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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

June 20, 2019

Via Federal Express
Via Email

Anne M. Cooper
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acooper@polsinelli.com

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

Re: Annual Progress Report – Garfield Kidney Center (Proj. No 18-001)

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 Garfield Kidney Center (Project No. 18-001). As you are aware, on June 5, 2018, HFSRB approved the Permit Holders’ certificate of need application for the discontinuation of the 16 station dialysis clinic located at the 3250 West Franklin Boulevard, Chicago, Illinois and the establishment of a 24 station dialysis clinic to be located at 408-418 Homan Avenue, Chicago, Illinois (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #18-001.

1. Status of the Project

Construction is complete. The clinic treated its first patient on May 20, 2019. The clinic is awaiting Medicare certification of the additional stations. Based upon recent experience, DaVita anticipates it may take up to six months for Medicare certification.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$5,764,776 in project costs.



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PROJECT COSTS	Approved	Incurred
New Construction Contracts	\$1,935,298	\$1,704,726
Contingencies	\$110,000	
A & E Fees	\$137,113	\$94,554
Consulting & Other Fees	\$69,463	\$16,918
Moveable Equipment	\$603,562	\$594,672
Fair Market Value of Leased Space & Equipment	\$2,854,670	\$2,854,670
Net Book Value of Existing Equipment	\$499,236	\$499,236
Estimated Total Project Cost	\$6,209,342	\$5,764,776

3. Sources of Funds

The project will be financed through \$2,855,436 in cash and cash equivalents, a \$2,854,670 lease, and the transfer of \$499,236 in equipment to the replacement clinic.

4. Anticipated Completion Date

The anticipated completion date for the Project is June 30, 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

cc: Josef Kaplan, DaVita
Jim Burke, DaVita