E-018-17

Original

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION FOR THE
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

RECEIVED
APR 03 2017
HEALTH FACILITIES & SERVICES REVIEW BOARD

1. **INFORMATION FOR EXISTING FACILITY**

Current Facility Name Fresenius Medical Care of Illinois, LLC d/b/a Fresenius Medical Care Lake Bluff
Address 101 Waukegan Road, Suite 700
City Lake Bluff Zip Code 60044 County Lake
Name of current licensed entity for the facility Fresenius Medical Care of Illinois, LLC
Does the current licensee: own this facility _____ OR lease this facility X (if leased, check if sublease □)
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

Illinois State Senator for the district where the facility is located: Sen. Julie A. Morrison
State Senate District Number 29th Mailing address of the State Senator 700 Osterman Avenue, Deerfield, IL 60015.

Illinois State Representative for the district where the facility is located: Rep. Scott Drury
State Representative District Number 58th Mailing address of the State Representative 425 Highland Road, Sheridan, IL 60040

2. **OUTSTANDING PERMITS**. Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes __ No X. If yes, refer to Section 1130.520(f), and indicate the projects by Project # None

3. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant Fresenius Medical Care Lake Bluff, LLC
Address 920 Winter Street
City, State & Zip Code Waltham, MA 02451
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

NAME OF Co-APPLICANT

Exact Legal Name of Co-Applicant Fresenius Medical Care Holdings, Inc.
Address 920 Winter Street
City, State & Zip Code Waltham, MA 02451
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation X For Profit Corporation _____ Partnership _____ Governmental
_____ Limited Liability Company _____ Other, specify _____

NAME OF Co-APPLICANT

Exact Legal Name of Co-Applicant Fresenius Medical Care of Illinois, LLC
Address 920 Winter Street
City, State & Zip Code Waltham, MA 02451
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

4. **NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.**

Exact Legal Name of Entity to be Licensed Fresenius Medical Care Lake Bluff, LLC d/b/a Fresenius Medical Care Lake Bluff
Address 920 Winter Street
City, State & Zip Code Waltham, MA 02451
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

5. **BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND** MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY

Exact Legal Name of Entity That Will Own the Site Franklin Partners Address 55 Shuman Blvd.
City, State & Zip Code Naperville, 60563
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation X Partnership _____ Governmental
_____ Limited Liability Company _____ Other, specify _____

6. **TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:**

- o Purchase resulting in the issuance of a license to an entity different from current licensee;
- o Lease resulting in the issuance of a license to an entity different from current licensee;
- o Stock transfer resulting in the issuance of a license to a different entity from current licensee;
- o Stock transfer resulting in no change from current licensee;
- X Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
- o Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
- o Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
- o Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
- o Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
- o Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
- o Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"

7. **APPLICATION FEE.** Submit the application fee in the form of a check or money order for $2,500 payable to the Illinois Department of Public Health and append **SEPARATELY (CHECK IS ATTACHED)**

8. **FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #1.**

9. **ANTICIPATED ACQUISITION PRICE:** $ 7,285,041

10. **FAIR MARKET VALUE OF THE FACILITY:** $ 7,285,041
(to determine fair market value, refer to 77 IAC 1130.140)

11. **DATE OF PROPOSED TRANSACTION:** On or before December 31, 2017

12. **NARRATIVE DESCRIPTION.** Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #2. NOTE:** For transactions involving related parties the reason the change of ownership is taking place must be provided.

13. **BACKGROUND OF APPLICANT** (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Limited Liability Companies and Partnerships must provide the name and address of each partner/ member and specify the percentage of ownership of each. Append this information to the application as **ATTACHMENT #3.**

14. **FINANCIAL STATEMENTS.** (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements AND footnotes and an "A" or better bond rating, and append it to this application as **ATTACHMENT #4.** If the applicant is a newly formed entity and financial statements are not available, please indicate by checking YES ___, and indicate the date the entity was formed N/A

15. **LETTER OF INTENT**: A signed and notarized letter of intent must be provided that contains the following information: the terms of the transaction, name and background of the parties, structure of the transaction, the person who will be the licensed or certified entity after the transaction is complete; the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, the fair market value of assets to be transferred, the purchase price or other form of consideration to be provided for these assets and a statement that the transaction will not be completed until after approval of the Illinois Health Facilities and Services Review Board. Append as **ATTACHMENT #5.**
NOTE: For transactions involving related parties a letter of intent is not required.

16. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: *Lori Wright*
Title: *Senior CON Specialist*
Company Name: *Fresenius Medical Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6807*
E-mail Address: *lori.wright@fmc-na.com*
Fax Number: *630-960-6812*

17. **ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this** application and act on behalf of the applicant.

Name: *Jennifer Allen*
Title: Regional *Vice President*
Company Name: *Fresenius Medical Care*
Address: *3500 Lacey Road, Suite 900, Downers Grove, IL 60515*
Telephone Number: *630-960-6770*
E-mail Address: *jennifer.allen02@fmc-na.com*
Fax Number: *630-960-6812*

ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

Name: *Clare Ranalli*
Title: *Attorney*
Company Name: *McDermott, Will & Emery*
Address: *227 W. Monroe Street, Suite 4700, Chicago, IL 60606*
Telephone Number: *312-984-3365*
E-mail Address: *cranalli@mwe.com*
Fax Number: *312-984-7500*

18. CERTIFICATION Fresenius Medical Care Lake Bluff, LLC

I the undersigned certify that the above information and all attached information are true and correct to the best of my knowledge and belief.

I the undersigned certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois.

I the undersigned certify that I am fully aware that a change in ownership will void any permits for projects to establish a health care facility that have not been obligated unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(d) (2) prior to the effective date of the proposed ownership change.

I the undersigned certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

I the undersigned certify that the health care facility will not adopt a charity care policy that is more restrictive than the policy in effect during the year prior to the transaction.

I the undersigned certify that within 90 days after the closing of the transaction that I will provide a letter stating that the change of ownership has been completed in accordance with the letter of intent provided in the application for exemption. If the terms of the letter of intent have changed, those changes will be provided with this letter. I understand if the State Board determines that terms of the transaction have changed a new application for exemption will be submitted to the State Board.

Signature of Authorized Officer _____

Typed or Printed Name of Authorized Officer Bryan Mello

Title of Authorized Officer: Assistant Treasurer

Address: 920 Winter Street

City, State & Zip Code: Waltham, MA 02451

Telephone (800) 662-1237 Date: 3/15/17

Notary Signature C Wynelle Scenna **Date:** 3/15/17

C. WYNELLE SCENNA
Notary Public
Massachusetts
Commission Expires Jun 25, 2021

CERTIFICATION **Fresenius Medical Care Holdings, Inc.**

I the undersigned certify that the above information and all attached information are true and correct to the best of my knowledge and belief.

I the undersigned certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois.

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Signature of Authorized Officer _____

Typed or Printed Name of Authorized Officer Bryan Mello

Title of Authorized Officer: Assistant Treasurer

Address: 920 Winter Street

City, State & Zip Code: Waltham, MA 02451

Telephone (800) 662-1237 Date: 3/15/17

Notary Signature C Wynelle Scenna **Date:** 3-15-17

C. WYNELLE SCENNA
Notary Public
Massachusetts
Commission Expires Jun 25, 2021

CERTIFICATION **Fresenius Medical Care of Illinois, LLC**

I the undersigned certify that the above information and all attached information are true and correct to the best of my knowledge and belief.

I the undersigned certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois.

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Signature of Authorized Officer _____

Typed or Printed Name of Authorized Officer Bryan Mello

Title of Authorized Officer: Assistant Treasurer

Address: 920 Winter Street

City, State & Zip Code: Waltham, MA 02451

Telephone (800) 662-1237 Date: 3/15/17

Notary Signature C Wynelle Scenna **Date:** 3-15-17

C. WYNELLE SCENNA
Notary Public
Massachusetts
Commission Expires Jun 25, 2021

FUNDING

This is a cash transaction.

ATTACHMENT - 1

Narrative Description

The Fresenius Medical Care Lake Bluff facility is a certified entity that is owned by Fresenius Medical Care of Illinois, LLC which is a subsidiary of Fresenius Medical Care Holdings, Inc. The assets of the facility, will be transferred to Fresenius Medical Care Lake Bluff, LLC. This is an internal transfer of assets only.

ATTACHMENT - 2

File Number 0602592-7

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

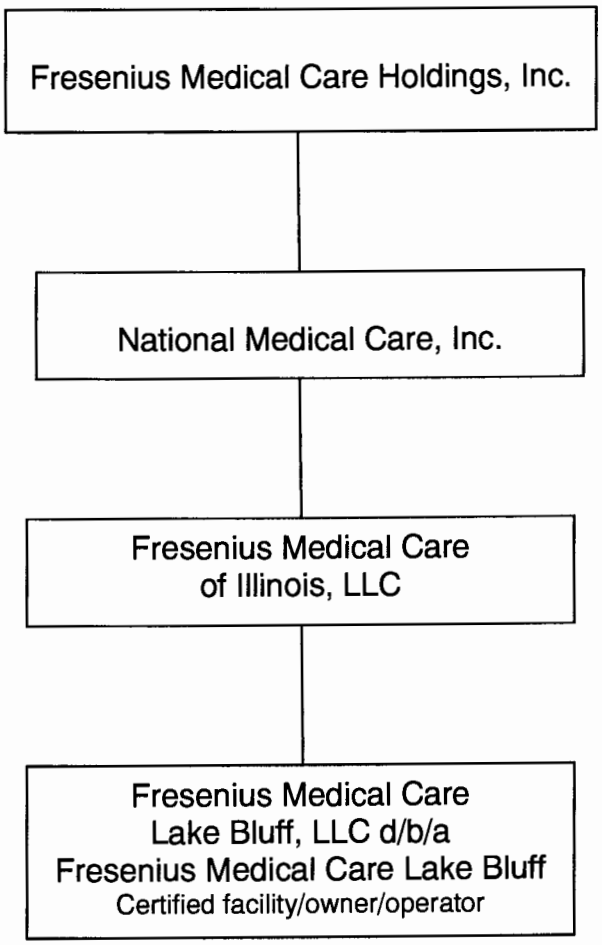
FRESENIUS MEDICAL CARE LAKE BLUFF, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON MARCH 03, 2017, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of MARCH A.D. 2017 .

Authentication #: 1708801164 verifiable until 03/29/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Background



ATTACHMENT - 3

Financial Statements

2014 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #15-022, Fresenius Medical Care Blue Island. 2015 Financial Statements for Fresenius Medical Care Holdings, Inc. were submitted previously to the Board with #16-023, Fresenius Kidney Care East Aurora.

Letter of Intent

Per statutory amendment the transaction document is no longer required. Given the nature of this transaction, there is no transaction document.

ATTACHMENT - 5