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Healthcare Planning Section
Division of Health Service Regulation
NCDHHS
809 Ruggles Drive
Raleigh, NC 27603

Re: Health Systems Management's Comments on behalf of Wake Forest University Health Sciences Dialysis Centers Regarding Liberty Healthcare's Petition to modify Chapter 9 of the 2024 State Medical Facilities Plan – Alamance, Bertie, Brunswick, Buncombe, Chatham, Columbus, Cumberland, Davie, Durham, Forsyth, Franklin, Halifax, Johnston, Lee, Mecklenburg, Moore, New Hanover, Orange, Person, Roberson, Rowan, Sampson, Wake, Watauga Counties

Dear SHCC Members:

On behalf of the Wake Forest University Health Sciences (WFUHS) Dialysis Centers, and Health Systems Management, Inc., we present the following observational comments regarding the petitions filed by Liberty Healthcare ("Liberty") relating to a change in need methodology for dialysis stations in North Carolina counties.

MISREPRESENTATION OF CMS DATA

Within every one of its petitions, Liberty references a column from the CMS Dialysis Facility Report identified as "**nrshomey4 f**." Liberty presents in its petitions that the figures in that column are the basis of its proposed need methodology for SNF dialysis stations. Liberty claims the "**nrshomey4 f**" data is the need SNF's have for dialysis stations, but it's not.

According to CMS, "**nrshomey4 f**" is the number of dialysis patients who were admitted to an SNF for **at least one day** during the year represented as a percentage of the number of patients alive at the end of the year. It could be called a measure of the wellness of dialysis patients, since sicker patients are usually who require SNF care. It could be called a measure of dialysis patient need for SNF beds. Though, that is likely a stretch. However, what it cannot be called is any SNF's need for dialysis stations.

At the following link https://data.cms.gov/sites/default/files/2023-02/4c8a4a0b-77e7-442d-b0f0-9fd2ac2c7aee/Supporting%20Doc_FY2023_DFR_Guide_Methodology.pdf you will find the CMS definition and explanation of the data in that column summarized, below:

The **Guide to the Dialysis Facility Reports for Fiscal Year 2023: Overview, Methodology, and Interpretation – August 2022** explains on **Page 8**: "**Nursing home patients (1j)** We obtained the nursing

facility history of patients from the Nursing Home Minimum Dataset (“MDR”). We reported the percentage of patients treated on December 31 of each year that were also treated at a nursing facility at any time during the year.”

Page 52 of that same CMS Guide states,

“XVIII. Selected Measures for Dialysis Patients in Nursing Homes (2018-2021)

Table 15 reports measures from the Dialysis Facility Report (DFR) tables restricted to the nursing home population. Nursing home patients are **“defined”** as the patients in CMS Long Term Care Minimum Data Set (MDS) at any time during the reporting period. **This table compares the characteristics of the (ESRD) facility’s nursing home patients, their patterns of treatment, and patterns in hospitalizations and mortality to local and national averages.** This table is created only for those facilities having more than ten patients treated in the (ESRD) facility on December 31, 2021 and **in a nursing home at least one day during 2021.** All nursing home patients, even those at facilities treating very few nursing home patients, are included in the **regional** averages.”

Page 52 goes on to further explain:

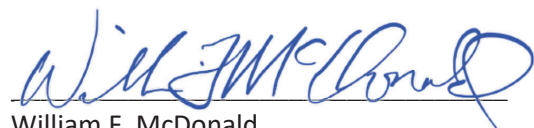
“Because nursing home patients make up a small proportion of dialysis patients nationally, the average number of nursing home patients per (ESRD) facility is low. These average counts are not useful for comparison with counts from facilities treating more nursing home patients, so the state, Network, and U.S. average counts have been suppressed from the table. The regional percentages shown for comparison are calculated based on all nursing home patients in the state, Network or U.S.”

CONCLUSION

Liberty makes the “leap” to try to present the **“nrshomey4 f”** data as the number of SNF patients who need dialysis, but it’s not. **Nowhere** in the CMS definition of **“nrshomey4 f”** is there any reference to that stat being the number of SNF patients who require dialysis by week, month, year, or any other measure. It is the percentage of ESRD patients who, during the year, were in an SNF for at least **one** day. Therefore, Liberty’s petitions are completely without merit. Their methodologies are without basis. Their conclusions are entirely unfounded. These petitions are yet another attempt by Liberty to circumvent the legitimate CON process to become a dialysis provider.

To this end and for the reasons mentioned above, it is our hope that the SHCC will deny **all** the petitions filed by Liberty for the 2024 SMFP to protect the health and safety of the ESRD patients of North Carolina and the integrity of the State Medical Facilities Plan.

Respectfully,



William F. McDonald
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Health Systems Management, Inc.



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