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May 13, 2019

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Via Federal Express
Via Email

RECEIVED
MAY 16 2019
HEALTH FACILITIES & SERVICES REVIEW BOARD

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

Re: Annual Progress Report – Northgrove Dialysis (Proj. No 17-049)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board ("HFSRB") rules, I am writing on behalf of DaVita Inc. and Total Renal Care, Inc. (collectively, the "Permit Holders") to submit the annual progress report for Northgrove Dialysis (Project No. 17-049). As you are aware, on April 17, 2018, HFSRB approved the Permit Holders' certificate of need application for the establishment of Northgrove Dialysis (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #17-049.

1. **Status of the Project**

Construction of the Project is nearly complete. The certificate of occupancy is expected to be received on or about May 17, 2019 with first treatment projected for third quarter of 2019.

2. **Costs Incurred to Date**

To date, the Permit Holders have incurred $2,518,589 in project costs.

PROJECT COSTS	Approved	Expended
Modernization Contracts	$1,176,837	$1,176,837
Contingencies	$117,684	$74,998
A & E Fees	$150,000	$66,191

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PROJECT COSTS	Approved	Expended
Consulting & Other Fees	$90,000	$11,720
Moveable Equipment	$722,940	$417,608
Fair Market Value of Leased Space & Equipment	$771,235	$771,235
Estimated Total Project Cost	**$3,028,696**	**$2,518,589**

3. Sources of Funds

The project will be financed through $2,257,461 in cash and cash equivalents and a $771,235 lease.

4. Anticipated Completion Date

The anticipated completion date for the Project is February 29, 2020. As noted above, construction is nearly complete with first treatment projected to occur in the third quarter of 2019. In order to ensure sufficient time for Medicare certification, the Permit Holders will file a permit renewal request to extend the project completion date to February 29, 2020.

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

Sincerely,

Anne M. Cooper

Anne M. Cooper

cc: Mary Anderson, DaVita
David Schraeder, DaVita