

## REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: November 15, 2023

Findings Date: November 15, 2023

Project Analyst: Crystal Kearney

Co-Signer: Gloria C. Hale

Project ID #: Q-12427-23

Facility: Dialysis Care of Martin County

FID #: 960043

County: Martin

Applicant: Total Renal Care of North Carolina, LLC

Project: Relocate 8 in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations upon project completion

### REVIEW CRITERIA

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

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

NA

Total Renal Care of North Carolina, LLC (hereinafter “TRC” or “the applicant”) proposes to relocate 8 in-center dialysis stations from Robersonville Dialysis (hereinafter “RD”) in Martin County to Dialysis Care of Martin County (hereinafter “DC Martin County”). DC Martin County currently has 15 in-center (IC) dialysis stations. Upon completion of the proposed project, DC Martin County will provide IC dialysis on 23 in-center stations.

DaVita is the parent company of TRC. The applicant does not propose to:

- Develop any beds or services for which there is a need determination in the 2023 State Medical Facilities Plan (SMFP).

- Offer a new institutional health service for which there are any applicable policies in the 2023 SMFP.

Therefore, Criterion (1) 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- (2) Repealed effective July 1, 1987.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, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

The following table, summarized from data and statements on pages 15, and 36 – 37 of the application, shows the projected number of stations at DC Martin County and Robersonville Dialysis upon project completion.

DC Martin County		
Stations	Description	Project ID #
15	Total # of existing certified stations as reported in the most recent ESRD Data Collection Forms.	
+8	Stations to be added as part of this project (relocate 8 in-center dialysis stations from Robersonville Dialysis).	Q-12427-23
23	Total # of dialysis stations upon project completion.	

Robersonville Dialysis		
Stations	Description	Project ID #
13	Total # of existing certified stations as reported in the most recent ESRD Data Collection Forms.	
-8	Stations to be relocated as part of this project (relocate 8 in-center dialysis stations to DC Martin County).	Q-12427-23
-5	Total # of dialysis stations to be relinquished upon project completion.	Q-12427-23
0	Total # of dialysis stations upon project completion.	Q-12427-23

**Patient Origin**

On page 113, the 2023 SMFP defines the service area for dialysis stations as “*The service area is the county in which the dialysis station is located. Each county comprises a service area*”

except for two multicounty service areas: Cherokee, Clay, and Graham counties and Avery, Mitchell, and Yancey counties.” Thus, the service area for this facility consists of Martin County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates historical and projected patient origin for in-center (IC), home hemodialysis (HH), and peritoneal dialysis (PD) patients at DC Martin County.

DC Martin County Historical & Projected Patient Origin												
County	Last – CY 2022						Projected – CY 2026					
	IC Patients		HH Patients		PD Patients		IC Patients		HH Patients		PD Patients	
	#	%	#	%	#	%	#	%	#	%	#	%
Martin	32	78.0%	0	0%	0	0%	53	79.1%	0	0%	7	63.64%
Pitt	3	7.3%	0	0%	0	0%	6	9.0%	0	0%	1	9.09%
Washington	2	4.9%	0	0%	0	0%	2	3.0%	0	0%	0	0.00%
Beaufort	1	2.4%	0	0%	0	0%	2	3.0%	0	0%	3	27.27%
Bertie	1	2.4%	0	0%	0	0%	1	1.5%	0	0%	0	0.00%
Edgecombe	1	2.4%	0	0%	0	0%	2	3.0%	0	0%	0	0.00%
Wake	1	2.4%	0	0%	0	0%	1	1.5%	0	0%	0	0.00%
<b>Total</b>	<b>41</b>	<b>100.0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>67</b>	<b>100.0%</b>	<b>0</b>	<b>0%</b>	<b>11</b>	<b>100.00%</b>

Source: Section C, pages 22 - 23

The following table illustrates the historical patient origin for IC, HH and PD patients at RD. The applicant states, in Section D, pages 36-37, that it will relinquish remaining stations at RD upon project completion and will close the facility by the end of 2024. Therefore, there is no projected utilization for RD.

Robersonville Dialysis						
Last Full FY						
01/01/2022 to 12/31/2022						
County	IC Patients		HH Patients		PD Patients	
	#	%	#	%	#	%
Martin	21	77.8%	0	0%	3	42.86%
Beaufort	1	3.7%	0	0%	1	14.29%
Edgecombe	1	3.7%	0	0%	0	0.00%
Pitt	3	11.1%	0	0%	2	28.57%
Other States	1	3.7%	0	0%	0	0.00%
Washington	0	0.0%	0	0%	1	14.29%
<b>Total</b>	<b>27</b>	<b>100.0%</b>	<b>0</b>	<b>0%</b>	<b>7</b>	<b>100.00%</b>

Source: Section, C page 23

In Section C, pages 22-24, the applicant provides the assumptions and methodology used to project its patient origin. On page 24, the applicant states,

*“It is assumed that the Robersonville Dialysis patients will return to DC Martin County and transfer their care on or before January 1, 2025. Patient selection is, of course, the determining factor as the patient will select the provider that gives them the highest quality service and best meets their needs. Transferring back to*

*DC Martin County will ensure continuity of care for all of these DaVita patients as they will remain under the care of the same clinical and support staff they were accustomed to at Robersonville and receive the same high-quality care.”*

The applicant’s assumptions are reasonable and adequately supported based on the following:

- Robersonville Dialysis is scheduled for closure and Total Renal Care of North Carolina, LLC will relinquish the remainder of its stations for a total of zero (0) stations at this facility upon project completion.
- The census for DC Martin County as of December 31, 2022 included 41 in-center patients. Of these 41 patients, 32 lived in the service area of Martin County, and 9 lived outside the service area.
- DaVita has made the operational decision to close Robersonville Dialysis by the end of 2024. Upon the closure of Robersonville Dialysis, DC Martin County will be the only dialysis facility in Martin County.
- Based on a review of the last five State Medical Facilities Plans (SMFPs), Martin County facilities have consistently served a number of Eastern NC patients from outside the service area in addition to patients from within the service area. Therefore, it is reasonable to assume that the patients at RD will transfer their care to DC Martin County.

### **Analysis of Need**

In Section C, page 27, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services. On page 27, the applicant states,

*“As noted in Table A of the Draft 2024 SMFP, Robersonville Dialysis has 13 certified stations. This facility, which opened in 2019 just prior to the start of the pandemic, was developed via relocation of stations and patients from DC Martin County (Project ID # Q-11380-17). Robersonville Dialysis is scheduled for closure.... It is assumed that the Robersonville Dialysis patients will return to DC Martin County and transfer their care their care on or before January 1, 2025.”*

The information is reasonable and adequately supported based on the DC Martin County historical census and the pending closure of RD necessitating the need for RD patients to transfer their care.

### **Projected Utilization**

In Section C, pages 22-23, the applicant provides historical and projected utilization, as illustrated in the following tables.

DC Martin County Historical & Projected Utilization								
	Historical (CY 2022)				Projected (CY 2026)			
	IC Patients		PD Patients		IC Patients		PD Patients	
	#	%	#	%	#	%	#	%
Martin	32	78.0%	0	0.0%	53	79.1%	7	63.64%
Pitt	3	7.3%	0	0.0%	6	9.0%	1	9.09%
Washington	2	4.9%	0	0.0%	2	3.0%	0	0.00%
Beaufort	1	2.4%	0	0.0%	2	3.0%	3	27.27%
Bertie	1	2.4%	0	0.0%	1	1.5%	0	0.00%
Edgecombe	1	2.4%	0	0.0%	2	3.0%	0	0.00%
Wake	1	2.4%	0	0.0%	1	1.5%	0	0.00%
<b>Total</b>	<b>41</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>67</b>	<b>100.0%</b>	<b>11</b>	<b>100.00%</b>

In Section C, pages 23-25 and Section Q, pages 85-88, the applicant provides the assumptions and methodology used to project IC utilization, which is summarized below.

- The applicant begins its projections with the DC Martin County facility’s patient census as of December 31, 2022, as reported in the 2022 ESRD Data Collection Forms submitted to the Agency. The facility served a total of 41 in-center patients and of those patients, 32 resided in the service area, Martin County and 9 lived outside the service area.
- DaVita has made the operational decision to close Robersonville Dialysis by the end of 2024. Upon the closure of Robersonville Dialysis, DC Martin County will be the only dialysis facility in Martin County.
- As reported in the 2022 ESRD Data Collection Forms submitted to the Agency, RD had 27 in-center patients, 21 from Martin County, 5 from other NC counties, and one from another state. All but the out-of-state patients are expected to transfer their care to DC of Martin County.
- The first full FY is projected to begin January 1, 2025 and end on December 31, 2025.
- The second full FY is projected to begin January 1, 2026 and end on December 31, 2026.
- The following in-center patient projections assume the growth rate continues to remain flat (0%) for the entire patient population, so as to be conservative. The period of growth begins January 1, 2023 and is calculated forward to December 31, 2026.

<b>DC Martin County</b>		
	IC Stations	IC Patients
Station count and patient census at the facility as of 12/31/2022.	15	41
The patient census is projected forward a year to 12/31/2023.		41 x 1.0 = 41
The patient census is projected forward a year to 12/31/2024.		41 x 1.0 = 41
The proposed project is projected to be certified on 01/01/2025. Eight stations are projected to transfer from Robersonville Dialysis. This is the station count at the beginning of FY1. Twenty-six (26) Robersonville Dialysis patients are projected to transfer. This is the patient census at the beginning of FY1.	15 + 8 = 23	41 + 26 = 67
The patient census is projected forward a year to 12/31/2025.		67 x 1.0 = 67
The patient census is projected forward a year to 12/31/2026.		67 x 1.0 = 67

Source: Section C, page 24

The applicant projects to serve 67 patients on 23 stations, which is 2.9 patients per station per week ( $67 \text{ patients} / 23 \text{ stations} = 2.91$ ), by the end of both OY1 and OY2. This meets the minimum of 2.8 patients per station per week as of the end of the first operating year as required by 10A NCAC 14 C .2203 (b).

The applicant provides the assumptions and methodology used to project PD utilization, which is summarized below.

- Robersonville Dialysis' patient census, as reported in the facility's December 2022 ESRD Data Collection form included 7 PD patients. Of these 7 patients, 3 lived in the service area Martin County, and 4 lived outside of the service area.
- The applicant assumes that its PD census will increase by one patient per year.
- The applicant assumes that all of RD's PD patients will return to DC Martin County upon closure of RD and transfer their care on or before January 1, 2025.

The table below summarizes the beginning and end of year census for each of the years in the period of growth and lists the average number of patients for each year.

**DC Martin County**

	<b>PD Patient census</b>
Home patient census as of 12/31/2022.	0
The patient census is projected forward a year to 12/31/2023.	0 + 1 = 1
The patient census is projected forward a year to 12/31/2024.	1 + 1 = 2
The proposed project is projected to be certified on 01/01/2025. Seven (7) Robersonville Dialysis patients are projected to transfer in. This is patient census at the beginning of FY1.	1 + 7 = 8
The patient census is projected forward a year to 12/31/2025.	8 + 1 = 9
The patient census is projected forward a year to 12/31/2026.	9 + 1 + 10

Source: Section C, page 26 and Section Q, page 88

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

- RD is scheduled to close and DC Martin County is the only other dialysis facility in Martin County.
- The applicant assumes no growth of IC patients based on historical census.
- The applicant assumes a conservative growth in PD census of one patient per year.

**Access to Medically Underserved Groups**

In Section C, page 29, the applicant states:

*“By policy, the proposed services will be made available to all residents in the service area without qualifications. The facility will serve patients without regard to race, color, national origin, gender, sexual orientation, age, religion, or disability and socioeconomic groups of patients in need of dialysis.*

*We will make every reasonable effort to accommodate all patients, especially those with special needs such as those with disabilities, patients attending school or patients who work. Dialysis services will be provided six days per week with two patient shifts per day to accommodate patient need.*

*DC Martin County will help uninsured/underinsured patients with identifying and applying for financial assistance; therefore, services are available to all patients including low-income persons, racial and ethnic minorities, women, disabled persons, elderly and other under-served persons.”*

The applicant provides the estimated percentage of total patients for each medically underserved group during the second full fiscal year following project completion, as shown in the following table.

<b>Group</b>	<b>Estimated Percentage of Total Patients during the Second Full Fiscal Year</b>
Low income persons	88.2%
Racial and ethnic minorities	48.8%
Women	46.3%
Persons with disabilities	100.0%
Persons 65 and older	54.1%
Medicare beneficiaries	79.4%
Medicaid recipients	8.8%

Source: Section C, page 30

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provides a statement saying it will provide service to all residents of the service area, including underserved groups, without regard for anything other than the need for dialysis services.
- The applicant projects the estimates of underserved groups based on the recent facility experience of both of its facilities in Martin County.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

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

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

C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

In Section D, page 37, the applicant explains why it believes the needs of the population presently utilizing the services to be relocated will be adequately met following completion of the project. The applicant states that the proposal requests the relocation of 8 of its 13 stations to DC Martin County and Total Renal Care of North Carolina, LLC will relinquish the remainder of its stations at RD. The patients currently being served at RD will transfer to DC Martin County, the only dialysis facility that will remain in the county, upon project completion.

The information is reasonable and adequately supported based on the following:

- The applicant will make every reasonable effort to accommodate all patients.
- The applicant will ensure continuity of care for all of the RD patients as they will remain under the care of the same clinical and support staff they were accustomed to at RD and receive the same high-quality care.

**Access to Medically Underserved Groups**

In Section D, page 37, the applicant states that the closure of RD will not have any effect on the ability of any patient to obtain dialysis services, including the patients transferring from RD to DC Martin County. In addition, on page 37, the applicant states,

*“By policy, the proposed services will be made available to all residents in the service area without qualifications. DC Martin will continue to serve patients without regard to race, color, national origin, gender, sexual orientation, age, religion or disability and socioeconomic groups of patients in need of dialysis.”*

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use dialysis services will be adequately met following completion of the project because:

- RD will close and patients will transfer to DC Martin County which will continue to serve patients without regard to race, color, national origin, gender, sexual orientation, age, religion, or disability and socioeconomic groups of patients in need of dialysis.
- DC Martin County will help uninsured/underinsured patients with identifying and applying for financial assistance; therefore, services are available to all patients including low

income persons, racial and ethnic minorities, women, disabled persons, elderly and other under-served persons.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

- The applicant adequately demonstrates that the needs of the population currently using the services to be reduced, eliminated or relocated will be adequately met following project completion for all the reasons described above.
  - The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services following project completion for all the reasons described above.
- (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

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

The applicant states in Section E, page 40, that there are no alternatives to meet the need for the proposal because DaVita has made the operational decision to close Robersonville Dialysis by the end of 2024. Upon the closure of Robersonville Dialysis, DC Martin County will be the only dialysis facility in Martin County.

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

- The application is conforming to all statutory and regulatory review criteria.
- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

- 1. Total Renal Care of North Carolina, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
  - 2. The certificate holder shall relocate no more than eight in-center (and home hemodialysis) stations from Robersonville Dialysis to Dialysis Care of Martin County for a total of no more than 23 in-center dialysis stations upon project completion.**
  - 3. Upon completion of this project, the certificate holder shall take the necessary steps to decertify eight in-center (and home hemodialysis) stations at Robersonville Dialysis and relinquish five in-center (and home hemodialysis) stations at Robersonville Dialysis for a total of 0 in-center (and home hemodialysis) stations at Robersonville Dialysis.**
  - 4. Progress Reports:**
    - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
    - b. The certificate holder shall complete all sections of the Progress Report form.**
    - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
    - d. The first progress report shall be due on June 1, 2024.**
  - 5. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes to relocate eight in-center dialysis stations from Robersonville Dialysis to DC Martin County. Upon completion of this project, DC Martin County will have 23 in-center stations.

**Capital and Working Capital Costs**

In Section Q Form F.1a Capital Cost, page 91, the applicant projects there will be no capital cost for the project.

In Section Q, pages 91-92, the applicant states there will be no start-up costs or initial operating expenses because furniture, equipment, and fixtures will be repositioned from Robersonville Dialysis, which is scheduled for closure.

**Financial Feasibility**

The applicant provided pro forma financial statements for the first two full fiscal years of operation following completion of the project. In Form F.2, the applicant projects that revenues will exceed operating expenses in the first two full fiscal years following completion of the project, as shown in the table below.

	1 <sup>st</sup> Full Fiscal Year	2 <sup>nd</sup> Full Fiscal Year
Total Treatments	11,337	11,486
Total Gross Revenues (Charges)	\$3,526,091	\$3,581,201
Total Net Revenue	\$3,396,601	\$3,450,017
Average Net Revenue Per Treatment	\$300	\$300
Total Operating Expenses (Costs)	\$2,339,191	\$2,384,110
Average Operating Expense (Costs) Per Treatment	\$206	\$208
Net Income	\$1,057,410	\$1,065,907

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, pages 92 -100. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- Projected revenues for the first two full fiscal years will exceed the applicant's projected operating expenses for the first two full fiscal years.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion because the applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

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

C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

On page 113, the 2023 SMFP defines the service area for dialysis stations as “...the service area is the county in which the dialysis station is located. Each county comprises a service area except for two multicounty service areas: Cherokee, Clay and Graham counties and Avery, Mitchell, and Yancey counties.” DC of Martin County is located in Martin County. Thus, the service area for this facility consists of Martin County. Facilities may serve residents of counties not included in their service area.

DC Martin County will be the only facility once Robersonville Dialysis closes in Martin County. Information on both facilities is provided in the table that follows.

Dialysis Facility	Certified Stations	# IC Patients	Utilization by %	Patients per station per week
Dialysis Care of Martin County	15	41	68.83%	2.73
Robersonville Dialysis	10	32	80.00%	3.20
<b>Total</b>	25	73		

Source: Table 9A, Chapter 9, 2023 SMFP

In Section G, page 49, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved dialysis services in Martin County. The applicant states:

*“As of December 31, 2022, there were two dialysis facilities in Martin County with a total of 25 certified stations. This application does not propose to increase the number of stations in Martin County. In fact, the proposed project includes the relocation and elimination of stations in the service area. The relocation of stations to DC Martin County is absolutely necessary and a critical aspect of the facility closure discussed in Section C of this proposal and it will not result in the duplication of existing services. Transferring stations will make it possible to reintegrate the DaVita patients from*

*Robersonville Dialysis seamlessly, ensuring that there is no impact on the safety or efficiency of the delivery of services nor on the quality of care that the current and projected patients at DC Martin County will continue to receive.”*

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

- The applicant does not propose to increase the number of certified dialysis stations in Martin County.
- The applicant adequately demonstrates that the proposed relocation of the existing certified dialysis stations is needed in Martin County.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

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

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

C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

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

<b>DC Martin County Current and Projected Staffing</b>		
	<b>Current FTEs</b>	<b>Projected FTEs</b>
	<b>8/31/2023</b>	<b>2<sup>nd</sup> Full FY</b>
Administrator	1.00	1.00
Registered Nurse	2.00	3.00
Home Training Nurse	0.50	0.50
Patient Care Technicians	5.75	8.75
Dietician	0.50	0.50
Social Worker	0.50	0.50
Admin/Business Office	1.00	1.00
Other (Biomedical Tech)	0.50	0.50
<b>TOTAL</b>	<b>11.75</b>	<b>15.75</b>

The assumptions and methodology used to project staffing are provided immediately following Form H in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.4 in Section Q. In Section H, pages 52-53, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant states, in Form H Assumptions, that the number of FTE positions is a function of the number of stations available and the patient census to ensure quality care and maximize cost effectiveness.
- The applicant projects sufficient operating expenses for the staff proposed by the applicant.
- The applicant describes the required qualifications for staff, continuing education, and other training programs.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support

services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

## C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

### **Ancillary and Support Services**

In Section I, page 55, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, pages 55-58, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The facility is an existing facility already providing the necessary ancillary and support services.
- The applicant describes the structure in place at both the corporate level and the facility level for providing the necessary ancillary and support services.

### **Coordination**

In Section I, page 58, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2.

The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The facility is an existing facility that has existing relationships with local health care and social service providers.
- The applicant provides a letter from the medical director of the facility attesting to the relationship between the medical director's physician practice and the facility.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

NA

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

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
  - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
  - (iii) would cost no more than if the services were provided by the HMO; and
  - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

In Section K, page 62, the applicant states that the project will not consist of construction of new space nor renovation of existing space because DC Martin County had previously been certified for up to 25 stations.

On pages 62-63, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal because the applicant uses a corporate model and database with inputs from operations to ensure costs are reasonable. Furniture, fixtures, and equipment will be repositioned from Robersonville Dialysis.

- On page 63, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services because the applicant's operational costs for the proposed project are not costs that can be passed along to the public.
- On pages 63-64, the applicant identifies the applicable energy saving features that will be incorporated into the construction plans and provides supporting documentation in Exhibit K.1.

### **Conclusion**

The Agency reviewed the:

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

In Section L, pages 67- 68, the applicant provides the historical payor mix during CY 2022 for its existing services, as shown in the tables below.

DC Martin County Historical Payor Mix CY 2022						
	IC		HH		PD	
Payment Source	# Patients	% Patients	# Patients	% Patients	# Patients	% Patients
Self-Pay	0	0.0%	0.0	0.00%	0.0	0.00%
Insurance*	2	4.9%	0.0	0.00%	0.0	0.00%
Medicare*	33	80.5%	0.0	0.00%	0.0	0.00%
Medicaid*	3	7.3%	0.0	0.00%	0.0	0.00%
Other-VA	3	7.3%	0.0	0.00%	0.0	0.00%
<b>Total</b>	<b>41</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.00%</b>	<b>0.0</b>	<b>0.00%</b>

\*Including any managed care plans

Source: Section L, page 67

Robersonville Dialysis Historical Payor Mix CY 2022						
	IC		HH		PD	
Payment Source	# Patients	% Patients	# Patients	% Patients	# Patients	% Patients
Self-Pay	0	0.0%	0.0	0.00%	0	0.0%
Insurance*	3	11.1%	0.0	0.00%	1	-14.3%
Medicare*	21	77.8%	0.0	0.00%	4	-57.1%
Medicaid*	3	11.1%	0.0	0.00%	2	-28.6%
Other- VA	3	0.0%	0.0	0.00%	0	0.0%
<b>Total</b>	<b>27</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.00%</b>	<b>7</b>	<b>100.0%</b>

\*Including any managed care plans

Source: Section L, page 68

In Section L, pages 68-69, the applicant provides the following comparison.

DC Martin County	% of Total Patients Served ^	% of the Population of the Service Area *
Female	46.3%	52.6%
Male	53.7%	47.4%
Unknown	0.0%	0.0%
64 and Younger	45.9%	74.2%
65 and Older	54.1%	25.8%
American Indian	0.0%	0.7%
Asian	0.0%	0.7%
Black or African-American	48.8%	41.7%
Native Hawaiian or Pacific Islander	0.0%	0.2%
White or Caucasian	51.2%	55.2%
Other Race	0.0%	1.5%
Declined / Unavailable	-	-

^ All patients (in-center, home hemodialysis, and peritoneal dialysis).

\* The percentages can be found online using the United States Census Bureau's QuickFacts which is at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>.

<b>Robersonville Dialysis</b>	<b>% of Total Patients Served</b>	<b>% of the Population of the Service Area *</b>
Female	57.6%	52.6%
Male	42.4%	47.4%
Unknown	0.0%	0.0%
64 and Younger	48.5%	74.2%
65 and Older	51.5%	25.8%
American Indian	3.0%	0.7%
Asian	0.0%	0.7%
Black or African-American	45.5%	41.7%
Native Hawaiian or Pacific Islander	0.0%	0.2%
White or Caucasian	51.5%	55.2%
Other Race	0.0%	1.5%
Declined / Unavailable	-	-

The percentages can be found online using the United States Census Bureau's QuickFacts which is at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 69, the applicant states it has no such obligation.

The applicant further states, on page 69, that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against DC Martin County or Robersonville Dialysis.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 70, the applicant projects the following payor mix during the second full fiscal year of operation following completion of the project, as illustrated in the following table.

DC Martin County Projected Payor Mix CY 2026						
Payment Source	IC		HH		PD	
	# Patients	% Patients	# Patients	% Patients	# Patients	% Patients
Self-Pay	0.00	0.0%	0.0	0.00%	0.00	0.0%
Insurance*	4.93	7.4%	0.0	0.00%	1.57	14.3%
Medicare*	53.21	79.4%	0.0	0.00%	6.29	57.1%
Medicaid*	5.91	8.8%	0.0	0.00%	3.14	28.6%
Other - VA	2.96	4.4%	0.0	0.00%	0.00	0.0%
<b>Total</b>	<b>67.00</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.00%</b>	<b>11.00</b>	<b>100.0%</b>

\*Including any managed care plans/ **Note:** Table may not foot due to rounding.

As shown in the table above, during the second full fiscal year of operation, the applicant projects that 79.4 percent of IC services will be provided to Medicare patients and 8.8 percent to Medicaid patients. In addition, the applicant projects that 57.1% of PD services will be provided to Medicare patients and 28.6% will be provided to Medicaid patients.

On page 70, the applicant provides the assumptions and methodology it uses to project payor mix during the second full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported because the projected payor mix is based on the historical payor mix of patients at dialysis facilities in Martin County.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 71, the applicant describes the range of means by which patients will have access to the proposed services and provides supporting documentation in Exhibit L-5.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations upon projection completion. In Section M, page 73, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M.1.

The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant provides documentation for their Healthcare Professional Training Agreement/Outreach initiatives as well as a confirmation letter expressing their intent to extend their services as a clinical training site for nursing students of a community college in the area.
- The applicant states it often receives requests to utilize the facility for health professional training programs and discusses the options it offers when it receives such an inquiry.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (15) Repealed effective July 1, 1987.
  - (16) Repealed effective July 1, 1987.
  - (17) Repealed effective July 1, 1987.
  - (18) Repealed effective July 1, 1987.
- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

On page 113, the 2023 SMFP defines the service area for dialysis stations as “...the service area is the county in which the dialysis station is located. Each county comprises a service area except for two multicounty service areas: Cherokee, Clay and Graham counties and Avery, Mitchell, and Yancey counties.” The relocation of stations to DC Martin and the closure of RD will have no effect on other dialysis facilities located in Martin County because DC Martin will be the only dialysis facility in the proposed service area upon completion of the project. Therefore, there can be no effect on competition.

<b>Martin County Dialysis Facilities Certified Stations and Utilization as of December 31, 2021</b>					
<b>Dialysis Facility</b>	<b>Owner</b>	<b>Location</b>	<b>Certified Stations</b>	<b>Utilization</b>	<b># IC Patients</b>
Dialysis Care of Martin County	TRC	Williamston	15	68.33%	41
Robersonville Dialysis	TRC	Robersonville	10	80.00%	32

Source: Table 9A, Chapter 9, 2023 SMFP

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 75, the applicant states:

*“Transferring stations will make it possible to reintegrate the DaVita patients from Robersonville Dialysis seamlessly, ensuring that there is no impact on the safety or*

*efficiency of the delivery of services nor on the quality of care that the current and projected patients at DC Martin County will continue to receive. Patient selection is the determining factor, as the patient will select the provider that gives them the highest quality service and best meets their needs.”*

Regarding the impact of the proposal on cost effectiveness, in Section N, page 75, the applicant states:

*“The expansion of DC Martin County will enhance accessibility to dialysis for current and projected patients and, by reducing the economic and physical burdens on our patients, this project will enhance the quality and cost effectiveness of our services because it will make it easier for patients, family members and others involved in the dialysis process to receive services.”*

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

Regarding the impact of the proposal on quality, in Section O, page 78, the applicant states:

*“DaVita is committed to providing quality care to the ESRD population through a comprehensive Quality Management Program. DaVita’s Quality Management Program is facilitated by a dedicated clinical team of RN and Biomedical Quality Management Coordinators working under the direction of our Director of Quality Management and Director of Integrated Quality Development. These efforts receive the full support and guidance of the clinical executive leadership team of DaVita.”*

See also Section C of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 75, the applicant states:

*“As discussed in Section C, Question 6, and documented in Exhibit L.5, the facility will serve patients without regard to race, color, national origin, gender, sexual orientation, age, religion, or disability and, by policy, works to make every reasonable effort to accommodate all of its patients.”*

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

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

- The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.

- Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (19) Repealed effective July 1, 1987.
- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

### C

The applicant proposes to relocate no more than eight in-center dialysis stations from Robersonville Dialysis for a total of no more than 23 stations at DC Martin County upon projection completion.

On Form O in Section Q, the applicant identifies the kidney disease treatment centers located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of 109 existing or approved kidney disease treatment facilities located in North Carolina.

In Section O, page 80, the applicant states that, during the 18 months immediately preceding the submittal of the application, there were no incidents resulting in an Immediate Jeopardy violation that occurred in any of these facilities. After reviewing and considering information provided by the applicant and considering the quality of care provided at all 109 facilities, the applicant provides sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of

health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

NA

The Criteria and Standards for End Stage Renal Disease Services promulgated in 10A NCAC 14C .2200 are not applicable to this review.