STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: I-02	BOARD MEETING: June 4, 2019	PROJECT NO: 18-007	PROJECT COST: Original: $1,472,051 Modification: $1,462,507
FACILITY NAME: Dialysis Care Center Hickory Hills		CITY: Hickory Hills	
TYPE OF PROJECT: Substantive			HSA: VII

PROJECT DESCRIPTION: The Applicants (Dialysis Care Center Hickory Hills, LLC and Dialysis Care Center Holdings, LLC) propose to establish a 12-station ESRD facility in 4,485 GSF of leased space at a cost of $1,462,507. The expected completion date is July 31, 2020.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants propose to establish a 12-station ESRD facility in 4,485 GSF of lease space at a cost of $1,462,507. The expected completion date is July 31, 2020.
- This project was initially deferred from the July 24, 2018 State Board Meeting. The Applicants provided additional material to address the concerns of the State Board and have modified the Application for Permit by reducing the cost of the project by $9,544. This modification is considered a Type B Modification not requiring a Notice of an Opportunity for a Public Hearing. The review for this project was extended from the October 30, 2018 State Board Meeting.
- This project received an Intent to Deny at the December 4, 2018 State Board Meeting and was deferred from the January, March, April 2019 State Board Meetings. By rule "*A project that has received an Intent to Deny and has been scheduled for HFSRB consideration can be deferred by the applicant. A notice of deferral may be provided in writing prior to the scheduled HFSRB meeting or be provided verbally at the HFSRB meeting. An applicant may not defer HFSRB consideration beyond an HFSRB meeting date that is more than 12 months from the date of the Intent to Deny.*" [77 ILAC 1130.670 (d)]
- **State Board Staff Notes:** This project was deemed complete (February 13, 2018) before the effective date of the new distance requirements (77 ILAC 1100.510(d)) became effective (March 7, 2018). Therefore, this Application is being reviewed with a Geographic Service Area (GSA) of 30 minutes, adjusted based on the location of the project.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Applicants are proposing to establish a health care facility as defined by the Illinois Health Facilities Planning Act. (20 ILCS 3960/3)
- One of the objectives of the Health Facilities Planning Act is *"to assess the financial burden to patients caused by unnecessary health care construction and modification. Evidence-based assessments, projections and decisions will be applied regarding* ***capacity, quality, value and equity*** *in the delivery of health care services in Illinois. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process."* [20 ILCS 3960/2]

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but none was requested. No letters of support were received by the State Board Staff. A letter of opposition was received from Associates in Nephrology S.C. questioning the Applicants patient referral information and the amount of cash available to fund the project. The letter stated in part:

  "The costs associated with this project appear to drastically underestimate what is required to establish a dialysis care facility. While the applicant points to these reduced costs as a benefit, there are several questions that must be raised. The audited financial statements also raises several issues regarding the financial viability of the applicant. The lack of investment in this project and others filed by the applicant is likely a result of the applicant using the same cash resources to fund all of their projects and their inability to obtain financing to cover the project's costs. This bare bones approach to establishing a facility will ultimately harm the quality of patient care provided. All patients deserve access to the highest quality health care facilities, and the applicant's approach to re-purposing retail space to provide medical care is inconsistent with that idea."

SUMMARY:

- The State Board Staff notes there is an excess of 56 ESRD stations in the HSA VII ESRD Planning Area (Suburban Cook and DuPage County), per the May 2019 ESRD Inventory Update. There are 65 ESRD facilities within 30 minutes of the proposed facility with 1,245 stations serving 4,516 patients as of March 31, 2019. It would require a 5% annual growth in the number of ESRD patients for the 1,245 stations in this 30-minute GSA to achieve target occupancy (80%) by 2025; approximately 6 years. The applicant must attest that they will reach target occupancy in two years.

Year	2019	2020	2021	2022	2023	2024	2025	2026
Patients	4,516	4,742	4,979	5,228	5,489	5,764	6,052	6,354
Stations Needed at 80% Occupancy	941	988	1,037	1,089	1,144	1,201	1,261	1,324

- The Applicants addressed a total of twenty one (21) criteria and have failed to adequately address the following:

Criteria	Reasons for Non-Compliance
77 ILAC 1110. 1430 (c)(1) (2) (3) (5) – Planning Area Need	There is a calculated excess of 56 ESRD stations in the HSA VII Planning Area. Service Access will not be improved should this project be approved as there are 65 facilities within the 30-minute service area. Of these 65 facilities, twelve are in ramp-up, and four did not report patient data for the fourth quarter of 2018. Of the remaining 49 facilities, 35 (72%) are not at target occupancy and the average utilization of these 65 facilities is approximately 58%. Staff Notes: These 35 facilities at the time of approval attested that the facility would achieve target utililization within 2-years after licensure and maintain that utilization. [See page 12-13 of this report and Table Three at the end of this report].
77 ILAC 1110.1430 (d) (1) (2) (3) – Unnecessary Duplication of Service, Maldistribution, Impact on Other Facilities	There is a calculated excess of 56-ESRD stations in this planning area as of May 2019 and service accessibility will not be improved should this project be approved as there are 65 facilities within the 30-minute service area with 40 (76%) of the 53 operating facilities not at target occupancy with the average utilization of these 53 facilities of approximately 71%. The utilization of the 65 facilities is 58.3%. The utilization of both operating and approved ESRD facilities is less than the State Board standard of 80%. Therefore, there is existing capacity to accommodate the demand identified in the application for permit and it appears a duplication of service will result with the establishment of this facility. [See page 13-14 of this report and Table Three at the end of this report]

STATE BOARD STAFF REPORT
Project 18-007
Dialysis Care Center Hickory Hills

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants (s)	Dialysis Care Center Hickory Hills, LLC, Dialysis Care Holdings, LLC
Facility Name	Dialysis Care Center Hickory Hills
Location	8851 West 87th Street Hickory Hills, Illinois
Permit Holder	Dialysis Care Center Hickory Hills, LLC, Dialysis Care Holdings, LLC
Operating Entity	Dialysis Care Center Hickory Hills, LLC
Owner of Site	87th Plaza, LLC
Total GSF	4,485 GSF
Application Received	February 9, 2018
Application Deemed Complete	February 13, 2018
Review Period Ends	June 13, 2018
Financial Commitment Date	April 30, 2020
Project Completion Date	July 31, 2020
Review Period Extended by the State Board Staff?	Yes
Can the Applicants request a deferral?	Yes
Expedited Review?	No

I. Project Description

The Applicants propose to establish a 12-station ESRD facility in 4,485 GSF of lease space at a cost of $1,462,507. The expected completion date is July 31, 2020.

II. Summary of Findings

A. State Board Staff finds the proposed project does **not** appear to be in conformance with the provisions of 77 ILAC 1100 (Part 1110).

B. State Board Staff finds the proposed project appears to be in conformance with the provisions of 77 ILAC 1120 (Part 1120).

III. General Information

Dialysis Care Center Hickory Hills, LLC and Dialysis Care Center Holdings, LLC is 100% physician owned and operated. The two physicians below equally own the two entities.

1. Morufu Alausa M.D.
2. Sameer M. Shafi M.D.

Financial commitment will occur after permit issuance. This project is a substantive project subject to a Part 1110 and 1120 review.

Dialysis Care Center Holdings, LLC has been approved by the State Board for the following dialysis projects:

- **In October of 2016**, the State Board approved Permit #16-020 – Dialysis Care Center Oak Lawn to establish an 11-station ESRD facility at a cost of the $762,000. This facility is currently in ramp-up.
- **In October of 2016**, the State Board approved Permit #16-022 – Dialysis Care Center Olympia Fields to establish an 11-station ESRD facility at a cost of $992,000. This facility is currently in ramp-up.
- **In June of 2017**, **t**he State Board approved Permit #16-058 – Dialysis Care Center McHenry to establish a 14-station ESRD facility at a cost of $1,215,000.
- **In February of 2018**, the State Board approved Permit #17-052 – Dialysis Care Center Beverly to establish a 12-station ESRD facility at a cost of $1,609,752.
- **In April of 2018**, the State Board issued an Intent-to-Deny for Permit #17-061, Dialysis Care Center-Elgin, to establish a 14-station ESRD facility in Elgin at a cost of $1,459,570. This project was approved at the June 2018 State Board Meeting.
- **In December of 2018,** the State Board approved DCC Evergreen Park to establish a 14-station ESRD facility at a cost of $2,281,824.

IV. Health Planning Area

The proposed facility will be located in the HSA VII ESRD Planning Area. The HSA VII ESRD Planning Area includes Suburban Cook and DuPage County. As of May 2019 there is a calculated excess of 56 ESRD stations in this ESRD planning area.

The five-year need determination is a short-term assessment that applies to the planning area need requirements in the 77 Ill. Adm. Code 1110 category of service review criteria. The in-center hemodialysis or end stage renal disease (ESRD) station need is a five-year projection from the base year. The need for additional treatment stations is projected utilizing the following methodology. **[77 ILAC 1100.630 - In-Center Hemodialysis Category of Service]**

TABLE ONE

Need Methodology HSA VII ESRD Planning Area	
Planning Area Population – 2015	3,466,100
In Station ESRD patients -2015	5,163
Area Use Rate 2013 (1)	1.472
Planning Area Population – 2020 (Est.)	3,508,600
Projected Patients – 2020 (2)	5,163
Adjustment	1.33x
Patients Adjusted	6,590
Projected Treatments – 2020 (3)	1,071,219
Existing Stations	1,486
Stations Needed-2020	1,430
Number of Stations In Excess	**56**

1. Usage rate determined by dividing the number of in-station ESRD patients in the planning area by the 2015 – planning area population per thousand.
2. Projected patients calculated by taking the 2020 projected population per thousand x the area use rate. Projected patients are increased by 1.33 for the total projected patients.

3. Projected treatments are the number of patients adjusted x 156 treatments per year per patient

V. Project Costs and Sources of Funds

The Applicants are funding the project with cash of $1,076,081 and the FMV of leased space in the amount of $386,426. The operating deficit as reported by the Applicants is $724,656.

TABLE TWO
Project Sources and Uses of Funds

	Original Submittal			Modification		
	Reviewable	**Total**	**% of Total**	**Reviewable**	**Total**	**% of Total**
New Construction Contracts	$560,625	$560,625	38%	$560,625	$560,625	38.33%
Contingencies	$60,000	$60,000	4%	$50,456	$50,456	3.45%
Architectural and Engineering Fees	$45,000	$45,000	3%	$45,000	$45,000	3.08%
Movable or Other Equipment	$420,000	$420,000	28.50%	$420,000	$420,000	28.72%
FMV of Leased Space	$386,426	$386,426	26.50%	$386,426	$386,426	26.42%
Total	$1,472,051	$1,472,051	100.00%	$1,462,507	$1,462,507	100.00%
Cash		$1,085,625	73.50%		$1,076,081	73.58%
FMV of Leased Space		$386,426	26.50%		$386,426	26.42%
Total		$1,472,051	100.00%		$1,462,507	100.00%

State Board Staff Notes: Of the 62 ESRD facilities approved by the State Board for years 2014-2018, excluding the applicant's facilities, the average project cost was $4.3 million. The average cost for the six facilities submitted by the Applicants (Permit #16-020, #16-022 #16-058, #17-052, #17-061, and #17-070) was $1,232,598. On average over the past four years (2014-2018) the cost per station of the 62 ESRD facilities approved to be established was approximately $309,000 per station. These numbers do not include the Applicants' facility. For the Applicants six facilities, the average cost per station was $41,652. Staff is concerned that there are costs associated with the project that the Applicants have not disclosed.

VI. Background of the Applicants

A) Criterion 1110.1430(b)(1) & (3) – Background of the Applicants

An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background and character to adequately provide a proper standard of health care service for the community. **To demonstrate compliance with this criterion the Applicants must provide**

A) A listing of all health care facilities currently owned and/or operated by the applicant in Illinois or elsewhere, including licensing, certification and accreditation identification numbers, as applicable;

B) A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility;

C) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH 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 the authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.

D) An attestation that the Applicants have not had *adverse action*[1] taken against any facility they own or operate or a listing of adverse action taken against facilities that they own.

1. The Applicants have attested that there has been no adverse action taken against any of the facilities owned or operated by Dialysis Care Center Hickory Hills, LLC and Dialysis Care Center Holdings, LLC during the three (3) years prior to filing the application. [Application for Permit page 86-87]

2. The Applicants authorized the Illinois Health Services Review Board and the Illinois Department of Public Health to have access to any documents necessary to verify information submitted in connection with the Applicants' certificate of need to establish a twelve-station ESRD facility. The authorization includes, but is not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. [Application for Permit page 86]

3. The site is owned by 87TH Plaza, LLC and evidence of this can be found at page 31-69 of the application for permit in the Letter of Intent to lease the property at 8851 West 87th Street, Hickory Hills, Illinois.

4. The Applicants provided evidence that they were in compliance with Executive Order #2006-05 that requires *all State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order. State Agencies engaged in planning programs or programs for the promotion of development shall inform participants in their programs of the existence and location of Special Flood Hazard Areas and of any State or local floodplain requirements in effect in such areas. Such State Agencies shall ensure that proposed development within Special Flood Hazard Areas would meet the requirements of this Order.*

5. The proposed location of the ESRD facility is in compliance with the Illinois State Agency Historic Resources Preservation Act which requires *all State Agencies in consultation with the Director of Historic Preservation, institute procedures to ensure that State projects consider the preservation and enhancement of both State owned and non-State owned historic resources* (20 ILCS 3420/1).

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANTS (77 ILAC 1110.1430(b) (1) & (3))

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[1] [1] "Adverse action is defined as a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations." (77 IAC 1130.140)

VII. Purpose of the Project, Safety Net Impact, Alternatives to the Proposed Project

These three (3) criteria are for informational purposes only.

A) Criterion 1110.1430(a) – Purpose of the Project

To demonstrate compliance with this criterion the Applicants must document that the project will provide health services that improve the health care or well-being of the market area population to be served. The applicant shall define the planning area or market area, or other area, per the applicant's definition.

"The purpose of this project is to create additional life-sustaining dialysis accessibility to the large, growing population of ESRD patients in the HSA 7 market area - specifically, Hickory Hills and Cook County residents. The project will address the current State Board determined need for additional hemodialysis stations needed in Planning area, HSA-07. Not only would Dialysis Care Center Hickory Hills simply be fulfilling a number of stations to provide dialysis, but would be providing quality, patient-centered healthcare and education to patients using our facility. The addition of Dialysis Care Center Hickory Hills in this community will provide additional treatment options for patients in the specific market area, as well as for patients in Cook County overall, and other surrounding cities. The market area to be served by the applicant is approximately within a 20-mile radius of the proposed facility location. As of 2010, the total population of Cook County was 5.195 million, while the population of the city of Hickory Hills was 14,049. Historically, these areas have seen a tremendous and concerning growth of ESRD patients, as indicated by the 70%-80% utilization of most ESRD facilities in the surrounding area. This project will aid in addressing the clear and crucial needs of this community for hemodialysis treatment options." [Application for Permit page 88]

B) Criterion 1110.1430 (b) - Safety Impact Statement

To demonstrate compliance with this criterion the Applicants must document the safety net impact if any of the proposed project. *Safety net services are the services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation*. [20 ILCS 3960/5.4]

A Safety Impact Statement was provided as required. [See end of this report]

C) Criterion 1110.1430 (c) – Alternatives to the Proposed Project

To demonstrate compliance with this criterion the Applicants must document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.

The Applicants considered three alternatives to the proposed project.

1. Project of Greater or Lesser Size/Scope/Cost
2. Pursuing a joint venture for the establishment of a new facility
3. Using existing facilities

1) The option of a project of lesser scope/cost was initially considered, but was later rejected because of its inability to address the need for additional ESRD stations in Hickory Hills, IL/HSA-07. This option would cause the existing facilities to reach and eventually exceed their operational capacities, resulting in access issues in the service area.

2) The Applicants deemed this alternative inapplicable. The proposed facility will be 100% owned and operated by physicians practicing in the service area. This is unique in the sense that there are no ESRD facilities in the service area that are solely physician owned. The Applicants have chosen this model to allow the physicians the independence needed to make quality patient care decisions for the benefit of the patient.

3) The option of utilizing existing facilities was considered, but there is no alternative. The Applicants reiterate that there are no physician-owned facilities in the service area, which allow the physician/owners the independence to make clinical decisions that improve patient access/service, and clinical outcomes. The growing ESRD population in the Hickory Hills/suburban Cook County/HSA-07 service area requires the introduction of additional ESRD stations/facilities.

Although the Applicants gave equal consideration to the alternatives mentioned above, it was determined that the establishment of an additional 12-station ESRD facility (project cost: $1,462,507), is the most practical and economical alternative for the service area. The Applicants identified no project costs with the other alternatives.

VIII. Size of the Project, Projected Utilization, and Assurances

A) Criterion 1110.234(a) –Size of the Project

To demonstrate compliance with this criterion the Applicants must document that the size of the project is in conformance with State Board Standards published in Part 1110 Appendix B.

The Applicants are proposing a 12-station ESRD facility in 4,485 GSF of space or approximately 374 GSF per station. This is within the State Board Standard of 650 GSF per station or a total of 7,800 GSF.

State Board Staff Notes: While the Applicants are in compliance with this criterion the size of this 12-station dialysis facility is extremely small. For a 12-station facility we would expect to see a total gross square feet of approximately 7,000 GSF for both clinical and non-clinical space.

The State Board Staff would expect to see a 12-station facility with the following**:**

• Reception Area	500 GSF
• Patient Area	2,960 GSF
• Support Area	2,100 GSF
• Staff and Administrative Area	1,440 GSF
	7,000 GSF

Source: (US Department of Veterans Affairs Office of Construction & Facilities Management)

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 ILAC 1110.120 (a))

B) Criterion 1110.234(b) – Projected Utilization

To demonstrate compliance with this criterion the Applicants must document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Part 1110 Appendix B. The number of years projected shall not exceed the number of historical years documented.

The Applicants have identified 156 Stage III, IV and V pre-ESRD patients with lab values indicative of active kidney failure who live in the Hickory Hills/HSA-VII service areas. Per

the referral letter (November 9, 2018) the Applicants state that they have 18 Stage V patients, 67 Stage IV patients and 71 Stage III patients. Per the referral letter Dr. Rani Al-Sharif states that the Stage V patients are expected to begin dialysis at the proposed Dialysis Care Center Hickory Hills in the upcoming year (2019).

City	Zip Code	Stage V	Stage IV	Stage III
Hickory Hills	60457	14	51	30
Bridgeview	60455	2	7	17
Palos Hills	60465	2	9	24
Total		18	67	71

The Applicants expect to refer 67 of its current pre-ESRD patients to the proposed facility, after project completion. If those 67-patients materialize the Applicant will be at target occupancy 2-years after project completion, which is July 2022.

67 patients x 156 treatments per year = 10,452 treatments
12 stations x 936 treatments per station per year = 11,232 treatments
12,324 treatments ÷ 11, 232 treatments = 93.05%

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC 1110.234(b))

C) Criterion 1110.234(e) - Assurances

To demonstrate compliance with this criterion the Applicants submit a signed and dated statement attesting to the applicant's understanding that, by the end of the second year of operation after the project completion, the applicant will meet or exceed the utilization standards specified in Appendix B.

The necessary attestation is provided at page 132 of the application for permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.234(e))

IX. In-Center Hemodialysis Projects

A) Criterion 1110.1430(b)(1), (2), (3) & (5) - Planning Area Need

To demonstrate compliance with this criterion the Applicants must document that the number of stations to be established or added is necessary to serve the planning area's population.

1) 77 Ill. Adm. Code 1100 (Formula Calculation)

To demonstrate compliance with this sub-criterion the Applicants must document that the number of stations to be established is in conformance with the projected station need.

The State Board is estimating an excess of 56 ESRD stations by 2020 in the HSA-VII ESRD Planning Area per the May, 2019 Inventory Update.

2) Service to Planning Area Residents

To demonstrate compliance with this sub-criterion the Applicants must document that the primary purpose is to serve the residents of the planning area.

The Applicants have stated: *"the primary purpose of this project is to ensure that the ESRD patient population of the greater Hickory Hills area, market area, and planning area HSA-07 has access to life sustaining dialysis. We anticipate that well over 80% of Dialysis Care Center Hickory Hills will be residents of the planning area HSA-07."*

3) Service Demand – Establishment of In-Center Hemodialysis Service

To demonstrate compliance with this sub-criterion the Applicants must document that there is sufficient demand to justify the twelve stations being proposed.

The State Board requires that the projected referrals include the following information

i) The physician's total number of patients (by facility and zip code of residence) who have received care at existing facilities located in the area, as reported to The Renal Network at the end of the year for the most recent three years and the end of the most recent quarter;

ii) The number of new patients (by facility and zip code of residence) located in the area, as reported to The Renal Network, that the physician referred for in-center hemodialysis for the most recent year;

iii) An estimated number of patients (transfers from existing facilities and pre-ESRD, as well as respective zip codes of residence) that the physician will refer annually to the applicant's facility within a 24-month period after project completion, based upon the physician's practice experience. The anticipated number of referrals cannot exceed the physician's documented historical caseload;

iv) An estimated number of existing patients who are not expected to continue requiring in-center hemodialysis services due to a change in health status (e.g., the patients received kidney transplants or expired);

v) The physician's notarized signature, the typed or printed name of the physician, the physician's office address and the physician's specialty;

vi) Verification by the physician that the patient referrals have not been used to support another pending or approved CON application for the subject services; and

vii) Each referral letter shall contain a statement attesting that the information submitted is true and correct, to the best of the physician's belief.

The Applicants have identified 156 Stage III, IV and V pre-ESRD patients with lab values indicative of active kidney failure who live in the Hickory Hills/HSA-VII service areas. Per the referral letter (dated November 9, 2018) signed by Dr. Rani Al-Sharif and notarized the Applicants state that they have 18 Stage V patients, 67 Stage IV patients and 71 Stage III patients.

City	Zip Code	Stage V	Stage IV	Stage III
Hickory Hills	60457	14	51	30
Bridgeview	60455	2	7	17
Palos Hills	60465	2	9	24
Total		18	67	71

5) Service Accessibility

To demonstrated compliance with this sub-criterion the Applicants must document that the number of stations being established or added for the subject category of service is necessary to improve access for planning area residents. The applicant must document one of the following:

i) The absence of the proposed service within the planning area;
ii) Access limitations due to payor status of patients, including, but not limited to, individuals with health care coverage through Medicare, Medicaid, managed care or charity care;
iii) Restrictive admission policies of existing providers;
iv) The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, high infant mortality, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population;
iv) For purposes of this subsection (c) (5) only, all services within the 30-minute normal travel time meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100.

1. There is no absence of the proposed service within the planning area as there are 82 existing dialysis facilities in the HSA VII ESRD Planning Area.
2. There has been no evidence of the access limitations due to payor status of the patients.
3. There has been no evidence of restrictive admission policies of existing providers.
4. There has been no evidence that the area population and existing care system exhibits indicators of medical care problems.
5. There are 65 facilities within 30-minutes. Of these 65 facilities seven facilities are in ramp-up, and five facilities did not report utilization data for the first quarter of 2019. Of the remaining 53 facilities, 40 (76%) are not at target occupancy and the average utilization of these 65 facilities is approximately 58.3%. (See Table at the end of this report) The average utilization of the 53 operating facilities is approximately 71%.

There is a calculated excess of 56-ESRD stations in this planning area as of May 2019 and service accessibility will not be improved should this project be approved as there are 65 facilities within the 30-minute service area with 40 (76%) of the 53 operating facilities not at target occupancy with the average utilization of these 53 facilities of approximately 71%. The utilization of the 65 facilities is 58.3%. The utilization of both operating and approved ESRD facilities is less than the State Board standard of 80%. The Applicants have not successfully addressed this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT <u>NOT</u> IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 ILAC 1110.1430(b)(1), (2), (3) and (5))

B) Criterion 1110.1430(c)(1) to (3) - Unnecessary Duplication/Mal-distribution

To demonstrate compliance with this criterion the Applicants must document that the proposed project will not result in

1. **An unnecessary duplication of service**
2. **A mal-distribution of service**
3. **An impact on other area providers**

1. To determine if there is an unnecessary duplication of service the State Board identifies all facilities within thirty (30) minutes and determines if there is existing capacity to accommodate the demand identified in the application for permit. There are 65 facilities within 30-minutes. Of these 65 facilities, twelve are in ramp-up, and four did not report patient data for the fourth quarter of 2018. Of the remaining 49 facilities, 35 (72%) are not at target occupancy and the average utilization of these 65 facilities is approximately 58%. (See Table at the end of this report) Therefore, there is existing capacity to accommodate the demand identified in the application for permit.

2. To determine a **mal-distribution (i.e. surplus) of stations** in the thirty (30) minute service area the State Board compares the ratio of the number of stations per population in the thirty (30) minute service area to the ratio of the number of stations in the State of Illinois to the population in the State of Illinois. To determine a surplus of stations the number of stations per resident in the thirty-minute service area must be 1.5 times the number of stations per resident in the State of Illinois.

	Population	Stations	Ratio
30 Minute Service Area	2,618,150	1,245	1 Station per every 2,103 residents
State of Illinois (2015 est.)	12,978,800	4,953	1 Station per every 2,621 residents

The population in the 30-minute service area is 2,618,150 residents. The number of stations in the 30-minute service area is 1,245. The ratio of stations to population is one (1) station per every 2,103 residents. The number of stations in the State of Illinois is 4,953 stations *(as of May 2019).* The 2015 estimated population in the State of Illinois is 12,978,800 residents (*Illinois Department of Public Health Office of Health Informatics Illinois Center for Health Statistics -2014 Edition).* The ratio of stations to population in the State of Illinois is one (1) station per every 2,621 resident. To have a surplus of stations in this thirty (30) minute service area the number of stations per population would need to be one (1) station per every 1,748 resident. Based upon this methodology there is not a surplus of stations in this service area.

3. The Applicants stated the following regarding the **impact on other facilities**. *"The proposed dialysis facility will not have an adverse impact on existing facilities in the proposed geographic service area. All the identified patients will be referrals from identified physicians and are on pre-ESRD list.* ***No patients will be transferred from other***

***existing dialysis facilities**. The proposed dialysis facility will not lower utilization of other area providers that are operating below the target utilization standard."*

There is a calculated excess of 56-ESRD stations in this planning area as of May 2019 and service accessibility will not be improved should this project be approved as there are 65 facilities within the 30-minute service area, with 40 (76%) of the 53 operating facilities not at target occupancy with the average utilization of these 53 facilities of approximately 71%. The utilization of the 65 facilities is 58.3%. The utilization of both operating and approved ESRD facilities is less than the State Board standard of 80%. Therefore, there is existing capacity to accommodate the demand identified in the application for permit and it appears a duplication of service will result with the establishment of this facility.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE, MALDISTRIBUTION OF SERVICE IMPACT ON OTHER FACILITIES (77 ILAC 1110.1430(c) (1), (2) and (3))

C) Criterion 1110.1430(e) - Staffing

To demonstrate compliance with this criterion the Applicants must document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and Joint Commission staffing requirements can be met.

The proposed facility will be staffed in accordance with all State and Medicare staffing requirements. Dr. Hani Al-Sharif M.D. will serve as the Medical Director for Dialysis Care Center Hickory Hills. A physician curriculum vitae for Dr. Alsharif is provided as required.

The Applicants stated the following:

"Upon opening, the facility will hire a Clinic Manager who is a Registered Nurse (RN). This nurse will have at least a minimum of twelve months experience in a hemodialysis center. Additionally, we will hire one Patient Care Technician (PCT). After we have more than one patient, we will hire another RN and another PCT. All personnel will undergo an orientation process, led by the Medical Director and experienced members of the nursing staff prior to participating in any patient care activities.

Upon opening we will also employ:

Part-Time Registered Dietician

Part-Time Registered Master Level Social Worker (MSW)

Part-Time Equipment Technician

Part-Time Secretary

These positions will go full time as the clinic census increases. Additionally, the patient care staff will increase to the following:

One Clinic Manager

Four Registered Nurses

Ten Patient Care Technicians

All patient care staff and licensed/registered professionals will meet the State of Illinois requirements. Any additional staff hired must also meet these requirements along with completing an orientation training program. Annually all clinical staff must complete OSHA training, compliance training, CPR certification, skills competency, CVC competency, water quality training and pass the competency exam. Dialysis Care Center Hickory Hills will maintain at least a 4 to 1 patient-staff ratio at all times on the treatment floor. An RN will be at the facility at all times when the facility is operational."

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING (77 ILAC 1110.1430(e))

D) Criterion 1110.1430(f) - Support Services

To demonstrate compliance with this criterion the Applicants must submit a certification from an authorized representative that attests to each of the following:

1) Participation in a dialysis data system;
2) Availability of support services consisting of clinical laboratory service, blood bank, nutrition, rehabilitation, psychiatric and social services; and
3) Provision of training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training provided at the proposed facility, or the existence of a signed, written agreement for provision of these services with another facility.

The Applicants have provided the necessary attestation as required at page 122 of the application for permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SUPPORT SERVICES (77 ILAC 1110.1430(f))

E) Criterion 1110.1430(g) - Minimum Number of Stations

To demonstrate compliance with this criterion the Applicants must document that the minimum number of in-center hemodialysis stations for an End Stage Renal Disease (ESRD) facility is:

1) Four dialysis stations for facilities outside an MSA;
2) Eight dialysis stations for a facility within an MSA.

The proposed 12-station facility will be located in the Chicago-Naperville-Joliet metropolitan statistical area ("MSA"). The Applicants have met the requirements of this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION MINIMUM NUMBER OF STATIONS (77 ILAC 1110.1430(g))

F) Criterion 1110.1430(h) - Continuity of Care

To demonstrate compliance with this criterion the Applicants document that a signed, written affiliation agreement or arrangement is in effect for the provision of inpatient care and other hospital services. Documentation shall consist of copies of all such agreements.

The Applicants provided the necessary signed affiliation agreement with Advocate Christ Medical Center, Oak Lawn. A copy of the affiliation agreement is located in the project file.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION CONTINUITY OF CARE (77 ILAC 1110.1430(h))

G) Criterion 1110.1430(j) - Assurances

To demonstrate compliance with this criterion the representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that:

1) **By the second year of operation after the project completion, the applicant will achieve and maintain the utilization standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal; and**
2) **An applicant proposing to expand or relocate in-center hemodialysis stations will achieve and maintain compliance with the following adequacy of hemodialysis outcome measures for the latest 12-month period for which data are available:**
   ≥ 85% of hemodialysis patient population achieves urea reduction ratio (URR) ≥ 65% and ≥ 85% of hemodialysis patient population achieves Kt/V Daugirdas II 1.2.

The necessary attestation has been provided at page 127 of the application for permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.1430(j))

X. Financial Viability

Purpose of the Act *This Act shall establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and financial resources to adequately provide a proper service for the community; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs.*

A) Criterion 1120.120 – Availability of Funds

To demonstrate compliance with this criterion the Applicants must document that the resources are available to fund the project.

The Applicants are funding the project with cash of $1,076,081 and the FMV of leased space in the amount of $386,426. The lease is an operating lease[2] to be paid over the life of the facility. The Applicants provided an audited financial statement for DCC Holdings, LLC which shows that as of December 31, 2017 that the Applicants had over $11 million in cash. The Applicants have sufficient resources to fund this project.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 ILAC 1120.120)

B) Criterion 1120.130 - Financial Viability

To document compliance with this criterion the Applicants must document that they have a Bond Rating of "A" or better, or they meet the State Board's financial ratio standards for the past three (3) fiscal years or the project will be funded from internal resources.

The Applicants are funding the project with cash of $1,076,081 and the FMV of leased space in the amount of $386,426. The Applicants stated that approximately 64% of the revenue for this facility will come from Medicare, 2% from Medicaid and the balance from commercial insurance (34%).

The Board Staff notes that Medicare and Medicaid patients typically make up the largest percentage of patients served by a dialysis facility. CMS implemented an ESRD Prospective Payment System (PPS). Under the new ESRD PPS, Medicare pays dialysis facilities a bundled rate per treatment. The rate is not the same for each facility. Each facility, within a given geographic area, may receive the same base rate. However, there are a number of adjustments both at the facility and at patient-specific level that affects the final reimbursement rate each facility will receive. What a dialysis facility receives from its commercial payers will also vary. Even if two different dialysis providers billed the same commercial payer the same amount, the actual payment to each facility will depend on the negotiated discount rate obtained by the commercial payer from each individual provider.

[2] An operating lease is a contract that allows for the use of an asset but does not convey rights of ownership of the asset. An operating lease represents an off-balance sheet financing of assets, where a leased asset and associated liabilities of future rent payments are not included on the balance sheet of a company. In February 2016, the Financial Accounting Standards Board (FASB) revised rules governing lease accounting by requiring that all leases, except for short-term leases with terms less than a year, must be capitalized. The new rules become effective for public companies for their fiscal periods beginning on Dec. 15, 2018. Capitalizing all types of long-term leases is expected to have a significant effect on balance sheets of retail, airline, and hotel operating companies.

With the submittal of the Financial Audit, the Applicants qualified for the financial waiver[3].

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 ILAC 1120.130)

XI. Economic Feasibility

A) Criterion 1120.140(a) – Reasonableness of Financing Arrangements
B) Criterion 1120.140(b) – Terms of Debt Financing

To demonstrate compliance with these criteria the Applicants must document that leasing of the space is reasonable. The State Board considers the leasing of space as debt financing.

The Applicants are funding the project with cash of $1,076,081 and the FMV of leased space in the amount of $386,426. The operating lease is considered debt financing under current State Board rule. The term of the lease is for seven (7) years with two (2) five (5) year renewal options stated. The base rent is $16.35 for the first year, with annual 3% increases through year ten. The lease terms appears reasonable.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 ILAC 1120.140(a) & (b))

C) Criterion 1120.140(c) – Reasonableness of Project Costs

To demonstrate compliance with this criterion the Applicants must document that the project costs are reasonable by meeting the State Board Standards in Part 1120 Appendix A.

Only Clinical Costs are reviewed in this criterion.

New Construction and Contingencies Costs are $611,171 or $136.27 per GSF for 4,485 GSF of clinical space. This appears reasonable when compared to the State Board Standard of $286.54 per GSF, with 2019 listed as mid-point of construction.

Contingencies – These costs total $50,456, and are 8.99% of the new construction costs identified for this project. This is in compliance with the State standard of 10%.

Architectural Fees are $45,000 and are 7.2% of new construction and contingencies. This appears reasonable when compared to the State Board Standard of 7.36% to 11.06%.

Financial Viability Waiver

1) all project capital expenditures, including capital expended through a lease, are completely funded through internal resources (cash, securities or received pledges); or HFSRB NOTE: Documentation of internal resources availability shall be available as of the date the application is deemed complete.
2) the applicant's current debt financing or projected debt financing is insured or anticipated to be insured by Municipal Bond Insurance Association Inc. (MBIA) or its equivalent; or
HFSRB NOTE: MBIA Inc is a holding company whose subsidiaries provide financial guarantee insurance for municipal bonds and structured financial projects. MBIA coverage is used to promote credit enhancement as MBIA would pay the debt (both principal and interest) in case of the bond issuer's default.
3) the applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor (insurance company, bank or investing firm) guaranteeing project completion within the approved financial and project criteria.

Movable or Other Equipment – These costs are $420,000 or $35,000 per station (12 stations). This appears reasonable when compared to the State Board Standard of $55,293 per station.

Fair Market Value of Leased Space and Equipment – These costs are $386,426. The State Board does not have a standard for these costs.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 ILAC 1120.140(c))

D) Criterion 1120.140(d) – Projected Operating Costs

To demonstrate compliance with this criterion the Applicants must document that the projected direct annual operating costs for the first full fiscal year at target utilization but no more than two years following project completion. Direct costs mean the fully allocated costs of salaries, benefits and supplies for the service.

The Applicants are projecting $245.45 operating expense per treatment. The State Board does not have a standard for these costs.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED OPERATING COSTS (77 ILAC 1120.140(d))

E) Criterion 1120.140(e) – Total Effect of the Project on Capital Costs

To demonstrate compliance with this criterion the Applicants must provide the total projected annual capital costs for the first full fiscal year at target utilization but no more than two years following project completion. Capital costs are defined as depreciation, amortization and interest expense.

The Applicants are projecting capital costs of $10.81 per treatment. The State Board does not have a standard for these costs.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 ILAC 1120.140(e))

SAFETY NET IMPACT STATEMENT

The establishment of Dialysis Care Center Hickory Hills will not have any impact on safety net services in the Hickory Hills area. Outpatient dialysis facilities services are not typically considered or viewed as "safety net" services. As a result, the presence of Dialysis Care Center Hickory Hills as a provider is not expected to alter the way any other healthcare providers function in the community.

Dialysis Care Center Hickory Hills has no reason to believe that this project would have any adverse impact on any provider or health care system to cross-subsidize safety net services.

Dialysis Care Center Hickory Hills will be committed to providing ESRD services to all patients with or without insurance or patients to no regards for source of payment. Dialysis Care Center Hickory Hills will not refuse any patients. Medicaid patients wishing to be served at Dialysis Care Center Hickory Hills will not be denied services. Because of the Medicare guidelines for qualification for ESRD, a few patients with ESRD are left uninsured for their care.

The policy of Dialysis Care Center Hickory Hills is to provide services to all patients regardless of race, color, national origin. Dialysis Care Center Hickory Hills will provide services to patients with or without insurance, as well as to patients who may require assistance in determining source of payment. Dialysis Care Center will not refuse any patient. Medicaid patients wishing to be served will not be denied services. Through Medicare guidelines, patients who are prequalified for ESRD or for the few that are currently ESRD status and are left uninsured, Dialysis Care Center will be committed to providing continued care.

Dialysis Care Center Hickory Hills will be committed to work with any patient to try and find any financial resources and any programs for which they may qualify for. Dialysis Care Center will be an "open dialysis unit" meaning through our policy, any nephrologist will be able to refer their patients and apply for privileges to round at the facility, if they desire. Dialysis Care Center will participate in American Kidney Fund (AKF) to assist patients with insurance premiums which will be at no cost to the patient. Currently, as Dialysis Care Center Hickory Hills will be a new entity. There is no current charity documentation that can be provided to the board; however the charity policy has been provided.

The Applicants were asked to provide an update to concerns expressed at the April 17, 2018 State Board Meeting regarding their contract status with the following State of Illinois Managed Care Providers: *[Applicants response in Italics]*

For Option A – Statewide

- Blue Cross Blue Shield of Illinois – *Yes, Contracted with both Medicaid and dual eligible*
- Harmony Health Plan – *Yes, submitted contracting application on 3/29/18; awaiting on approval from plan*
- IlliniCare Health Plan – *Yes, submitted contracting application on 3/26/18; awaiting on approval from plan*
- Meridian Health – *Yes, submitted contracting application on 3/28/18; awaiting on approval from plan*
- Molina Healthcare of IL – *Yes, submitted contracting application on 3/29/18; awaiting on approval from plan*

For Option B – Cook County Only

- CountyCare Health Plan – *Yes, submitted contracting application on 5/7/18; awaiting on approval from plan*
- NextLevel Health. *Yes, submitted contracting application on 3/27/18; awaiting on approval from plan*

For DCFS Youth

- IlliniCare Health Plan – *N/A as we do not currently accept Pediatric patients*

TABLE THREE
ESRD Facilities within 30 minutes (adjusted) of the Proposed Facility

	Facilities	City	Time (adjusted)	Stations	Patients	Utilization	Met Standard?	Star Rating?
1	Fresenius Kidney Care Chicago Westside	Chicago	29.9	31	59	31.72%	No	3
2	Fresenius Kidney Care Polk	Chicago	28.75	24	52	36.11%	No	3
3	John H. Stroger Hospital of Cook County Dialysis	Chicago	29.9	9	21	38.89%	No	NA
4	Tinley Park Dialysis	Tinley Park	25.3	12	31	43.06%	No	NA
5	Fresenius Kidney Care Orland Park	Orland Park	19.55	18	57	52.78%	No	5
6	DaVita - Harvey Dialysis	Harvey	27.6	18	57	52.78%	No	3
7	SAH Dialysis Center at 26th Street	Chicago	28.75	15	48	53.33%	No	5
8	West Side Dialysis Center	Chicago	28.75	12	39	54.17%	No	3
9	US Renal Care Scottsdale	Chicago	16.1	36	119	55.09%	No	3
10	Chicago Ridge Dialysis	Worth	11.5	16	54	56.25%	No	3
11	DSI Renal Dialysis Center	Chicago	26.45	28	96	57.14%	No	3
12	Fresenius Kidney Care Crestwood	Crestwood	17.25	24	87	60.42%	No	3
13	Emerald Dialysis	Chicago	27.6	24	89	61.81%	No	3
14	Fresenius Kidney Care Garfield	Chicago	28.75	22	82	62.12%	No	3
15	DaVita Palos Park Dialysis	Orland Park	10.35	12	45	62.50%	No	3
16	Fresenius Kidney Care Willowbrook	Willowbrook	18.4	20	75	62.50%	No	4
17	Fresenius Kidney Care Westchester	Westchester	20.7	22	84	63.64%	No	5
18	Kenwood Dialysis	Chicago	29.9	32	124	64.58%	No	5
19	Fresenius Kidney Care Burbank	Burbank	18.4	26	101	64.74%	No	3
20	Fresenius Kidney Care Mokena	Mokena	27.6	14	55	65.48%	No	4
21	Fresenius Kidney Care Alsip	Alsip	18.4	20	80	66.67%	No	5
22	Fresenius Kidney Care Prairie	Chicago	27.6	24	97	67.36%	No	4
23	Fresenius Kidney Care Lombard	Lombard	28.75	12	49	68.06%	No	5

TABLE THREE
ESRD Facilities within 30 minutes (adjusted) of the Proposed Facility

	Facilities	City	Time (adjusted)	Stations	Patients	Utilization	Met Standard?	Star Rating?
24	Woodlawn Dialysis	Chicago	29.9	32	133	69.27%	No	4
25	Fresenius Kidney Care Downers Grove	Downers Grove	26.45	16	67	69.79%	No	3
26	Fresenius Kidney Care Evergreen Park	Evergreen Park	21.85	30	126	70.00%	No	3
27	Fresenius Kidney Care Summit	Summit	12.65	12	51	70.83%	No	NA
28	Fresenius Kidney Care Blue Island	Blue Island	27.6	28	120	71.43%	No	3
29	Fresenius Kidney Care Bridgeport	Chicago	27.6	27	117	72.22%	No	3
30	Fresenius Kidney Care Hazel Crest	Hazel Crest	27.6	16	70	72.92%	No	3
31	US Renalcare Oak Brook Dialysis	Downers Grove	24.15	13	57	73.08%	No	3
32	Fresenius Kidney Care Elmhurst	Elmhurst	20.7	28	123	73.21%	No	5
33	Fresenius Kidney Care Midway	Chicago	17.25	12	53	73.61%	No	4
34	Fresenius Kidney Care Bolingbrook	Bolingbrook	24.15	24	107	74.31%	No	5
35	USRC Bolingbrook Dialysis	Bolingbrook	23	13	59	75.64%	No	3
36	Fresenius Kidney Care Southside	Chicago	23	39	177	75.64%	No	2
37	Fresenius Kidney Care River Forest	River Forest	28.75	22	100	75.76%	No	4
38	Fresenius Kidney Care Berwyn	Berwyn	24.15	30	138	76.67%	No	4
39	Fresenius Kidney Care Oak Forest	Oak Forest	28.75	12	56	77.78%	No	3
40	Fresenius Kidney Care Lemont	Lemont	24.15	12	57	79.17%	No	NA
41	University of Illinois Hospital Dialysis	Chicago	28.75	26	127	81.41%	Yes	3
42	DaVita Country Hills Dialysis	Country Club Hills	24.15	24	118	81.94%	Yes	3
43	Stony Creek Dialysis	Oak Lawn	11.5	14	70	83.33%	Yes	3
44	Fresenius Kidney Care Cicero	Cicero	19.55	18	97	89.81%	Yes	5
45	Beverly Davita	Chicago	26.45	16	88	91.67%	Yes	3
46	Davita Mt. Greenwood Dialysis	Chicago	26.45	16	88	91.67%	Yes	4
47	DaVita Little Village	Chicago	25.3	16	89	92.71%	Yes	5

TABLE THREE
ESRD Facilities within 30 minutes (adjusted) of the Proposed Facility

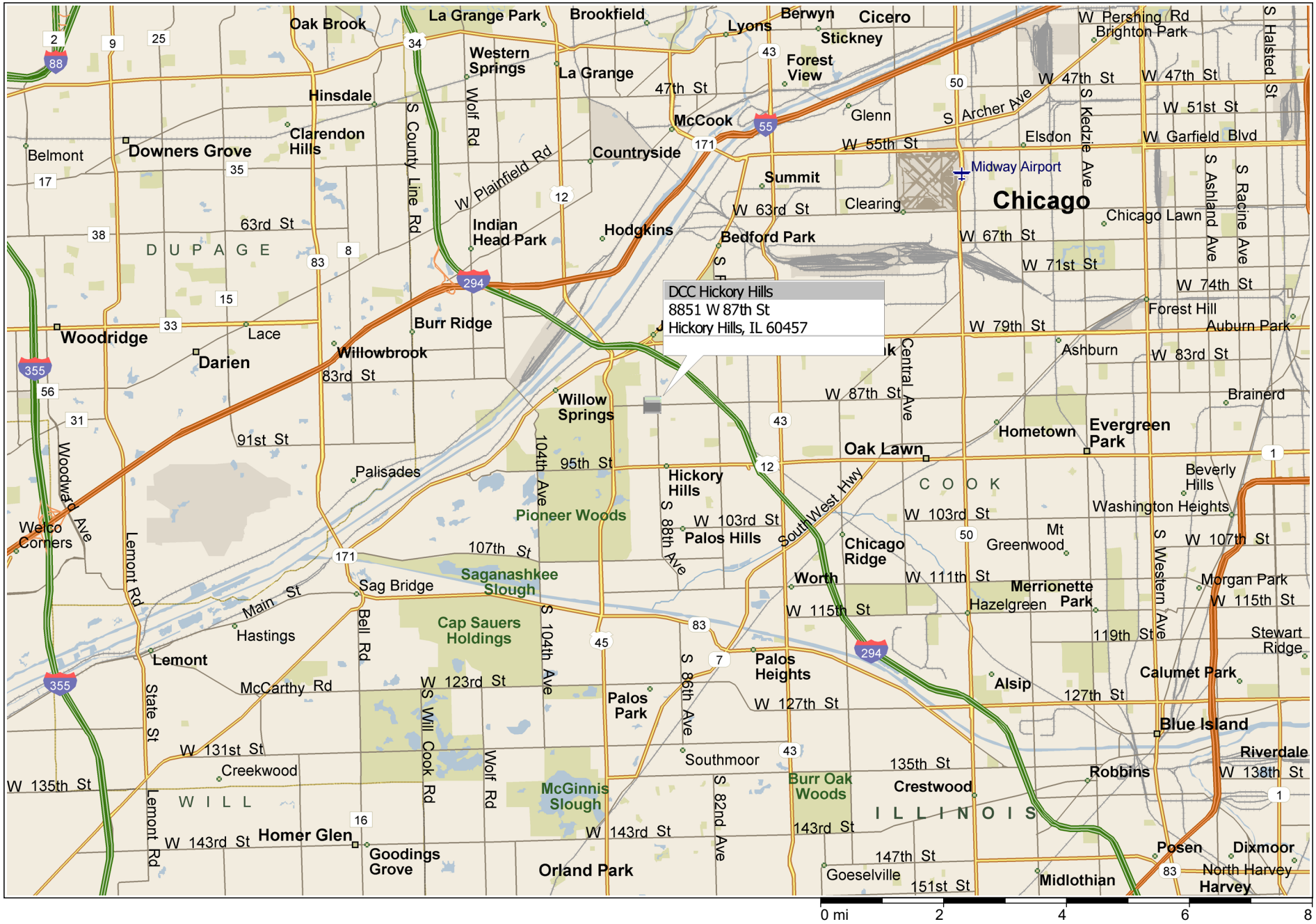
	Facilities	City	Time (adjusted)	Stations	Patients	Utilization	Met Standard?	Star Rating?
48	Fresenius Kidney Care Marquette Park	Chicago	28.75	16	89	92.71%	Yes	4
49	South Holland Renal Center	South Holland	29.9	24	134	93.06%	Yes	3
50	Dialysis Care Center of Oak Lawn	Oak Lawn	16.1	11	62	93.94%	Yes	NA
51	Fresenius Kidney Care	Merrionette Park	25.3	24	136	94.44%	Yes	4
52	Davita West Lawn Dialysis	Chicago	21.85	12	70	97.22%	Yes	4
53	Lawndale Dialysis	Chicago	23	16	101	105.21%	Yes	3
Number of Stations/Census/Average Utilization				1,070	4,481	70.27%		

TABLE THREE
ESRD Facilities within 30 minutes (adjusted) of the Proposed Facility
In Ramp-up or did not report census information for the First Quarter of 2019

	Facilities	City	Time (adjusted)	Stations	Patients	Utilization	Met Standard	State Rating?
1	Ford City Dialysis	Chicago	25.3	12	1	1.39%	No	NA
2	Brighton Park Dialysis	Chicago	20.7	16	1	1.04%	No	NA
3	Fresenius Kidney Care Woodridge	Woodridge	17.25	12	11	15.28%	No	NA
4	US Renal Care Hickory Hills	Hickory Hills	6.9	13	22	28.21%	No	NA
5	DaVita Rutgers Park Dialysis	Woodridge	24.15	12	0	0.00%	No	NA
6	DaVita Oak Meadows Dialysis	Oak Lawn	0	12	0	0.00%	No	NA
7	DaVita Auburn Park Dialysis	Chicago	25.3	12	0	0.00%	No	NA
8	NxStage Kidney Care Oak Brook, LLC	Oak Brook	24.15	8	0	0.00%	No	1
9	Circle Medical Management, Inc.	Chicago	29.9	27	0	0.00%	No	1
10	Nocturnal Dialysis Spa, LLC	Villa Park	25.3	12	0	0.00%	No	NA
11	Concerto Dialysis, LLC	Crestwood	0	9	0	0.00%	No	NA
12	Loyola Center for Dialysis on Roosevelt	Maywood	25.3	30	0	0.00%	No	4
	Total Stations/Census/Average Utilization			175	35	58.27%		

1. Time from Map Quest and adjusted per 1.15 times
2. Facility census as of March 31, 2019
3. Standard is 80% utilization
4. Star Rating taken from Medicare Compare Website.

18-007 Dialysis Care Center Hickory Hills - Hickory Hills



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