

ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

Decision Date: April 24, 2015

Project Analyst: Bernetta Thorne-Williams
Team Leader: Lisa Pittman

Project ID #: Q-10361-14
Facility: Martin General Hospital
FID #: 943328
County: Martin
Applicant(s): Williamston Hospital Corporation
Project: Provide inpatient dialysis services through the addition of two portable inpatient dialysis units

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.

NA

Williamston Hospital Corporation (WHC) d/b/a Martin General Hospital (MGH), whose parent company is Community Health Systems (CHS), proposes to add acute inpatient dialysis services through a service agreement with DaVita HealthCare Partners, Inc. MGH is located at 310 S. McCaskey Road, in Williamston, Martin County.

The applicant does not propose to add any new operating rooms, health service facility beds, medical equipment or new services for which there is a need determination in the 2014 State Medical Facilities Plan (SMFP) nor is the applicant proposing a reduction or elimination of beds, operating rooms, medical equipment or other existing services. Therefore, this criterion is not applicable to this review.

- (2) Repealed effective July 1, 1987.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.

C

Martin General Hospital proposes to add two portable inpatient dialysis units, through a service agreement with DaVita HealthCare Partners, Inc. The applicant proposes that one dialysis unit be located on the Medical, Surgical and Pediatrics unit and the other unit be located within ICU.

In Section I.12, page 7, the applicant states as the sole provider of acute care services in Martin County, the addition of inpatient dialysis services to its existing service line would improve the standard of care for those patients in Martin County and reduce the need to transfer patients out of the hospital who require acute dialysis services. The applicant states in supplemental information, that dialysis services would be available Monday, Wednesday and Friday from 7:00 a.m. to 5:00 p.m. The applicant does not propose to offer on-call acute care dialysis services.

Population to be Served

In Section III.4(a), page 13, the applicant states that historically 71.4% of patients served at MGH have been residents of Martin County, as illustrated in the table below.

Historical Patient Origin Entire Hospital	
County	% of Total
Martin	71.4%
Washington	14.6%
Bertie	8.0%
Onslow	1.0%
Beaufort	1.0%
Gates	0.5%
Chowan	0.5%
Edgecombe	0.5%
Pitt	0.5%
Nash	0.5%
Tyrrell	0.5%
Wake	0.5%
Lenoir	0.5%
Total	100.0%

The applicant states that MGH does not currently provide inpatient dialysis services, nor is this service provided in Washington or Bertie Counties (at Washington County Hospital or Vidant Bertie Hospital) whose residents comprise 14.6% and 8.0%, respectively, of the total patient population served at MGH. In Section III.4(b), page 13, the applicant states that those patients who require inpatient dialysis services are transferred to another facility that can meet their needs. The applicant further states on page 13, that those patients are not tracked once they are transferred.

On pages 14-15, the applicant provides the projected patient origin, by county for the proposed dialysis services, as illustrated in the table below.

Projected Dialysis Patient Origin		
County	Projected # of Patients	% of Total
Martin	124	71.3%
Washington	25	14.4%
Bertie	14	8.0%
All other*	11	6.3%
Total	174	100.0%

*Source: Martin County's 2014 License Renewal Application – includes Beaufort, Chowan, Edgecombe, Gates, Halifax, Hertford, Hyde, Lenoir, Onslow, Perquimans, Pitt, Randolph, Transylvania, Wake, Virginia and other states.

The applicant further states on page 15 that it assumes patient origin will remain consistent with historical patient trends at MGH for the first and second year of the proposed project.

The applicant adequately identified the population it proposes to serve.

Analysis of Need

MGH is a 49-bed acute care hospital that provides inpatient, outpatient, medical and surgical care to the residents of Martin County and surrounding counties. As the only acute care hospital in Martin County, the applicant states that the addition of inpatient dialysis services through a service agreement, would allow the facility to provide a higher level of services for those patients in need of acute dialysis care. Currently, MGH, transfers those patients in need of inpatient dialysis services to other hospitals outside the county. In Section II.12(e), page 7, the applicant states that in the first part of 2014, 43 patients were transferred from MGH to other facilities to have their inpatient dialysis needs meet.

In Section III.1(a), page 11, the applicant provides data on Martin County's projected population from 2014 to 2017, as illustrated in the table below

Martin County Projected Population				
	2014	2015	2016	2017
Total Population	23,608	23,458	23,306	23,157

As illustrated in the table above, the population of Martin County is projected to decrease by - 1.9% from 2014 to 2017. However, according to the US Census Bureau ¹ Martin County has a higher resident population of age 65+ (20.0%) as compared with that of North Carolina which is 14.3%. The Kidney Disease Statistics for the United States ² reports, *“The prevalence of CKD (Chronic Kidney Disease) is growing most rapidly in people ages 60 and older. Between the 1988–1994 National Health and Nutrition Examination Survey (NHANES) study and the 2003–2006 NHANES study, the prevalence of CKD in people ages 60 and older jumped from 18.8 to 24.5 percent. During that same period, the prevalence of CKD in people between the ages of 20 and 39 stayed consistently below 0.5 percent.”*

In Section II.12, page 7, the applicant states, *“There is a high incidence of renal failure in the service area of the hospital”*. Therefore, the applicant concludes that its aging population will continue to have a need for acute care dialysis services. As stated on page 7, MGH transferred 43 patients in need of acute dialysis services from its facility to facilities outside of the county in just the first part of 2014.

The applicant further states on pages 11-12, that Martin County is a rural county with a higher than average number of residents who live below the poverty level. As such, many of the residents of Martin County lack the means to travel outside the county for needed healthcare services. See table on page 12, which illustrates the per capita income, median household income and the percentage of those who lived below the poverty level from 2008-2012 in Martin County compared to North Carolina as a whole.

In Section IV, page, 17 and supplemental information, the applicant projects a 2% growth rate for its inpatient services including its inpatient acute dialysis services, as illustrated in the table below.

Service Component	First Full FY 2015	Second Full FY 2016	Third Full FY 2017
Portable dialysis units	2	2	2
Projected # of treatments/procedures	172	176	180

In Section IV, page 17, the applicant provides the following assumptions concerning utilization:

“Assumed that inpatient utilization for dialysis services will remain consistent with 2014 trends for Year 1 of service, and will increase 2% in subsequent years of service. Assumed,

¹ Martin County Quick Facts from the US Census Bureau <http://quickfacts.census.gov/qfd/states>

² Kidney Disease Statistics <http://kidney.niddk.nih.gov>

on average, two treatments will be required for each admitted patient to the hospital. Dialysis will be provided in one of two specialized rooms within the hospital (one located on our Med-Surg-Peds unit, one on our ICU unit)."

In Section III, page 15 and in supplemental information, the applicant states that its patient origin will remain consistent with historical patient trends at MGH for the first and second year of the proposed project with 71.3% of its patients residing in Martin County, 8.1% residing in the 27983 zip code area of Bertie County, 14.4% residing in the 27962 zip code area of Washington County, and 6.3% in all other areas. According to the applicant's 2014 license renewal application (LRA) those counties that make up the 6.3% in the "all other" category are comprised of residents who reside in Beaufort, Chowan, Edgecombe, Gates, Halifax, Hertford, Hyde, Lenoir, Onslow, Perquimans, Pitt, Randolph, Transylvania, Wake, Virginia and other states.

In Section II, page 7, the applicant states that as the sole provider of acute care services in Martin County, adding acute dialysis services to the complement of services provided at MGH, would be a natural extension of the services provided by the hospital and thus improve the overall level of care and services to Martin County residents.

Access to Services

In Section VI.1, page 23, the applicant states:

"MGH is fully committed to the health and well-being of the residents of Martin County and surrounding communities. MGH has historically provided care and services to medically underserved populations. ... MGH provides a community initiative to make its services more accessible to medically indigent residents of eastern North Carolina."

The applicant adequately demonstrates the extent to which all residents of the area, including underserved groups, are likely to have access to the proposed services.

Conclusion

In summary, the applicant adequately identified the population to be served, demonstrated the need the population has for the project and the demonstrated extent to which all residents of the area, in particular underserved groups, are likely to have access to the proposed 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.

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In Section III.3, pages 12-13, the applicant states the following two alternatives were considered:

- Maintaining the Status Quo – The applicant concluded that given the identified need for inpatient dialysis services, maintaining the status quo would not be in the best interest of the patients served at MGH.
- Providing services with in-house personnel – The applicant stated that this alternative was not considered given both staff expertise and cost concerns.
- Contracting Services – The applicant concluded that the development of the project, as proposed, through a service agreement contract with DaVita HealthCare Partners, Inc. was both operationally and fiscally feasible.

Furthermore, the application is 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 the proposal is the least costly or most effective alternative to meet the need. Therefore, the application is conforming to this criterion and approved subject to the following conditions:

- 1. Williamston Hospital Corporation d/b/a Martin General Hospital shall materially comply with all representations made in the certificate of need application and in supplemental information. In those instances where representations conflict, Williamston Hospital Corporation d/b/a Martin General Hospital shall materially comply with the last-made representation.**
- 2. Williamston Hospital Corporation d/b/a Martin General Hospital shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the applicant and in supplemental information and which would otherwise require a certificate of need.**
- 3. Prior to the issuance of the certificate of need, Williamston Hospital Corporation d/b/a Martin General Hospital shall acknowledge acceptance of and agree to comply with all conditions stated herein in writing to the Agency.**

- (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.

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In Section IX, page 34 and IX, page 38, the applicant states there will be no capital cost and no start-up or initial operating expenses associated with the proposed project. The applicant proposes to provide acute inpatient dialysis services through a contract agreement with DaVita HealthCare Partners, Inc. As such, DaVita will provide the staff, portable dialysis units and equipment necessary to provide these services. In supplemental information, the applicant provides the fee schedule for services associated with the service agreement with DaVita HealthCare Partners, Inc., in part, as follows:

*“Hemodialysis (Treatment Room with 2:1 patient-to-staff ratio) \$350.00 per treatment
Hemodialysis (1:1 patient-to-staff ration) \$450.00 per treatment
Program maintenance fee \$1,000.00 per month.”*

Miscellaneous changes are also included in CHS’s master agreement. In supplemental information, CHS agrees to the terms of the service agreement, including all cost associated with providing acute inpatient dialysis service at MGH.

In Section X, the applicant provides the balance sheet for CHS. As of December 31, 2014, CHS had cash and cash equivalents totaling \$380,871,000, \$17,421,567,000 in total assets and \$3,524,047.00 in net assets. The applicant adequately demonstrated the availability of funds for the proposed project.

The applicant projected revenue in excess of operational expenses in each of the first two operating years following completion of the project, as illustrated in the table below. (See page 41)

	Project Year 1	Project Year 2
Net Revenue	\$464,583	\$484,880
Operating Expenses	\$358,885	\$371,016
Profit	\$105,698	\$113,864

The applicant also states that revenue will exceed operational expenses in each of the first two operating years following completion of the project for the entire hospital. (See Form B)

The applicant adequately demonstrates that the financial feasibility of the proposal is based upon reasonable projections of costs and revenues. 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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Martin General Hospital in Williamston is the only hospital in Martin County. MGH does not currently provide inpatient dialysis services. Inpatient dialysis services are not currently provided anywhere in Martin County. Additionally, neither Vidant Bertie Hospital nor Washington County Hospital provide inpatient dialysis services. The closest provider of this service is Vidant Medical Center in Greenville, Pitt County which reports to have 12 units of inpatient dialysis equipment. The next closest provider of inpatient dialysis services is Halifax Regional Medical Center, in Roanoke Rapids, Halifax County which reports to have four units of inpatient dialysis equipment. According to Google Maps, Vidant Medical Center is 27.1 miles and Halifax Regional Medical Center is 84.8 miles away, from Martin General Hospital. The Basic Principle, 10.a in the ESRD methodology is to assure dialysis services are easily accessible to residents within their service area as outlined in the July 2014 North Carolina Semiannual Dialysis Report (SDR), which states:

“End-stage renal disease treatment should be provided in North Carolina such that patients who require renal dialysis are able to be served in a facility no farther than 30 miles from the patients’ homes.”

Consequently, the applicant adequately demonstrates the proposal would not result in the unnecessary duplication of existing health service capabilities or facilities. Therefore, 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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In Section VII.1 and supplemental information provided by the applicant, the applicant states that DaVita HealthCare, Inc. will provide all personnel and equipment necessary to operate the portable dialysis units. The Master Acute Services Agreement outlines the responsibilities of MGH’s personnel which includes patient transport, physical and chemical restraints, emergency support services, janitorial, in-house messenger, laundry, medical records, transcription, environmental services, blood banking, laboratory, and x-ray services, as required on an emergent and non-emergent basis. As an existing, fully staffed, and accredited acute care hospital, MGH currently has the necessary clinical, managerial, ancillary and support staff to sufficiently support the proposed project. Dr. Carl T. Dover, Jr will continue to serve as the Chief of Staff and Dr. Joseph Dell’ Aria will continue to serve as the Emergency Department’s Medical Director for MGH.

The applicant has demonstrated the availability of adequate personnel and resources to provide the services as outlined in the service agreement. Therefore, MGH will not need additional personnel to provide the proposed acute inpatient dialysis services.

The applicant adequately demonstrated the availability of adequate health manpower and management personnel for the provision of the proposed 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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The applicant is an existing hospital, however, MGH does not currently provide inpatient dialysis services. Therefore, as the only hospital in Martin County the necessary ancillary and support services are currently available. In Section II.2, page 7, the applicant states that inpatient dialysis services will be provided through a contract with DaVita HealthCare Partners, Inc. DaVita HealthCare Partners, Inc. will provide two portable dialysis units, the necessary equipment to operate those units and personnel to provide inpatient dialysis services Monday, Wednesday and Friday from 7:00 a.m. to 5:00 p.m. The applicant states on-call acute care inpatient dialysis services will not be provided.

See Exhibit 5, which documents that MGH currently has the necessary services and supports needed to operate an acute care facility.

The applicant adequately demonstrated the availability of the necessary ancillary and support services and that the proposed services would be coordinated with the existing health care 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 (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.12, pages 29, the applicant provides the payor mix during FY 2013 for its inpatient days of care, as illustrated in the table below:

2013 MGH PAYOR MIX	
SOURCE OF PAYMENT	PERCENTAGE
Self Pay/Indigent	6.4%
Medicare/ Medicare Managed Care	63.0%
Medicaid	17.5%
Commercial/Managed Care	4.6%
Blue Cross Blue Shield	5.6%
Other	3.0%
Total	100.0%

In Section VI.2, page 23, the applicant states:

“MGH is fully committed to the health and well-being of the residents of Martin County and surrounding communities. MGH has historically provided care and services to medically underserved populations.”

The Division of Medical Assistance (DMA) maintains a website which provides the number of persons eligible for Medicaid in North Carolina, and estimates the percentage of uninsured people for each county. The following table illustrates those percentages for Durham 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 *	2008-2009 % Uninsured (Estimate by Cecil G. Sheps Center) *
Martin County	25%	12.2%	21.5%
Statewide	17%	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 – 12/21/2013, page 99*).³

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, handicapped, 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”*⁴ (p. 216)

The report also provides the incidence of dialysis patients in 2011, adjusted by age, gender and race, which show 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).

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

⁴www.usrds.org/adr.aspx

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. 216). 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* 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.⁵

The applicant demonstrated that medically underserved populations currently have adequate access to the services offered at Martin General Hospital. 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

Recipients of Hill-Burton funds were required to provide uncompensated care, community service and access by minorities and handicapped persons. In Section VI.11, page 28, the applicant states:

“MGH is a recipient of federal funds, and is compliant with all applicable federal regulations to insure continued access to these funds. MGH does not discriminate based on race, ethnicity, creed, color, sex, age, religion, national origin, handicap, or ability to pay. ... ”

⁵<http://www.esrdnetwork6.org/utills/pdf/annual-report/2013%20Network%206%20Annual%20Report.pdf>

In Section VI.10(a), page 28, the applicant states there that one civil rights access complaints was filed by a single patient in 2010 and 2011. The applicant states that a judicial determination was not made and a settlement agreement was reached.

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.14(a) and Section VI.15(a), pages 29-30, the applicant states it does not anticipate a change in the payor mix from its historical payor mix as stated on page 29, for the second full fiscal year (2016) of operations for the proposal, as illustrated in the table below.

2016 MGH PAYOR MIX	
SOURCE OF PAYMENT	PERCENTAGE
Self Pay/Indigent	6.4%
Medicare/ Medicare Managed Care	63.0%
Medicaid	17.5%
Commercial/Managed Care	4.6%
Blue Cross Blue Shield	5.6%
Other	3.0%
Total	100.0%

The applicant demonstrates that the elderly and medically underserved populations will have adequate access to the proposed inpatient dialysis services at MGH. 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.

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In Section VI.9, pages 27-28, the applicant describes the range of means by which patients will have access to the proposed inpatient dialysis services. The information provided in Section VI.5 is reasonable and credible and supports a finding of conformity 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.

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In Section V.1(a) page 18, the applicant provides documentation that MGH will continue to accommodate the clinical needs of area health professional training programs. The list below illustrates the clinical training programs that currently utilize MGH:

- Beaufort Community College
- Bear Grass Charter School
- DeVry University
- Duke University
- East Carolina University
- Edgecombe Community College
- Martin County Schools
- Pitt Community College
- Shenandoah University
- Vidant Medical Center

See Exhibit 10 for copies of MGH's training agreements.

The information provided 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

Martin General Hospital in Williamston is the only hospital in Martin County. MGH does not currently provide inpatient dialysis services. Inpatient dialysis services are not currently provided anywhere in Martin County. Additionally, neither Vidant Bertie Hospital nor Washington County Hospital provide inpatient dialysis services. The closest provider of this service is Vidant Medical Center in Greenville, Pitt County which reports to have 12 units of inpatient dialysis equipment. The next closest provider of inpatient dialysis services is Halifax Regional Medical Center, in Roanoke Rapids, Halifax County which reports to have four units

of inpatient dialysis equipment. According to Google Maps, Vidant Medical Center is 27.1 miles and Halifax Regional Medical Center is 84.8 miles away, from Martin General Hospital.

In Section V.7, pages 20-22, the applicant discusses how the proposed project will foster competition by promoting cost effectiveness, quality, and access to services in the proposed service area.

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 information provided by the applicant in those sections is reasonable and credible and adequately demonstrates that any enhanced competition in the service area would have a positive impact on quality and access to the proposed services. This determination is based on the information in the application and following analysis:

- The applicant adequately demonstrates the need for inpatient dialysis services. The applicant also demonstrates that the proposed project is a cost-effective alternative to meet the need to provide access to acute inpatient dialysis services for Martin County patients. The discussion regarding the analysis of need and alternatives found in Criteria (3) and (4), respectively, are incorporated herein by reference;
- The applicant adequately demonstrates it will continue to provide quality services. The discussion regarding quality found in Criteria (1) and Criteria (20) is incorporated herein by reference; and
- The applicant adequately demonstrates that it will continue to provide adequate access to medically underserved populations. The discussion regarding access found in Criteria (1) and (13) 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

MGH is accredited by the Joint Commission and certified for Medicare and Medicaid participation. According to the files in the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation, no incidents occurred within the eighteen months immediately preceding the date of this decision, for which any sanctions or penalties related to quality of care were imposed by the State. Therefore, the application is conforming to this criterion.

(21) Repealed effective July 1, 1987.

(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.

NA