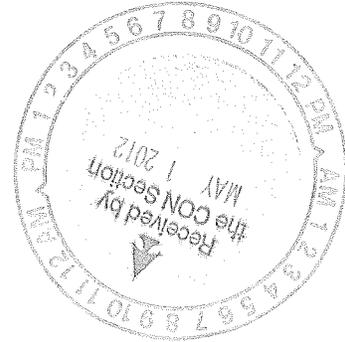


Macon County



April 27, 2012

Mr. Craig Smith, Chief
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Fresenius Medical Care Certificate of Need Application for Bio-Medical Applications of North Carolina, Inc. d/b/a FMC Macon County/Establish a New 7 Station Dialysis Facility/ Project I.D. Number A-8795-12

Dear Mr. Smith:

We have reviewed a portion of the above-referenced Certificate of Need application filed by Fresenius Medical Care of March 15, 2012. The applicant states on page 50 of the application, "On January 23, 2012 Jim Swann of FMC met with Macon County Manager Jack Horton, County Commissioner Ronny Beale and Attorney Chester M. Jones to discuss the project. All were very favorable with regard to development of a dialysis facility in Franklin". Mr. Swann had requested the meeting with Mr. Horton. As a courtesy, Mr. Horton scheduled the meeting and Mr. Beale and Mr. Jones were asked to attend the meeting.

We want to go on record that while we certainly support the development of a dialysis facility in Franklin, we are not supportive of the Certificate of Need application submitted by Fresenius Medical care for the following reasons:

- We are of the understanding and opinion that the residents of Macon County who are on dialysis are very concerned about the continuity of care they will receive from their dialysis provider and Nephrologist. We are concerned that this will not be possible with a Fresenius facility in our county. We understand that the nearest North Carolina Fresenius facility to Franklin is their Morganton facility in Burke County, which is approximately 122 miles from Franklin. The Medical Director named in the application is Dr. George Hart of Metrolina Kidney Associates in Charlotte, which is approximately 182 miles from Franklin. The applicant does not specifically identify any other Nephrologist or experienced clinical staff who will be available to treat and follow Macon County patients.
- The availability of trained staff to provide the treatments to the Macon County patients is a concern. We understand that the Fresenius application indicates that some portion of the employees will be new and have eight weeks of training. It is our understanding that

the residents of Macon County who are on dialysis receive their treatments at the Sylva Dialysis Center operated by Total Renal Care of North Carolina. We understand that the staff at this facility has been working with our residents for many years. Of equal importance is that it is our understanding that the Total Renal Care of North Carolina application indicates that several of the teammates from the Sylva facility will transfer to the Franklin facility. We believe this will afford a greater opportunity for continuity of care by individuals with faces which are already familiar to our patients. We understand that the person named to be the Facility Administrator lives in Otto in Macon County.

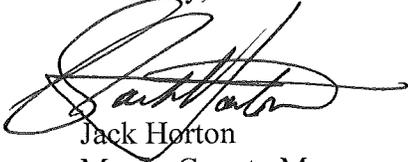
- DaVita Inc., the parent corporation of Total Renal Care of North Carolina, has been supportive of the petition for an adjusted need determination for Macon County from day one. Mr. Hyland, Director of Healthcare Planning, attended the State Health Coordinating Council Public Hearing in Asheville last July and attended the SHCC Long Term Care Committee Meeting when the Macon County Petition was recommended for approval and the full SHCC meeting where the petition was approved by the full committee.
- We understand that Total Renal Care of North Carolina has been providing in-center hemodialysis and home training in peritoneal dialysis and home hemodialysis training to the residents of Macon County since 1995. We further understand that Mountain Kidney Associates has been treating Macon County patients with kidney disease since the mid 1970s.

On page 51 of the Fresenius application, it is stated, "This proposal will certainly not adversely affect quality, but rather, enhance the quality of the ESRD patients' lives". We do not agree entirely with that statement. Instead, we believe in short that the residents of Macon County have been receiving quality services from their Nephrologists and dialysis provider for many years. Their current provider has an established record in this immediate area. We understand that some of the individuals of the current provider's facility in nearby Sylva, NC, where Macon County patients are currently treated will be transferring to the Franklin facility to continue to care for the patients of our county. We believe this to be a very significant observation. In short, we are concerned that it may not be wise to replace a known quality which seems to be working well with the patients from our county with what would essentially be an unknown quality which has no personnel, to our knowledge, who would have experience working with the patients from our county.

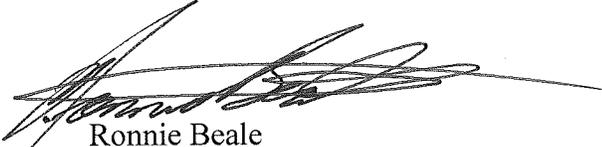
Mr. Beale has had the opportunity to visit the two sites for the proposed dialysis facility identified by each applicant. Mr. Beale is of the opinion that the two sites offered in the Fresenius application would be subpar and unacceptable for the housing a of state-of-the-art dialysis facility.

We want to go on record in support of the Certificate of Need application submitted by Total Renal Care of North Carolina to develop the seven-station dialysis in Franklin in Macon County. Please place our comments among the comments concerning the Fresenius application referenced hereinabove. Thank you for your consideraton.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Horton", written in a cursive style.

Jack Horton
Macon County Manager

A handwritten signature in black ink, appearing to read "Ronnie Beale", written in a cursive style.

Ronnie Beale
Macon County Commissioner