## Presentation of Special Needs Petition for Single Specialty Vascular Access Ambulatory Surgery Center in Nash County, Proposed 2023 State Medical Facilities Plan Raleigh, July 12, 2022

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Hello, my name is Dr. Karn Gupta. I am a physician at Carolina Vascular Care, an independent vascular access medical practice. I am here asking for a special need for one operating room limited to an ambulatory surgery facility for outpatient vascular access procedures in Nash County.

Many of you have heard me speak about Robert, a dialysis patient, who needs outpatient vascular access procedures two to four times a year to stay alive. Some of these procedures can be scheduled, others are spontaneous emergencies. He cannot maintain his dialysis routine without getting his vascular access fixed the same day.

Robert's experience is typical and highlights why I am here today. Quite simply, we need a dedicated vascular access outpatient surgery center in Nash County to take care of the approximately 1200 dialysis patients in Nash, Edgecombe, Halifax, Northampton and Wilson counties. More importantly, these counties have very high population of African American, Hispanic and Native American residents who have a significantly higher prevalence of End Stage Kidney Disease.

For several decades, outpatient office-based centers have been providing these timely, cost efficient and safe vascular access procedures to dialysis patients. Unfortunately, starting in 2017, Medicare has significantly cut payments to office-based centers. In 2017 itself, Medicare cut payments by 39%. By 2018, reimbursement levels were so inadequate that 20% of the centers had to close. More recent data confirms a 30% decrease in office based vascular access services. Most others have converted to an ambulatory surgery center to remain operational. Unfortunately, in 2022 Medicare <u>finalized</u> yet another round of huge 20% cuts. These reimbursement rates are slated to drop another 20% over the next 4 years. Due to these ongoing cuts, operating an office based vascular access center is no longer sustainable due to inherent high-cost structure to provide these services. Interestingly enough, the new reimbursement rules support performance of these procedures in an Ambulatory Surgery Center (ASC).

I have been asked why the current excess operating room capacity in Nash County cannot take care of these dialysis patients. Indeed, the draft plan shows a surplus of more than 5 operating rooms in Nash County, all of which are at Nash General hospital. There are no ambulatory surgery operating rooms in Nash County. So why not do these procedures in the surplus capacity at Nash General? Few reasons:

1. Since COVID, Nash has closed its day hospital where the focus was on outpatients alone.

- 2. Vascular access requires a special program with planned capacity for emergencies and a specialized staff who understand dialysis care. Nash has a hospital dialysis unit, and the necessary imaging and OR equipment. Even that is not enough. The imaging equipment must be in the OR suite. Moreover, in the main hospital operating room suite, even the scheduled outpatient is at risk of getting delayed to accommodate a more urgent hospital patient. Please remember, a lot of these patients are diabetics who cannot fast for a prolonged time prior to their procedure. Also, an emergent patient will likely not be able to get accommodated for a same day procedure and would be at life threatening risks of missing dialysis. The dialysis center would have discovered the emergency, but will be closed by the time he is discharged and the center may not have an open slot the next day. So he would have to wait another day for his routine slot at the dialysis center.
- 3. These dialysis patients have weakened immune systems and therefore are at high risk of infections and other complications in a hospital setting, risking patient safety. Large population based studies have documented better outcomes across all measures for patients treated in freestanding centers compared to those treated in a hospital outpatient department.
- 4. There is no vascular access specialist in Nash and surrounding counties. I have met with the clinical staff at Nash and with the local nephrology group. Nash is not organized to and does not provide this care. Staff told me they are excited that I would consider offering vascular access services in Rocky Mount. Unfortunately, as I mentioned, I cannot afford to offer these services in Nash without an ASC.
- 5. Based on insurance claims data of Nash County, the patient cost to get these procedures in the <u>hospital outpatient department</u> is about <u>5-6</u> times higher compared to an ASC. For example, a routine angioplasty, which is the most common procedure for these patients, costs about \$1500 in an ASC vs \$8000 in a hospital outpatient department. Additionally, the patient would also be charged more for an anesthesia fee in a hospital setting. Because these are outpatient procedures, the patient must cover 20% of their medical bills which adds up significantly due to the frequent need for these procedures.

Quite simply, an Ambulatory Surgery Center is clearly a better solution than a hospital for people like Robert in Nash and surrounding counties. The Plan shows no need for operating rooms in 2023. Under the standard methodology, these rural counties will likely never show a need for more operating rooms and would therefore never be able to attain the ideal vascular access care that is now available in larger urban counties. Without a special need in the Plan, we cannot do for Nash what other vascular access applicants did in Wake and Mecklenburg Counties.

Our ask for a special need determination for a one operating room, single specialty vascular access Ambulatory Surgical Center in Nash County is in accordance with the governing principles in the State Medical Facilities Plan of maximizing quality, access, and value. These underserved dialysis patients need timely, cost efficient and lifesaving vascular access care in a local specialized ambulatory surgical facility. This solution would also keep the overall healthcare spending on dialysis patients down by avoiding needless hospitalizations.

Our request for a special need is reasonable. Our calculated need of procedures based on just a fraction of the dialysis patients in these counties is well above the 1312 hours of surgical OR time needed for a CON.

If granted the related CON, Carolina Vascular Care will be able to provide timely, lifesaving, and cost-effective vascular access services to the debilitated dialysis patients in Nash and surrounding counties.

Thank you for your time and consideration. I will be happy to answer any questions.