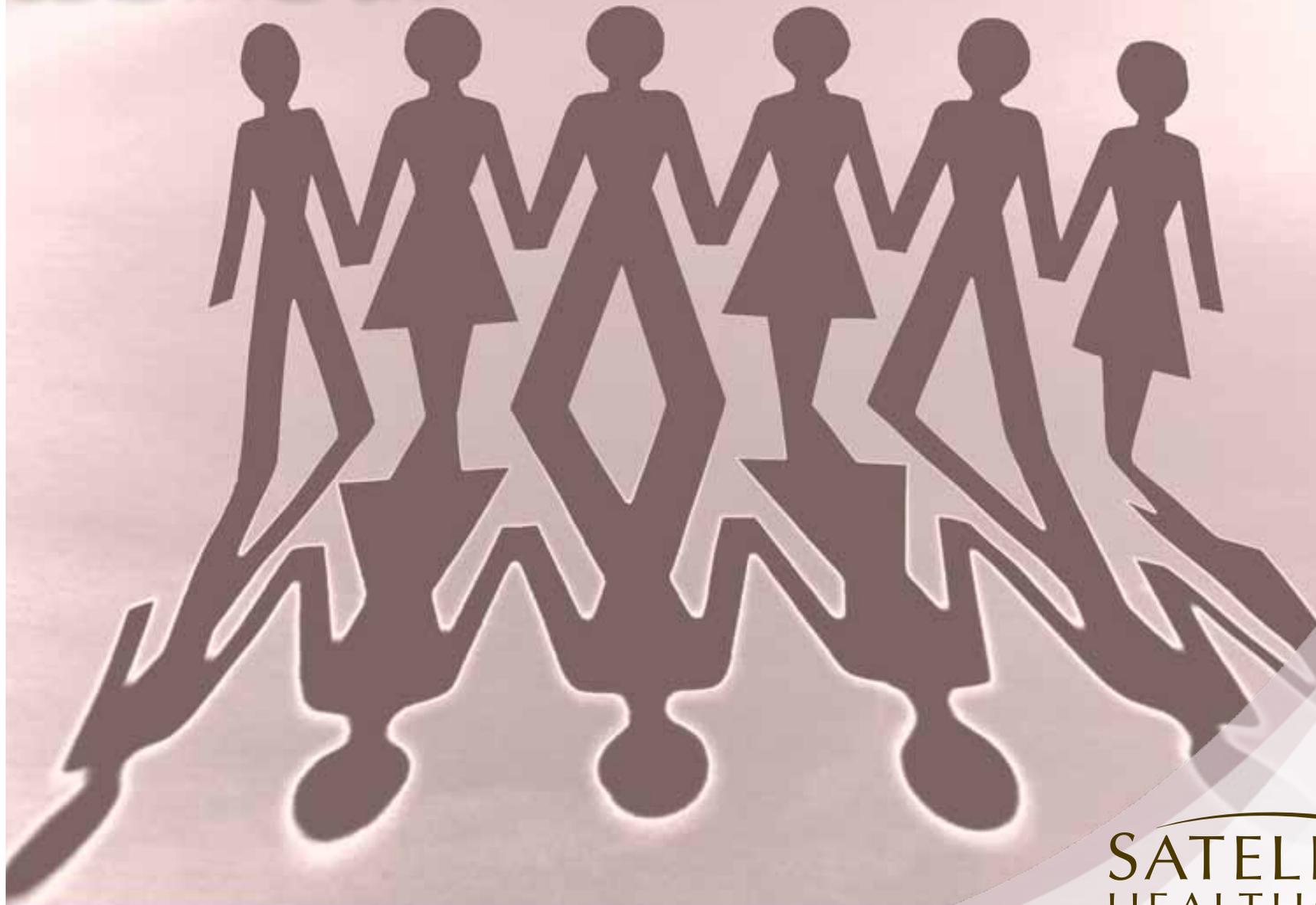


2014 COMMUNITY BENEFIT REPORT



SATELLITE
HEALTHCARE
DIALYSIS • WELLBOUND • RESEARCH

Satellite Healthcare is committed to helping individuals with kidney disease achieve the highest quality of life through clinical services, research and innovation. This Community Benefit Report provides an overview of some programs and activities that allow Satellite Healthcare to meet and exceed our organization's heritage as a not-for-profit dialysis provider whose primary focus is the patient.

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Our mission

Making life better for those living with kidney disease

Our vision

To collaborate with our community partners in achieving clinical excellence and integrated care delivery to the kidney disease population

Our values

I	INNOVATION	I look for creative ways to achieve the best quality care for our patients.
C	COMMUNITY	I am part of the Satellite family dedicated to CKD care.
A	ACCOUNTABILITY	I take personal responsibility for the services we provide.
R	RESPECT	I treat others as I would like to be treated.
E	EXCELLENCE	I strive to do my absolute best in caring for our patients.

Overview of Chronic Kidney Disease and the End Stage Renal Disease Community

Chronic Kidney Disease (CKD) is a public health problem in the United States that impacts approximately 26 million Americans. It is well known that hypertension and diabetes are the two leading causes of kidney failure.

Various factors have contributed to improved patient outcomes and have strengthened the End-Stage Renal Disease (ESRD) community.

- High-quality dialysis services
- An increase of successful kidney transplants
- More effective drugs and drug therapies
- The availability of more dialysis treatment options
- Information gained and used by research studies
- Targeted patient education efforts
- Patient support groups
- ESRD community advocacy

The 2014

United States Renal Data System Report¹ shows that of the 636,905 Americans who live with ESRD, about 71% (449,342) are treated by dialysis services.

¹www.usrds.org/adr.htm



Satellite Philanthropy

As a not-for-profit dialysis provider, Satellite Healthcare is involved in a number of community benefit programs and activities that help us in fulfilling our mission toward our patients and the ESRD community.

Satellite Healthcare is proud that our community benefit program includes activities that stretch across many areas of the ESRD community, including direct patient care, financial assistance for eligible patients, patient education and research, as well as state and federal level advocacy.

Community

benefit programs
are an integral part of the
Satellite culture.

Community Benefit Activities and Programs



- 40 Points of Light Program
- KidneysDoThat.org
- Social Media
- Satellite Financial Assistance Program
- Satellite Patient Trust Fund
- American Kidney Fund
- Satellite Healthcare Children's Scholarship Fund
- Internships
- The Norman S. Coplon/Satellite Healthcare Professorship in Medicine
- Satellite Research
- Contract Research
- Norman S. Coplon Grant Program
- Optimal Start®
- Better LIFE™ Wellness and Dialysis Options Education
- Satellite Advocacy
- Support of the National Kidney Foundation
- Young Investigator Grant with National Kidney Foundation

40 Points of Light Community Programs

25 local charities benefited and received a \$400 donation in support of the group's commitment to improve the lives of people in their community.

- Amazing Surf Adventures
- Walnut Avenue Women's Shelter
- People's Grocery
- 2nd Harvest Food Bank
- NKF West Tenn.
- St. Mary's Dining Room
- Bay Area Association of Kidney Patients
- Sacramento Food Bank
- Meals at Home
- Whistlestop
- Through the Looking Glass
- Northshore Senior Center
- Second Harvest Food Bank (SMC/SCC)
- McHenry House Tracy Family Shelter
- Center for Human Services
- Assistance League of San Jose
- Round Rock Area Serving Center
- Emergency Food Bank
- Hospice of San Joaquin
- Sacred Heart Community Service
- Catholic Charities of Stockton
- Kidney Kamp Foundation
- Roseland School District
- Friends of the Kyle Library
- Stepping Stone Growth Center

40 Points of Light Grants



Satellite Healthcare centers developed community programs to improve the quality of life for those in their specific community.

Wellness Expos

- North Shore medical community, Skokie, IL
- Diabetes Health Fair & Grey Bears, Watsonville, CA
- Round Rock Annual Health Fair, Austin, TX
- Marin Senior Information Fair, Larkspur, CA
- Family Kidney Health, Mercer, NJ

Brand and Collateral Creative

- Sonoma Kidney Crisis Foundation, Windsor, CA

Classroom Education

- Academy at Westwood High School Education Program, Austin, TX
- St. Stanislaus Catholic School junior high students, Modesto, CA
- Alice N. Stroud Elementary School S.M.I.L.E. After School Program, Modesto, CA

Kidney Care packages' for homeless and/or serving time in prison

- Kyle Correctional Facility, Kyle, TX
- Homeless Foundation St. James Park, San Jose, CA

Cooking classes or CKD friendly meal programs

- Council on Aging & Renal Meals on Wheels, Santa Rosa, CA
- St. Mary's Dining Room, Stockton, CA
- Cooking for Capitola at Culinary Arts in Santa Cruz, CA

Education & awareness at community events

- Sutter Tracy Health Habits expo, Tracy, CA,

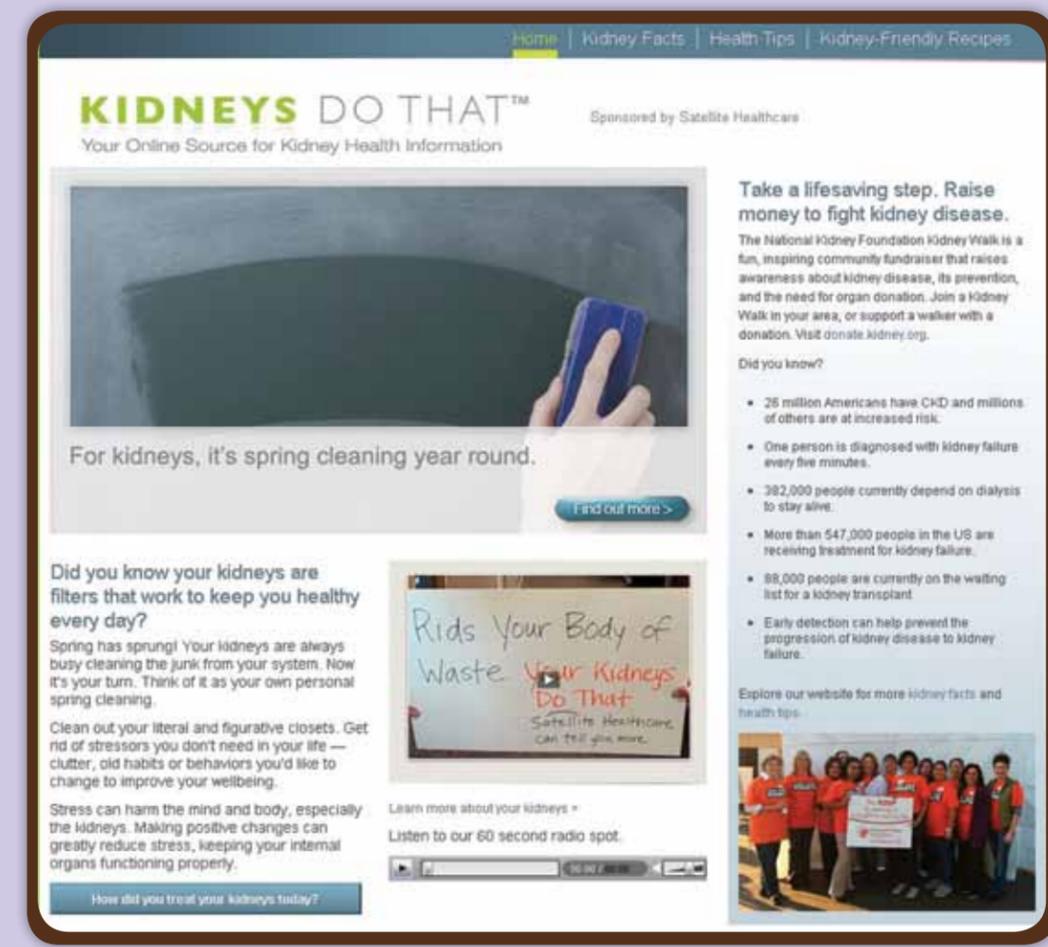
Social media

Facebook.com/satellitehealthcare



Kidney health website

KidneysDoThat.org



As part of an ongoing effort to educate the public about kidney health, Satellite Healthcare developed KidneysDoThat.org, a website dedicated to kidney health information.

This website explains, in easy-to-understand terms, what the kidneys do and why it is important to take care of them. It includes video and audio clips, photos, health tips and recipes. The site is updated periodically with seasonally relevant content.

Satellite Financial Assistance Program

Helping to meet the needs of the low-income uninsured and under insured is an important element of our commitment to the community. Satellite Healthcare's Financial Assistance Program provides the means for us to demonstrate our commitment to achieving our mission.

Through an annual screening process, patients are given the opportunity to get financial assistance for all or part of their dialysis service bills.

In 2014, Satellite Healthcare provided more than \$1.9 million in financial assistance to our patients.



Satellite Patient Trust Fund

Satellite Healthcare is aware that emergency circumstances arise for our patients that may require assistance. The Satellite Patient Trust Fund has been utilized to assist patients on a case by case basis, as needed.

Donations are accepted for an individual Satellite Dialysis or WellBound Center's Patient Trust Fund. Individuals can make a tax-deductible donation to the Patient Trust Fund. Additional funding comes from donations from the National Kidney Foundation (NKF), private companies, Satellite staff, medical directors and referring physicians.

The following are examples of how this program was utilized in 2014:

- Purchasing of household essentials and nutritional supplements
- Providing funds for more urgent medical transportation than ever
- Assistance with utility and phone bills

Each Satellite Dialysis and WellBound facility has access to a Patient Trust Fund which is initially funded by Satellite Healthcare at the beginning of each year.

American Kidney Fund

The American Kidney Fund (AKF) was founded in 1971 to help a single individual with kidney failure pay for dialysis. Today, AKF is the leading source of direct financial aid to chronic kidney disease patients across the nation. In 2014, the American Kidney Fund provided health insurance premium and other treatment-related financial assistance to more than 84,000, dialysis patients nationwide.

Satellite Healthcare supports the AKF with regular annual donations to support its programs.



Satellite Healthcare Children's Scholarship Fund

Satellite Healthcare Children's Scholarship Fund was created to assist the children of our employees achieve their goals of higher education. In 2014, Satellite Healthcare awarded 10 scholarships from this fund.

Our Children's Scholarship Fund rewards and assists in the education of many of the deserving children of our talented employees. By supporting our future leaders during their educational development, we will contribute to a better future for all.

These scholarships are awarded for full-time undergraduate study at any accredited two- or four-year college or university. Recipients are selected based on academic record, demonstrated leadership, participation in school and community activities, honors, work experience, and goals and aspirations as stated in the 500-word essay component of the application.

The Satellite Healthcare Children's Scholarship Fund awarded \$5,000 for the Spring term and \$5,000 for the Fall term in 2014.

In recognition of our employees we offer this benefit of \$500 to ten deserving children for both the Spring and Fall terms.

Internships

Satellite provides a number of internship opportunities for nurses studying for careers in Nephrology. These internships were created to support our clinical ladder model from CCHT to RN careers. In our centers, interns receive the mentorship of highly experienced nephrology nurses. They are exposed to the continuum of CKD patient treatment options and develop the experience and knowledge to achieve their career goals of becoming professional nephrology nurses.



The Norman S. Coplon/Satellite Healthcare Professorship in Medicine

Satellite Healthcare has honored its founder, Norman S. Coplon, MD, with an endowed chair at Stanford University School of Medicine.

The Norman S. Coplon/Satellite Healthcare Professorship in Medicine was established on June 12, 2008 with a gift from Satellite Healthcare, which Dr. Coplon founded in 1973 as a not-for-profit organization. His vision was to fulfill the growing need for dialysis services as well as to fund research and provide education for patients with end stage renal disease (ESRD). The company aims to advance the standard of chronic kidney disease care while optimizing patient wellness and quality of life.



research

Satellite Research

The mission of Satellite Research is to stimulate, support and carry out research with emphasis on improving clinical outcomes in patients with kidney disease. Our research is guided by an independent Scientific Advisory Board of leading researchers and our Satellite Healthcare Board of Directors. Satellite Research is conducting research in various areas with the aim to directly improve the care of patients with ESRD. The primary focus of Research has been directed toward the following areas.

Home dialysis therapies allow for a more independent and flexible schedule of renal replacement therapy, thereby allowing the patients to achieve full rehabilitation for active lives. Peritoneal dialysis has been available since the 1980s and home hemodialysis (HHD) has emerged over the last few years as a new alternative for providing renal replacement therapy to the growing patient population. As of 2007, the literature about the frequency of home hemodialysis is limited. Offering a range of frequency from every other day to four and six times per week, as well as nightly, allows the study of clinical and laboratory parameters with special emphasis on adequacy, anemia and phosphate management, quality of life, medication patterns, and removal of middle molecules.

Internal studies are designed to help evaluate various schedules for delivery of this therapy. Clinical

concerns of adequate dialysis as well as lifestyle concerns and resulting quality of life are critical in establishing therapies which allow as many patients as possible to undergo this type of renal replacement therapy.

CKD is addressed earlier through our WellBound centers, targeting early stage-4 CKD education in an effort to delay the onset of ESRD and improve the health literacy related to treatment modality selection.

Of the patients participating in CKD options education, approximately 40% choose a home treatment modality, more than four times the national average.

Research to study the opportunities and barriers existing in the current system of ESRD care delivery is vital to allow patients to benefit from

research

Satellite Research

the advantages home therapies provide for patients.

Patients suffering from ESRD have multiple co-morbidities and it has become evident that addressing these co-morbidities is vital for improving outcomes.

Depression has been identified as a significant burden in this patient population and studies are aimed at evaluating improved screening for the disease and its subsequent treatment.

While in-center hemodialysis therapy has been the standard of care for more than 30 years, optimization of this modality based on new data and concepts is critical for improvement of care and patients' wellbeing.

Hypertension and fluid overload are a major problem in patients undergoing hemodialysis.

Intradialytic weight gain is thought to directly influence both blood pressure and the adverse events that occur during dialysis therapies. The importance of salt intake is well recognized in this respect; however, the emphasis has always focused on salt intake by patients when not on dialysis. Satellite Research is in the process of shedding some light on current dialysis prescriptions and their potential impact on these issues.

Studies to optimize the Na dialysate prescriptions with individualized Na dialysate have been conducted in patients undergoing in-center nocturnal HD and are exposed to dialysate sodium for a prolonged period of time.

Furthermore, collaboration with colleagues at Stanford's Department of Nephrology creates a strong basis for mutually

beneficial and complementary research studies.

All research projects are aimed at improving outcomes and quality of life for patients on dialysis. Results of these research projects have been presented at a variety of national meetings, including the American Society of Nephrology meeting (ASN), the Annual Dialysis Conference (ADC), the Annual Nephrology Nurses Association (ANNA) and the National Kidney Foundation (NKF) meeting.

Contract Research

An integral part of Satellite Research continues to be participating in phase II and III clinical trials with new promising products in the process of achieving FDA approval. Trials are chosen according to their applicability and likelihood to improve patient morbidity and mortality rates.



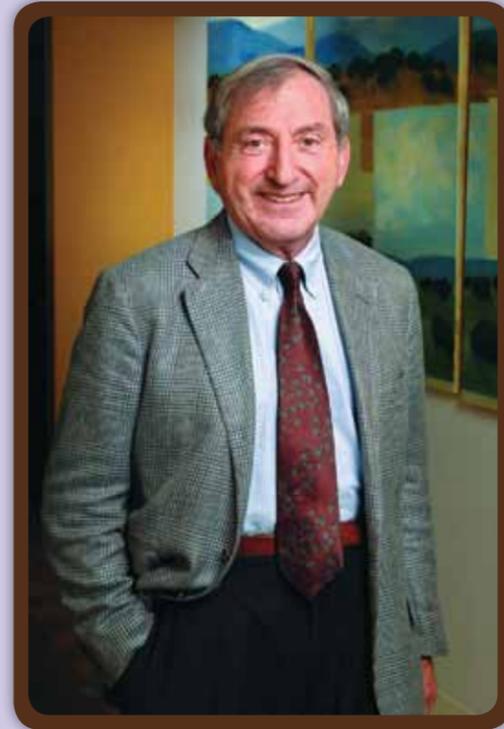
Norman S. Coplon Extramural Grant Program

Satellite Healthcare's extramural grant program is one of the nation's largest private research grant programs focused on chronic kidney disease.

Grant awards are given to individuals and institutions engaged in promising kidney disease research in the United States and Canada.

Approximately one-third of the awards are for basic science research, with the remaining two-thirds aimed at applied science.

Each year, Satellite Healthcare funds approximately 24 grants totaling nearly \$1,200,000.



As of 2014

more than \$13,775,000 has been granted, supporting 110 different research projects in the U.S. and Canada.

2014 Norman S. Coplon Extramural Grant Recipients

Michael Eadon

Indiana University
Genetic Susceptibility to
Nephrotoxicity

Jyothsna Gattineni

**UT Southwestern
Medical Center**
Fibroblast Growth Factor
23 (FGF23) and Vascular
Calcification

Jay Koyner

University of Chicago
Validation of the Furosemide
Stimulation Test: A
Physiologic Biomarker for
Acute Kidney Injury

Timmy Lee

**University of Alabama at
Birmingham**
Natural History of
Arteriovenous Fistula
Maturation

Rachel Patzer

Emory University
iChoose Kidney Decision Aid
for Treatment Options

Timo Rieg

UC San Diego
Role of adenylyl cyclase 6 in
phosphate homeostasis



patient empowerment

Optimal Start[®]

There are many essential components which contribute to a positive dialysis experience and better outcomes for ESRD patients. These factors include improved health literacy about ESRD, making the necessary dietary changes and compliance with dialysis treatments and services.

Satellite's Optimal Start[®] program is a patient empowerment program targeted at the first 90 days of a patient's experience with dialysis treatment. The program continues to enable Satellite Healthcare to work closely with new patients to provide them the best opportunity for successful dialysis treatment.

The Optimal Start staff ensures that patients understand the importance of dialysis treatment. Patients also are educated on related health conditions prevalent in ESRD patients. The added one-on-one support for the first 90

days is one way Satellite is able to assist and educate new patients about healthy ways of living and treating their disease.

During the first 90 days the program provides interventions:

- To assist, support, and educate patients who have chosen in-center hemodialysis as the modality to treat their kidney failure and to assure that they have a full understanding of the other options available to them should they decide to make a change
- To reduce hospitalizations and missed dialysis treatments by providing understanding of the importance of being compliant with their new prescription drug therapy, dietary changes and adherence to a schedule for treatment
- To monitor patient Clinical Performance Measures (CPM) to see that they are within the target range and to ensure a better state of health during the first 90 days
- To foster a team approach by engaging everyone involved with the patient's care in the Optimal Start process, thus giving them the opportunity to better understand how each person's discipline impacts the success of the patient's ability to adapt to stage-5 kidney failure

The Optimal Start program's goal is to achieve the best possible outcomes for new patients.

Better LIFE™ Wellness and Renal Replacement Therapy Options Education

Through the WellBound Centers of Excellence, Satellite Healthcare provides comprehensive dialysis options education programs as a way to improve the clinical and quality of life outcomes of CKD patients. These programs are designed as an adjunct to the care provided by community nephrologists and are focused in two specific areas: CKD wellness education and renal replacement therapy education.

Studies have shown that pre-dialysis education affects the involvement of CKD patients in their health care. A patient that is well-versed in the details of CKD is more likely to establish behaviors that are consistent with maintaining their health and deferring disease progression. This can take the form of embracing exercise, altering diets or monitoring and addressing

important contributors to their disease. At the same time, increasing a patient's health literacy at an earlier stage also helps them to delay their need for dialysis therapy.

WellBound's Better LIFE™ wellness education programs cover a variety of key topics relevant to CKD patients, including hypertension management, exercise, nutrition, stress reduction and cardiovascular risk assessment. Patients who take part in these classes have greater health literacy and are more engaged in their care, better prepared for choosing and starting a dialysis therapy, and more able to maintain a healthy lifestyle.

When it comes to selecting a treatment modality, WellBound provides CKD patients with the education so that they, in collaboration with their physicians,

can make informed decisions regarding their dialysis options. By proactively preparing patients to make educated therapy decisions, Satellite Healthcare aims to reduce the persistently high rate of patients who begin dialysis in an emergency hospital setting.

WellBound's renal replacement therapy education programs expose patients to all treatment options including transplant, in-center hemodialysis and self-care therapies.





Satellite Advocacy

2014 was another busy year in the renal industry, one in which Satellite was very involved in advocacy efforts. We continue to actively participate with our trade associations, the Kidney Care Council (KCC), Kidney Care Partners (KCP) and the California Dialysis Council (CDC). A federal bill, sponsored by Kidney Care Partners was introduced in the House: the Chronic Kidney Disease Improvement in Research and Treatment Act of 2014. The bill focuses on three key areas pertinent to Chronic Kidney Disease including; improving the understanding of kidney disease, improving beneficiary access to treatments for kidney disease, and, expanding patient choice and improve the coordination of care. Satellite and other KCP members were in Washington DC meeting with congressional offices to speak about this bill and continued our outreach efforts throughout the summer of 2014.

In 2014, CMS finalized the ESRD rule, with new Medicare payment rates and changes and finalization several components of the rate; rebasing of the market basket to calendar year 2012, delaying payment for oral-only drugs to 2024, the two-year labor related share transition, phasing out the Wage Index floor, outlier policy changes, low-volume payment adjustments, acknowledgement of Home Dialysis barriers, and, an update to the anticipated change to ICD-10 beginning October 1, 2015.

In 2014, Satellite was and continues to be involved the California issue related to the interpretation of the secondary payment issues from MediCal and MediCal Managed Care systems. While the federal payment system (CMS) transitioned to a “bundled” payment, the State Medical systems have not yet transitioned

and continue payment on a fee for service methodology, causing California dialysis providers unable to be paid for the secondary share of costs for ESRD patients in California. Satellite, the California Dialysis Council and other trade constituents continue to pursue a solution to the payment issues derived from this issue. Elimination of the Medicare coinsurance payments by Medicare Secondary payers would significantly affect providers and patients.

As a not-for-profit organization, it is essential that we inform and educate state and federal elected officials and government agencies about issues impacting our patients.

Support of the National Kidney Foundation

Satellite Healthcare historically has been a leading supporter of the National Kidney Foundation (NKF).

The NKF has been one of the key drivers in improving the quality of care for CKD patients in the United States. Our donations have been used for a number of NKF programs and activities, including

promoting basic research through the NKF grant program, sponsoring major clinical practice guidelines, and playing an integral role in the Kidney Early Evaluation Program (KEEP).

Finally, Satellite Healthcare was the primary sponsor of the Kidney Disease Outcomes Quality Initiative (K/DOQI), which

provides evidence-based clinical practice guidelines developed by volunteer physicians and health care providers for all phases of kidney disease and related complications, from diagnosis to monitoring and management of cardiovascular guidelines which are widely used in the dialysis community today.

Throughout

our more than 40 years of service, Satellite has donated more than \$3.76 million to NKF national and state programs.



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HEALTHCARE
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Better Care. Better Life. Better Choice.®