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PETITION FOR ADJUSTED FACILITY NEED DETERMINATION FOR NURSING HOME DIALYSIS PILOT DEMONSTRATION PROJECT IN MECKLENBURG COUNTY IN THE 2023 STATE MEDICAL FACILITIES PLAN

1. Name, address, email address, and phone number of the Petitioner:

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Services ("Liberty")

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Background

Liberty is an experienced family-owned company that has been helping people manage their healthcare needs for more than 145 years. The principal owners, John A. "Sandy" McNeill, Jr. and Ronnie McNeill, are proud to call North Carolina home, and are the fourth generation of McNeill's dedicated to the healthcare industry. The company founders, who opened their first pharmacy in 1875, established Liberty's core values of quality, honesty, and integrity that guide Liberty to this day.

Liberty built its first nursing home in 1994 and has since expanded and worked tirelessly to provide residents with high quality levels of care through a broad range of healthcare services. Over the last three decades, Liberty has expanded its' operations from a single nursing home to become a fully integrated post-acute healthcare provider. Today, Liberty owns, operates, or manages thirty-seven nursing homes, eight assisted living facilities, two independent living communities, six Continuing Care Retirement Communities, a home health and hospice company with twenty-nine locations, two long-term care pharmacies, a medical equipment and IV therapy company, a healthcare management company, a Medicare Advantage institutional special seeds plan healthcare insurance company and the original 145-year old retail pharmacy.

Liberty's philosophy remains simple: to offer the communities we serve a complete senior care continuum, close to home and family.

2. Statement of Requested Change

Long Term Care Management Services, LLC d/b/a Liberty Healthcare and Rehabilitation Services ("Liberty") respectfully requests the addition of a need for a nursing home dialysis pilot demonstration project of six outpatient dialysis stations in Mecklenburg County in the 2023 State

Medical Facilities Plan ("SMFP"). This would represent a modification to Chapter 9 of the SMFP, and specifically to Chapter 9D, which would include the following:

Table 9D: Dialysis Station Need Determination by Facility

A	В	С	D	E
County	Facility Identification	Provider Number	Facility	Facility Station Need
	Number			Determination
Mecklenburg	TBD	TBD	Royal Park of Matthews	6**

^{**}In response to a petition from Liberty on behalf of Royal Park of Matthews, the State Health Coordinating Council approved an adjusted need determination for six dialysis stations in Mecklenburg County to be included in a demonstration nursing home-only dialysis facility. This is a nursing home dialysis demonstration pilot project that is in the inventory but is not included in need determination calculations.

3. Reasons for the Proposed Change

Liberty recognizes the long-standing opportunity to submit petitions to the Acute Care Services Committee and the State Health Coordinating Council ("SHCC") for requests for changes to the SMFP that have the potential for a statewide effect, such as the addition, deletion or revision of policies or need determination methodologies. Liberty wants to be clear that this proposed demonstration project is not intended to displace outpatient dialysis facilities in the community. Liberty sees a need for the delivery of dialysis services in both environments. After careful assessment, Liberty has determined that there are unique circumstances that necessitate this proposed new End-Stage Renal Disease ("ESRD") facility demonstration project. Approval of this petition will provide Liberty the opportunity to submit a Certificate of Need ("CON") application pursuant to the facility need methodology.

Liberty requests the proposed facility need determination based on several factors, including:

- Advancing American Kidney Health initiative
- Basic Principles outlined in Chapter 9 of the SMFP
- Innovative dialysis technology
- CKD and ESRD most common in people aged 65 years and older
- Transportation to outpatient (offsite) dialysis clinics are challenging for nursing home facilities and residents
- Difficulty hospitals face in finding placement for high acute residents including seniors needing dialysis services
- Unsustainable contracting models with dialysis centers
- CON regulation of dialysis in other states
- Liberty Dialysis Experience

Advancing American Kidney Health initiative

In 2019, the Federal government launched the Advancing American Kidney Health Initiative, which was designed to advance American kidney health. As part of the Initiative, the President signed Executive Order 13879, which directed the U.S. Department of Health & Human Services ("HHS") to take bold action to transform how kidney disease is prevented, diagnosed, and treated within the next decade. The Executive Order identified the following goals, among others:

- a) prevent kidney failure whenever possible through better diagnosis, treatment, and incentives for preventive care;
- b) increase patient choice through affordable alternative treatments for ESRD by encouraging higher value care, educating patients on treatment alternatives, and encouraging the development of artificial kidneys.

A nursing home dialysis pilot demonstration project of six outpatient dialysis stations in Mecklenburg County allowing the development or expansion of a kidney disease treatment center at Royal Park of Matthews will help meet the goals set forth in the American Kidney Health Initiative.

Basic Principles outlined in Chapter 9 of the SMFP

The Basic Principles of Chapter 9, End-Stage Renal Disease Dialysis Facilities, of the 2022 SMFP provide as follows:

"Basic Principles

- 1. New facilities must have a projected need for at least 10 stations to be cost effective and to assure quality of care.
- 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.
- 3. The State Health Coordinating Council encourages applicants for dialysis stations to provide or arrange for: home training and backup for facility-based patients suitable for home dialysis or in a facility that is a reasonable distance from the patient's residence; "ESRD dialysis service availability at times that do not interfere with ESRD patients' work schedules; and services in rural areas."

Royal Park of Matthews has the necessary infrastructure to house outpatient dialysis stations, and therefore would requests a waiver of the SMFP requirement that a new dialysis facility have at least 10 stations. We believe that requirement was based on the presumed size (*i.e.*, number of dialysis stations) needed to make a new ESRD center viable, a concern not present in the proposed demonstration project which would be housed in an existing, viable skilled nursing facility.

A nursing home dialysis pilot demonstration project for six outpatient dialysis stations in Mecklenburg County allowing the development of a kidney disease treatment center at Royal Park of Matthews helps meet the Basic Principles that are set forth in the SMFP, which include making

ESRD services more accessible to patients as well as encouraging home dialysis that is a reasonable distance from the patient's residence.

Innovative dialysis technology

If this Petition is approved, Liberty plans to ensure the highest quality of care is being provided to nursing home ESRD patients using leading edge technology.

Liberty plans to use a state-of-the-art Tablo dialysis machine, which is designed to offer a better experience for patients and providers. As an innovative technology, the machine comes with the following features:

- 1. Wireless Connectivity, which allows for two-way data communication to automatically send treatment data to the cloud, facilitating the efficient sharing of information with the patient's medical team;
- 2. Treatment modalities, which allow flexible renal replacement therapy options including extended therapy (XT), sustained low-efficiency dialysis (SLED), intermittent hemodialysis (IHD), and ultrafiltration (UF) only;
- 3. Touchscreen Guidance, which comes with animations and conversational instructions for a user-friendly experience;
- 4. Cart which is specifically designed to cut down on set-up and takedown time by removing manual steps;
- 5. Sensor-based automation, which helps to automate much of the setup, treatment, management, and maintenance of the machine;
- 6. Dialysate on demand, which purifies water and produces dialysate in real-time;
- 7. Mobility, as all that is required is an electrical outlet and tap water;
- 8. Automatic, regular updates to activate new capabilities and feature enhancements, which ensures that patients and providers have access to the latest optimizations without the need to replace existing hardware.
- 9. Flexible treatment duration, which can range anywhere from 30 minutes to 24 hours with no supply changeover;
- 10. Automated self-clean;
- 11. Integrated blood pressure cuff;
- 12. Schedule saline flush;
- 13. One-touch rinse back; and
- 14. Compatibility with high-flux dialyzers;

Through use of these designs and features, Royal Park of Matthews will be able to deliver efficient and cost-effective treatment through:

- Ease of use and reduced clinical training requirements for the equipment;
- Lower product costs than other currently available technology; and
- Use of safe tap water, eliminating reliance on expensive water treatment facilities.

The leading-age equipment would be able to offer an innovative technological approach that delivers high-quality dialysis treatment through simplified processes in a cost-efficient way.

CKD and ESRD most common in people aged 65 years and older

The Centers for Disease Control and Prevention ("CDC") has identified that chronic kidney disease ("CKD") affects 15% of US adults. In people age 65 and older, that prevalence is 38% ¹. According to the CDC National Center for Health Statistics, 83.5% ² of nursing home residents are 65 years of age or older.

ESRD is the final, permanent stage of chronic kidney disease, where kidney function has declined to the point that the kidneys can no longer function on their own. A patient with end-stage renal failure must receive dialysis or kidney transplantation in order to survive for more than a few weeks. As of 2019, 809,103 people in the U.S. were living with end-stage renal disease³. Almost 43% of ESRD patients are 65 or older⁴.

With nearly four in ten seniors affected by chronic kidney disease and 43% of ESRD patients being 65 and older, many skilled nursing patients are or will be in need of dialysis. However, traveling to offsite dialysis can be very disruptive to the health and welfare of this population, most of whom are already frail and often have multiple health problems. The goal of the proposed nursing home dialysis pilot demonstration project is to enable Royal Park of Matthews to meet the needs of this vulnerable population safely while simultaneously eliminating the need for uncomfortable patient transports, lengthy patient wait times at community dialysis centers and treatments at off-site dialysis center which disrupt patient care, meals, socialization and comfort.

Transportation to outpatient (offsite) dialysis clinics is challenging for Royal Park of Matthews and residents

Providing quality of care for all residents, inclusive of a positive dialysis treatment experience, is Liberty's number one priority. Additionally, the cost of providing these services must also be taken into account. Royal Park of Matthews contracts with Non-Emergency Medical Transportation ("NEMT") operators for transportation. Given that nursing home patients typically have multiple co-morbidities, a NEMT ambulance service is usually the preferred method of transport. For Royal Park of Matthews, the average cost of providing ambulance transportation to an outpatient dialysis clinic may be up to \$104 per round trip. With dialysis being performed a minimum of 3 times per week, the cost is significant. For example, one long-term resident requiring dialysis 3 times per week (for 52 weeks) would total \$16,224 per year just in transportation costs. There is no reimbursement mechanism for these transports, and, depending on the payor source, these costs fall directly on the nursing facility.

Nationwide staffing shortages, especially where operating in rural areas, impacts the availability of both in-house and outside transportation providers. This has significantly burdened nursing homes, and in some cases, nursing homes are unable to accept resident admissions due to the unavailability of transportation.

https://www.cdc.gov/kidneydisease/publications-resources/ckd-nationalfacts.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fkidneydisease%2Fpublications-resources%2F2019national-facts.html

² https://www.cdc.gov/nchs/data/series/sr 03/sr03 43-508.pdf

³ <u>https://adr.usrds.org/2021/end-stage-renal-disease/1-incidence-prevalence-patient-characteristics-and-treatment-modalities</u> (Table 1.2)

⁴ https://adr.usrds.org/2021/end-stage-renal-disease/1-incidence-prevalence-patient-characteristics-and-treatment-modalities (Figure 1.10)

Perhaps most importantly, and as discussed in further detail below, the dialysis transport and off-site dialysis is disruptive and time-consuming. Typically, the transport and off-site dialysis causes residents to miss scheduled treatments and therapies/rehab, meals, medications, and family visits. Moreover, off-site dialysis causes additional exposures and, therefore, infection risks for COVID-19 and other illnesses for an already highly vulnerable patient group.

This proposal is effective and beneficial for residents and nursing home operators, with transportation risks and costs greatly reduced while offering better coordination of care and a much improved patient experience.

Difficulty hospitals face finding placement for high acute residents

Oftentimes, hospitals struggle to find placement at outpatient centers for high acuity residents needing dialysis. Many skilled nursing communities cannot accept these higher acuity residents due to the travel demands to and cost associated with community based dialysis centers, and the outpatient centers are unable to support patients with multiple comorbidities. Therefore, upon discharge from the dialysis center, these residents end up being readmitted to the hospital.

Having the availability to discharge patients with dialysis needs to a nursing home and have one facility address both skilled and dialysis care would be a clinical innovation. Same-location care would allow for safe delivery of dialysis services, better collaboration of care, fewer hospital readmissions, and stronger relationships between nursing home operators and hospitals. As noted above, it would also reduce or eliminate a number of well-known risks attendant to frequent travel from nursing homes to community-based dialysis centers including loss of patient routine and socialization opportunities; infections; bodily wear-and-tear; and van or ambulance accidents; among others.

Unsustainable contracting models with dialysis centers

Medicare reimbursement for dialysis services is available to certified ESRD facilities. All dialysis patients must be under the care of a certified ESRD facility to have their outpatient dialysis care and treatments reimbursed by Medicare. According to a memo from CMS regarding home dialysis services in a Long Term Care (LTC) Facility, residents of a nursing home may receive chronic dialysis treatments through two options:

- 1. In-Center Dialysis: This may involve either:
 - a. Transporting the resident to and from an off-site certified ESRD facility for dialysis treatments; or
 - b. Transporting the resident to a location within or proximate to the nursing home building which is separately certified as an ESRD facility providing in-center dialysis.
- 2. Home Dialysis in a Nursing Home: The resident receives dialysis treatments in the nursing home. These dialysis treatments are administered and supervised by personnel who meet the criteria for qualifications, training, and competency verification as stated in this guidance and are provided under the auspices of a written agreement between the nursing home and the ESRD facility.

Currently, under the existing SMFP, development of an outpatient dialysis facility at a nursing facility in North Carolina would require that there be a county need determination in the county where a nursing home wishing to develop such a program is located. However, county need determinations are very rare and have been for many years. Therefore, the only way nursing home residents can receive dialysis treatments is for the resident to be transported to an off-site ESRD facility or to have the resident receive dialysis treatment in the nursing home by a currently-certified ESRD facility. We have previously detailed the difficult patient circumstances and costs related to traveling to offsite dialysis centers. Consequently, the only true current alternative would be to contract with dialysis providers to provide the dialysis treatments in the nursing home. Accordingly, Liberty has had discussions with providers and were, disappointingly, offered terms that are not economically viable and were, in fact, cost-prohibitive.

One goal of the proposed pilot demonstration project is to enable Royal Park of Matthews to be reimbursed for providing outpatient or home dialysis to patients that are better suited to being served in the nursing home. The project will also demonstrate, consistent with similar experiences in other states, that dialysis can be provided to nursing home residents safely, cost-effectively and in an environment much more comfortable and familiar to these vulnerable seniors. To receive Medicare reimbursement for outpatient dialysis, the Centers for Medicare and Medicaid Services ("CMS") requires that the nursing home⁵ own the outpatient dialysis facility.

CON regulation of dialysis facilities in other states

Per communications with Azzie Conley, Chief of the Acute and Home Care Licensure and Certification Section, there are currently no outpatient dialysis stations located within a nursing home in North Carolina. As previously noted the development of an outpatient dialysis clinic at a nursing facility currently requires a county need determination in that county in the SMFP, which almost never exists. As such, without a special need determination, as requested in this Petition, N.C. nursing homes will never be able to follow a growing national trend based on the model Liberty is requesting permission to demonstrate.

Liberty has analyzed other CON states to determine whether the nursing home dialysis model works. Currently, thirty-five (35) states operate a CON program, with variations from state to state. Of the thirty-five (35) CON states, only eleven (11) have some form of CON program that regulates kidney disease treatment centers (including North Carolina). Liberty believes it is important to note that the three (3) states contiguous to North Carolina (South Carolina, Tennessee, and Virginia) are all CON states that do not regulate dialysis under their CON laws.

One of the states that is leading the nursing home dialysis model is Illinois. The Health Facilities Planning Act (the "Act") (20 ILCS 3960), established Illinois' CON program, which includes dialysis centers. The Act provides an exemption to dialysis units that are located in licensed nursing homes. The Act specific to this provides:

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⁵ An independently certified End-Stage Renal Disease ("ESRD") facility may be located within or proximal to an independently certified nursing home. Each facility is responsible for meeting the Medicare conditions or requirements for Medicare participation for the specific provider/supplier type and would be separately surveyed. Therefore, the certified ESRD facility must be owned by the same individual or parent company as the nursing home.

- 5) Kidney disease treatment centers, including a free-standing hemodialysis unit required to meet the requirements of 42 CFR 494 in order to be certified for participation in Medicare and Medicaid under Titles XVIII and XIX of the federal Social Security Act.
- (A) This Act does not apply to a dialysis facility that provides only dialysis training, support, and related services to individuals with end stage renal disease who have elected to receive home dialysis.
- (B) This Act does not apply to a dialysis unit located in a licensed nursing home that offers or provides dialysis-related services to residents with end stage renal disease who have elected to receive home dialysis within the nursing home.
- (C) The Board, however, may require dialysis facilities and licensed nursing homes under items (A) and (B) of this subsection to report statistical information on a quarterly basis to the Board to be used by the Board to conduct analyses on the need for proposed kidney disease treatment centers.

To qualify under the Illinois statute, a nursing home must provide the Illinois Health Facilities and Services Review Board an exemption request that includes the name and address of the long-term care facility, the number of stations requested, who will be operating the stations, and the cost. The nursing home will then receive an approval letter stating that a CON is not needed. North Carolina already has a similar CON exemptions process for certain types of health care projects and equipment.

According to The United States Renal Data System ("USRDS"), Illinois is the leading provider of home hemodialysis, with 4.6% of ESRD patients utilizing in-home hemodialysis⁶. All other states, and Network reporting dialysis utilization (as defined in the USRDS report), report rates of ESRD patients who performed in-home hemodialysis between 0.5% and 2.0%. According to the USRDS, "this outlying value is likely attributable to a large population of skilled nursing facility residents utilizing on-site hemodialysis, which is indistinguishable from home dialysis in claims." This pilot demonstration project will allow North Carolina to join Illinois at the forefront of providing dialysis services for this special nursing home patient population within the nursing home, which will directly correlate to an increase in home dialysis.

Liberty Dialysis Experience

The current SMFP and related CON limitations on dialysis treatment centers do not allow Liberty facilities to provide optimal quality health care services to the residents and communities Liberty serves by providing dialysis services in nursing homes.

Currently, twenty-seven (27) of Liberty's nursing home facilities have at least one dialysis resident, serving 80 total dialysis nursing home residents. We spoke with Royal Parks Administrator, Director of Nursing, and Rehab Director and some of the quotes from those

⁶ https://adr.usrds.org/2021/end-stage-renal-disease/1-incidence-prevalence-patient-characteristics-and-treatment-modalities

discussions point to the significance this pilot demonstration project would have on their nursing home dialysis residents.

On the importance of maintaining continued quality care: "An in-house dialysis program would help Royal Park maintain continued quality care for our patients by allowing the nursing staff to provide all of the necessary care and support to the patients. Additionally, by staying inhouse, the patients would not have to worry about traveling to and from the dialysis center, which could be a burden for some. The in-house dialysis program would also allow Royal Park to monitor the patients' progress better and ensure they receive the best possible care. Additionally, by staying in-house, the patients would have more time to rest and recover between dialysis treatments, improving their overall well-being." – Chase Flowers, Administrator

On the physical toll it takes on residents: "The patients at Royal Park would likely have a better experience if they stayed in-house for their dialysis treatments. This is because they would be able to receive all of the necessary care and support from the nursing staff, which could improve their overall well-being. Additionally, by staying in-house, the patients would not have to worry about traveling to and from the dialysis center, which could be a burden for some." – Mary Poston, Director of Nursing

On how dialysis affects a resident's therapy program: "Dialysis can affect a patient's ability to participate in their therapy program by making them tired and weak. This can make it difficult for the patients to participate in their therapy sessions. The dialysis treatments can also be quite time-consuming, so the patients may not have enough time to do everything they need during their therapy program. However, if the patients stayed in-house for their dialysis treatments, they would be able to receive the care and support they need from the nursing staff, which could help them to participate more fully in their therapy program. Staying in-house would also allow patients more time to rest and recover between dialysis treatments, which could improve their overall health and well-being." – Melinda Butler, Rehab Director

The consistent theme of these statements is that the current community-based ESRD centers for nursing home dialysis residents is unpleasant and punishing for them. The vast majority of nursing home residents needing dialysis cannot transport themselves. For the resident, the ride is disruptive, confusing and time-consuming. Many times, this causes residents to miss their scheduled and necessary treatments, therapies/rehab, meals, medications, and family visits. This proposal would allow residents to continue receiving their necessary care, treatments and therapy while their dialysis schedule is integrated into the resident's on-site care plans. Residents would no longer miss meals and medications or family visits. The dialysis and nursing home teams will work collaboratively to ensure that the care of each patient is consistent and individualized.

a. Statement of the Adverse Effects if Change Not Made

If this Petition is not approved, dialysis options for Royal Park residents will continue to be limited, specifically in ways that are not beneficial or easily accessible to Royal Park residents or economically affordable for the nursing facility. The residents requiring dialysis treatments would need to continue disruptive transportation and lengthy off-site dialysis center treatments, causing residents to miss scheduled treatments, therapy, meals, medications, and family

visits while continuing to place the transportation cost burden on the nursing home operator.

b. Statement of Alternatives to the Proposed Change

Liberty has discussed only one other alternative to the proposed change, which included:

1. Submit Spring Petition for the creation of Policy ESRD-4 to allow to for the development or expansion of a kidney disease treatment center ("outpatient dialysis facility") at a skilled nursing facility

Earlier this year, Liberty presented a Spring Petition to the State Health Coordinating Council requesting the addition of Policy ESRD-4 to the 2023 SMFP which would allow the provision of dialysis services to skilled nursing facility residents at the facility where they live rather than requiring them to be loaded onto transport vans multiple times each week and driven to a community dialysis center for treatment. The dialysis services being proposed would be provided via an approved dialysis provider and in accord with all applicable state and federal regulations governing dialysis services.

The Healthcare Planning and Certificate of Need staff recommended denial of Liberty's Petition, largely because they believed that the SMFP's existing summer petition process is sufficient to allow Liberty to develop the proposed services. The Acute Care Services Committee, while noting support for the notion that this request would be positive for North Carolina residents, voted to accept the Agency recommendation and deny the Petition. Based on those votes and that guidance, Liberty is now bringing this demonstration project before the SHCC as a Summer Petition.

Liberty has great respect for the work of the Agency staff and the SHCC and its committees, and based on the staff's and SHCC's suggestions, is moving forward with this Summer Petition for a nursing home dialysis pilot demonstration project of six outpatient dialysis stations in Mecklenburg County. Liberty believes the demonstration project proposed will demonstrate to the Agency staff and the SHCC that a program like the one being proposed will work.

4. Evidence Proposed Change Would Not Result in Unnecessary Duplication of Health Resources in the Area

Since there are currently no outpatient dialysis stations located within a nursing home in North Carolina, this proposed pilot demonstration project is not intended to replace outpatient dialysis facilities in the community. Currently, ESRD services have two methodologies to determine the need for a CON: (i) the county need methodology which projects need for the county; and (ii) the facility need methodology which projects need for a specific facility. When a county need determination exists, any qualified applicant may apply to add stations in an existing facility or apply to develop a new facility. When a facility need determination exists, only the facility that generated the need may apply to add stations. Liberty proposes to exclude the Mecklenburg County

nursing home dialysis demonstration pilot project from need determination calculations. Therefore, current outpatient dialysis facilities or county need projects will remain unaffected by this proposal.

The proposed pilot demonstration project will not result in an unnecessary duplication of services. Instead, the proposed pilot demonstration project will serve to expand access to dialysis services for special nursing home patient populations that are otherwise underserved or served in suboptimal conditions and settings.

5. Evidence Requested Change is Consistent with Three Basic Principles Governing the Development of the SMFP (Safety and Quality, Access and Value)

The requested adjustment is consistent with the three Basic Principles governing the development of the North Carolina State Medical Facilities Plan: (i) Safety and Quality, (ii) Access and (iii) Value.

Safety and Quality

Liberty agrees with the State of North Carolina and the SMFP's acknowledgement of "the importance of systematic and ongoing improvement in the quality of health services." Additionally, the SHCC "recognizes that while safety, clinical outcomes, and satisfaction may be conceptually separable, they are often interconnected in practice." This proposal maximizes all three elements:

Safety: This proposal would allow residents more time for treatments, therapies, meals, family time, and social activities while decreasing the risk of infection and complications associated with offsite travel.

Clinical outcomes: This proposal would allow residents needing nursing and therapy services to receive their care while their dialysis schedule is adjusted around the resident's nursing and therapy. Residents would no longer miss meals and medications. The dialysis team and the nursing home team will work collaboratively to ensure that the care of each patient is consistent and individualized.

Satisfaction: With transportation risks eliminated and more time for treatments, therapies, meals, family time, and social activities, this proposal would increase satisfaction of dialysis for nursing home residents.

Access

Liberty fully supports the principle of "equitable access to timely, clinically appropriate and high-quality health care for all the people of North Carolina." As discussed above, this new model will address the current nursing home need for in-house dialysis care, greatly improving patient access to care consistent with this principle. The SMFP states, "the formulation and implementation of the Plan seeks to reduce all of these types of barriers to timely and appropriate access. The first priority is to ameliorate economic barriers and the second priority is to mitigate time and distance barriers."

Approval of this Petition results in both priorities being met. As discussed in the SMFP, a competitive marketplace should favor providers that deliver the highest quality and best value care, but only in the circumstances where all competitors deliver like services to similar population. In this instance, the services would be provided to a similar population (ESRD patients), and the nursing home can deliver the highest quality and best value of care by eliminating transportation risks and costs as well as better collaboration of care and greater comfort and service for the residents. This pilot demonstration project would additionally mitigate time and distance barriers, as it would allow the care to happen onsite (or at home through bedside care), which would eliminate the time and distance barriers.

Value

Liberty additionally agrees with SHCC to "encourage the development of value-driven health care by promoting collaborative efforts to create common resources such as shared health databases, purchasing cooperatives, and shared information management, and by promoting coordinated services that reduce duplicative and conflicting care. The SHCC also recognizes the importance of balanced competition and market advantage in order to encourage innovation, insofar as those innovations improve safety, quality, access, and value in health care delivery." This added pilot demonstration project to the SMFP would permit better collaboration of care, fewer hospital readmissions, a stronger relationship with hospital and dialysis partners (through referrals of high acuity residents), while also eliminating the associated high transportation costs.

Conclusion

Liberty again stresses that there is no intention to use the proposed pilot demonstration project to replace outpatient dialysis facilities in the community. Liberty sees a need for both. However, Liberty has identified significant issues involving barriers to safe and convenient care, disruption of the lives of, and costs to nursing home residents that this proposed model will address. We urge the SHCC to approve Liberty's Petition for the demonstration project we have requested.