



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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<b>DOCKET NO:</b> H-09	<b>BOARD MEETING:</b> December 10, 2019	<b>PROJECT NO:</b> 19-051	<b>PROJECT COST:</b> Original: \$630,926
<b>FACILITY NAME:</b> DaVita Driftwood Dialysis		<b>CITY:</b> Freeport	
<b>TYPE OF PROJECT:</b> Non-Substantive			<b>HSA: I</b>

**PROJECT DESCRIPTION:** The Applicants (Freeportbay Dialysis, LLC and DaVita, Inc.) propose to add 1 station to its existing 11-station facility located at 1808 South West Avenue, Freeport, Illinois. The cost of the project is \$630,926. The expected completion date is January 31, 2021.

## EXECUTIVE SUMMARY

### **PROJECT DESCRIPTION:**

- The Applicants (Freeportbay Dialysis, LLC and DaVita, Inc.) propose to add 1 station to its existing 11-station facility located at 1808 South West Avenue, Freeport, Illinois. The cost of the project is \$630,926. The expected completion date is January 31, 2021.
- The Applicants were approved by the State Board on December 6, 2011 for the establishment of a 10-station facility at a cost of \$1,888,357 Permit #11-066. On October 17, 2018, the Applicants were authorized to add one ESRD station, per the “3-station/10% rule”, increasing the capacity to 11 ESRD stations.
- The purpose of the project is to consolidate services in Freeport to provide high-quality dialysis services to the residents of Freeport.

### **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 consolidate services in Freeport to provide high-quality dialysis services to the residents of Freeport.

### **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 Applicants currently operate two facilities in Freeport. The Applicant facility (Driftwood Dialysis), and Freeport Dialysis. Collectively, these facilities are operating below 50% utilization with 20 stations. Historically, the Applicant facility was initially established to alleviate overcrowding at Freeport Dialysis, which was operating at 110% utilization in 2010/2011. Since the establishment of the Driftwood facility, utilization has plateaued, and the Applicants are proposing to discontinue the Freeport Dialysis, and add one station to the Driftwood facility, to accommodate the patient shift.
- The Applicants supplied a referral letter from Dr. John Maynard, M.D., from Rockford Nephrology Associates (RNA). In his letter Dr. Maynard attests to treating 107 Stage 4/5 pre-ESRD patients, with a conservative estimate that 15 of these patients will progress to needing dialysis by completion of the proposed project (January 2021).

- The Applicants have addressed a total 18 criteria and has met them all.

**STATE BOARD STAFF REPORT**  
**Project #19-051**  
**DaVita Driftwood Dialysis, Freeport**

<b>APPLICATION/CHRONOLOGY/SUMMARY</b>	
Applicants(s)	Freeportbay Dialysis, LLC, DaVita, Inc.
Facility Name	Driftwood Dialysis
Location	1808 South West Avenue, Freeport, Illinois
Permit Holder	Freeportbay Dialysis, LLC, DaVita, Inc.
Operating Entity	Freeportbay, LLC
Owner of Site	Frontier Real Estate Investment Company, LLC
Description	Addition of 1-ESRD Station
Total GSF	5,000 GSF
Application Received	October 16, 2019
Application Deemed Complete	October 21, 2019
Review Period Ends	December 20, 2019
Financial Commitment Date	December 10, 2020
Project Completion Date	January 31, 2021
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes
Expedited Review?	Yes

**I. Project Description**

The Applicants (Freeportbay Dialysis, LLC and DaVita, Inc.) propose to add 1-station to its existing 11-station ESRD facility located at 1808 South West Avenue, Freeport, Illinois. The cost of the project is \$630,926. The expected completion date is January 31, 2021.

**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 DaVita Inc. and Freeportbay Dialysis, LLC. DaVita Inc., a Fortune 500 company, is the parent company of Total Renal Care, Inc. which oversees Freeportbay Dialysis, LLC. DaVita Inc. is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. DaVita operates in 45 states and the District of Columbia. The five states where DaVita is not located are: Alaska, Delaware, Mississippi, Vermont, and Wyoming. DaVita serves patients with low incomes, racial and ethnic minorities, women, handicapped persons, elderly, and other underserved persons in its facilities in the State of Illinois. The operating entity will be Freeportbay Dialysis, LLC, and the owner of the site is Frontier Real Estate Investment Company, LLC. Freeportbay Dialysis LLC is a wholly owned entity of Total Renal Care.

Care, Inc. This project is subject to a Part 1110 and Part 1120 review. Financial commitment will occur within 12-months after permit approval. 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 \$439,832 and the FMV of leased space of \$191,094.

<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	\$297,243	\$0	\$297,234	47.3%
Contingencies	\$29,724	\$0	\$29,724	5.6%
Architectural/Engineering Fees	\$35,000	\$0	\$35,000	6.7%
Movable or Other Equipment (not in construction contracts)	\$54,865	\$0	\$54,865	8.9%
Fair Market Value of Leased Space or Equipment	\$191,094	\$0	\$191,094	31.5%
<b>TOTAL USES OF FUNDS</b>	<b>\$630,926</b>	<b>\$0</b>	<b>\$630,926</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	\$439,832	\$0	\$439,832	69.7%
Leases (fair market value)	\$191,094	\$0	\$191,094	30.3%
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$630,926</b>	<b>\$0</b>	<b>\$630,926</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 I ESRD Planning Area. HSA-I includes Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, Winnebago counties. The October 2019 Inventory Update has **projected a need six (6) additional ESRD stations by CY 2020**. The facility is located in a Federally Designated Medically Underserved Area.

## 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 Freeportbay Dialysis, LLC or DaVita, Inc. during the three (3) years prior to filing the application. [Application for Permit page 99]
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 page 99]
3. The site is owned by Frontier Real Estate Investment Company, LLC. This facility is currently operating, and a copy of the building lease is provided on page 32 of the application.
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 consolidate dialysis services in Freeport to provide high quality dialysis services to the residents of Freeport and the surrounding area in a more cost-effective manner. The Applicants currently operate two clinics in Freeport, Illinois: Freeport Dialysis and Driftwood Dialysis. Collectively, these clinics have 20 stations and operate below 50% utilization. In December 2011, the State Board approved the establishment of Driftwood Dialysis to alleviate over-utilization at Freeport Dialysis, which was operating at 110% utilization at the time. Due to physical constraints at Freeport Dialysis, establishment of a second dialysis facility was the only option to meet the need for dialysis patients in Freeport and surrounding communities. Since the Driftwood Dialysis clinic became Medicare-certified in January 2013, neither Freeport Dialysis nor Driftwood Dialysis has maintained 80% utilization. To serve the residents of Freeport and the surrounding area in a more cost-effective manner, DaVita proposes the discontinuation of Freeport Dialysis and a one station expansion of Driftwood Dialysis. Consolidating the two clinics will allow DaVita to continue to provide high quality dialysis to residents of Freeport in a more cost-effective manner. Further, Dr. John Maynard of Rockford Nephrology Associates is currently treating 107 Stage 4 and Stage 5 pre-ESRD patients from the Freeport area. 24 Stage 4 and 5 pre-ESRD patients from the Freeport area have been identified in support of this application. Based upon attrition due to patient death, transplant, or return of function, it is projected that at least 15 of these patients will require dialysis within 12-24 months of project completion. Assuming State Board approval on the additional station, this represents an 86% utilization rate, which exceeds the State’s 80% standard. It is essential the Applicants obtain approval to expand Driftwood Dialysis to maintain access to dialysis patients in Freeport and the surrounding communities in a more cost effective way.” [Application for Permit page 100]*

### **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 not required as this is a non-substantive application. The Applicants did provide Charity Care information in Table One.

<b>TABLE TWO <sup>(1)</sup></b>			
<b>SAFETY NET INFORMATION</b>			
<b>Davita Inc. of Illinois</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Net Revenue</b>	<b>\$353,226,322</b>	<b>\$357,821,315</b>	<b>\$394,665,458</b>
<b>CHARITY</b>			
Amount of Charity Care (charges)	\$2,400,299	\$2,818,603	\$2,711,788
Charity (self-pay) Cost	\$2,400,299	\$2,818,603	\$2,711,788
% of Charity Care to Net Rev.	.67%	.78%	.68%
<ol style="list-style-type: none"> <li>1. Source: Page 180 of the Application for Permit.</li> <li>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 DaVita, Inc does not provide charity care the numbers reported are for self-pay patients.</li> </ol>			

**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 applicants considered two alternatives:

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

The applicants rejected this alternative, as it would do nothing to address the current issue with under-utilization at both Freeport facilities. There were no costs identified with this alternative.

**2) Project as Proposed**

The applicants deemed this alternative as most acceptable, due to the immediate need to resolve the under-utilization between the two facilities and maintain cost effectiveness. The option of adding one station to the existing eleven-station Driftwood dialysis facility, and discontinuing the ten-station Freeport Dialysis was seen as most effective way to serve a planning area deemed as underserved. Cost of this alternative: \$630,926.

**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 1 additional ESRD station, resulting in a 12-ESRD station facility, in 5,000 BGSF of clinical space. This addition equates to approximately 416.6 BGSF per station. The State Board standard is 450-650 GSF per station or 7,800 BGSF. The Applicants have successfully addressed this criterion. (See Application for Permit page 104)

**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.**

As of July 2019, the combined facilities in Freeport facility had 47 patients dialyzing in 20 stations, resulting in a utilization rate below 50% for the two facilities. Per the Applicants there are 47 existing ESRD patients, and 15 pre-ESRD patients under the care of Dr. Maynard and Rockford Nephrology Associates. Taking these patient data into account, the applicants predict to be serving 62 ESRD patients by the second year after project completion, leaving an operational capacity of 86.1%

$$\begin{aligned} 47 + 15 &= 62 \text{ patients} \times 156 \text{ treatments per year} = 9,672 \text{ total treatments} \\ 12 \text{ stations} \times 936 \text{ treatments per year} &= 11,232 \text{ total treatments} \\ 9,672 \text{ treatments} \div 11,232 \text{ treatments} &= 86.1\% \end{aligned}$$

**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 60)

**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.

All 47 of the current patients dialyzing at the facility reside in the HSA I ESRD Planning Area. The applicants also note that 62.5% of the 15 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 facilities had operational capacities outlined in Table Three. Current operational capacities for these facilities are also included in Table Three.

<b>TABLE THREE Historical Utilization DaVita Freeport Dialysis DaVita Driftwood Dialysis</b>		
	<b>Freeport Dialysis</b>	<b>Driftwood Dialysis</b>
September 2017	28/46.7%	31/61.7%
December 2017	26/43.3%	35/58.3%
March 2018	26/43.3%	32/53.3%
June 2018	27/45%	29/48.3%
September 2018	27/45%	31/51.6%
December 2018	30/50%	30/50%
March 2019	26/43.3%	35/58.3%
June 2019	23/38.3%	36/60%
September 2019	8/13.3%	39/65%
Average Patients/Utilization	<b>24.3/40.9%</b>	<b>33.1/56.2%</b>

### Projected Referrals

The Applicants provided a referral letter from Dr. John Maynard, M.D. of Rockford Nephrology Associates, and Medical Director of the DaVita Driftwood dialysis facility. In his referral letter, Dr. Maynard identified 47 ESRD patients currently receiving dialysis, and an additional 15 pre-ESRD patient expected to present for dialysis services at the Driftwood facility upon project completion. It is estimated that these 62 patients will result in an operational capacity of 86.1% after project completion. 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 13-station facility is certified by Medicare/Medicaid and if approved the 1-station addition will be certified as well. Dr. John Maynard, 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, Des Plaines. The following services will be provided via referral to Freeport 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 59-60)

**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 \$439,832 and the fair market value of leased space totaling \$191,094. A review of the 2015/2016/2017/2018 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.

**TABLE SEVEN**  
**DaVita Audited Financial Statements**  
**Ending December 31<sup>st</sup>**  
**(in thousands (000))**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash	\$323,038	\$508,234	\$674,776	\$1,499,116
Current Assets	\$8,424,159	\$8,744,358	\$3,994,748	\$4,503,280
Total Assets	\$19,110,252	\$18,948,193	\$18,755,776	\$18,514,875
Current Liabilities	\$4,891,161	\$3,041,177	\$2,710,964	\$2,399,138
LTD	\$8,172,847	\$9,158,018	\$8,944,676	\$9,001,308
Patient Service Revenue	\$10,709,981	\$9,608,272	\$9,269,052	\$9,480,279
Total Net Revenues	\$11,404,851	\$10,876,634	\$10,707,467	\$13,781,837
Total Operating Expenses	\$9,879,027	\$9,063,879	\$8,677,757	\$12,611,142
Operating Income	\$1,525,824	\$1,812,755	\$2,029,710	\$1,170,695
Net Income	\$333,040	\$830,555	\$1,033,082	\$427,440

**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 page 173]

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 \$381,832 or \$76.37 per GSF. This is in compliance with the State Board Standard of \$206.74 (2020 mid-point). [381,832÷5,000 GSF for modernization = \$76.37 per GSF]

**Contingencies Costs** are \$29,724 or 9.9% of modernization costs. This appears reasonable when compared to the State Board Standard of 10%-15%.

**Architectural and Engineering Costs** are \$35,000 and are 10.7% of the modernization and contingency costs. This appears reasonable when compared to the State Board Standard of the 8.34% - 12.52%.

**Consulting and Other Fees** – These costs are \$23,000. The State Board does not have a standard for this criterion.

**Movable Equipment** - is \$54,865 for the one additional station. This is in compliance with the State Board Standard of \$56,952 per station.

**Fair Market Value of Leased Space** is \$191,094. 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 \$106.19 per treatment in direct operating costs. The State Board does not have a standard for these costs.

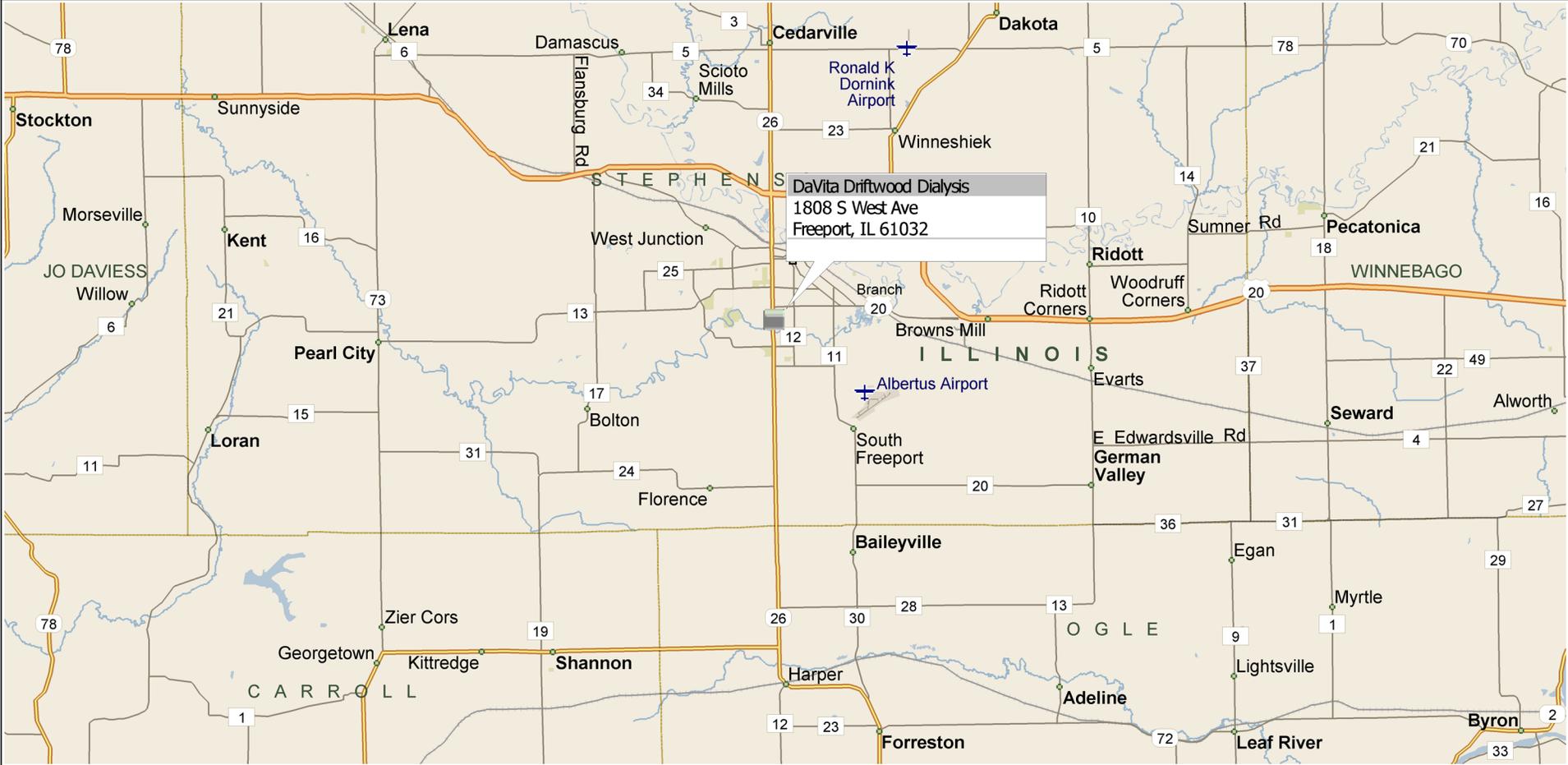
Estimated Personnel Expense:	\$461,349
Estimated Benefits Expense:	\$225,452
Estimated Other Supplies (Exc. Dep/Amort):	\$340,235
<b>Total</b>	<b>\$1,027,036</b>
Estimated Annual Treatments:	9,672
<b>Cost Per Treatment:</b>	<b>\$106.19</b>

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

The Applicants are estimating \$3.29 in capital costs. The State Board does not have a standard for these costs.

Depreciation/Amortization:	\$30,221
Amortization	\$1,556
<b>Total Capital Costs:</b>	<b>\$31,777</b>
Treatments:	9,672
<b>Capital Cost per Treatment</b>	<b>\$3.29</b>

# 19-051 DaVita Driftwood Dialysis - Freeport



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