REQUIRED STATE AGENCY FINDINGS

FINDINGS
C = Conforming
CA = Conforming as Conditioned
NC = Nonconforming
NA = Not Applicable

Decision Date: June 17, 2026
Findings Date: June 17, 2026

Project Analyst: Chalice L. Moore
Co-Signer: Lisa Pittman

Project ID #: L-12761-26
Facility: FMC South Rocky Mount
FID #: 130370
County: Nash
Applicant: Bio-Applications of North Carolina, Inc.
Project: Add no more than 5 in-center dialysis stations pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate 2 stations)

REVIEW CRITERIA

G.S. 131E-183(a): The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

(1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

C

Bio-Medical Applications of North Carolina, Inc. (hereinafter referred to as "BMA" or the "applicant") proposes to add no more than five in-center dialysis station to FMC South Rocky Mount (hereinafter referred to as "FMC South Rocky Mount") pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

Need Determination (Condition 2)

Chapter 9 of the 2026 State Medical Facilities Plan (SMFP) provides a county need methodology and a facility need methodology for determining the need for new dialysis stations. According to Table 9C on page 131 of the 2026 SMFP, the county need methodology

shows there is not a county need determination for additional dialysis stations anywhere in the state.

However, the applicant is eligible to apply for additional dialysis stations in an existing facility pursuant to Condition 2 of the facility need methodology in the 2026 SMFP, if the utilization rate for the facility as reported in the 2026 SMFP is at least 75 percent or 3.0 patients per station per week or greater, as stated in Condition 2.a. The utilization rate reported for the facility is 84.21% or 3.37 patients per station per week, based on 64 in-center dialysis patients and 19 certified dialysis stations (64 patients / 19 stations =3.37, 3.37/ 4=84.2%).

As shown in Table 9D,on page 132 of the 2026 SMFP, based on the facility need methodology for dialysis stations, the potential number of stations needed is up to five additional stations; thus, the applicant is eligible to apply to add up to five stations during the 2026 SMFP review cycle pursuant to Condition 2 of the facility need methodology.

The applicant proposes to add no more than five new stations to the facility, which is consistent with the 2026 SMFP calculated facility need determination for up to five stations; therefore, the application is consistent with Condition 2 of the facility need determination for dialysis stations.

Policies

There is one policy in the 2026 SMFP that is applicable to this review*, Policy GEN-5: Access to Culturally Competent Healthcare.*

Policy GEN-5, page 30 of the 2026 SMFP, states:

> *"A certificate of need (CON) applicant applying to offer or develop a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will provide culturally competent healthcare that integrates principles to increase health equity and reduce health disparities in underserved communities. The delivery of culturally competent healthcare requires the implementation of systems and training to provide responsive, personalized care to individuals with diverse backgrounds, values, beliefs, customs, and languages. A certificate of need applicant shall identify the underserved populations and communities it will serve, including any disparities or unmet needs of either, document its strategies to provide culturally competent programs and services, and articulate how these strategies will reduce existing disparities as well as increase health equity."*
>
> *The applicant shall, in its CON application, address each of the items enumerated below:*
>
> > ***Item 1****: Describe the demographics of the relevant service area with a specific focus on the medically underserved communities within that service area. These communities shall be described in terms including, but not limited to: age, gender, racial composition; ethnicity; languages spoken;*

disability; education; household income; geographic location and payor type.

***Item 2**: Describe strategies it will implement to provide culturally competent services to members of the medically underserved community described in Item 1.*

***Item 3**: Document how the strategies described in Item 2 reflect cultural competence.*

***Item 4**: Provide support (e.g., best-practice methodologies, evidence-based studies with similar communities) that the strategies described in Items 2 – 3 are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities within the relevant service area.*

***Item 5**: Describe how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities."*

Demographics

In Section B, page 20, the applicant provided the following table that reflects the patient demographics at FMC South Rocky Mount.

FMC South Rocky Mount Last Full FY before Submission of the Application			
Group	**% of Total Patients Served**	**% of the Population of the Service Area**	**Percentage of the Population in the Service Area**
Low-income persons	34	50.00%	
Racial and ethnic minorities	51	75.00%	
Women	27	39.70%	
Handicapped persons	49	72.10%	
The Elderly	46	67.60%	
Medicare beneficiaries	60	88.20%	
Medicaid beneficiaries	26	38.20%	
American Indian			1.00%
Asian			6.70%
Black or African American	50	73.50%	32.80%
Native Hawaiian or Pacific Islander			0.10%
White or Caucasian	17	25.00%	56.60%
Other Race	1	1.50%	8.00%
Declined/Unavailable			

Note: Other races include Hispanic, Latino, or two or more races
Source: Section B, page 20 of the application

Strategies to Provide Culturally Competent Services

In Section B, pages 20-21, the applicant adequately describes the strategies it would implement to provide culturally competent services to members of the medically underserved community it identified in the table above and how progress will be assessed. The information provided by the applicant is reasonable and supports the determination that the applicant's proposal will provide culturally competent services.

Strategies to Reflect Cultural Competence

In Section B, pages 21-22, the applicant adequately describes the strategies it would implement to reflect cultural competence services to members of the medically underserved community it identified in the table above and how progress will be assessed. The information provided by the applicant is reasonable and supports the determination that the applicant's proposal will provide culturally competent services.

Strategies for Reducing Health Disparities, Increasing Health Equity and Improving health outcomes

In Section B, pages 22-23, the applicant adequately describes the strategies it would implement to strategies for reducing health disparities, increasing health equity and improving health outcomes to members of the medically underserved community it identified in the table above and how progress will be assessed. The information provided by the applicant is reasonable and supports the determination that the applicant's proposal will provide culturally competent services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant adequately demonstrates that the application is consistent with the facility need methodology as applied from the 2026 SMFP.
- The applicant adequately demonstrates that the application is consistent with Policy: GEN -5 access to culturally competent healthcare based on the following:

    - The applicant provided patient demographics for Nash County.
    - The applicant described how its strategies reflect cultural competence because the plan meets patients where they are and individualizes their care and it helps teammates develop a set of skills and knowledge to better understand the importance of respecting patients' different perspectives.
    - The applicant described how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities including

assessing data and performance for different patient populations and reviewing the data and plan annually.

(2) Repealed effective July 1, 1987.

(3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, … persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

Patient Origin

On page 107, the 2026 SMFP defines the service area for dialysis stations as *"the county in which the dialysis station is located. Each county comprises a service area except for two multicounty service areas: Cherokee, Clay and Graham counties and Avery, Mitchell, and Yancey counties."* Thus, the service area for this facility consists of Nash County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical patient origin.

FMC South Rocky Mount						
County	Historical Last Full FY 01/01/2025 to 12/31/2025					
	# of in-center Patients	% of Total	# of Home Hemodialysis Patients	% of Total	# of Peritoneal Dialysis Patients	% of Total
Nash	45.0	70.3%	10.0	90.9%	32.0	60.4%
Edgecombe	11.0	17.2%			6.0	11.3%
Halifax	3.0	4.7%			6.0	11.3%
Wake					3.0	5.7%
Wayne					1.0	1.9%
Wilson	5.0	7.8%	1.0	9.1%	5.0	9.4%
Total	**64.0**	**100.0%**	**11.0**	**100.0%**	**53.0**	**100.0%**

Source: Section C, pages 24

The following tables illustrate projected patient origin.

County	FMC South Rocky Mount	
	Second Full FY 01/01/2029 to 12/31/2029	
	# of in-center Patients	% of Total
Nash	47.2	71.3%
Edgecombe	11.0	16.6%
Halifax	3.0	4.5%
Wilson	5.0	7.6%
Total	**66.2**	**100.0%**

Source: Section C, pages 25

In Section C, pages 25-27, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported based on the following:

- The applicant began projections for patient utilization with the patient population at FMC South Rocky Mount as of December 31, 2025. The facility had 64 patients and 45 of those patients lived in the Nash County service area. The remaining 19 patients lived outside the service area.
- The applicant projected growth of the Nash County patient population by using the Five Year Average Annual Change Rate (5-Year AACR) for Nash County which is 0.5%. However, the applicant will rely on the facility's historical ICHD growth rate as shown in a table on page 26 of the application, to project the future ICHD patient population at the facility.
- The applicant will conservatively project growth of its Nash County ICHD patients using a 1.2% growth rate commensurate with the facility's historical experience.
- The applicant states "*Edgecombe, Halifax and Wilson County are contiguous to Nash County; thus, it is not unreasonable for patients who reside in these counties to travel to Nash County for their dialysis treatment. The applicant will not project growth of the patient population in these counties, but these patients will be added to future projections at specific points of time*."

Upon completion of Nash County Home, CON Project ID# L-12555-24 to relocate two stations and the entire home dialysis program, FMC South Rocky Mount will only be certified for ICHD, thus this application will only include projections for ICHD. Nash County Home is currently under development and is on track to be completed on or before December 31, 2027. The tables below provide the In-Center Hemodialysis methodology.

Begin with the Nash County patient population as of December 31, 2025	45.0
Project the Nash County patient population forward one year to December 31, 2026	45.0 X 1.012 = 45.5
Add the 19 in-center patients from other counties. This is the projected ending census for Interim Year 1.	45.5 + 19.0 = 64.5
Project the Nash County patient population forward one year to December 31, 2027.	45.5 X 1.012 = 46.1
Add the 19 in-center patients from other counties. This is the projected ending census for Interim Year 2.	46.1 + 19.0 = 65.1
Project the Nash County patient population forward one year to December 31, 2028.	46.1 X 1.012 = 46.6
Add the 19 in-center patients from other counties. **This is the projected ending census for Operating Year 1.**	46.6 + 19.0 = 65.6
Project the Nash County patient population forward one year to December 31, 2029.	46.6 X 1.012 = 47.2
Add the 19 in-center patients from other counties. **This is the projected ending census for Operating Year 2**	47.2 + 19.0 = 66.2

Source: Section C, pages 26-27

	Operating Year 1	**Operating Year 2**
In-center	65.6	66.2

Source: Section C, page 27

Analysis of Need

In Section C, page 28, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services. On page 28, the applicant states:

> *"The need that this population has for the proposed services is a function of the individual patient's need for dialysis care and treatment. This question specifically addresses the need that the population to be served for the proposed project. The applicant has identified the population to be served as 65.6 in-center dialysis patients dialyzing with the facility as of the end of the first Operating Year of the project. This equates to a utilization rate of 74.6%, or 2.98 patients per station per week and exceeds the minimum required by the performance standard, thus justifying the need for the total number of existing and proposed in-center dialysis stations at the FMC South Rocky Mount facility.*

The information is reasonable and adequately supported because the applicant demonstrates eligibility to add five dialysis stations to its facility under Condition 2 of the facility need methodology, as stated in the 2026 SMFP. The discussion regarding the need methodology found in Criterion (1) is incorporated herein by reference.

Projected Utilization

In Section Q, Form C, the applicant provides historical and projected utilization, as illustrated in the following table.

Form C Utilization	Last Full FY CY 2025	Interim Full FY CY 2026	Interim Full FY CY 2027	1st Full FY CY 2028	2nd Full FY CY 2029
In-Center Patients					
# of Patients at the Beginning of the Year	64	64	65	65	66
# of Patients at the End of the Year	64	65	65	66	66
Average # of Patients during the Year	64	64	65	65	66
# of Treatments / Patients / Year	148	148	148	148	148
Total # of Treatments	**8,977**	**9,512**	**9,592**	**9,674**	**9,756**
Home Hemodialysis Patients					
# of Patients at the Beginning of the Year	13	11	11		
# of Patients at the End of the Year	11	11	11		
Average # of Patients during the Year	12	11	11		
# of Treatments / Patients / Year	148	148	148		
Total # of Treatments	**2,269**	**1,637**	**1,655**		
Peritoneal Dialysis Patients					
# of Patients at the Beginning of the Year	51	53	53		
# of Patients at the End of the Year	53	53	54		
Average # of Patients during the Year	52	53	54		
# of Treatments / Patients / Year	148	148	148		
Total # of Treatments	**7,807**	**7,872**	**7,930**		
Total Patients					
# of Patients at the Beginning of the Year	128	128	129	65	66
# of Patients at the End of the Year	128	129	130	66	66
Average # of Patients during the Year	128	129	130	65	66
# of Treatments / Patients / Year	148	148	148	148	148
Total # of Treatments	**19,053**	**19,021**	**19,177**	**9,674**	**9,756**

In Section Q immediately following Form C, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

In Center Assumptions:

1. The 2026 SMFP, Table 9D indicates that FMC South Rocky Mount qualifies to apply for up to five additional dialysis stations pursuant to Condition 2 of the Facility Need Methodology. This is an application for five additional dialysis stations.
2. The applicant will begin projections of the future patient population to be served with the facility census as of December 31, 2025. The historical patient origin information above was reported on the facility's 2025 ESRD Data Collection Form submitted to DHSR Healthcare Planning in February 2026 and will be available to the CON Project Analyst during the review period.
3. According to Table 9B in Chapter 9 of the 2026 SMFP, the Five Year Average Annual Change Rate (5-Year AACR) for Nash County is 0.5%. However, the applicant will rely on the facility's historical ICHD growth rate as shown in the table below, to project the future ICHD patient population at the facility.

FMC South Rocky Mount				
	12/31/2022	12/31/2023	12/31/2024	2-Year CAGR
Total Nash County ICHD Patients	40	42	41	1.2%

Source: Section C, page 26

4. Edgecombe, Halifax and Wilson County are contiguous to Nash County; thus, it is not unreasonable for patients who reside in these counties to travel to Nash County for their dialysis treatment. The applicant will not project growth of the patient population in these counties, but these patients will be added to future projections at specific points of time.
5. As previously stated, FMC South Rocky Mount is currently certified for ICHD, HHD and PD. However, upon completion of Nash County Home, CON Project ID# L-12555-24 which was CON approved to relocate 2 stations and the entire home dialysis program, FMC South Rocky Mount will only be certified for ICHD, thus this application will only include projections for ICHD. Nash County Home is currently under development and is on track to be completed and certified on or before December 31, 2027.

6. The stations are projected to be certified on December 31, 2027.

   Operating Year 1 is the period from January 1- December 31, 2028
   Operating Year 2 is the period from January 1- December 31, 2029

In-Center Methodology:

Begin with the Nash County patient population as of December 31, 2025	45.0
Project the Nash County patient population forward one year to December 31, 2026	45.0 X 1.012 = 45.5
Add the 19 in-center patients from other counties. This is the projected ending census for Interim Year 1.	45.5 + 19.0 = 64.5
Project the Nash County patient population forward one year to December 31, 2027.	45.5 X 1.012 = 46.1
Add the 19 in-center patients from other counties. This is the projected ending census for Interim Year 2.	46.1 + 19.0 = 65.1
Project the Nash County patient population forward one year to December 31, 2028.	46.1 X 1.012 = 46.6
Add the 19 in-center patients from other counties. **This is the projected ending census for Operating Year 1.**	46.6 + 19.0 = 65.6
Project the Nash County patient population forward one year to December 31, 2029.	46.6 X 1.012 = 47.2
Add the 19 in-center patients from other counties. **This is the projected ending census for Operating Year 2**	47.2 + 19.0 = 66.2

Source: Section C, pages 26-27

	Operating Year 1	**Operating Year 2**
In-center	65.6	66.2

Source: Section C, page 27

- At the end of FY1, FMC South Rocky Mount is projected to serve 65.6 in-center patients and at the end of FY2, the facility is projected to serve 66.2 in-center patients.
- The applicant projects to serve 65.6 patients on 22 stations, which is 2.98 patients per station per week (65.6 patients/22 stations = 2.98), by the end of FY1.
- This meets the minimum requirements of 2.8 patients per station per week as of the end of the first full fiscal year as required by 10 A NCAC 14C .2203(b).

Projected utilization is reasonable and adequately supported based on the following:

- The applicant projects future utilization based on historical utilization and growth.

- Projected utilization at the end of FY1 meets the minimum 2.8 patients per station per week as required by 10A NCAC 14C .2203(b).

Access to Medically Underserved Groups

In Section C, pages 30-31, the applicant states:

> *"…Fresenius Medical Care operates more than 100 dialysis facilities across North Carolina. Each of our facilities has a patient population which includes low-income*

persons, racial and ethnic minorities, women, handicapped persons, elderly, or other traditionally underserved persons."

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Group	Percentage of Total Patients during the Second Full Fiscal Year
Low-income persons	50.0%
Racial and ethnic minorities	75.0%
Women	39.7%
Persons with Disabilities	72.1%
Persons 65 and older	67.6%
Medicare beneficiaries	88.2%
Medicaid recipients	38.2%

Source: Section C, page 31

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the applicant's history of providing services to medically underserved groups.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

(3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, … persons [with disabilities], and other underserved groups and the elderly to obtain needed health care.

NA

The applicant does not propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

(4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

In Section E, page 38, the applicant states it did not consider any alternatives because failure to apply for additional stations will lead to higher utilization rates, potential interruptions to patient admissions to the facility, and potentially require an evening shift to receive treatment, which may not be convenient or accessible for the patients and would thus be the least effective alternative.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant demonstrated that the projected utilization for the end of Operating Year 1 is 2.98 patients per station per week and the projected utilization for the end of Operating Year 2 is 3.01 patients per station per week. These utilization rates are calculated based upon 22 dialysis stations.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above. Therefore, the application is approved subject to the following conditions:

1. **Bio-Medical Facilities of North Carolina, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**

2. **Pursuant to Condition 2 of the facility need determination in the 2026 SMFP, the certificate holder shall develop no more than no more than five in-center dialysis stations at FMC South Rocky Mount for a total of no more than 22 stations upon completion of this project and CON Project ID# L-12555-24 (relocate two stations).**

3. **Progress Reports:**
   a. **Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: https://info.ncdhhs.gov/dhsr/coneed/progressreport.html.**
   b. **The certificate holder shall complete all sections of the Progress Report form.**

c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.
d. The first progress report shall be due December 1, 2026.

4. The certificate holder shall develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.

5. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

(5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

Capital and Working Capital Costs

On Form F.1a, in Section Q, page 86, the applicant projects the total capital cost of the project, as shown in the table below.

Form F.1a Capital Cost	Bio-Medical Applications of North Carolina Inc.
Construction/Renovation Contract(s)	$827,351
Architect / Engineering Fees	$124,103
Non-Medical Equipment	$170,000
Furniture	$60,343
Other: Contingency	$142,718
Total	**$1,324,515**

In Section Q, page 83, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- Construction estimates are based upon a national database used by the RECS team.
- Architect and Engineering Fees are estimated at approximately 15% of the proposed construction cost.
- The contingency amount is calculated as 15% of the sum of Construction and Architect / Engineering fees.

- Non-medical equipment is primarily comprised of any system necessary for dialysis operations and would include items such as signs, project communications, water system and ancillary equipment.

In Section F, page 40, the applicant states that there will be no start-up costs or initial operating costs because FMC South Rocky Mount is an existing facility.

Availability of Funds

In Section F, page 40, the applicant states that the capital cost will be funded by accumulated reserves. Exhibit F-2 contains a letter dated March 16, 2026, from the Vice President of Corporate Tax - North America for Fresenius Medical Care Holdings, Inc. committing $1,324,515 for the capital cost and any additional working capital necessary for the proposed project. Fresenius Medical Care Holdings, Inc., is the parent company of National Medical Care, Inc., and Bio-Medical Applications of North Carolina, Inc. In Exhibit F-2, the applicant includes the Fresenius Medical Care Holdings, Inc. and Subsidiaries Consolidated Financial Statements for quarter three of 2025 which show that the applicant has sufficient funds to support the project.

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project based on the documentation in Exhibit F.2.

Financial Feasibility

The applicant provided pro-forma financial statements for the first two full fiscal years of operation following completion of the project. In Form F.2, page 85, the applicant projects FMC South Rocky Mount would be operating in a financial loss position for the first two operating years of the project, as shown in the table below. However, the applicant states, on pages 86-87, that the projected operating loss is due to the construction cost for the renovations, to develop the additional five stations as well as the loss of the home dialysis patient revenue as a result of the new Nash County Home facility. Moreover, in Exhibit F-2, the applicant provides a letter from the VP Corporate Tax for Fresenius Medical Care which states that if the facility operates at a loss for the first two operating years, it will absorb the losses. The applicant includes its parent company's recent financial statements in Exhibit F-2 which demonstrate it has the financial means to absorb any losses.

FMC South Rocky Mount	1st Full FY CY 2028	2nd Full FY CY 2029
Total # Treatments	9,674	9,756
Total Gross Revenues (Charges)	$60,857,397	$61,375,402
Total Net Revenue	$3,316,981	$3,345,214
Average Net Revenue per Treatment	$343	$343
Total Operating Expenses (Costs)	$3,536,588	$3,581,593
Average Operating Expense per Treatment	$366	$367
Net Income	**$ (219,607)**	**$ (236,379)**

The assumptions used by the applicant in preparation of the pro-forma financial statements are provided in Forms F.2, F.3 and F.4 in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant adequately explains the assumptions used to project revenue, such as projected reimbursement rates, and operating costs.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.
- The applicant provides adequate documentation to demonstrate that any losses incurred in operating years one and two will be sufficiently absorbed by the parent company.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates the financial feasibility of the proposal is based upon reasonable projections of costs and charges.

(6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

On page 107, the 2026 SMFP defines the service area for dialysis stations as *"the county in which the dialysis station is located. Each county comprises a service area except for two multicounty service areas: Cherokee, Clay and Graham counties and Avery, Mitchell, and Yancey counties."* Thus, the service area for this facility consists of Nash County. Facilities may also serve residents of counties not included in their service area.

According to the 2026 SMFP, Table 9A, pages 121-122, there are four existing dialysis facilities in Nash County, as shown in the following table:

Nash County			
	# of Certified Stations as of 12/31/2024	**# of In-Center Patients as of 12/31/2024**	**Utilization Rate as of 12/31/2024**
FMC of Spring Hope	16	47	73.44%
Fresenius Medical Care South Rocky Mount	19	64	84.21%
Nash County Home	0	0	0.00%
Rocky Mount Kidney Center	51	158	77.45%

In Section G, page 45, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved dialysis services in Nash County. The applicant states:

> "*This application proposes to develop five dialysis stations at FMC South Rocky Mount pursuant to Condition 2 of the Facility Need Methodology identified in Table 9D: Dialysis Station Need Determination by Facility in the 2026 SMFP. The need addressed by this application is not specific to Nash County as a whole. The stations are needed by the patient population projected to be served by the FMC South Rocky Mount facility.*
>
> *The projections for future patient populations to be served begin with the patient population at the facility as of December 31, 2025, and a conservative increase of that population at a rate of 1.2%, which is commensurate with the growth of the facility's Nash County ICHD patient population between December 31, 2022, and December 31, 2024, as described in Section C of this application. The applicant is not projected to serve patients currently being served in another facility or by another provider. While the county inventory of stations will increase as a result of this project, the stations requested in this application are needed as identified in the 2026 SMFP and will increase capacity at an existing facility that was operating at over 80% utilization as of December 31, 2024, thus the proposed project will not duplicate any existing or approved services in the service area*"

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a facility need determination in the 2026 SMFP for up to five dialysis stations at FMC South Rocky Mount.
- The applicant adequately demonstrates that the proposed dialysis stations are needed in addition to the existing or approved dialysis stations in Nash County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

(7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

In Section Q, Form H, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	2028	2029
	1st Full FY Year	2nd Full FY Year
Administrator (FMC Clinical Manager)	1.00	1.00
Registered Nurses (RNs)	4.00	4.00
Licensed Practical Nurses (LPNs)	1.00	1.00
Technicians (PCT)	8.00	8.00
Dietician	1.00	1.00
Social Worker	1.00	1.00
Maintenance	1.00	1.00
Administrative/Business Office	1.00	1.00
Other - (FMC Director of Operations)	0.20	0.20
Other – (FMC Chief Technician)	0.20	0.20
Other (FMC In-Service)	0.15	0.15
TOTAL	**18.55**	**18.55**

The assumptions and methodology used to project staffing are provided in Section Q, page 98. In Section H, pages 47-48, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

(8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

Ancillary and Support Services

In Section I, page 49, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 49-54, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 54, the applicant describes its existing relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on its established relationships with other healthcare providers and social service agencies in Nash County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

(9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered.

(10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the

project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:

(i) would be available under a contract of at least 5 years duration;
(ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
(iii) would cost no more than if the services were provided by the HMO; and
(iv) would be available in a manner which is administratively feasible to the HMO.

NA

(11) Repealed effective July 1, 1987.

(12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

In Section K, page 57, the applicant states that the project involves renovating approximately 3,582 square feet of existing space. Line drawings are provided in Exhibit K-2. The applicant states:

> "*The proposed project will require renovation of existing space to develop the additional stations and make appropriate water connections and install dialysis equipment and furniture. A brick-and-mortar expansion to develop the new stations will not be required. Exhibit K-2 includes a line drawing of the facility and a schematic of the building."*

In Section K, pages 57-58, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

> "*The applicant will rely upon the extensive experience of the Fresenius Medical Care Real Estate and Construction Services team to develop anticipated project costs for this proposal. The RECS staff utilize a national database to ensure the project costs are reasonable and accurate. The applicant has relied upon this format for*

development of multiple CON related projects in North Carolina. Fresenius estimates are realistic and reasonable."

In Section K, page 58, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

"*The project is a necessary part of doing business. Adding five dialysis stations to this facility will ensure continued convenient access to care for the patients of the area. The costs of adding stations are not passed on to the patient. Rather, the costs of adding stations are borne by BMA. This project will not increase costs or charges to the public for the proposed services."*

In Section K, pages 58-59, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

(13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and … persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

(a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

In Section L, page 61, the applicant provides the historical payor mix during 01/01/2025 to 12/31/2025 for the proposed services, as shown in the table below.

FMC South Rocky Mount 01/01/2025 to 12/31/2025						
Payor Source	**In-Center Dialysis**		**Home Hemodialysis**		**Peritoneal Dialysis**	
	# of Patients	**% of Total**	**# of Patients**	**% of Total**	**# of Patients**	**% of Total**
Self-Pay	0.1	0.11%	0.0	0.00%	0.2	0.32%
Insurance	3.4	5.30%	2.0	17.77%	7.4	13.95%
Medicare	53.4	83.47%	8.8	80.34%	41.0	77.36%
Medicaid	3.0	4.66%	0.2	1.89%	2.4	4.48%
VA	4.1	6.46%	0.0	0.00%	2.1	3.89%
Total	**64.0**	**100.0%**	**11.0**	**100.0%**	**53.0**	**100.00%**

Source: Section L, page 61.

In Section L, page 63, the applicant provides the following comparison.

FMC South Rocky Mount	Last Full FY before Submission of the Application	
	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	**Percentage of the Population of the Service Area**
Female	39.7%	51.7%
Male	60.3%	48.3%
Unknown		
64 and Younger	32.4%	87.7%
65 and Older	67.6%	12.3%
American Indian	0.0%	1.0%
Asian	0.0%	6.7%
Black or African-American	73.5%	32.8%
Native Hawaiian or Pacific Islander	0.0%	0.1%
White or Caucasian	25.0%	56.6%
Hispanic or Latino	1.5%	8.0%
Declined/ Unavailable		

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the applicant adequately documents the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. Therefore, the application is conforming to this criterion.

(b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and … persons [with disabilities] to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

In Section L, page 63, the applicant states that the facility is not obligated to provide uncompensated care or community service.

In Section L, page 63, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against FMC South Rocky Mount.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

(c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

In Section L, page 64, the applicant projects the following payor mix for the proposed services during the second full fiscal year of operation following completion of the project, as shown in the table below.

FMC South Rocky Mount Projected Payor Mix during the 2nd Full FY 01/01/2029 to 01/12/2029		
Payor Source	**Total Patients**	
	# of Patients	**% of Total**
Self-Pay	0.1	0.11%
Insurance	3.5	5.30%
Medicare	55.3	83.47%
Medicaid	3.1	4.66%
Other (reimbursement sources, including VA	4.3	6.46%
Total	**66.2**	**100.00%**

Source: Section L, page 64.

As shown in the table above, during the second full fiscal year of operation, the applicant projects that 0.11% of total services will be provided to self-pay patients, 83.47% to Medicare patients and 4.66% to Medicaid patients.
On page 64, the applicant provides the assumptions and methodology used to project payor mix during the second full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is

based on the most recent annual average payor mix by payor that was used for all periods.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reasons stated above.

(d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

In Section L, page 66, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

(14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

In Section M, page 67, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M-2. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on a letter to Nash Community College encouraging the school to include the dialysis facility in their clinical rotations for nursing students.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

(15) Repealed effective July 1, 1987.
(16) Repealed effective July 1, 1987.
(17) Repealed effective July 1, 1987.
(18) Repealed effective July 1, 1987.

(18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

On page 107, the 2026 SMFP defines the service area for dialysis stations as *"the county in which the dialysis station is located. Each county comprises a service area except for two multicounty service areas: Cherokee, Clay and Graham counties and Avery, Mitchell, and Yancey counties."* Thus, the service area for this facility consists of Nash County. Facilities may also serve residents of counties not included in their service area.

According to the 2026 SMFP, Table 9A, pages 121-122, there are four existing dialysis facilities in Nash County, as shown in the following table:

Nash County			
	# of Certified Stations as of 12/31/2024	**# of In-Center Patients as of 12/31/2024**	**Utilization Rate as of 12/31/2024**
FMC of Spring Hope	16	47	73.44%
Fresenius Medical Care South Rocky Mount	19	64	84.21%
Nash County Home	0	0	0.00%
Rocky Mount Kidney Center	51	158	77.45%

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 68, the applicant states:

> *"The applicant does not expect this proposal to have any effect on the competitive climate in Nash County. While the additional stations being requested in this application could provide more patients with another choice in a dialysis provider in the county that better meets their needs, the applicant does not project to serve dialysis patients currently being served by another provider.*
>
> *The projected patient population for FMC South Rocky Mount begins with the current patient population (as of December 31, 2025) and is projected forward as described in Section C of this application. This application addresses the needs of an existing patient population that is already being served and is projected to be served by the FMC South Rocky Mount dialysis facility. The additional stations being requested in this application will ensure that patients choosing to receive their dialysis treatment at this facility will continue to have access to high quality dialysis care."*

Regarding the impact of the proposal on cost effectiveness, in Section N, page 69, the applicant states:

> *"This is a proposal to add five dialysis stations to the FMC South Rocky Mount facility. The applicant is serving a significant number of dialysis patients residing in Nash County where the facility is located and approval of this application will allow the facility to continue serving patients who reside in the service area. Consequently, these patients will have a shorter commute to and from dialysis treatment. This is an immediate and significantly positive impact on the patients of the area.*"

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 69, the applicant states:

> *"Quality of care is always in the forefront at Fresenius Medical Care-related facilities. Quality care is not negotiable. Fresenius Medical Care, a parent organization for this facility, expects every facility to provide high quality care to every patient at every treatment."*
>
> > *'…We deliver superior care that improves the quality of life of every patient, every day, setting the standard by which others in the healthcare industry are judged.'*

See also Sections B and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 69, the applicant states:

> *"It is corporate policy to provide all services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, or any other factor that would classify a patient as underserved…Fresenius related facilities in North Carolina have historically provided substantial care and services to all persons in need of dialysis services, regardless of income, racial or ethnic background, gender, handicap, age or any other grouping /category or basis for being an underserved person."*

See also Sections L and C of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described above.

(19) Repealed effective July 1, 1987.

(20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

The applicant proposes to add no more than five in-center dialysis station to FMC South Rocky Mount pursuant to Condition 2 of the facility need methodology for a total of no more than 22 stations upon completion of this project and Project ID# L-12555-24 (relocate two stations).

In Section Q, Form O, pages 99-102, the applicant identifies the kidney disease treatment centers located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 131 of this type of facility located in North Carolina.

In Section O, page 74, the applicant states that, during the 18 months immediately preceding the submittal of the application, there were no incidents related to quality of care, including immediate jeopardy, in any of these facilities. After reviewing and considering information provided by the applicant and considering the quality of care provided at all 133 facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

C

The Criteria and Standards for End Stage Renal Disease Services promulgated in 10A NCAC 14C .2200 are applicable to this review. The application is conforming to all applicable criteria, as discussed below.

10 NCAC 14C .2203 PERFORMANCE STANDARDS

(a) An applicant proposing to establish a new kidney disease treatment center or dialysis facility shall document the need for at least 10 dialysis stations based on utilization of 2.8 in-center patients per station per week as of the end of the first 12 months of operation following certification of the facility. An applicant may document the need for fewer than 10 stations if the application is submitted in response to an adjusted need determination in the State Medical Facilities Plan for fewer than 10 stations.

-NA- South Rocky Mount is an existing facility. Therefore, this Rule is not applicable to this review.

(b) An applicant proposing to increase the number of in-center dialysis stations in:

(1) an existing dialysis facility; or

(2) a dialysis facility that is not operational as of the date the certificate of need application is submitted but has been issued a certificate of need

shall document the need for the total number of dialysis stations in the facility based on 2.8 in-center patients per station per week as of the end of the first full fiscal year of operation following certification of the additional stations.

-C- In Section C, page 33, the applicant projects to serve 65.6 in-center patients on 22 stations, or a rate of 2.98 in-center patients per station per week (65.6 patients / 22 stations = 2.98), by the end of the first operating year following project completion. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(c) An applicant proposing to establish a new dialysis facility dedicated to home hemodialysis or peritoneal dialysis training shall document the need for the total number of home hemodialysis stations in the facility based on training six home hemodialysis patients per station per year as of the end of the first full fiscal year of operation following certification of the facility.

-NA- The applicant does not propose to establish a new dialysis facility dedicated to home hemodialysis or peritoneal dialysis training. Therefore, this Rule does not apply.

(d) An applicant proposing to increase the number of home hemodialysis stations in a dialysis facility dedicated to home hemodialysis or peritoneal dialysis training shall document the need for the total number of home hemodialysis stations in the facility based on training six home hemodialysis patients per station per year as of the end of the first full fiscal year of operation following certification of the additional stations.

-NA- The applicant does not propose to increase the number of home hemodialysis stations. Therefore, this Rule does not apply.

(e) *The applicant shall provide the assumptions and methodology used for the projected utilization required by this Rule.*

-C- In Section C, pages 25-27, the applicant provides the assumptions and methodology it used to project utilization of the facility. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.