

FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

DATE: December 5, 2014

PROJECT ANALYST: Fatimah Wilson

TEAM LEADER: Lisa Pittman

PROJECT I.D. NUMBER: F-10349-14/ DVA Healthcare Renal Care, Inc. d/b/a South Charlotte Dialysis Center (South Charlotte Dialysis) / Add 3 dialysis stations for a total of 23 certified stations upon project completion / Mecklenburg County

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

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.

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DVA Healthcare Renal Care, Inc. d/b/a South Charlotte Dialysis Center, also referred to as South Charlotte Dialysis, proposes to add three dialysis stations to the facility for a total of 23 certified dialysis stations upon project completion. South Charlotte Dialysis is an existing 20-station dialysis facility in Mecklenburg County, located at 6450 Bannington Road, Charlotte.

Need Determination

The 2014 State Medical Facilities Plan (2014 SMFP) provides a county need methodology and a facility need methodology for determining the need for new dialysis stations. According to the July 2014 Semiannual Dialysis Report (SDR), the county need methodology shows there is a surplus of 13 dialysis stations in Mecklenburg County; therefore, based on the county need methodology, there is no need for additional stations in Mecklenburg County. However, the applicant is eligible to apply for additional stations based on the facility need methodology because the utilization

rate reported for South Charlotte Dialysis, in the July 2014 SDR is 82.5% and 3.30 patients per station. This utilization rate was calculated based on 66 in-center dialysis patients and 20 certified dialysis stations (66 patients / 20 stations = 3.30 patients per station / 4 = 0.825).

Application of the facility need methodology indicates additional stations are needed for this facility, as illustrated in the following table.

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Required SDR Utilization		80%
Center Utilization Rate as of 12/31/13		82.50%
Certified Stations		20
Pending Stations		0
Total Existing and Pending Stations		20
In-Center Patients as of 12/31/13 (SDR2)		66
In-Center Patients as of 6/30/13 (SDR1)		63
Step	Description	
(i)	Difference (SDR2 - SDR1)	3
	Multiply the difference by 2 for the projected net in-center change	6
	Divide the projected net in-center change for 1 year by the number of in-center patients as of 6/30/13	0.0952
(ii)	Divide the result of Step (i) by 12	0.0079
(iii)	Multiply the result of Step (ii) by 12 (the number of months from 12/31/12 until 12/31/13)	0.0952
(iv)	Multiply the result of Step (iii) by the number of in-center patients reported in SDR2 and add the product to the number of in-center patients reported in SDR2	72.2857
(v)	Divide the result of Step (iv) by 3.2 patients per station	22.5893
	and subtract the number of certified and pending stations as recorded in SDR2 [20] to determine the number of stations needed	3

As shown in the table above, based on the facility need methodology for dialysis stations, the potential number of stations needed is three (3), up to a maximum of 10. Step (C) of the facility need methodology states, “*The facility may apply to expand to meet the need established ..., up to a maximum of ten stations.*” The applicant proposes to add three new stations and, therefore, is conforming with the facility need determination for dialysis stations.

Policies

Policy GEN-3: BASIC PRINCIPLES, page 38 of the 2014 SMFP, is applicable to this review. Policy GEN-3 states:

“A certificate of need applicant applying to develop or offer 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 promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value for resources expended. A certificate of need applicant shall document its plans for providing access to services for patients with limited financial resources and demonstrate the availability of capacity to provide these services. A certificate of need applicant shall also document how its projected volumes incorporate these concepts in meeting the need identified in the State Medical Facilities Plan as well as addressing the needs of all residents in the proposed service area.”

Promote Safety and Quality – The applicant describes how it believes the proposed project would promote safety and quality in Section I, pages 5-10, Section II, pages 18-19, Section V, pages 27-31, and referenced exhibits. The information provided by the applicant is reasonable and adequately supports the determination that the applicant’s proposal would promote safety and quality.

Promote Equitable Access – The applicant describes how it believes the proposed project would promote equitable access in Section III, pages 22-24, Section V, pages 27-31, Section VI, page 32 and referenced exhibits. The information provided by the applicant is reasonable and adequately supports the determination that the applicant’s proposal would promote equitable access.

Maximize Healthcare Value – The applicant describes how it believes the proposed project would maximize healthcare value in Section III, pages 22-24, Section V, pages 30-31, and referenced exhibits. The information provided by the applicant is reasonable and adequately supports the determination that the applicant’s proposal would maximize healthcare value.

The applicant adequately demonstrates how its projected volumes incorporate the concepts of quality, equitable access and maximum value for resources expended in meeting the facility need as identified by the applicant. Therefore, the application is consistent with Policy GEN-3.

Policy GEN-4: ENERGY EFFICIENCY AND SUSTAINABILITY FOR HEALTH SERVICE FACILITIES is not applicable to this review because the applicant is not proposing a capital expenditure greater than \$2 million.

Conclusion

In summary, the applicant adequately demonstrates that the application is consistent with the facility need determination in the July 2014 SDR and Policy GEN-3. Therefore, the application is conforming to this criterion.

- (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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

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The applicant proposes to add three dialysis stations to the existing South Charlotte Dialysis facility for a total of 23 dialysis stations upon project completion.

Population to be Served

In Section IV.1, page 25, the applicant states the number of patients served at South Charlotte Dialysis, as of December 31, 2013 as follows:

County	# Patients Dialyzing at Home	# Patients Dialyzing In-Center
Mecklenburg	0	64
Union	0	2
Total	0	66

The applicant proposes to add three dialysis stations to the existing South Charlotte Dialysis facility for a total of 23 certified dialysis stations upon project completion. In Section III.7, page 22, the applicant identifies the patient population it proposes to serve for the first two years of operation following project completion, December 31, 2017, as summarized in the table below:

**Projected Dialysis Patient Origin
 January 2016 – December 2017**

COUNTY	IN-CENTER PATIENTS		COUNTY PATIENTS AS A PERCENT OF TOTAL	
	Year 1	Year 2	Year 1	Year 2
Mecklenburg	78	84	97.5%	97.7%
Union	2	2	2.5%	2.3%
Total	80	86	100.0%	100.0%

Analysis of Need

As discussed in Criterion (1), based on the facility need methodology for adding dialysis stations, the potential number of stations needed is three stations. The applicant proposes to add three stations.

In Section II, pages 15-16, and Section III.7, pages 22-23, the applicant provides the assumptions and methodology it uses to determine the need for additional stations and to project South Charlotte Dialysis's proposed patient utilization.

The assumptions and methodology are summarized below:

- The applicant assumes that the Mecklenburg County patient population at its South Charlotte Dialysis facility will increase at a rate commensurate with the Mecklenburg County Five Year Average Annual Change Rate (AACR) of 7.1%, as published in the July 2014 SDR.
- The applicant is currently serving 64 in-center patients residing in Mecklenburg County and two patients residing in Union County and assumes these patients will continue dialysis at the South Charlotte Dialysis facility. The applicant does not project any increase in the Union County segment of the patient population.
- The project is projected to be complete on December 31, 2015, with Operating Years 1 and 2 being from January 1, 2016 through December 31, 2016 and January 1, 2017 through December 31, 2017, respectively.

Projected Utilization

The following table demonstrates the applicant's calculations used to arrive at the projected patient census for Operating Years One and Two, as illustrated in the following table:

South Charlotte Dialysis	In-Center Patients
The applicant begins with Mecklenburg County patients dialyzing at the South Charlotte Dialysis facility as of December 31, 2014.	64
The applicant uses the Mecklenburg County Five Year AACR to project the census forward for one year from January 1, 2014 to December 31, 2014.	$64 \times 1.071 = 68.544$
The applicant projects this patient population forward for one year from January 1, 2015 to December 31, 2015, which is the beginning census for Operating Year One.	$68.544 \times 1.071 = 73.411$
The applicant projects this patient population forward for one year from January 1, 2016 to December 31, 2016.	$73.411 \times 1.071 = 78.6223$
The applicant adds the two patients from Union County for the projected ending census for Operating Year One (2016).	$78 + 2 = 80$
The applicant projects the Mecklenburg County patient population forward for one year from January 1, 2017 to December 31, 2017.	$78.6223 \times 1.071 = 84.2205$
The applicant adds the two patients from Union County for the projected ending census for Operating Year Two (2017).	$84 + 2 = 86$

At the end of Operating Year One, South Charlotte Dialysis is projecting a patient census of 80 patients for a utilization rate of 86.96% or 3.48 (80 patients / 23 stations = 3.48) patients per station. At the end of operating Year Two, South Charlotte Dialysis is projecting to have an in-center patient census of 86 patients for a utilization rate of 93.48% or 3.74 (86 patients / 23 stations = 3.74) patients per station.

Projected patient in-center utilization at the end of Year One is 3.48 in-center patients per station per week which satisfies the 3.2 in-center patients per station required by 10A NCAC 14C .2203(b).

Projected utilization is based on reasonable and supported assumptions regarding continued growth.

Access

In Section VI.1(a), page 32, the applicant states:

“South Charlotte Dialysis Center, by policy, has always made dialysis services available to all residents in its service area without qualifications. We have served and will continue to serve without regard to race, sex, age, handicap, or ethnic and socioeconomic groups of patients in need of dialysis regardless of their ability to pay.”

On pages 33 and 49, the applicant projects that 87.1% of its patients will be covered by some form of Medicare or Medicaid. The applicant adequately demonstrates the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

Conclusion

In summary, the applicant adequately identifies the population to be served, adequately demonstrates the need that population has for the proposed project based on reasonable and supported utilization projections and assumptions and demonstrates the extent to which all residents of the area, and in particular, underserved groups, are likely to have access to the services. Therefore, the application is conforming to this criterion.

- (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, handicapped persons, and other underserved groups and the elderly to obtain needed health care.

NA

- (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.

CA

In Section III.9, pages 23-24, the applicant discusses the alternatives considered prior to the submission of its application, which include:

- 1) Maintain the status quo – the applicant states that not applying would not resolve the growing ESRD patient population in Mecklenburg County.
- 2) Apply for the three-station expansion – the applicant states that the proposed project is the most effective and least costly alternative for meeting the needs of the patients projected to receive treatment at the South Charlotte Dialysis facility.

The applicant adequately demonstrates that the proposed alternative is the most effective or least costly alternative based on the on the continued growth of South Charlotte Dialysis's patient population. See the discussion regarding need in Criterion (3) which is incorporated herein by reference.

Furthermore, the application is conforming or conditionally conforming to all other statutory and regulatory review criteria, and thus, is approvable. A project that cannot be approved cannot be an effective alternative.

In summary, the applicant adequately demonstrates that its proposal is the least costly or most effective alternative to meet the identified need. Therefore, the application is conforming to this criterion and approved subject to the following conditions:

- 1. DVA Healthcare Renal Care, Inc. d/b/a South Charlotte Dialysis Center shall materially comply with all representations made in the certificate of need application.**
 - 2. DVA Healthcare Renal Care, Inc. d/b/a South Charlotte Dialysis Center shall develop and operate no more than three additional dialysis stations at South Charlotte Dialysis Center for a total of no more than 23 dialysis stations upon project completion, which shall include any home hemodialysis or isolation stations.**
 - 3. DVA Healthcare Renal Care, Inc. d/b/a South Charlotte Dialysis Center shall install plumbing and electrical wiring through the walls for no more than three additional dialysis stations for a total of no more than 23 stations upon projection completion, which shall include any home hemodialysis or isolation stations.**
 - 4. DVA Healthcare Renal Care, Inc. d/b/a South Charlotte Dialysis Center shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section 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

In Section VIII, page 41, the applicant states, “*We estimate that adding three stations to the facility will require a capital expense of \$25,516.*”

The letter in Exhibit 18 from DaVita’s Chief Accounting Officer, states in part:

“I am the Chief Accounting Officer of DaVita Healthcare Partners Inc., the parent and 100% owner of DVA HealthCare Renal Care, Inc.

We are submitting a Certificate of Need application to expand our South Charlotte Dialysis Center by three ESRD dialysis stations. The projects calls for a capital expenditure of \$25,516.”

Exhibit 19 contains DaVita’s Form 10-K for the years ending December 31, 2013 and 2012, which document cash and cash equivalents of \$946,249,000, \$17,098,877,000 in total assets and \$5,302,841,000 in net assets (total assets less total liabilities).

Thus, the applicant adequately demonstrates the availability of adequate funds to develop the project.

Based on information provided by the applicant in Section X.1, page 47, the dialysis facility’s projected allowable charges per treatment for each payment source are as follows:

SOURCE OF PAYMENT	ALLOWABLE CHARGE PER TREATMENT
Medicare	\$239.02
Medicaid	\$143.00
Medicare/Medicaid	\$239.02
Medicare/Commercial	\$239.00
Commercial	\$1,275.00
VA	\$193.00

In Sections X.2-X.4, pages 48-51, the applicant reports projected revenues and expenses as follows:

	OPERATING YEAR 1 1/1/16-12/31/16	OPERATING YEAR 2 1/1/17-12/31/17
Total Net Revenue	\$3,695,500	\$3,957,684
Total Operating Costs	\$2,995,842	\$3,167,730
Net Profit	\$699,658	\$789,954

The applicant projects that revenues will exceed operating expenses in each of the first two operating years. See Section X.3, page 49 for the applicant’s assumptions on number of treatments (3 treatments/week, 52 weeks/year, and 5% missed treatments) for in-center patients. The applicant’s projections of treatments and revenues are reasonable based on the number of in-center patients projected for the first two operating years. See Criterion (3) for further discussion on the applicant’s assumptions for projections which is incorporated herein by reference.

In Section VII.1, page 37, the applicant provides projected staffing and salaries. The financials in Sections X.4-5, pages 51-52, provide operating costs adequate to cover projected staffing.

In summary, the applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the proposed project. The applicant also

adequately demonstrates that the financial feasibility of the project is based on reasonable projections of revenues and operating costs, including the proposed staffing. Therefore, the application is conforming to this criterion.

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

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The following table identifies the existing and approved kidney disease treatment centers located in Mecklenburg County as reported in the July 2014 SDR.

MECKLENBURG COUNTY DIALYSIS CENTERS				
FACILITY	LOCATION	# OF CERTIFIED STATIONS AS OF 12/31/13	# OF IN-CENTER PATIENTS AS OF 12/31/13	UTILIZATION BY %
BMA Beatties Ford	Charlotte	32	108	84.38%
BMA Nations Ford	Charlotte	24	104	108.33%
BMA East Charlotte	Charlotte	24	75	78.13%
BMA North Charlotte	Charlotte	27	119	110.19%
BMA West Charlotte	Charlotte	29	80	68.97%
Carolinas Medical Center	Charlotte	9	20	55.56%
Charlotte Dialysis**	Charlotte	34	115	84.56%
Charlotte East Dialysis**	Charlotte	24	71	73.96%
DSI Charlotte Latrobe Dialysis	Charlotte	24	63	65.63%
DSI Glenwater Dialysis	Charlotte	42	114	67.86%
FMC Charlotte	Charlotte	40	129	80.63%
FMC Matthews	Matthews	21	75	89.29%
FMC Southwest Charlotte*	Charlotte	NA	NA	NA
Huntersville Dialysis***	Huntersville	NA	NA	NA
Mint Hill Dialysis**	Mint Hill	10	33	82.50%
North Charlotte Dialysis**	Charlotte	35	115	82.14%
South Charlotte Dialysis**	Charlotte	20	66	82.50%

*No utilization reported in the July 2014 SDR

** DaVita facilities

As of December 31, 2013, the county utilization rate is 81.5% (1,287 patients / 395 stations = 3.258 / 4 = .8145). The only existing facility operating at less than 60% of capacity as of December 31, 2013, was Carolinas Medical Center. These stations are part of a hospital. Hospital based in-center dialysis stations do not typically operate at a high occupancy rate. This may be due to the types of patients that would choose to use a hospital based facility for their dialysis rather than a freestanding facility with easier physical access.

The applicant proposes to add three dialysis stations to its existing Mecklenburg County South Charlotte Dialysis facility for a total of 23 certified dialysis stations upon project completion. The applicant adequately demonstrates the need for three additional

stations based on the number of in-center patients it proposes to serve. See the discussion on need in Criterion (3) which is incorporated herein by reference.

In summary, the applicant adequately demonstrates that the proposal will not result in the unnecessary duplication of existing or approved health service capabilities or facilities. Consequently, the application is conforming to this criterion.

- (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.

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The following table illustrates the projected staffing for South Charlotte Dialysis, as provided by the applicant in Section VII.1, page 37.

Position	Current FTE Positions	FTE Positions to be Added	Total FTE Positions
RN	3.00	0.00	3.00
Patient Care Technician	8.00	1.00	9.00
Bio-Med Tech	0.50	0.00	0.50
MD			
Admin.	1.00	0.00	1.00
Dietician	0.50	0.00	0.50
Social Worker	0.50	0.00	0.50
Unit Secretary	1.00	0.00	1.00
Total	14.50	1.00	15.50

As shown in the above table, the applicant proposes to employ a total of 15.50 full-time equivalent (FTE) positions to staff the South Charlotte Dialysis facility upon completion of the proposed project. In Section VII.4, page 38, the applicant states, *“We do not anticipate difficulty in hiring for any teammate openings that may occur at the South Charlotte Dialysis Center.”*

The following table shows the projected number of direct care staff for each shift offered at South Charlotte Dialysis after the addition of the three stations which are the subject of this review.

	Shift Times	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Morning	6:00 am to 11:00 am	0	6	6	6	6	6	6
Afternoon	11:00 am to 4:00 pm	0	6	6	6	6	6	6
Evening	4:00 pm to 9:00 am	0	0	0	0	0	0	0

In Section VII.10, page 40, the applicant states, *“After the expansion is complete the schedule will require one additional patient care technician on the treatment floor.”* The applicant provides adequate staffing to provide dialysis treatments for the number of patients projected.

In Section V.4, page 29, the applicant states that Christopher Buehrig, M.D. serves as the Medical Director for South Charlotte Dialysis and has indicated his willingness to continue to serve. Exhibit 13 contains a letter signed by Dr. Buehrig, of Metrolina Nephrology Associates, P.A., expressing support for the addition of dialysis stations and agreeing to continue his relationship as Medical Director with the facility. In Section V.4, page 29, the applicant lists 22 physicians who have expressed a willingness to refer patients to the facility for services.

The applicant documents the availability of adequate health manpower and management personnel, including the Medical Director, for the provision of dialysis services. Therefore, the application is conforming to this criterion.

- (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.

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In Section V.1, page 27, the applicant provides a list of providers of the necessary ancillary and support services. On page 28, the applicant states that Presbyterian Hospital will provide acute dialysis in an acute care setting, emergency care, diagnostic evaluation, x-ray, blood bank and vascular surgery services. Carolinas Medical Center (CMC) will provide transplantation and pediatric nephrology services. No written copies of any agreements with Presbyterian or CMC describing the services that will be provided to patients of the dialysis facility were provided by the applicant. However, on page 28, the applicant states,

“South Charlotte Dialysis Center is served by Presbyterian Hospital. They provide a broad spectrum of general and specialty medical services to the residents of Piedmont North Carolina, including Mecklenburg County. For dialysis patients, the hospital provides a complete surgery department, an

emergency room, vascular radiology, laboratory, cardiac care and ICU services as well as inpatient and acute Hemodialysis services.”

In Section II, page 13, the applicant responds to 10A NCAC 14C .2200, the Criteria and Standards for End-Stage Renal Disease Services. Specifically, 10A NCAC 14C .2202(b)(1)(2) requires written documentation of acute care and transplantation agreements, but only for new facilities. South Charlotte Dialysis is not a new facility. The proposed project is to expand the existing dialysis facility. On page 30, the applicant states that the applicant provides dialysis treatment services to many of the patients residing in Mecklenburg County, thus over the years, they have established relationships with other agencies in Mecklenburg County and surrounding counties.

In Section VII, page 38, the applicant states that all staff are certified to perform cardio-pulmonary resuscitation (CPR). If needed, patients will be transported by ambulance to the hospital for further acute care. Dialysis Laboratories will provide laboratory services. Self care training, including hemodialysis, peritoneal dialysis, CAPD and CCPD will be provided by Charlotte East Dialysis Center. The applicant adequately demonstrates that the necessary ancillary and support services will be available and that the proposed services will be coordinated with the existing health system. Therefore, the application is conforming to this criterion.

- (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

- (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

NA

- (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.

NA

- (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 handicapped persons, 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;

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In Section VI.1(a), page 32, the applicant states that South Charlotte Dialysis Center, by policy, has always made dialysis services available to all residents in its service area without qualifications. The applicant further states, "*We have served and will continue to serve without regard to race, sex, age, handicap, or ethnic and socioeconomic groups of patients in need of dialysis regardless of their ability to pay.*"

In Section VI.1(b), page 32, the applicant reports that 87.1% of patients who received treatment at South Charlotte Dialysis had some or all of their services paid for by Medicare or Medicaid in the past year. The following table illustrates the historical and projected payment source for the facility.

SOUTH CHARLOTTE DIALYSIS PAYOR MIX

SOURCE OF PAYMENT	% OF TOTAL
Medicare	21.0%
Medicaid	6.5%
Medicare/Medicaid	19.4%
Commercial Insurance	9.7%
VA	3.2%
Medicare/Commercial	40.2%
Total	100.0%

The Division of Medical Assistance (DMA) maintains a website which offers information regarding the number of persons eligible for Medicaid assistance and estimates of the percentage of uninsured for each county in North Carolina. The following table illustrates those percentages for Mecklenburg County and statewide.

	2010 Total # of Medicaid Eligibles as % of Total Population *	2010 Total # of Medicaid Eligibles Age 21 and older as % of Total Population *	2009 % Uninsured (Estimate by Cecil G. Sheps Center) *
Mecklenburg County	14.7%	5.1%	20.1%
Statewide	16.5%	6.7%	19.7%

*More current data, particularly with regard to the estimated uninsured percentages, was not available.

The majority of Medicaid eligibles are children under the age of 21. This age group does not utilize the same health services at the same rate as older segments of the population, particularly the services offered by dialysis facilities. In fact, in 2013 only 6.6% of all newly-diagnosed ESRD patients in North Carolina were under the age of 35, according to the ESRD Network 6 2013 Annual Report. (*ESRD Network 6 2013 Annual Report/Data Table 1: ESRD Incidence – One Year Statistics as of 1/1/2013 – 12/31/2013, page 99.*)¹

The Office of State Budget & Management (OSBM) maintains a website which provides historical and projected population data for each county in North Carolina, as well as data sorted by age, race or gender. However, a direct comparison to the applicant’s current payor mix would be of little value. The population data by age, race or gender do not include information on the number of elderly, minorities or women utilizing health services.

Additionally, The United States Renal Data System, in its *2013 USRDS Annual Data Report*, pages 216-223, provides national statistics for FY 2011:

*“The December 31, 2011 prevalent population included 430,273 patients on dialysis”*² (p. 216)

¹<http://www.esrdnetwork6.org/utills/pdf/annual-report/2013%20Network%20%20Annual%20Report.pdf>

² www.usrds.org/adr.aspx

The report also provided the incidence of dialysis patients in 2011, adjusted by age, gender and race, which showed that 65.4% were white, 28.0% were African American, 15.0% were Hispanic, 4.7% were Asian, and 1.2% were Native American (p. 218). Moreover, the prevalence of ESRD for the 65-74 year old population grew by 31% since 2000 and by 48% for those aged 75 and older (p. 223). The report further states:

“In the 2011 prevalent population, 84 percent of hemodialysis patients and 81 percent of those on peritoneal dialysis had some type of primary Medicare coverage, compared to just 53 percent of those with a transplant.” (p. 216).

The 2013 *USRDS Annual Data Report* (p. 332) provides 2011 ESRD spending by payor, as follows:

ESRD Spending by Payor		
Payor	Spending in Billions	% of Total Spending
Medicare Paid	\$30.7	62.4%
Medicare Patient Obligation	\$4.7	9.6%
Medicare HMO	\$3.6	7.3%
Non-Medicare	\$10.2	20.7%
Total	\$49.2	100.0%

The Southeastern Kidney Council (SKC) Network 6 2013 Annual Report provides prevalence data on North Carolina ESRD patients by age, race and gender on page 101, summarized as follows:

Number and Percent of Dialysis Patients by Age, Race, and Gender 2013		
	# of ESRD Patients	% of Dialysis Population
Age		
0-19	65	0.4%
20-34	766	5.0%
35-44	1,498	9.7%
45-54	2,746	17.8%
55-64	4,039	26.2%
65+	6,275	40.8%
Gender		
Female	6,845	44.5%
Male	8,544	55.5%
Race		
African-American	9,559	62.1%
White/Caucasian	5,447	35.4%
Other	383	2.5%

Source: SKC Network 6. Table includes North Carolina statistics only.³

The applicant demonstrates that it currently provides adequate access to medically underserved populations. 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 handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

In Section VI.1(f), page 34, the applicant states,

“South Charlotte Dialysis Center has no obligation under any applicable federal regulation to provide uncompensated care, community service or access by minorities and handicapped persons except those obligations which are placed upon all medical facilities under Section 504 of the Rehabilitation Act of 1973 and its subsequent amendment in 1993.”

³<http://www.esrdnetwork6.org/utills/pdf/annual-report/2013%20Network%206%20Annual%20Report.pdf>

In Section VI.6 (a), page 36, the applicant states, *“There have been no civil rights equal access complaints filed within the last five years.”*

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 VI.1(d), pages 33-34, the applicant states:

“The South Charlotte Dialysis Center maintains an open-door policy of accepting all patients, regardless of ability to pay, who develop end stage renal disease while residing in the service area of the South Charlotte Dialysis Center.

Uninsured/Underinsured

DaVita Policy 3-01-03A states: ‘Any new patient who is uninsured must be approved for treatment by the facility’s Operational Vice President, or their designee, prior to treatment.’ Historically, it has been the practice of DaVita facilities in North Carolina to admit patients without insurance coverage with the approval of the Regional Operating Director or the Operational Vice President.

Typically, these patients fall into one of two categories:

- 1) Awaiting Medicare approval (3 month waiting period for hemodialysis)*
- 2) Not eligible for Medicare but possibly eligible for Medicaid; (upon completion of application by patient, 45 days for decision).*

In most cases, DaVita will not be able to collect full payment from the insurance source for services rendered to these patients from their first day of outpatient dialysis care. In accordance with DaVita policy, the patient will be billed for non-covered services after receiving the services. However, if the patient reports an inability to pay the bill, the Social Worker or designee will initiate a Patient Financial Evaluation. The purpose of the Patient Financial Evaluation is to determine if the patient has the financial ability to pay for their share of cost. In most cases, the patient balance is forgiven or reduced.

*In short, it has been DaVita’s practice in North Carolina to accept patients in need of dialysis treatment **first**, and assist them with insurance and billing issues later. Our goal is to serve the needs of our*

patient population in accordance with CMS regulations related to billing practices.”

The applicant also states on page 34 that patients who are underinsured will be offered financial counseling by a DaVita social worker or other appropriate teammate to determine if any other programs or benefits may be available to the patient to assist in full payment for the patient’s medical services.

On page 33, the applicant projects that 87.1% of the dialysis patients who will receive treatment at the South Charlotte Dialysis facility will have all or some of their services paid for by Medicare or Medicaid, as illustrated in the following:

SOUTH CHARLOTTE DIALYSIS PAYOR MIX

SOURCE OF PAYMENT	% OF TOTAL
Medicare	21.0%
Medicaid	6.5%
Medicare/Medicaid	19.4%
Commercial Insurance	9.7%
VA	3.2%
Medicare/Commercial	40.2%
Total	100.0%

The applicant demonstrates that medically underserved populations will have adequate access to the proposed services. Therefore, the application is conforming to this criterion.

- (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 VI.5, page 35, the applicant states that:

*“Patients with End Stage Renal Disease have access to dialysis services upon referral to a Nephrologist with privileges at South Charlotte Dialysis Center. These referrals most commonly come from primary care physicians or specialty physicians in Mecklenburg County or transfer referrals from other Nephrologists outside of the immediate area. Patients, families and friends can obtain access by contacting a Nephrologist with privileges at the facility. Should a patient contact the South Charlotte Dialysis Center directly or indirectly, the patient is referred to a qualified Nephrologist for evaluation and subsequent admission if medically necessary. Patients from outside the South Charlotte Dialysis Center catchment area requesting transfer to this facility are processed in accordance with the South Charlotte Dialysis Center transfer and transient policies which comprise **Exhibit 13**. The patient, again, is referred to a qualified Nephrologist for evaluation and subsequent admission if medically necessary.”*

The applicant adequately demonstrates that it provides a range of means by which a person can access the proposed services. Therefore, 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

In Section V.3, page 29, the applicant states:

“The South Charlotte Dialysis Center has an established Student Training Agreement with Kings College. The students benefit from the clinical education and training experience.

South Charlotte Dialysis Center will provide access to any area health professional training programs upon execution of an agreement.”

Exhibit 12 contains a copy of a Student Training Agreement with Kings College. The information provided in Section V.3 is reasonable and credible and supports a finding of conformity with this criterion.

- (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 three dialysis stations to its existing Mecklenburg County South Charlotte Dialysis facility for a total of 23 certified dialysis stations upon project completion. According to the July 2014 SDR, Mecklenburg County has 17 dialysis centers, as shown below:

MECKLENBURG COUNTY DIALYSIS CENTERS				
FACILITY	LOCATION	# OF CERTIFIED STATIONS AS OF 12/31/13	# OF IN-CENTER PATIENTS AS OF 12/31/13	UTILIZATION BY %
BMA Beatties Ford	Charlotte	32	108	84.38%
BMA Nations Ford	Charlotte	24	104	108.33%
BMA East Charlotte	Charlotte	24	75	78.13%
BMA North Charlotte	Charlotte	27	119	110.19%
BMA West Charlotte	Charlotte	29	80	68.97%
Carolinas Medical Center	Charlotte	9	20	55.56%
Charlotte Dialysis**	Charlotte	34	115	84.56%
Charlotte East Dialysis**	Charlotte	24	71	73.96%
DSI Charlotte Latrobe Dialysis	Charlotte	24	63	65.63%
DSI Glenwater Dialysis	Charlotte	42	114	67.86%
FMC Charlotte	Charlotte	40	129	80.63%
FMC Matthews	Matthews	21	75	89.29%
FMC Southwest Charlotte*	Charlotte	NA	NA	NA
Huntersville Dialysis***	Huntersville	NA	NA	NA
Mint Hill Dialysis**	Mint Hill	10	33	82.50%
North Charlotte Dialysis**	Charlotte	35	115	82.14%
South Charlotte Dialysis**	Charlotte	20	66	82.50%

*No utilization reported in the July 2014 SDR

** DaVita facilities

In Section V.7, page 30, the applicant discusses the impact of the proposed project on competition in the service area as it relates to promoting cost-effectiveness, quality and access. See also Sections II, III, V, VI and VII where the applicant discusses the impact of the project on cost-effectiveness, quality and access. The applicant states it does not expect this proposal to have an effect on competition in Mecklenburg County. The applicant states that the patients to be served at the South Charlotte Dialysis facility are existing dialysis patients residing in Mecklenburg County. The South Charlotte Dialysis facility is one of 14 facilities in Charlotte, making it unlikely that the facilities serve the

same patients. The applicant also states that the facility provides access to all qualified Nephrologists to admit his or her patients.

The information provided above by the applicant is reasonable and credible and adequately demonstrates that the addition of three stations to the existing facility will have a positive impact on cost-effectiveness, quality and access to the proposed dialysis services because:

- The applicant adequately demonstrates the need to add three certified dialysis stations to the existing 20 station facility for a total of 23 stations at the South Charlotte Dialysis facility. See the discussion regarding need in Criterion (3) which is incorporated herein by reference.
- The applicant adequately demonstrates that the proposed project is a cost-effective alternative to meet the need to provide additional access to patients in Mecklenburg County. See the discussion regarding cost effectiveness in Criterion (4) which is incorporated herein by reference.
- The applicant adequately demonstrates it has provided and will continue to provide quality services. See the discussion regarding quality in Criterion (1) which is incorporated herein by reference.
- The applicant demonstrates it will provide adequate access to medically underserved populations. See the discussion regarding access in Criterion (13a) which is incorporated herein by reference.

Therefore, the application is conforming to this criterion.

- (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.

C

South Charlotte Dialysis Center, also referred to as South Charlotte Dialysis, currently provides dialysis services. According to the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation, the South Charlotte Dialysis facility operated in compliance with the Medicare Conditions of Participation within the 18 months immediately preceding the date of the decision. 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, as promulgated in 10A NCAC 14C Section .2200, are applicable to this review. The proposal is conforming to all applicable Criteria and Standards for End Stage Renal Disease Services promulgated in 10A NCAC 14C Section .2200. The specific findings are discussed below.

SECTION .2200 – CRITERIA AND STANDARDS FOR END-STAGE RENAL DISEASE SERVICES

.2202 INFORMATION REQUIRED OF APPLICANT

(a) *An applicant that proposes to increase dialysis stations in an existing certified facility or relocate stations must provide the following information:*

(1) *Utilization rates;*

-C- In Section II.1, page 12, the applicant states that the utilization rate is reported in the July 2014 SDR. The July 2014 SDR shows a utilization rate of 82.5% for South Charlotte Dialysis Center. The rate was calculated based on 66 in-center dialysis patients and 20 certified dialysis stations as of December 31, 2013 (66 patients / 20 stations = 3.3 patients per station; 3.3 patients per station / 4.00 patients per station = 0.825). In Section II, page 15, the applicant projects 80 dialysis patients on 23 stations for a utilization rate of 87.0% ($80 / 23 = 3.478 / 4 = 0.8696$) in year 1 and 86 dialysis patients on 23 stations for a utilization rate of 93.4% ($86 / 23 = 3.739 / 4 = 0.9348$) in year 2.

(2) *Mortality rates;*

-C- In Section IV.2, page 25, the applicant reports the 2011, 2012 and 2013 facility mortality rates as 22.2%, 26.2% and 15.4%, respectively.

(3) *The number of patients that are home trained and the number of patients on home dialysis;*

-NA- In Section IV.3, page 25, the applicant states, “*The Charlotte East Dialysis Center provides home training for patients living in Mecklenburg County.*”

(4) *The number of transplants performed or referred;*

-C- In Section IV.4, page 25, the applicant provides information showing South Charlotte Dialysis referred 25 patients for transplant in 2013 and one transplant was performed in 2013.

(5) *The number of patients currently on the transplant waiting list;*

-C- In Section IV.5, page 26, the applicant states, "*The South Charlotte Dialysis Center has three patients on the transplant waiting list.*"

(6) *Hospital admission rates, by admission diagnosis, i.e., dialysis related versus non-dialysis related;*

-C- In Section IV.6, page 26, the applicant states that there were 148 hospital admissions in 2013, 14 (9.5%) of which were dialysis related and 134 (90.5%) non-dialysis related.

(7) *The number of patients with infectious disease, e.g., hepatitis, and the number converted to infectious status during last calendar year.*

-C- In Section IV.7, page 26, the applicant provides information that shows as of December 31, 2013, there were no patients dialyzing at the South Charlotte Dialysis Center with AIDS and one patient with Hepatitis B. The applicant states that no patients treated with infectious disease have converted to infectious status at the South Charlotte Dialysis Center in 2013. One patient required the use of an isolation station for their dialysis treatment.

(b) *An applicant that proposes to develop a new facility, increase the number of dialysis stations in an existing facility, establish a new dialysis station, or relocate existing dialysis stations shall provide the following information requested on the End Stage Renal Disease (ESRD) Treatment application form:*

(1) *For new facilities, a letter of intent to sign a written agreement or a signed written agreement with an acute care hospital that specifies the relationship with the dialysis facility and describes the services that the hospital will provide to patients of the dialysis facility. The agreement must comply with 42 C.F.R., Section 405.2100.*

-NA- This is not an application for a new facility.

(2) *For new facilities, a letter of intent to sign a written agreement or a written agreement with a transplantation center describing the relationship with the dialysis facility and the specific services that the transplantation center*

will provide to patients of the dialysis facility. The agreements must include the following:

- (A) timeframe for initial assessment and evaluation of patients for transplantation,*
- (B) composition of the assessment/evaluation team at the transplant center,*
- (C) method for periodic re-evaluation,*
- (D) criteria by which a patient will be evaluated and periodically re-evaluated for transplantation, and*
- (E) signatures of the duly authorized persons representing the facilities and the agency providing the services.*

-NA- This is not an application for a new facility.

- (3) For new or replacement facilities, documentation that power and water will be available at the proposed site.*

-NA- This is not an application for a new or replacement facility.

- (4) Copies of written policies and procedures for back up for electrical service in the event of a power outage.*

-C- See Exhibit 8, in which the applicant provides copies of written policies and procedures, including back up procedures in the event of a power outage.

- (5) For new facilities, the location of the site on which the services are to be operated. If such site is neither owned by nor under option to the applicant, the applicant must provide a written commitment to pursue acquiring the site if and when the approval is granted, must specify a secondary site on which the services could be operated should acquisition efforts relative to the primary site ultimately fail, and must demonstrate that the primary and secondary sites are available for acquisition.*

-NA- This is not an application for a new facility.

- (6) Documentation that the services will be provided in conformity with applicable laws and regulations pertaining to staffing, fire safety equipment, physical environment, water supply, and other relevant health and safety requirements.*

-C- In Section XI.6(g), page 57, the applicant states:

“South Charlotte Dialysis Center has and will continue to operate within the applicable laws and regulations pertaining to staffing and fire safety equipment, physical environment and other relevant health safety requirements.”

(7) *The projected patient origin for the services. All assumptions, including the methodology by which patient origin is projected, must be stated.*

-C- The applicant provides the following projected patient origin for the first two operating years on page 22 of the application, as shown below.

**Projected Dialysis Patient Origin
 January 2016 – December 2017**

COUNTY	IN-CENTER PATIENTS		COUNTY PATIENTS AS A PERCENT OF TOTAL	
	Year 1	Year 2	Year 1	Year 2
Mecklenburg	78	84	97.5%	97.7%
Union	2	2	2.5%	2.3%
Total	80	86	100.0%	100.0%

The applicant’s assumptions and methodology are provided on pages 22-23.

(8) *For new facilities, documentation that at least 80 percent of the anticipated patient population resides within 30 miles of the proposed facility.*

-NA- The applicant is not proposing a new facility.

(9) *A commitment that the applicant shall admit and provide dialysis services to patients who have no insurance or other source of payment, but for whom payment for dialysis services will be made by another healthcare provider in an amount equal to the Medicare reimbursement rate for such services.*

-C- In Section II, page 14, the applicant states,

“DVA Healthcare Renal Care, Inc. d/b/a South Charlotte Dialysis Center will admit and provide dialysis services to patients who have no insurance or other source of payment, if payment for dialysis services is made by another healthcare provider in an amount equal to the Medicare reimbursement rate for such services.”

.2203 PERFORMANCE STANDARDS

(a) *An applicant proposing to establish a new End Stage Renal Disease facility shall document the need for at least 10 stations based on utilization of 3.2 patients per station per week as of the end of the first operating year of the facility, with the exception that the performance standard shall be waived for a need in the State Medical Facilities Plan that is based on an adjusted need determination.*

-NA- The applicant proposes to add stations to an existing facility.

(b) *An applicant proposing to increase the number of dialysis stations in an existing End Stage Renal Disease facility or one that was not operational prior to the beginning of the review period but which had been issued a certificate of need shall document the need for the additional stations based on utilization of 3.2 patients per station per week as of the end of the first operating year of the additional stations.*

-C- In Section II, page 15, the applicant projects serving 80 dialysis patients on 23 stations for a utilization of 87.0% or 3.48 ($80 / 23 = 3.47 / 4 = 0.8695$) patients per station per week at the end of the first operating year, based on the methodology and assumptions found in Section II, pages 15-16 and in Section III of the application.

.2204 SCOPE OF SERVICES

To be approved, the applicant must demonstrate that the following services will be available:

(1) *diagnostic and evaluation services;*

-C- Section V.1, page 27 states patient will be referred to Presbyterian Hospital for diagnostic and evaluation services.

(2) *maintenance dialysis;*

-C- Section V.1, page 27 states the applicant will provide in-center maintenance dialysis.

(3) *accessible self-care training;*

-C- In Section IV.4, page 25, the applicant states, “*The Charlotte East Dialysis Center provides home training for patients living in Mecklenburg County.*” The table in Section V.1, page 27, shows patients will receive in-center hemodialysis, intermittent peritoneal dialysis, CAPD and CCPD at Charlotte East Dialysis Center.

(4) *accessible follow-up program for support of patients dialyzing at home;*

-C- In Section IV.4, page 25, the applicant states, “*The Charlotte East Dialysis Center provides home training for patients living in Mecklenburg County.*” The table in Section V.1, page 27, shows patients will receive in-center hemodialysis, intermittent peritoneal dialysis, CAPD and CCPD at Charlotte East Dialysis Center.

(5) *x-ray services;*

- C- Section V.1, page 27 states patients will be referred to Presbyterian Hospital for x-ray services.
- (6) *laboratory services;*
- C- Section V.1, page 27, states the facility provides on-site laboratory services through contract with Dialysis Laboratories.
- (7) *blood bank services;*
- C- Section V.1, page 27 states patients will be referred to Presbyterian Hospital for blood bank services.
- (8) *emergency care;*
- C- Section V.1, page 27 states patients will be referred to Presbyterian Hospital for emergency care. In Section VII.3, page 38, the applicant states that all teammates are certified to perform CPR.
- (9) *acute dialysis in an acute care setting;*
- C- Section V.1, page 27 states patients will be referred to Presbyterian Hospital for acute dialysis in an acute care setting.
- (10) *vascular surgery for dialysis treatment patients;*
- C- Section V.1, page 27 states patients will be referred to Presbyterian Hospital for vascular surgery.
- (11) *transplantation services;*
- C- Section V.1, page 27 states patients will be referred to Carolinas Medical Center for transplantation services.
- (12) *vocational rehabilitation counseling and services; and*
- C- Section V.1, page 27 states patients will be referred to North Carolina Division of Vocational Rehabilitation Services for vocational counseling and services.
- (13) *transportation.*
- C- Section V.1, page 27 states patients will be referred to DSS and various providers for transportation services.

.2205 STAFFING AND STAFF TRAINING

- (a) *To be approved, the state agency must determine that the proponent can meet all staffing requirements as stated in 42 C.F.R., Section 405.2100.*
- C- In Section VII.1, page 37, the applicant provides the proposed staffing for South Charlotte Dialysis. On page 37, the applicant states, “*The facility complies with all staffing requirements as stated in 42 C.F.R. Section 494 (formerly 405.2100).*” See additional staffing details in Section 1.13, pages 5-10 and Section II, pages 17-18.
- (b) *To be approved, the state agency must determine that the proponent will provide an ongoing program of training for nurses and technicians in dialysis techniques at the facility.*
- C- In Section VII.5, page 38, the applicant refers to Exhibit 17 for an outline of the training program, Exhibit 23 for an outline of safety training and Exhibit 24 for an in-service training schedule. The applicant states on page 38 that before teammates are permitted to treat patients or to administer patient care they are required to receive on the job training and pass a certification test to assure their competency and clinical proficiency. Additionally, the applicant states that all medical personnel are encouraged to obtain excellence in their profession by enabling them to qualify as a Certified Nephrology Nurse or Bonnet Certified Hemodialysis Technician. All teammates are certified to perform CPR. As of April 15, 2010, the applicant states that all patient care technicians who work at the facility have passed a national certification examination that is required by Medicare Conditions of Coverage for End Stage Renal Disease facilities.