away and are not feasible options for our patients.

HSHS Medical Group provides primary care and specialty care in over 30 areas. Over the past several years, we have seen explosive growth in the number of patients with chronic kidney disease (CKD). Historically, when kidney failure is imminent, we referred our CKD patients to a local nephrologist, who took responsibility for their kidney care and coordination of dialysis. Accordingly, we have no historical data on the dialysis treatment facilities used by HSHS Medical Group patients.

In July 2015, Dr. Bassim Assioun joined HSHS Medical Group to care for our CKD/ESRD patient population. As an employed physician, Dr. Assioun has committed to convenient care for our CKD/ESRD patients and welcomes Northsgrove Dialysis to the Highland Community. It is important for Dr. Assioun's patients to have local access to dialysis to overcome the barriers and inconvenience of traveling twenty (20) or more minutes for this care when kidney failure is imminent. Northgrove Dialysis will fill the current void and provide that access to HSHS Medical Group patients.

HSHS Medical Group is currently treating 205 patients who are suffering from Stage 3, 4 or 5 CKD and reside within 30 minutes of the proposed Northgrove Dialysis. Of those 205 patients, 148 patients reside within the zip code of the proposed Northgrove Dialysis (62249). We anticipate at least 65 of these patients will progress to

Appendix - 1

HSHS Medical Group

dialysis within 12 to 24 months of completion of Northgrove Dialysis. The list of zip codes for the 205 CKD patients is provided at Attachment – 1.

This patient data has not been used to support another pending or approved certificate of need application. The information in this letter is true and correct to the best of my knowledge.

DaVita is a leading provider of dialysis services in the United States, and we support the proposed establishment of Northgrove Dialysis.

Sincerely,

Melinda Clark
CEO
HSHS Medical Group

Bassim Assioun, M.D.
Nephrologist
1116 Hartman Lane
Shiloh, Illinois 62221

Subscribed and sworn to me
This 13 day of September 2017

Notary Public

ELIZABETH K COUTY
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
March 11, 2020

Subscribed and sworn to me
This 13th day of September 2017

Notary Public

TARA M PETERS
Official Seal
Notary Public - State of Illinois
My Commission Expires [illegible] 2021

Appendix - 1

Attachment – 1

Pre-ESRD Patients

Zip Code	Patients
62249	148

Appendix 2 – Time & Distance Determination

Attached as Appendix 2 are the distance and normal travel time from all existing dialysis facilities in the GSA to the proposed facility, as determined by MapQuest.

YOUR TRIP TO:

101 Lanter Ct, Collinsville, IL, 62234-6124

28 MIN | 21.1 MI

Est. fuel cost: $1.51

Trip time based on traffic conditions as of 10:41 AM on September 22, 2017. Current Traffic: Moderate

Collinsville Dialysis

1. Start out going **northwest** on Industrial Dr toward US Highway 40/US-40 W.

Then 0.01 miles — 0.01 total miles

2. Take the 1st **left** onto US Highway 40/US-40 W. Continue to follow US-40 W.

If you are on Plaza Dr and reach Sportsman Rd you've gone about 0.1 miles too far.

Then 12.80 miles — 12.81 total miles

3. Merge onto I-55 S/I-70 W/US-40 W toward **St Louis**.

Then 6.25 miles — 19.06 total miles

4. Take the **IL-157** exit, EXIT 11, toward **Collinsville/Edwardsville**.

Then 0.45 miles — 19.51 total miles

5. Keep **right** at the fork in the ramp.

Then 0.01 miles — 19.51 total miles

6. Keep **left** at the fork in the ramp.

Then 0.01 miles — 19.53 total miles

7. Turn **left** onto N Bluff Rd/IL-157.

Then 0.50 miles — 20.03 total miles

8. Turn **left** onto Horseshoe Lake Rd.

Horseshoe Lake Rd is just past Schoolhouse Tri.

If you reach Business Center Ct you've gone about 0.2 miles too far.

Then 0.95 miles — 20.98 total miles

9. Take the 2nd **left** onto Eastport Plaza Dr.

Eastport Plaza Dr is 0.2 miles past McDonough Lake Rd.

Then 0.09 miles — 21.07 total miles

Appendix - 2

10. Take the 2nd **right** onto Lanter Ct.

Lanter Ct is just past Schoolhouse Trl.

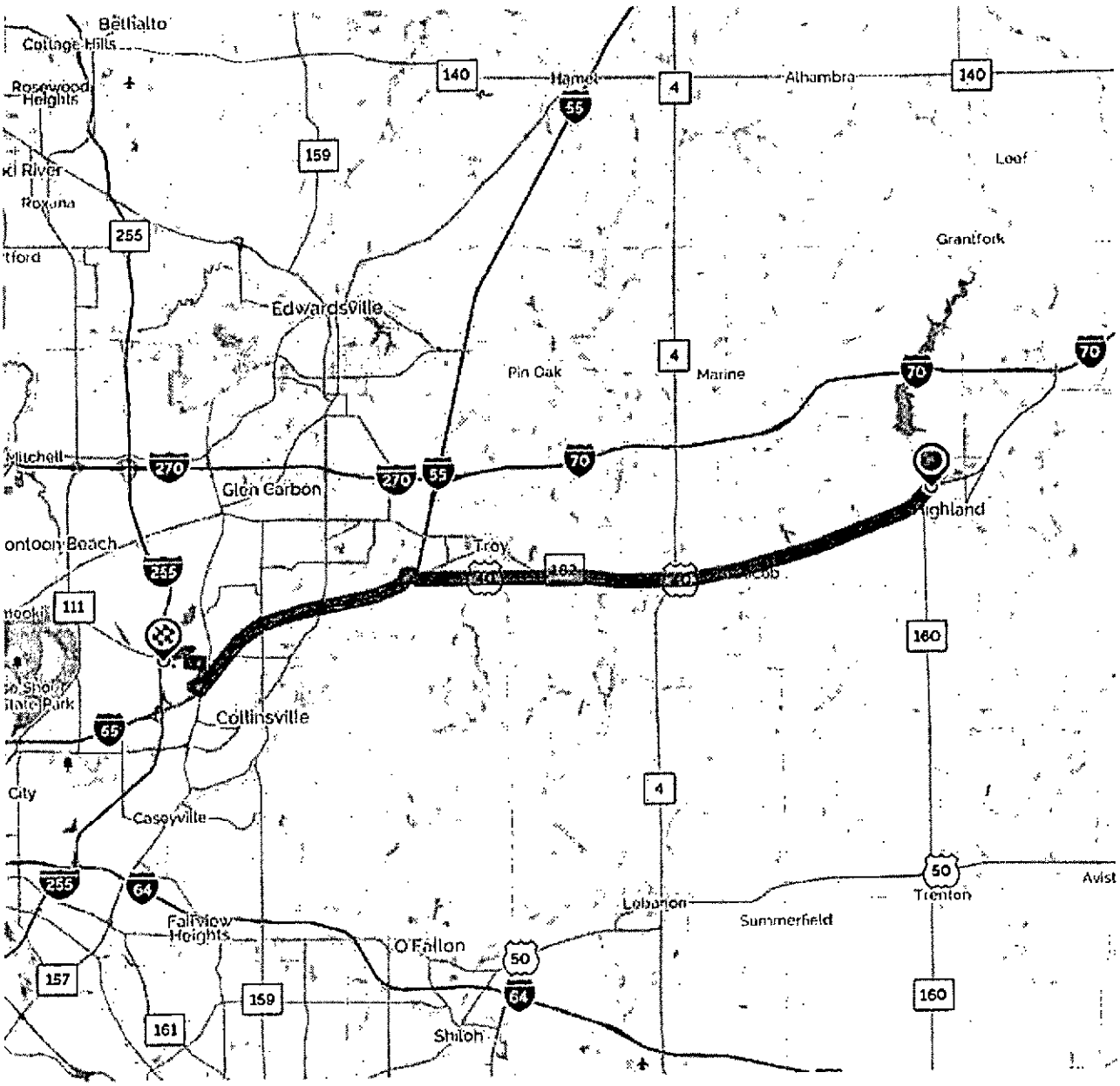
If you reach Regency Plaza Dr you've gone about 0.1 miles too far.

Then 0.04 miles 21.11 total miles

11. 101 Lanter Ct, Collinsville, IL 62234-6124, 101 LANTER CT is on the **right**.

If you reach the end of Lanter Ct you've gone a little too far.

Use of directions and maps is subject to our Terms of Use. We don't guarantee accuracy, route conditions or usability. You assume all risk of use.



Appendix - 2

YOUR TRIP TO:

RAI Care Center North Main St - Breese

25 MIN | 19.9 MI

Est. fuel cost: $1.99

Trip time based on traffic conditions as of 10:45 AM on September 22, 2017. Current Traffic: Light

1. Start out going **northwest** on Industrial Dr toward US Highway 40/US-40 W.
   Then 0.01 miles — 0.01 total miles

2. Take the 1st **left** onto US Highway 40/US-40 W.
   If you are on Plaza Dr and reach Sportsman Rd you've gone about 0.1 miles too far.
   Then 0.72 miles — 0.72 total miles

3. Turn **left** onto Hemlock St.
   If you reach Kennedy Ln you've gone about 0.2 miles too far.
   Then 0.27 miles — 0.99 total miles

4. Take the 2nd **left** onto Highland Rd.
   Highland Rd is just past W Monroe St.
   Then 0.26 miles — 1.26 total miles

5. Take the 1st **right** onto State Route 160/IL-160. Continue to follow IL-160.
   If you are on Broadway and reach Alleys you've gone a little too far.
   Then 8.76 miles — 10.01 total miles

6. Merge onto US-50 E/Old US Highway 50 via the ramp on the **left** toward **Carlyle**.
   If you reach N Creek Xing you've gone about 0.1 miles too far.
   Then 8.64 miles — 18.65 total miles

7. Take the ramp toward **Breese**.
   Then 0.30 miles — 18.95 total miles

8. Turn **right** onto County Hwy-11/N Walnut St.
   Then 0.67 miles — 19.62 total miles

9. Turn **right** onto N 4th St.
   Then 0.08 miles — 19.70 total miles

Appendix - 2

10. Take the 1st **left** onto N Main St.

If you reach N Clinton St you've gone a little too far.

Then 0.19 miles — 19.88 total miles

11. RAI Care Center North Main St - Breese, 160 N MAIN ST is on the **left**.

Your destination is just past N 2nd St.

If you reach N 1st St you've gone a little too far.

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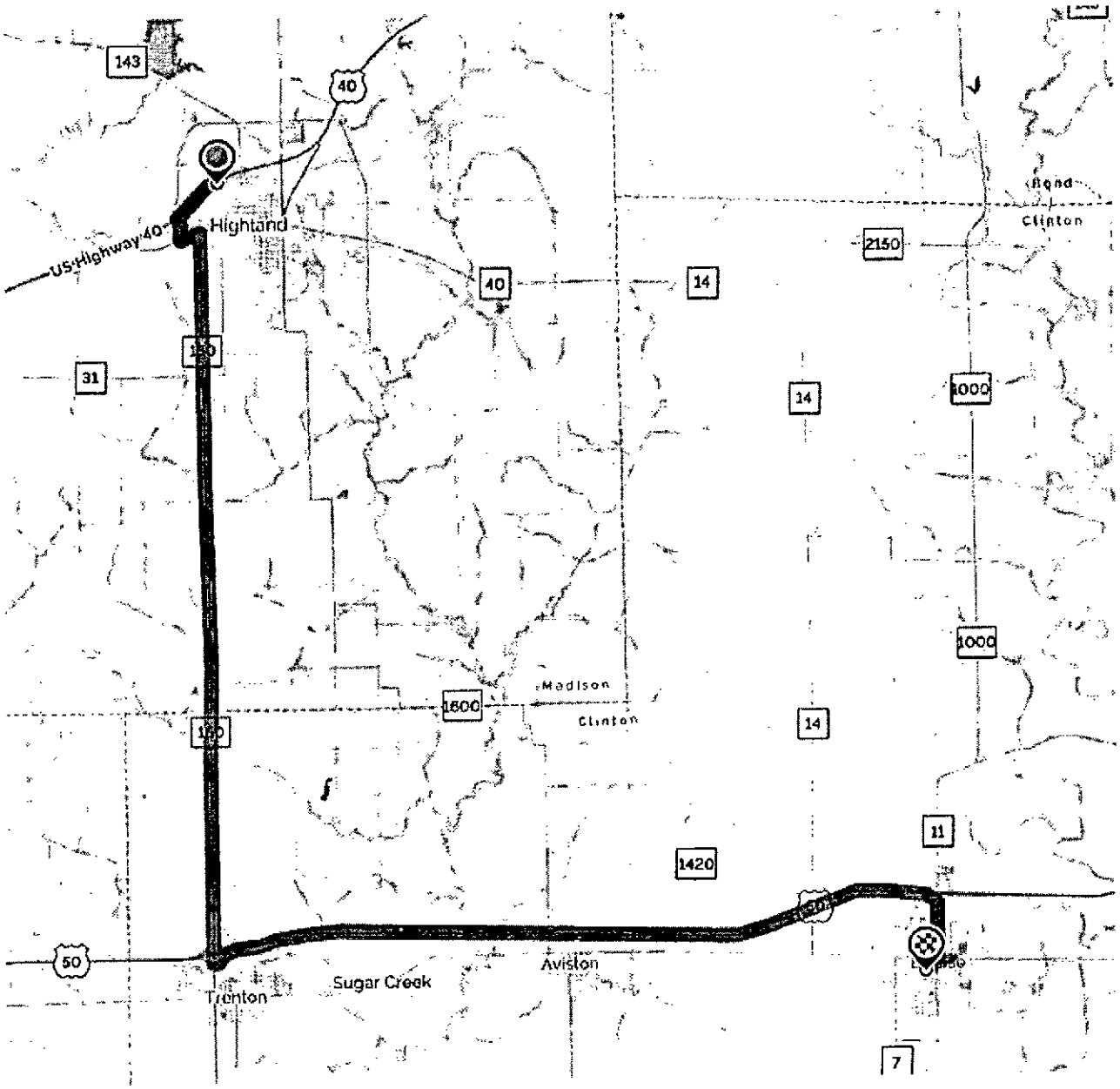

Appendix - 2

YOUR TRIP TO:

2130 Vadalabene Dr, Maryville, IL, 62062-5841

25 MIN | 17.4 MI

Est. fuel cost: $1.76

Trip time based on traffic conditions as of 4:57 PM on September 18, 2017. Current Traffic: Heavy

1. Start out going east on US Highway 40/US-40 E toward US-40 W. Continue to follow US-40 E.

Then 0.24 miles — 0.24 total miles

2. Turn **left** onto **IL-143**.

If you are on State Route 143 and reach Woodcrest Professional Park you've gone about 0.1 miles too far.

Then 4.34 miles — 4.59 total miles

3. Merge onto **I-70 W** via the ramp on the **left** toward **East St Louis**.

If you are on State Route 143 and reach Gerke Ln you've gone a little too far.

Then 10.24 miles — 14.83 total miles

4. Take the **iL-162** exit, EXIT 18, toward **Troy**.

Then 0.24 miles — 15.07 total miles

5. Merge onto IL-162 toward **Maryville**.

Then 1.32 miles — 16.38 total miles

6. Enter next roundabout and take the 1st exit onto **IL-162**/State Route 162.

Then 0.36 miles — 16.75 total miles

7. Turn **left** onto Vadalabene **Dr**.

If you are on IL-162 and reach Hospital Rd you've gone about 0.3 miles too far.

Then 0.69 miles — 17.44 total miles

8. 2130 Vadalabene Dr, Maryville, IL 62062-5841, 2130 VADALABENE DR is on the **left**.

If you reach N Center St you've gone about 0.2 miles too far.

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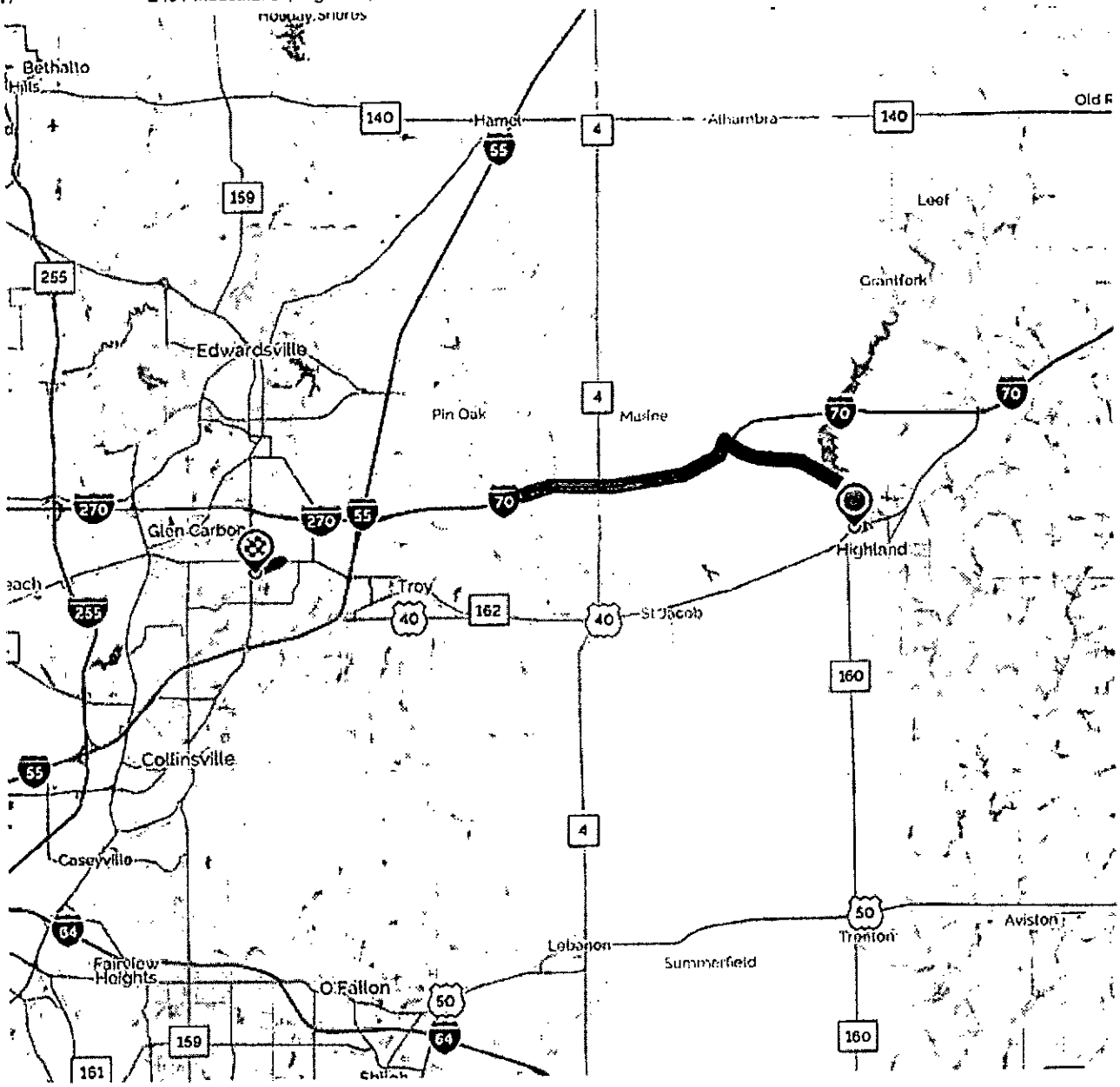
Appendix - 2



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(1-888-461-3625)

Appendix - 2

YOUR TRIP TO:

235 Southpointe

26 MIN | 18.9 MI

Est. fuel cost: $1.89

Trip time based on traffic conditions as of 10:48 AM on September 22, 2017. Current Traffic: Light

Edwardsville Dialysis

Start of next leg of route

1. Start out going **east** on US Highway 40/US-40 E toward US-40 W. Continue to follow US-40 E.

Then 0.24 miles — 0.24 total miles

2. Turn **left** onto IL-143.

If you are on State Route 143 and reach Woodcrest Professional Park you've gone about 0.1 miles too far.

Then 13.31 miles — 13.55 total miles

3. IL-143 becomes Govenors Pkwy.

Then 3.00 miles — 16.56 total miles

4. Govenors Pkwy becomes Governors Pkwy.

Then 1.36 miles — 17.92 total miles

5. Turn **left** onto S State Route 157/IL-157.

S State Route 157 is 0.5 miles past Tiger Dr.

If you are on E University Dr and reach University Dr you've gone about 0.5 miles too far.

Then 0.93 miles — 18.85 total miles

6. Turn **right** onto Southpointe.

Southpointe is 0.1 miles past Rottingham Ct.

If you reach Excel Dr you've gone about 0.1 miles too far.

Then 0.04 miles — 18.89 total miles

7. 235 Southpointe, Edwardsville, IL 62025, 235 SOUTHPOINTE is on the **right**.

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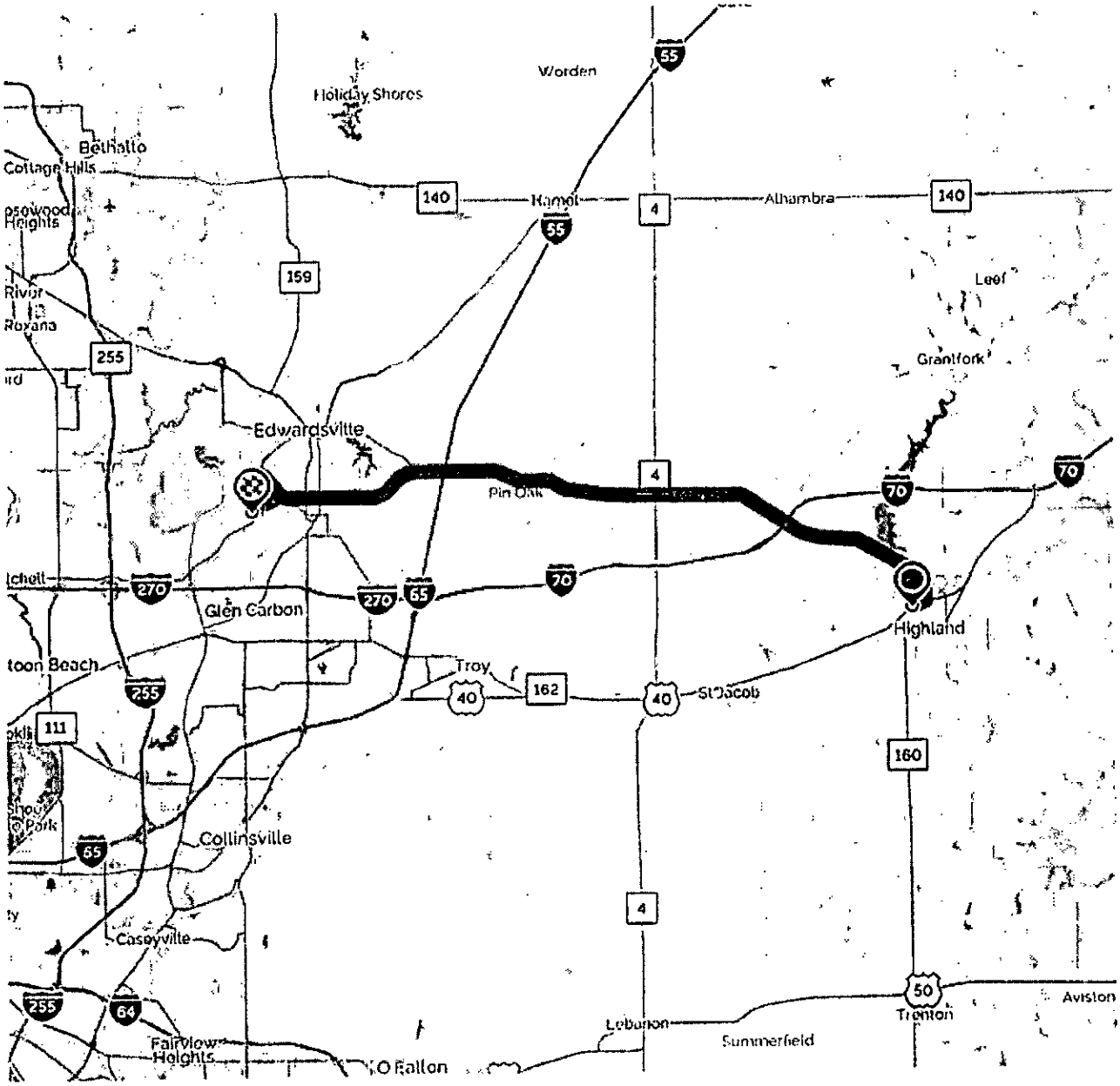
Appendix - 2



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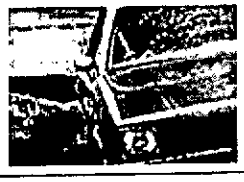

Car trouble mid-trip? MapQuest Roadside Assistance is here:

(1-888-461-3625)

Appendix - 2

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

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September 27, 2017

RECEIVED

SEP 29 2017

HEALTH FACILITIES & SERVICES REVIEW BOARD

Anne M. Cooper
(312) 873-3606
(312) 819-1910 fax
acooper@polsinelli.com

FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Application for Permit – Northgrove Dialysis

Dear Mr. Constantino:

I am writing on behalf of DaVita Inc. and Total Renal Care, Inc. (collectively, "DaVita") to submit the attached Application for Permit to establish a 12-station dialysis facility in Highland, Illinois. For your review, I have attached an original and one copy of the following documents:

1. Check for $2,500 for the application processing fee;
2. Completed Application for Permit;
3. Copies of Certificate of Good Standing for the Applicants;
4. Authorization to Access Information;
5. Physician Referral Letter; and
6. Request for expedited review of the Application.

Thank you for your time and consideration of DaVita's application for permit. If you have any questions or need any additional information to complete your review of the DaVita's application for permit, please feel free to contact me.

Sincerely,

Anne M. Cooper

Attachments

POLSINELLI

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

September 27, 2017

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Direct Fax
acooper@polsinelli.com

Via Federal Express
Via E-Mail

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Northgrove Dialysis – Request for Expedited Review

Dear Ms. Avery:

On behalf of DaVita Inc. and Total Renal Care, Inc. (collectively "DaVita"), we respectfully request the Illinois Health Facilities and Services Review Board ("State Board") grant expedited review of the above-referenced Northgrove Dialysis application for certificate of need permit (the "CON Application") and consider the CON Application at the January 9, 2018 State Board meeting. This project proposes to establish a 12 station facility to be located at 2491 Industrial Drive, Highland, Illinois. It is critical the CON Application be heard at the January 9, 2018 State Board meeting. Highland is a rural community that is a designated Health Professional Shortage Area. There are no dialysis facilities within 25 minutes of Highland. The establishment of Northgrove Dialysis will address this access issue as well as the growing need for dialysis in Highland. If the CON Application is approved, DaVita would hope Highland Dialysis would be operational by the second quarter of 2019.

In filing the CON Application, DaVita seeks authority from the State Board to establish a 12 station dialysis facility. Highland is rural community with no immediate access to interstate highways. Traveling to and from Highland requires driving on narrow two lane county roads, which are difficult to navigate particularly in the dark and during periods of inclement weather. This makes travel to facilities outside of Highland hazardous at times for patients, many of whom are elderly and/or infirm. With patients receiving hemodialysis three times a week indefinitely, travel to distant facilities is an unnecessary burden for patients whose life is already compromised by a serious and life threatening disease. This project will ensure access to life sustaining dialysis services is available to patients in Highland. Accordingly, DaVita

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respectfully requests the State Board consider the Northgrove Dialysis application at the January 9, 2018 State Board meeting.

Thank you for your time and consideration of our request for expedited review of the Northgrove Dialysis CON Application. If you have any questions or need any additional information, please feel free to contact me.

Sincerely,

Anne M. Cooper

Anne M. Cooper