



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

<b>DOCKET NO:</b> H-05	<b>BOARD MEETING:</b> September 17, 2019	<b>PROJECT NO:</b> 19-028	<b>PROJECT COST:</b>
<b>FACILITY NAME:</b> Fresenius Medical Care Metropolis		<b>CITY:</b> Metropolis	Original: \$53,000
<b>TYPE OF PROJECT:</b> Non-Substantive			<b>HSA:</b> V

**PROJECT DESCRIPTION:** The Applicants (Metropolis Dialysis Services, LLC d/b/a Fresenius Medical Care Metropolis, and Fresenius Medical Care Holdings, Inc.) propose to add 2 stations to its existing 8-station facility located at 20 Hospital Drive, Metropolis, Illinois. The cost of the project is \$53,000. The expected completion date is May 31, 2020.

## EXECUTIVE SUMMARY

### **PROJECT DESCRIPTION:**

- The Applicants (Metropolis Dialysis Services, LLC d/b/a Fresenius Medical Care Metropolis, Fresenius Medical Care Holdings, Inc.) propose to add 2 stations to its existing 8-station facility located at 20 Hospital Drive, Metropolis, Illinois. The cost of the project is \$53,000. The expected completion date is May 31, 2020.
- The Applicants were approved by the State Board on October 24, 2006 for the establishment of an 8-station facility at a cost of \$2,143,232 Permit #06-055.
- The purpose of the project is to maintain access to daytime treatment schedules for dialysis at the facility in Metropolis.

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The project is before the State Board because the project proposes substantial change in scope of a health care facility as defined at 77 ILAC 1130.140.
- 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]

### **PURPOSE OF THE PROJECT:**

- The purpose of the project is to maintain daytime dialysis schedules at the existing ESRD facility.

### **PUBLIC HEARING/COMMENT:**

- A public hearing was offered but was not requested. The project file contains no letters of support and no letters of opposition.

### **SUMMARY:**

- To add stations to an existing facility the State Board does not consider the need or excess of the stations in the ESRD Planning Area or the number of existing ESRD facilities and their utilization.
- The State Board requires a facility that is proposing to add stations to be at target utilization or above for the past 24-months and have a sufficient number of pre-ESRD patients that reside in the ESRD Planning Area that will require dialysis within 12-24 months after the additional stations are added. The existing facility has averaged 64% utilization over the past 24-months and is currently operating at 62.5%. The Applicants have identified 34 pre-ESRD patients that will need dialysis within 12-18 months. According to the Applicants *“While there appears to be sufficient numbers of Pre-ESRD patients to bring the facility to 80%, this is a rural facility that has not operated at target utilization and tends to only operate 4 of the 6 shifts that utilization is calculated on. This is generally how rural clinics operate in order to keep elderly patients and staff from traveling at night on dark, desolate county roads. The clinic has committed to reaching the 80% mark, however historic data does not support this.”*
- The Applicants have addressed a total 18 criteria and have successfully addressed them all.

**STATE BOARD STAFF REPORT**  
**Project #19-028**  
**Fresenius Medical Care Metropolis, Metropolis**

<b>APPLICATION/CHRONOLOGY/SUMMARY</b>	
Applicants(s)	Metropolis Dialysis Services, LLC d/b/a Fresenius Medical Care Metropolis, Fresenius Medical Care Holdings, Inc.
Facility Name	Fresenius Medical Care Metropolis
Location	20 Hospital Drive, Metropolis, Illinois
Permit Holder	Metropolis Dialysis Services, LLC d/b/a Fresenius Medical Care Metropolis, Fresenius Medical Care Holdings, Inc.
Operating Entity	Metropolis Dialysis Services, LLC d/b/a Fresenius Medical Care Metropolis,
Owner of Site	Massac Memorial Hospital
Description	Addition of 2-ESRD Stations
Total GSF	300 GSF
Application Received	June 11, 2019
Application Deemed Complete	June 11, 2019
Review Period Ends	August 10, 2019
Financial Commitment Date	May 31, 2020
Project Completion Date	May 31, 2020
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes
Expedited Review?	No

**I. Project Description**

The Applicants (Metropolis Dialysis Services, LLC d/b/a Fresenius Medical Care Metropolis, Fresenius Medical Care Holdings, Inc.) propose to add 2-stations to its existing 8-station facility located at 20 Hospital Drive, Metropolis, Illinois. The cost of the project is \$53,000. The expected completion date is May 31, 2020.

**II. Summary of Findings**

- A. State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1110.
- B. State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1120.

**III. General Information**

The Applicants are Fresenius Medical Care Holdings, Inc. and Metropolis Dialysis Services, LLC d/b/a Fresenius Medical Care Metropolis. **Fresenius Medical Care Holdings, Inc.**, operating as Fresenius Medical Care North America or FMCNA, operates a network of some 2,100 dialysis clinics located throughout the continent. One of the largest providers of kidney dialysis services, FMCNA offers outpatient and in home hemodialysis treatments for chronic kidney disease. The company's operating units also

market and sell dialysis machines and related equipment and provide renal research, laboratory, and patient support services. FMCNA oversees the North American operations of Fresenius Medical Care Holdings, Inc., which oversees Fresenius Medical Care of Illinois, LLC. Fresenius Medical Care of Illinois, LLC. has an 82% membership interest in Metropolis Dialysis Services of Illinois, LLC. Nephrology Associates, LLC has an 18% membership interest in Metropolis Dialysis, LLC.

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

#### IV. Project Uses and Sources of Funds

The Applicants are funding the project with cash in the amount of \$23,000 and the FMV of leased space of \$30,000.

<b>TABLE ONE</b>				
<b>Project Uses and Sources of Funds <sup>(1)</sup></b>				
<b>Uses of Funds</b>	<b>Reviewable</b>	<b>Non-Reviewable</b>	<b>Total</b>	<b>% of Total</b>
Modernization Contracts	\$12,000	\$0	\$12,000	22.6%
Movable or Other Equipment (not in construction contracts)	\$11,000	\$0	\$11,000	20.7%
Fair Market Value of Leased Space or Equipment	\$30,000	\$0	\$30,000	56.7%
<b>TOTAL USES OF FUNDS</b>	<b>\$53,000</b>	<b>\$0</b>	<b>\$53,000</b>	<b>100.00%</b>
<b>SOURCE OF FUNDS</b>	<b>Reviewable</b>	<b>Non-Reviewable</b>	<b>Total</b>	<b>% of Total</b>
Cash and Securities	\$23,000	\$0	\$23,000	43.4%
Leases (fair market value)	\$30,000	\$0	\$30,000	56.6%
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$53,000</b>	<b>\$0</b>	<b>\$53,000</b>	<b>100.00%</b>

1. Itemization of Project Costs can be found at Page 6 of the Application for Permit

#### V. Health Planning Area

The proposed facility will be located in the HSA V ESRD Planning Area. HSA-V includes the southern Illinois counties of Alexander, Bond, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Wabash, Washington, Wayne, White, Williamson. The August 2019 Inventory Update has **projected an excess of twenty-nine (29) ESRD stations by CY 2020**. The facility is located in a Federally Designated Medically Underserved Area, and serves a predominantly rural population. The population of Massac County is approximately 16,000, with approximately 80% of this populous living in rural areas. Public transportation or medical-access transportation is virtually non-existent.

## VI. Background of the Applicants

### A) Criterion 1110.110 (a)(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 had no *adverse action*<sup>1</sup> taken against any facility they own or operate or a certified listing of any adverse action taken.

1. The Applicants attested that there has been no adverse action taken against any of the facilities owned or operated by Metropolis Dialysis Services, LLC or Fresenius Medical Care Holdings, Inc. during the three (3) years prior to filing the application. [Application for Permit pages 38-39]
2. The Applicants have authorized the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health to have access to any documents necessary to verify information submitted in connection to the Applicants' certificate of need to add four ESRD stations. 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 pages 38-39]
3. The site is owned by Massac memorial Hospital. This facility is currently operating; therefore a copy of the lease is not required.
4. This is a modernization project and evidence of compliance with Executive Order #2006-05 and the Illinois State Agency Historic Resources Preservation Act is not required.

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<sup>1</sup>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 Project, Safety Net Impact Statement and Alternatives**

The following three (3) criteria are informational; no conclusion on the adequacy of the information submitted.

### **A) Criterion 1110.110 (b) 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 purpose of this project is as stated:

*“The purpose of this project is to maintain access to daytime treatment schedules for life-sustaining dialysis services in Metropolis, which is in a Federally Designated Medically Underserved Area, and serves a rural population. The most cost-effective way is to utilize existing space at the current Fresenius Metropolis facility and add two stations bringing the total count to ten. Massac County is part of the Paducah, KY-IL Metropolitan Statistical Area. However, Massac County only has a population of 16,000. Most of the County is rural and approximately 80% of the patients reside in rural areas outside of Metropolis proper, where no there are no patient transportation options. The goal of Fresenius is to keep daytime dialysis access available to this medically-underserved patient population. There is no direct empirical evidence relating to this project other that when chronic care patient shave adequate access to services, it tends to reduce overall healthcare costs and results in less complications.”*

[Application for Permit page 40]

### **B) Criterion 1110.110 (c) - Safety Net Impact Statement**

**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.**

Information regarding the Safety Net Impact Statement was provided as required and can be reviewed at page 64 of the Application for Permit.

**TABLE ONE <sup>(1)</sup>**  
**SAFETY NET INFORMATION**  
**Fresenius Medical Care Facilities in Illinois**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Net Revenue</b>	<b>\$438,247,352</b>	<b>\$449,611,441</b>	<b>\$460,678,799</b>
<b>CHARITY</b>			
Charity (# of self-pay patients)	195	233	280
Charity (self-pay) Cost	\$3,204,986	\$3,269,127	\$4,552,654
% of Charity Care to Net Rev.	0.68%	.072%	.098%
<b>MEDICAID</b>			
Medicaid (Patients)	396	320	328
Medicaid (Revenue)	\$7,310,484	\$4,383,383	\$6,630,014
% of Medicaid to Net Revenue	1.67%	.097%	1.43%

1. Source: Page 64 of the Application for Permit.

2. Charity Care is defined by the State Board as *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]. As a for profit entity Fresenius Medical Care does not provide charity care the numbers reported are for self-pay patients.

Note: Medicaid reported numbers are impacted by a large number of patients who switch from Medicaid to Medicaid Risk Insurance (managed care plan) which pays similar to Medicaid. These patients are reported under commercial insurance however, in 2016 of our commercial patients we had 1,230 Medicaid Risk patients with Revenues of \$22,664,352.

**C) Criterion 1110.110 (d) - Alternatives to the Project**

To demonstrate compliance with this criterion the Applicants must document all alternatives to the proposed project that were considered.

The only applicants considered four alternatives:

**1) Do Nothing/Maintain Status Quo**

The applicants rejected this alternative, as it would do nothing to address access issues during daytime treatment times. The facility does not operate the full six shifts. However, taking into account its utilization during the four daytime shifts, the facility would be operating at 105%. There were no costs identified with this alternative.

**2) Admit Patients to Other Facilities**

The applicants note the physician supporting the proposed project already admits ESRD patients to several area clinics that are in Kentucky (over 40 miles away). The applicants rejected this alternative based on the local need, and supplied no project costs.

**3) Establish a Joint Venture**

The applicants note that FMC Metropolis is already classified as a joint venture, which is not a determinant of overall project costs, or a determinant to alleviate the high utilization. No project costs were identified with this alternative.

**4) Project as Proposed**

The applicants deemed this alternative as most acceptable, due to the immediate need to resolve the over-utilization during daytime schedules and maintain cost effectiveness. The option of adding two stations to the existing eight-station ESRD facility was seen as most conducive to ongoing ESRD operations at FMC Metropolis, and most cost effective. Cost of this alternative: \$53,000.

**VIII. Project Scope and Size, Utilization and Unfinished/Shell Space**

**A) Criterion 1110.120 (a) - Size of Project**

To demonstrate compliance with this criterion the Applicants must document that the proposed size of the project is in compliance with Part 1110 Appendix B.

The Applicants are proposing to add two additional ESRD stations, resulting in a 10-ESRD station facility, in 5,640 BGSF of clinical space. This equates to approximately 564 BGSF per station. The State Board standard is 450-650 GSF per station or 6,500 BGSF. The Applicants have successfully addressed this criterion. (See Application for Permit page 32)

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

**B) Criterion 1110.120 (b) – Projected Utilization**

To demonstrate compliance with this criterion the Applicants must document that the proposed project will be at the target occupancy of 80% within two years after project completion.

The facility had 31 patients dialyzing in 8 stations, resulting in a utilization rate in excess of the 80<sup>th</sup> percentile, operating 4 shifts. Per the Applicants there are “34 pre-ESRD

*patients from the service area identified to be referred to the Metropolis facility after project completion. The facility will be at 85% utilization upon initiating operations of the two additional stations surpassing target utilization.”*

$$\begin{aligned} 31 + 34 &= 65 \text{ patients} \times 156 \text{ treatments per year} = 10,140 \text{ total treatments} \\ 10 \text{ stations} \times 936 \text{ treatments per year} &= 9,360 \text{ total treatments} \\ 10,140 \text{ treatments} \div 9,360 \text{ treatments} &= 92.3\% \end{aligned}$$

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC 1110.120 (b))**

**C) Criterion 1110.120 (e) – Assurances**

**To demonstrate compliance with this criterion the Applicants must document that the proposed facility will be at target occupancy two years after project completion.**

The Applicants provided the necessary assurance that they will be at target occupancy within two years after project completion. (See Application for Permit page 56)

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.120(e))**

## VIII. In-Center Hemo-dialysis Projects

### A) **Criterion 1110.230 (b)(2) & (4) - Planning Area Need** **The Applicants must document the following:**

#### 2) **Service to Planning Area Residents**

To demonstrate compliance with this sub-criterion the Applicants must document that the proposed dialysis facility will provide service to the residents of the proposed ESRD Planning Area.

Eighty five percent (85%) of the current patients dialyzing at the facility reside in the HSA VI ESRD Planning Area. The applicants also note that all (100%) of the 34 pre-ESRD patients reside within this Planning Area.

#### 4) **Service Demand – Expansion of In-Center Hemodialysis Service**

To demonstrate compliance with this sub-criterion the Applicants must document that the number of stations to be added for each category of service is necessary to reduce the facility's experienced high utilization and to meet a projected demand for service.

#### Historical Utilization

Over the past 24-months, the facility has averaged 32.5 patients and 64% utilization for an 8-station facility. Currently the facility is operating at 62.5% utilization with 30 patients.

#### Projected Referrals

The Applicants provided a referral letter from Dr. Jonathan Wilkerson, M.D. from Western Kentucky Kidney Specialists, and Medical Director of the Fresenius Medical Care Metropolis dialysis facility. The Applicants stated

*“The facility currently has eight stations and is serving 31 patients on four treatment shifts which equates to 99% capacity. Because of the rural nature of southern Illinois, it is in my patient’s best interest to maintain availability on these two daily treatment schedules. There is already limited access to dialysis services in southern Illinois with the next closest facility in Illinois over 40 miles away. It is imperative to maintain access in Metropolis. In Illinois I was treating 27 hemodialysis patients at the end of 2016, 27 patients at the end of 2017, and 33 patients at the end of March 2019 as reported to the renal network. Over the past twelve months I have referred 11 new patients for hemodialysis treatment to Fresenius Metropolis. I have 68 chronic kidney disease patients in stages 4-5 of kidney failure who live in the Metropolis, Illinois area. Of these, I expect approximately 34 to be referred to the facility within two years of opening the new stations.”* [Application for Permit pages 48-49]

Based upon the information provided in the Application for Permit the Applicants have successfully addressed this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 ILAC 1110.230 (b)(2) and (4))**

- B) Criterion 1110.230 (e) - Staffing**
- C) Criterion 1110.230(f) - Support Services**
- D) Criterion 1110.230 (j) – Assurances**

The 8-station facility is certified by Medicare/Medicaid and if approved the 2-station addition will be certified as well. Dr. Jonathan Wilkerson, M.D, is the Medical Director. Support services including nutritional counseling, psychiatric/social services, and clinical laboratory services will be provided at the proposed facility, while home therapies/home training will be provided at Fresenius Medical Care, Paducah. The following services will be provided via referral to Massac Memorial Hospital, blood bank services, rehabilitation services and psychiatric services. Additionally, the appropriate assurances have been provided by the Applicants asserting the proposed facility will be at the target occupancy of eighty percent (80%) two years after project completion and that the proposed facility will meet the adequacy outcomes stipulated by the State Board. (See Application for Permit Pages 51-57)

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA STAFFING, SUPPORT SERVICES, ASSURANCES (77 ILAC 1110.230 (e), (f), and (j))**

**IX. FINANCIAL VIABILITY**

- A) Criterion 1120.120 – Availability of Funds**
- B) Criterion 1120.130 – Financial Viability**

**To demonstrate compliance with these two criteria the Applicants must document if the resources are available to fund the proposed project.**

The Applicants are funding this project with cash and securities in the amount of \$23,000 and the fair market value of leased space totaling \$30,000. A review of the 2014/2015/2016 audited financial statements indicates there is sufficient cash to fund the project. Leased Space is an operating lease and not a capital lease and is paid over the term of the lease from cash generated by operation of the facility. Because the project will be funded with cash no viability ratios need to be provided because the Applicants have qualified for the financial viability waiver.

<b>TABLE THREE</b>			
<b>FMC Holdings Inc. Audited Financial Statements</b>			
<b>(Dollars in Thousands 000)</b>			
<b>December 31<sup>st</sup></b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cash & Investments	\$195,280	\$249,300	\$357,899
Current Assets	\$4,027,091	\$4,823,714	\$5,208,339
Total Assets	\$18,489,619	\$19,332,539	\$20,135,661
Current Liabilities	\$2,058,123	\$2,586,607	\$2,799,192
Long Term Debt	\$2,669,500	\$2,170,018	\$2,085,331
Total Liabilities	\$9,029,351	\$9,188,251	\$9,602,364
Total Revenues	\$10,373,232	\$11,691,408	\$12,806,949

**TABLE THREE**  
**FMC Holdings Inc. Audited Financial Statements**  
**(Dollars in Thousands 000)**  
**December 31<sup>st</sup>**

	2014	2015	2016
Expenses	\$9,186,489	\$10,419,012	\$11,185,474
Income Before Tax	\$1,186,743	\$1,272,396	\$1,621,175
Income Tax	\$399,108	\$389,050	\$490,932
<i>Net Income</i>	\$787,635	\$883,346	\$1,130,243

Source: 2014/2015/2016 Audited Financial Statements

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA AVAILABILITY OF FUNDS FINANCIAL VIABILITY (77 ILAC 1110.140(a) & (b))**

**X. 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 attest that a lease is less costly and that the terms of the lease are reasonable.**

The applicant is paying for the project with cash on hand, and not borrowing any funds for the project. However, per the Board's rules the entering of a lease is treated as borrowing. As such, we are attesting that the entering into of a lease (borrowing) is less costly than the liquidation of existing investments which would be required for the applicant to buy the property and build a structure itself to house a dialysis clinic. Further, should the applicant be required to pay off the lease in full, its existing investments and capital retained could be converted to cash or used to retire the outstanding lease obligations within a sixty (60) day period. [Application for Permit pages 60-63]

Based upon the information provided in the Application for Permit; the Applicants have met the requirements of this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING TERMS OF DEBT FINANCING (77 ILAC 1110.140(a) & (b))**

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

**To demonstrate compliance with this criterion the Applicant must document that the costs are reasonable.**

**Modernization Costs** - are \$12,000 or \$40.00 per GSF. This is in compliance with the State Board Standard of \$200.71 (2019 mid-point). [12,000÷300 GSF for modernization = \$40.00 per GSF]

**Movable Equipment** - is \$11, 000 or \$5,500 per station. This is in compliance with the State Board Standard of \$52,293 per station. [\$11, 000 ÷ 2 stations = \$5, 500 per station]

**Fair Market Value of Leased Space** is \$30,000. The State Board does not have a standard for this criterion.

**D) Criterion 1120.140(d) - Direct Operating Costs**

To demonstrate compliance with this criterion the Applicants must provide the direct operating cost for the first year when the Applicants reach target occupancy but no more than two years after project completion.

The Applicants are estimating \$247.35 per treatment in direct operating costs. The State Board does not have a standard for these costs.

Estimated Personnel Expense:	\$581,025
Estimated Medical Supplies:	\$119,469
Estimated Other Supplies (Exc. Dep/Amort):	\$667,233
Total	\$1,367,727
Estimated Annual Treatments:	5,530
<b>Cost Per Treatment:</b>	<b>\$247.35</b>

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

The Applicants are estimating \$19.18 in capital costs. The State Board does not have a standard for these costs.

Depreciation/Amortization:	\$106,085
Interest	\$0
Capital Costs:	\$106,085
Treatments:	5,530
<b>Capital Cost per Treatment</b>	<b>\$19.18</b>