



August 10, 2020

NC State Health Coordinating Council
Dr. Amy Craddock, Assistant Chief
Ms. Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Petition to Adjust the State Medical Facilities Plan (SMFP-21), as requested by Solomon Dunston and Marissa Dunston, dated July 27, 2020

Dear Members of the State Health Coordinating Council, Dr. Craddock and Ms. Frisone:

The following comments are submitted on behalf of the Fresenius Medical Care and its related dialysis facilities in North Carolina.

A. Petitioner seeks an adjusted need which creates un-necessary duplication of existing or approved health service capabilities or facilities. NC General Statute 131E-175 includes the following findings which are directly relevant to this petition:

(1) That the financing of health care, particularly the reimbursement of health services rendered by health service facilities, limits the effect of free market competition and government regulation is therefore necessary to control costs, utilization, and distribution of new health service facilities and the bed complements of these health service facilities

(4) That the proliferation of unnecessary health service facilities results in costly duplication and underuse of facilities...

From the above language it is obvious that the General Assembly is concerned about un-necessary duplication of healthcare resources, and by way of the CON law seeks to prohibit unnecessary duplication of health services.

Given that this petition seeks to increase the projected surplus of dialysis stations within Franklin County, and directly contradicts the intent of the CON statute, this petition must be denied.

B. The applicant has suggested that more stations are needed within Franklin County because 26% of the in-center patient population travel out of the county for their

in-center dialysis treatment. This is not consistent with the reality of capacity at Franklin County dialysis facilities.

- a. The Dialysis Care of Franklin County facility had 27 stations and a census of 58 patients as of December 31, 2019 (based upon the Draft 2021 SMFP, Table 9A). This equates to a utilization rate of only 53.70%.
 - b. The Fresenius Medical Care Tar River facility had 14 stations and a census of 49 patients as of December 31, 2019. This equates to a utilization rate of 87.50%. Further the Draft 2021 SMFP, Table 9A indicates that the facility has a total of 18 stations at the time the Draft 2021 SMFP was prepared.
 - c. Based upon the information within the Draft 2021 plan, there are a total of 45 dialysis stations available for the in-center patient population of the county. At 100% capacity, these 45 stations could reasonably serve a total of 180 in-center dialysis patients on traditional dialysis shifts.
 - d. As noted by the Petitioner, and as is reported within the Draft 2021 SMFP, there were only 125 in-center dialysis patients residing within Franklin County. The two existing dialysis facilities have capacity to accommodate the needs of in-center dialysis patients residing within Franklin County.
 - e. Further, even if all of the patients of Franklin County were in-center dialysis patients, and no patients were home dialysis patients, the two existing facilities have sufficient capacity to meet the needs of the dialysis patients residing within Franklin County.
 - f. The Petitioner has suggested that there is a lack of capacity for the dialysis patient population of Franklin County. This is incorrect, as noted above.
- C. The Petitioner points to Basic Principle # 2 from Chapter 9 of the draft 2021 SMFP. That principle reads as follows:

2. As a means of making ESRD services more accessible to patients, one goal of the N.C. Department of Health and Human Services is to minimize patient travel time to and from the facility. Therefore, end-stage renal disease treatment should be available within 30 miles from the patients' homes. In areas where it is apparent that patients currently travel more than 30 miles for in-center dialysis, proposed new facilities that would serve patients who are farthest away from operational or approved facilities should receive favorable consideration.

There is no point within Franklin County which is more than 30 miles from either of the existing dialysis facilities. The map included at Attachment 1 depicts Franklin County and a 30 mile radius of Louisburg (essentially the center of the county and

the location of both existing dialysis facilities). In fact, the overwhelming majority of Franklin County is within 15 miles of the center of Louisburg.

All of the patients of the county could be served by the existing facilities.

- D. Finally, the growth projections of the Petitioner do not warrant an exception to the current health planning process for our State or Franklin County. The Petitioner suggests that Franklin County would have 148 in-center patients in 2022. The existing facility have sufficient capacity to provide care for the projected patient population of Franklin County.

Approval of this petition would result in un-necessary duplication of existing and approved health services. Further, the SHCC has historically denied petitions wherein approval would have resulted in un-necessary duplication of existing and approved health services. We strongly recommend denial of this petition.

Respectfully,



Jim Swann
Director, Certificate of Need

1 Attachment: Map of Franklin County

Map, Franklin County, NC with 30 mile radius from Lousiburg, NC

