



EASTERN NEPHROLOGY ASSOCIATES

Eastern Nephrology Associates - Comments in Support of Petition by American Access Care of NC, Eastern Nephrology Associates, Metrolina Nephrology Associates, North Carolina Nephrology, and Azura Vascular Care.

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Greenville Office

Graham V. Byrum, Jr., M. D.
M. Carney Taylor, Jr., M. D.
William T. Kendrick, M. D.
Maxwell E. Fisher, M. D.
J. Clinton Parker, M.D.
Scott A. Kendrick, M.D.
Kristel J. McLawhorn, M.D.
Heather H. Jones, M.D.
Nauman Shahid, M. D.
William Pechter, M. D.
Gilda E. Everett, FNP-C
Staci Streeter-Moye, ANP-BC
Neeraja Rao, PA-C, PhD
Sharlyn K. Williams, MSN, ANP-BC
Greg Cannon, ACNP
Tiffany M. Lee, FNP-BC
Kathryn Edwards, NP
Ayanna Whitfield, AGNP

511 Paladin Drive
Greenville, N. C. 27834
Phone – (252) 752-8880
Fax – (252) 317-2092

New Bern Office

W. Joseph Newman, M. D.
Manuel Montero, M. D.
Thomas E. Burkart, M. D.
Richard D. Blair, M. D.
Nathan Saucier, M. D.
Stuart Jennings, M. D.
Vernon Chiu, M.D.
Candace C. Wishon, FNP, CDE
Suzi Holton, NP

970 Newman Road
New Bern, N. C. 28562
Phone – (252) 633-9262
Fax – (252) 317-2094

Kinston Office

Nawaf G. Atassi, M. D.
Rekha John, M. D.
Ram Sapasetty, M. D.
Brenda L. Poole, FNP

608-A Airport Road
Kinston, N. C. 28504
Phone – (252) 523-8513
Fax – (252) 317-2096

Eastern Nephrology Associates is a fully integrated nephrology practice based out of Greenville, New Bern, and Kinston North Carolina. We provide care to more than 10,000 kidney disease patients, including 1300 with end-stage renal disease (ESRD), of whom 1050 currently depend on hemodialysis several times per week to survive.

We are writing to comment in support of the petition by American Access Care of NC, Eastern Nephrology Associates, Metrolina Nephrology Associates, North Carolina Nephrology, and Azura Vascular Care. We encourage the State Health Coordinating Council to approve the petition and remove dedicated vascular access operating rooms from the need methodology for ORs.

Since they began opening in the mid-2000s, physician office-based vascular access centers have provided coordinated care by specialized staff for dialysis patients, a vulnerable, medically complex population. There are about a dozen outpatient Vascular Access Centers in North Carolina. They have greatly improved care for dialysis patients, the great majority of whom are covered by Medicare, by improving outcomes and reducing hospitalizations while simultaneously reducing the overall cost of care. Eastern Nephrology currently operates two, unlicensed, office-based vascular access centers which perform dialysis access maintenance procedures.

North Carolina's dialysis population continues to grow. In fact, of the 18 separate geographic regions tracked by the US Renal Data System, North Carolina is in the region with the second highest total of ESRD cases and the second highest percentage of incident ESRD cases in the Country. But because of the dramatic Medicare reimbursement cuts that took effect in 2017 for dialysis access management procedures in the physician office setting, the majority of these centers are incurring financial losses while trying to provide these vital procedures. As a result, we understand that physicians cannot afford to continue offering these services in the office setting, and can no longer afford to develop or expand new centers to serve the growing need. This status quo will ultimately force patients to get this care in hospitals, since existing ASCs generally lack the specialized staff and scheduling flexibility to accommodate these patients.

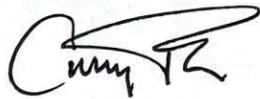
The petition to change the need methodology for ORs would address this problem by allowing existing or new vascular access centers to become licensed as ambulatory surgical facilities, which would benefit the patient population in several ways. First, it would promote high-quality care by providing a licensed, regulated ASC setting for dialysis access procedures. Second, it would improve care coordination by allowing the same interventional care team to create, follow, repair and maintain the patient's vascular access (unlike the office setting, in which CMS does not permit procedures to create dialysis accesses). Third, it

would protect and expand the access to care for this vulnerable population, since reimbursement in the ASC setting is enough for an efficient center to be economically viable.

Also, the petition would not undermine the OR need methodology in the State Medical Facilities plan or hurt hospitals or existing ASCs. The petition is specifically limited to ORs that would accommodate only vascular access procedures for ESRD patients or advanced chronic kidney disease patients who will require dialysis soon. These procedures are predominantly performed in the office setting now, except for the creation of the dialysis accesses, which are poorly reimbursed and not desirable for most hospitals, since they occupy limited OR time that could be used for other patients. Therefore, the development of dedicated vascular access ORs would not significantly impact the volume of surgical procedures at other facilities.

We firmly believe that vascular access focused ASCs are the most effective and efficient way to provide critically important care to the dialysis population, which is disproportionately poor, rural, minority, and/or elderly. These patients generally are underserved by the current system that is concentrated in urban areas and geared toward privately insured patients. If vascular access centers cannot become licensed as ASCs, the improvements in safe, effective and cost-efficient care pioneered by vascular access centers will be erased.

We urge the State Health Coordinating Council to approve the petition. Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Carney Taylor". The signature is stylized with a large, sweeping initial "C" and a long horizontal stroke extending to the right.

Carney Taylor MD
Managing Partner
Eastern Nephrology Associates