Presentation of Special Needs Petition for

Two Specialty Vascular Access Operating Rooms in HSA VI,

Proposed 2024 State Medical Facilities Plan

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Introduction

Hello, my name is Dr. Karn Gupta. I am a vascular nephrologist with Carolina Vascular Care, an independent vascular access medical practice. I am here to ask members of the State Health Coordinating Council to modify Chapter 6, Table 6D of the Proposed *2024 State Medical Facilities Plan* (2024 SMFP) to include a special need for two more operating rooms limited to an ambulatory surgery facility for outpatient vascular access procedures in HSA VI. This would make it possible to have three such facilities in this HSA.

I would first like to thank the Agency for recognizing the vascular access issue and adjusting the 2023 Plan.

Background

Last year, you generously granted one vascular access operating room to each of the state's six HSAs. Though helpful, it is not enough for HSA VI. The Agency report concluded that the state needs 15 such operating rooms but only added 6 to the 2023 SMFP. The SHCC reasoned that office-based centers (OBLs), hospitals, or one of the two already approved vascular access surgery centers could meet the remaining need. This may work for the other five HSAs. However, no hospital or ASC in HSA VI offers the service.

Outpatient office-based centers ("OBLs") have effectively provided vascular access procedures to dialysis patients - most are Medicare and Medicaid beneficiaries. Unfortunately, starting in 2017, Medicare began significantly cutting payments to office-based centers. The first reduction

was about 40%; more occurred in following years, including an 8% cut in 2023; and still more are scheduled for the next 3 years. The cuts led to closure of many OBLs nationwide. Most that remained open did so by converting to ambulatory surgery centers. Last fall, I opened an OBL in Rocky Mount and expect to perform over 1700 vascular access procedures this year, serving patients from Nash and surrounding counties. But I cannot keep it open unless I, too, can convert to an ASC.

I can apply for the one HSA VI vascular access operating room in the 2023 Plan. Unfortunately, there are three OBLs in HSA VI and all have the same problem. We serve different patients, instead of collectively providing this critical service we will be competing. Whoever does not get the CON will be at risk of closing down. Moreover, the HSA VI CON applications will not be decided until March 2024. By then, the 2024 Plan will be published; it will be the 2025 Plan before you could tackle the problem, and 2026 before anyone can start construction. That will be too late, and some centers will risk closure. Patients will have less access to critical vascular care.

Reasons

HSA VI is unique.

Access

- HSA VI has the most dialysis patients, almost 20% of North Carolina's total.
- The number of people with ESRD is steadily increasing, averaging 1.7% more in each of the past five years.
- It has the largest land mass, 28% of North Carolina. It takes three to four hours to traverse.
- 27 of the 29 counties are Rural. Those 27 will likely never show a need for more operating rooms.
- The March 2023 CON statute change for urban ASCs will not help. It applies only to counties with more than 125,000 residents.
- No hospital or ASC in HSA VI offers outpatient vascular access procedures.

At-Risk Patients

- Groups at high risk for chronic kidney disease, African American, Hispanic, and Native Americans, account for about one-third of HSA VI, almost 440,000 people.
- Diabetes is the number one cause of kidney disease: 13 to 17% of residents in HSA VI self-reported having diabetes. The state average was 10%.

Value / Cost Efficient:

- Even if hospitals provided vascular procedures, the cost to Medicare, patients, or insurance companies, is on average **56% more expensive** than an ASC.
- Most dialysis patients have Medicare as the primary payor. However, 60 percent of my patients are on Medicaid. The cost to Medicaid for a procedure in an ASC or OBL is zero. In a hospital, Medicaid would pay the 20% copay, about $1800. That means that the state Medicaid program saves $7.8 million a year, assuming approximately 2100 dually eligible Medicare/ Medicaid ESRD patients in HSA VI, each getting two procedures in an ASC or OBL, rather than a hospital. This is low. It does not include the cost savings associated with the emergency room visit.

Conclusion

Quite simply, the one vascular access specialty operating room for HSA-VI in 2023 is not enough. The vast geographic region and high population of dialysis patients in this HSA cannot be served by only one specialty operating room. It needs at least two.

Our ask for a special need determination for two more operating rooms, located in single specialty vascular access Ambulatory Surgical Centers in HSA VI, is in accordance with the governing principles: maximizing quality, access, and value. These dialysis patients need timely, lifesaving, cost-efficient vascular access care in a local specialized ambulatory surgical facility. This would reduce healthcare spending on dialysis patients and avoid needless trips to the emergency room for a simple outpatient procedure.

Thank you for your time and consideration. I will be happy to answer any questions or to explain more about vascular access procedures.