DIALYSIS CARE CENTER, LLC
15786 S. Bell Road
Homer Glen, IL 60491
PH: 708-645-1000
FAX: 931-484-4701

June 6, 2018

RECEIVED
JUN 13 2018
HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA Federal Express

Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, Illinois 62761
Attn: Michael Constantino

Re: Additional information - Dialysis Care Center Hazel Crest, #17-071

Dear Mr. Constantino:

I am writing on behalf of Dialysis Care Center Hazel Crest to provide clarification and additional information as requested by your letter dated 05/25/2018.

1. Page 8 -Please find attached a replacement page as Attachment 1.

2. Page 97- As documented and discussed previously, our dialysis facilities are "transitional" dialysis facilities, which will typically be smaller in size than traditional dialysis facilities that the board has seen in the past.
   We have a very reputable and well-known dialysis architect firm that designs all our dialysis facilities. As a company, we do not compromise on patient care or safety. As such, the transitional dialysis facility floor plan is attached on page 79 on the application. and attached as Attachment 2

3. Page 103 – Please find attached additional pages 103 A. as Attachment 3

4. Page 108- The population for the 30-minute service area was determined utilizing U.S Census Bureau, Census 2010, Zip Code Fact Sheet
   Url Link: https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

5. Page 114 – The applicant provided a letter certifying the facility will maintain an open medical staff. As shown on pg. 117, Attachment 24 from original application, and as attached to this document as Attachment 4.

6. Page 174 – We are not a publicly traded company and do not have any loans from financial institutions that require us to have audited financial statements. When and if we will require a loan or line of credited from a financial institution, we will obtain the services of an auditor. Please find attached additional financial information as Attachment 5.

Please do not hesitate to contact me if you have any questions or need any additional information regarding this project.

Sincerely,

Asim M. Shazzad
Chief Operating Officer

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 $ 724,655.75.

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): February, 29,2020

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.

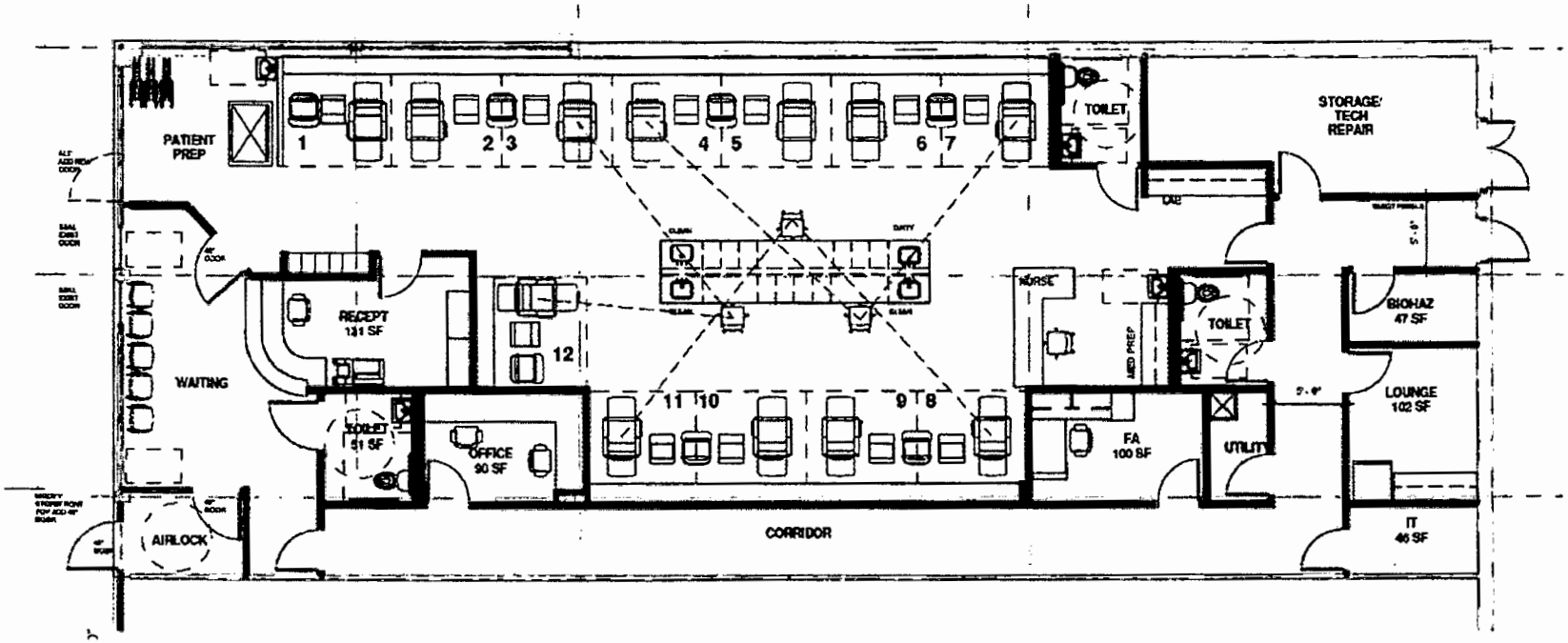
APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:
☐ Cancer Registry
☐ APORS
☒ 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.

Attachment 1

Attachment 2



PRELIMINARY FLOOR PLAN
1/8" = 1'-0"

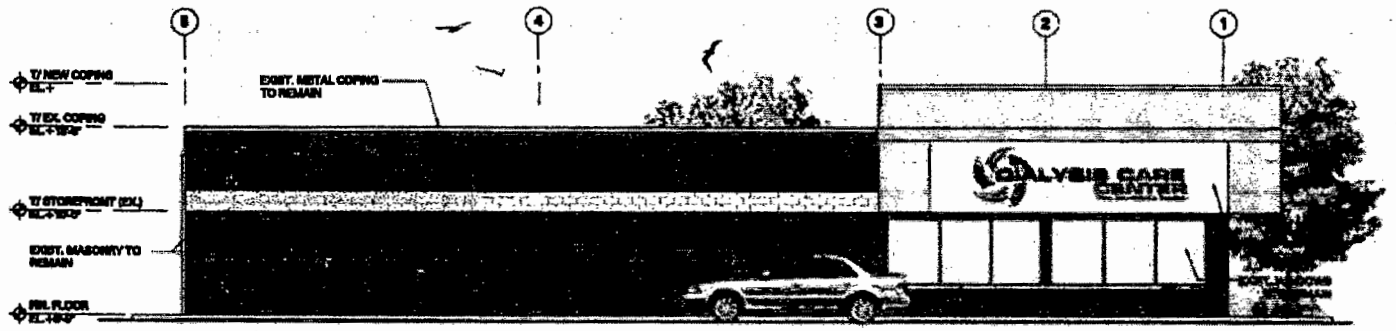
TOTAL USF:	3,706 sf
TOTAL RSF:	3,954 sf

PRELIMINARY PLAN
DIALYSIS CARE CLINICS
DIALYSIS CARE CENTER HAZEL CREST
P s aze rest L

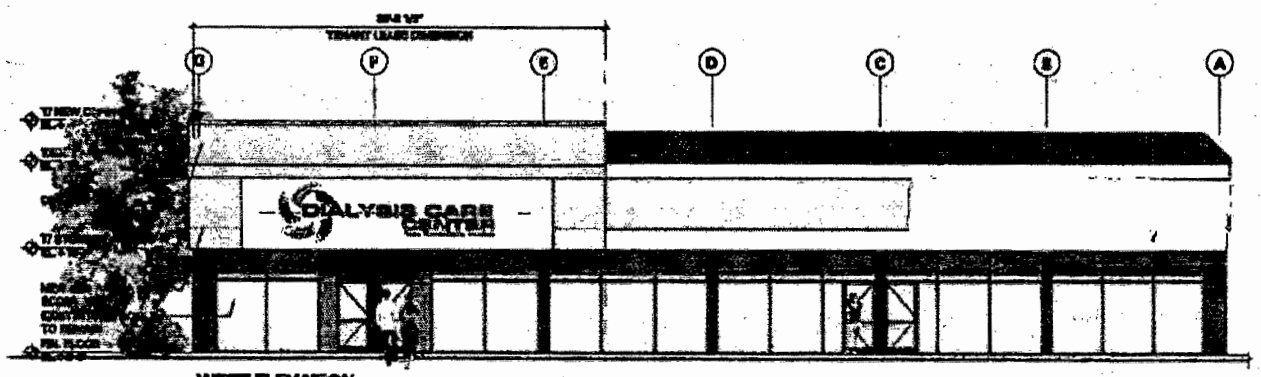
stuntoGC
architecture + interiors

Attachment 2

5



NORTH ELEVATION



WEST ELEVATION

KMA JOB No. #0840

PROPOSED TENANT SPACE

183 RD AND PULASKI
HAZEL CREST, IL

AETNA DEVELOPMENT CORPORATION
200 W. MADISON STREET, SUITE 4200
CHICAGO, ILLINOIS 60606

KMA & ASSOCIATES, INC. ARCHITECTS
1161 LAKE COOK ROAD, SUITE C
DEERFIELD, ILLINOIS

1

Kidney Care Center Olympia Fields
CKD Patients by Zip Code

Zip	Number of Patients
60202	1
60409	2
60411	29
60417	7
60419	2
60422	1
60423	1
60425	3
60426	5
60428	1
60429	32
60430	2
60438	1
60443	5
60449	3
60452	3
60461	1
60465	2
60466	16
60471	6
60473	3
60475	6
60476	1
60477	2
60478	13
60617	1
60621	1
60628	2
60637	1
60643	1
60827	1
60940	1
60950	1
95762	1
TOTAL	**158**

Attachment 3

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

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

Dear Chairwoman Olson:

I hereby certify under of perjury as provided in § 1-109 of the Illinois code of civil procedure, 735 ILCS 5/109 and pursuant to 77 Ill. Admin. Code § 1110-1430 (f) that Dialysis Care Center Hazel Crest will maintain an open medical staff.

I also certify the following with regards to need support services:

- Dialysis Care Center Hazel Crest will utilize a dialysis electronic patient data tracking system
- Dialysis Care Center Hazel Crest will have available all needed support services required by CMS which may consist of nutritional counseling, clinical laboratory services, blood bank, rehabilitation, psychiatric services, and social services;
- Patients will have access to training for self-care dialysis, self-care instruction, and home hemodialysis and peritoneal dialysis

Sincerely,

Asim M Shazzad
Chief Operating Officer

Notarization:
Subscribed and sworn to before me
this 7 day of DECEMBER

RICHARD J MISIOROWSKI
Official Seal
Notary Public - State of Illinois
My Commission Expires Sep 9, 2019

Signature of Notary

Seal

Attachment-24

Attachment 4

10:39 AM
6/4/2018

DCC Hazel Crest, LLC
Balance Sheet
Projected for years ending
December 31st, Inception, YE1 & YE2

	YE Inception	YE 1	YE 2
Current Assets			
Cash - Main	426,335	$587,791	$900,797
Cash - Expense			
Cash - Overpayment Account			
Total Cash	**426,335**	**587,791**	**900,797**
Accounts Receivable	17,503	163,273	218,190
Total Accounts Receivable	**17,503**	**163,273**	**218,190**
Prepaid Expenses			
Total Other Current Assets	**0**	**0**	**0**
Total Current Assets	**443,838**	**751,063**	**1,118,987**
Fixed Assets			
Fixed Assets Clearing Account			
Leasehold Improvements	487,500	487,500	487,500
Medical Equipment	339,000	339,000	339,000
Other Equipment	100,000	100,000	100,000
Furniture & Fixtures	41,000	41,000	41,000
Accum Amortization - Leasehold Improvements	($32,500)	(65,000)	(97,500)
Accum Deprec - Medical Equipment	(24,024)	(48,048)	(72,071)
Accumulated Depreciation - Other Equipment	(21,467)	(42,933)	(64,400)
Accumulated Depreciation - Furnitute & Fixtures	(8,200)	(16,400)	(24,600)
Total Fixed Assets	**881,310**	**795,119**	**708,929**
Security Deposit		0	0
Other Assets			
Total Assets	**1,325,147**	**$1,546,182**	**$1,827,916**
Liabilities			
Accounts Payable	71,545	141,901	189,298
Other Accounts Payable	-	0	0
Total Accounts Payable	**71,545**	**141,901**	**189,298**
Total Liabilities	**71,545**	**141,901**	**189,298**
Shareholders Equity			
Retained Earnings	-	(736,800)	(586,121)
DCC Holdings LLC Equity	1,990,402	1,990,402	1,990,402
Net Income	(736,799.56)	150,679	234,337
Total Shareholder Equity	**1,253,602**	**1,404,281**	**1,638,618**
Liabilities & Shareholder Equity	**$1,325,147**	**$1,546,182**	**$1,827,916**

Attachment 5

Proforma

Summarized Profit and Loss Statement 2017

[HAZEL CREST]

	INCEPTION	YE 1	YE 2
Total Patients	5	45	58
Total Treatments	726	6534	8422
Revenue	$ 210,032	$ 1,959,273	$ 2,618,284
Expenses			
Total Personnel	556,000.00	823,603.53	991,135.55
Total Supplies	47,190.00	434,053.62	721,089.00
Total Facilities Expenses	244,024.61	386,375.69	480,800.41
Total Initial Fees	5,025.00	-	-
Depreciation	53,690.48	53,690.48	53,690.48
Amortization of Leasehold In	32,500.00	32,500.00	32,500.00
Overhead-3% of Rev	6,300.95	58,778.19	78,548.51
Write Offs - 1% of Rev	2,100.32	19,592.73	26,182.84
TOTAL EXPENSES	946,831.36	1,808,594.24	2,383,946.77
Income (Loss) Operations	(736,799.56)	150,678.85	234,336.86
Percent Profit	-351%	8%	9%

Attachment 5

DCC Hazel Crest, LLC

Balance Sheet

Projected for years ending December 31st Inception, YE1 & YE2

Financial Ratios		Financial Ratios Inception	YE1	YE2	Inception	YE1	YE2
Current Ratio	Current Assets/current Liabilities	6.2	5.3	5.9	$443,838/$71,545	$751,063/$141,901	$1,138,987/$189,298
Net Margin Percentage	Net Income / Net Patient Revenue	-350.80%	7.69%	8.95%	-$736800/$210032	$150,679/$1,959,273	$234,337/$2,618,284
Long Term Debt to Total Capitaliz	Long Term Debt/LTD+Net Assets	0	0	0	$0/$1,253,602	$0/$1,404,281	$0/$1,638,618
Debt Service Coverage	Net Income+(Depr+Interest+ Amort)/ Principal pmt+Int Exp	0	0	0	-$736,800+$53,690+$32,500/$0	$150,679+$53,690+$32,500/$0	$234,337+$53,690+$32,500/$0
Days Cash on Hand	Cash +Cash Equivalent/ Daily operating Expense	188	159	178	$426,335+$17,503/$2358	$587,791+$163,272/$4719	$900,797+$218,190/$6295
Cushion Ratio	(Cash+Investments)/(Principal Pmt+Int Exp)	0	0	0	$426,335/$0	$587,791/$0	$900,797/$0

*There are no short term or long term debts

*Investors are cash funding the project in full plus cash for 1st year operations

Assumptions

Assumptions (Census/Treatments / Revenue Payor Mix)

	Inception	YE1	YE2
Patients			
# HD Patients	5	45	58
# PD Patients	0	0	0
# CAPD Patients	0	0	0
# CCPD Patients	0	0	0
# HM Hemo Patients	0	0	0
TOTAL PATIENTS	5	45	58
Treatments			
# HD Treatments	726	6534	8422
# PD Patients	0	0	0
# CAPD Treatments	0	0	0
# CCPD Treatments	0	0	0
# HM Hemo Treaments	0	0	0
TOTAL TREATMENTS	726	6534	8422
REVENUE			
Medicare			
HD PATIENTS	125235	1161268	1542098
CAPD PATIENTS	0	0	0
CCPD PATIENTS	0	0	0
HM HEMO PATIENTS	0	0	0
TOTAL MEDICARE	125235	1161268	1542098
Medicaid			
HD PATIENTS	21562	194060	250122
CAPD PATIENTS	0	0	0
CCPD PATIENTS	0	0	0
HM HEMO PATIENTS	0	0	0
TOTAL MEDICAID	21562	194060	250122
Commercial			
HD PATIENTS	63235	603946	826064
CAPD PATIENTS	0	0	0
CCPD PATIENTS	0	0	0
HM HEMO PATIENTS	0	0	0
TOTAL COMMERICAL	63235	603946	826064
TOTAL REVENUE HD PTS	210032	1959273	2618284
TOTAL REVENUE CAPD PTS	0	0	0
TOTALREVENUE CCPD PTS	0	0	0
TOTAL REVENUE HM HEMO PTS	0	0	0
TOTAL REVENUE	210032	1959273	2618284

Attachment 5

Dialysis Care Center Holdings LLC
Consolidated Balance Sheet Statement
Accrual Basis
For the Year Ended

	December 31, 2016	
CURRENT ASSETS		
Bank	$ 6,182,596	
Account Receivable (Net of Allowance)	5,962,414	
		$ 12,145,010
FIXED ASSETS		
Depreciable Assets	1,762,147	
Less: Accum Depreciation	(867,888)	
		894,259
OTHER ASSETS		
Deposit	101,387	
Inter-company Transfers	783,352	
		884,739
TOTAL ASSETS		**$ 13,924,009**
CURRENT LIABILITIES		
Account Payable	$ 528,783	
Income Tax	129,344	
		658,126.56
LONG TERM LIABILITIES		
BCBS overpayment account	$ 6,606,545	
Inter-company transfers	-	
		6,606,545
PARTNERS' CAPITAL		
Capital - Controlling Entity - HDS Holdings	$ (9,399,212)	
Capital - Non Controlling Entities	(979,729)	
Retained Earnings	15,205,955	
Net Income	1,832,323	
		6,659,337
TOTAL LIABILITIES & PARTNERS' CAPITAL		**$ 13,924,009**

Attachment 5

Dialysis Care Center Holdings LLC

Consolidate Income Statements

Accrual Basis

For the Year Ended

		December 31, 2016	
INCOME			
Fee for service	$	19,295,839	100%
Insurance Returns		-	0%
Total Income	**$**	**19,295,839**	**100%**
EXPENSES			
Auto & Travel Expenses		261,158	1%
Bank Charges		9,207	0%
Charitable contribution		236,998	1%
Compensation, Related Taxes & Benefits		5,145,487	27%
Computer & IT Cost		179,473	1%
Dues & Subscription		20,606	0%
Equipment Rentals		480,685	2%
Insurance		53,946	0%
Legal & Professional Fee		256,344	1%
Medical Services		244,310	1%
Medical Supplies		5,549,792	29%
Office Supplies		310,395	2%
Other Expenses		80,665	0%
Rent		838,108	4%
Repairs		49,207	0%
Provision for Bad Debt		2,492,788	13%
Utilities		153,678	1%
Total Expenses		**16,362,847**	**85%**
EARNINGS BEFORE TAXES & DEPRECIATION		**2,932,992**	**15%**
IL Corporation Tax		129,344	1%
Interest		-	0%
Depreciation		154,880	1%
NET PROFIT		**2,648,769**	**14%**
Non-Controlling Interest		**816,447**	4%
PROFIT ATTRIBUTABLE TO HDS HOLDINGS	**$**	**1,832,323**	**9%**

Attachment S

Dialysis Care Center Holdings LLC
Consolidated Balance Sheet Statement
Accrual Basis
For the Period Ended

		December 31, 2017	
CURRENT ASSETS			
Bank		$ 10,851,261	
Prepayment		43,632	
Account Receivable (Net of Allowance)		14,742,759	
			$ 25,637,652
FIXED ASSETS			
Depreciable Assets		1,943,826	
Less: Accum Depreciation		(1,018,785)	
			925,041
OTHER ASSETS			
Deposit		24,553	
Inter-company Transfers		1,630,239	
			1,654,792
TOTAL ASSETS			**$ 28,217,485**
CURRENT LIABILITIES			
Account Payable		$ 142,975	
Payroll Tax Payable		363,162	
			506,137
LONG TERM LIABILITIES			
BCBS Unearned Income		14,412,145	
			14,412,145
PARTNERS' CAPITAL			
Capital - Controlling Entity - HDS Holdings	Note 5	(7,501,711)	
Capital - Non Controlling Entities		(1,552,980)	
Retained Earnings		17,038,278	
Net Income		5,315,616	
			13,299,203
TOTAL LIABILITIES & PARTNERS' CAPITAL			**$ 28,217,485**

Attachment 5

Dialysis Care Center Holdings LLC

Consolidated Income Statement

Accrual Basis

For the Period Ended

	December 31, 2017		
INCOME			
Fee for service	$	47,089,727	100%
Insurance Returns		-	0%
Total Income	**$**	**47,089,727**	**100%**
EXPENSES			
Auto & Travel Expenses		358,494	1%
Charitable contribution		579,975	1%
Compensation, Related Taxes & Benefits		8,113,968	17%
Computer & IT Cost		276,358	1%
Equipment Rentals		1,166,519	2%
Insurance		77,456	0%
Legal & Professional Fee		174,511	0%
Medical Services		753,492	2%
Medical Supplies		8,676,385	18%
Office Supplies		384,891	1%
Other Expenses		191,601	0%
Rent		1,113,541	2%
Repairs		125,372	0%
Telephone Expense		132,383	0%
Provision for Bad Debt		15,962,414	34%
Utilities		90,188	0%
Total Expenses		**38,177,548**	**81%**
EARNINGS BEFORE TAXES & DEPRECIATION		**8,912,179**	**19%**
IL Corporation Tax		346,910	1%
Depreciation		189,860	0%
NET PROFIT		**8,375,409**	**18%**
Non-Controlling Interest		**3,059,793**	6%
PROFIT ATTRIBUTABLE TO HDS HOLDINGS	**$**	**5,315,616**	**11%**

A Hachment 5

Dialysis Care Center Holdings LLC
Consolidated Balance Sheet Statement
Accrual Basis
For the Period Ended December 31st 2016 & 2017

		YE 2016	YE 2017	YE 2016	YE 2017
Current Ratio	Current Assets/current Liabilities	18.5	50.7	$12,145,010/$658,127	$25,637,652/$506,137
Net Margin Percentage	Net Income / Net Patient Revenue	9.5%	11.29%	$1,832,323/$19 295,839	$5,315,616/$47,089,727
* Long Term Debt to Total Capitalization	Long Term Debt/LTD+Net Assets	49.8%	52.01%	$6,606,545/($6,606,545+$6,659,337)	$14,412,145/($14,1412,145+$13,299,203)
* Debt Service Coverage	Net Income+(Depr+Interest+ Amort)/Principal pmt+Int Exp	0	0	$1 832,323+$867,888/$0	$5,315,616+$189860/$0
Days Cash on Hand	Cash +Cash Equivalent/ Daily operating Expense	870	400	($6,182,596+($5,962,414+$783,352))/$14865	($10,851,261+$16 416,630)/$68150
* Cushion Ratio	(Cash+Investments)/(Principal Pmt+Int Exp)	0	0	$6,182,596/$0	$10851261/$0

* There are no loans or debt outstanding other than unearned Revenue

Attachment 5