

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: February 23, 2024

Findings Date: February 23, 2024

Project Analyst: Tanya M. Saporito

Co-Signer: Michael J. McKillip

COMPETITIVE REVIEW

Project ID #: F-12424-23

Facility: Atrium Health Dialysis Huntersville Oaks

FID #: 230802

County: Mecklenburg

Applicants: The Charlotte-Mecklenburg Hospital Authority
AHSNF, Inc.

Project: Develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP

Project ID #: F-12430-23

Facility: Liberty Healthcare Management Renal Dialysis

FID #: 230803

County: Mecklenburg

Applicants: Liberty Commons Nursing and Rehabilitation Center of Matthews, LLC
Liberty Healthcare Properties of Matthews, LLC
LRS NC, LLC

Project: Develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP

Each application was reviewed independently against the applicable statutory review criteria found in G.S. 131E-183(a) and the regulatory review criteria found in 10A NCAC 14C. After completing an independent analysis of each application, the Healthcare Planning and Certificate of Need Section (CON Section) also conducted a comparative analysis of both applications. The Decision, which can be found at the end of the Required State Agency Findings (Findings), is based on the independent analysis and the comparative analysis.

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.

C – Both Applications

Need Determination

In response to a petition, the North Carolina State Health Coordinating Council (SHCC) approved an adjusted need determination for six outpatient dialysis stations located at a nursing home facility in Mecklenburg County, with the following conditions:

- 1) *a licensed nursing home facility shall propose to develop at least the minimum number of stations required for Medicare-certification by the Centers for Medicare and Medicaid (CMS) as a dialysis facility; and*
- 2) *the new stations must be sited within a nursing home facility or “proximate to the nursing home building,” i.e., on the same property as the nursing home facility; and*
- 3) *the dialysis facility must comply with the federal life safety and building code requirements applicable to a nursing home if located within it and the life safety and building code requirements applicable to dialysis facilities if located within the nursing home or “proximate to the nursing home building;” and*
- 4) *the CON will include a condition requiring the dialysis facility to document that it has applied for Medicare-certification no later than three years from the effective date of the CON; and*
- 5) *dialysis stations developed pursuant to this need determination are excluded from the planning inventory in the SMFP and excluded from the county and facility need methodologies; and*
- 6) *outpatient dialysis facilities developed pursuant to this need determination shall report utilization to the Agency in the same manner as other outpatient dialysis facilities.”*

Two applications were received by the Healthcare Planning and Certificate of Need Section (CON Section) proposing to develop a total of 12 new dialysis stations located at a nursing home facility in Mecklenburg County. However, pursuant to the need determination, only six new dialysis stations located at a nursing facility in Mecklenburg County may be approved in this review.

Policies

Policy GEN-3 in Chapter 4 of the 2023 SMFP applies to both applications received in response to the need determination.

Policy GEN-3

Policy GEN-3 on page 30 of the 2023 SMFP states:

“A certificate of need applicant applying to develop or offer a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value for resources expended. A certificate of need applicant shall document its plans for providing access to services for patients with limited financial resources and demonstrate the availability of capacity to provide these services. A certificate of need applicant shall also document how its projected volumes incorporate these concepts in meeting the need identified in the State Medical Facilities Plan as well as addressing the needs of all residents in the proposed service area.”

Project ID #F-12424-23 / Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility

The Charlotte-Mecklenburg Hospital Authority and AHSNF, Inc., hereinafter collectively referred to as “the applicant” or “Atrium” operate Atrium Health Huntersville Oaks, a nursing home and rehabilitation facility licensed with 168 nursing facility beds Huntersville (Mecklenburg County). In this application, in response to the adjusted need determination in the 2023 SMFP, the applicant proposes to develop a new dialysis facility, Atrium Health Dialysis Huntersville Oaks (Atrium Health Dialysis), with six dialysis stations to be located within Atrium Health Huntersville Oaks.

Need Determination. The applicant does not propose to develop more dialysis stations than are determined to be needed in Mecklenburg County pursuant to the adjusted need determination in the 2023 SMFP. In Section C, pages 27-28 the applicant explains why it believes its application is conforming to the conditions of the adjusted need determination as described on page 135 of the 2023 SMFP, as follows:

- *1) a licensed nursing home facility shall propose to develop at least the minimum number of stations required for Medicare-certification by the Centers for Medicare and Medicaid (CMS) as a dialysis facility; and*

On page 27 the applicant states it proposes to develop a dialysis facility with six outpatient dialysis stations, consistent with the Medicare Conditions of Participation.

- *2) the new stations must be sited within a nursing home facility or “proximate to the nursing home building,” i.e., on the same property as the nursing home facility; and*

On page 28 and in Exhibit C.1-1 the applicant confirms the proposed dialysis facility will be located within Atrium Health Huntersville Oaks, a licensed skilled nursing facility.

- *3) the dialysis facility must comply with the federal life safety and building code requirements applicable to a nursing home if located within it and the life safety and building code requirements applicable to dialysis facilities if located within the nursing home or “proximate to the nursing home building;” and*

On page 28 the applicant states that, as an existing licensed skilled nursing facility, Atrium Health Huntersville Oaks complies with all federal life safety and building code requirements; additionally, upon project completion, the facility will seek certification from CMS as a licensed ESRD facility and thus will comply with all applicable federal requirements.

- *4) the CON will include a condition requiring the dialysis facility to document that it has applied for Medicare-certification no later than three years from the effective date of the CON; and*

On page 28 the applicant confirms it will apply for Medicare certification upon project completion.

- *5) dialysis stations developed pursuant to this need determination are excluded from the planning inventory in the SMFP and excluded from the county and facility need methodologies; and*

On page 28 the applicant acknowledges that the dialysis stations proposed in this application will be excluded from the planning inventory as well as the county and facility need methodologies in the SMFP.

- *6) outpatient dialysis facilities developed pursuant to this need determination shall report utilization to the Agency in the same manner as other outpatient dialysis facilities.*

On page 28 the applicant confirms that it will report all utilization of the proposed dialysis stations to the Agency in the same manner as other outpatient dialysis facilities.

Policy GEN-3. In Section B, pages 21-26 the applicant explains why it believes its application is conforming to Policy GEN-3.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing
- 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 based on the following:

- The applicant does not propose to develop more dialysis stations than are determined to be needed in the service area pursuant to the adjusted need determination.

- The applicant adequately demonstrates that the proposal is consistent with the conditions of the adjusted need determination based on the applicant's representations in Section C, pages 27-28.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of dialysis services;
 - The applicant adequately documents how the project will promote equitable access to dialysis services in Atrium Health Huntersville Oaks; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility

Liberty Commons Nursing and Rehabilitation Center of Matthews, LLC, Liberty Healthcare Properties of Matthews, LLC and LRS NC, LLC, hereinafter collectively referred to as "the applicant" or "Liberty" operate Royal Park Rehabilitation Center (Royal Park), a nursing home and rehabilitation facility licensed with 159 nursing facility beds in Matthews (Mecklenburg County). In this application, in response to the adjusted need determination in the 2023 SMFP, the applicant proposes to develop a new dialysis facility, Liberty Healthcare Management Renal Dialysis (Renal Dialysis Center), with six dialysis stations to be located within Royal Park. The applicant states the proposed dialysis facility will be licensed separately from Royal Park and will be operated by LRS NC, LLC.

Need Determination. The applicant does not propose to develop more dialysis stations than are determined to be needed in Mecklenburg County pursuant to the adjusted need determination in the 2023 SMFP. In Section E, pages 48-49 the applicant explains why it believes its application is conforming to the conditions of the adjusted need determination as described on page 135 of the 2023 SMFP, as follows:

- *1) a licensed nursing home facility shall propose to develop at least the minimum number of stations required for Medicare-certification by the Centers for Medicare and Medicaid (CMS) as a dialysis facility; and*

On page 48 the applicant states it proposes to develop six dialysis stations, consistent with the Medicare Conditions of Participation.

- *2) the new stations must be sited within a nursing home facility or "proximate to the nursing home building," i.e., on the same property as the nursing home facility; and*

On page 48 the applicant confirms the proposed dialysis stations will be located within Royal Park.

- *3) the dialysis facility must comply with the federal life safety and building code requirements applicable to a nursing home if located within it and the life safety and*

building code requirements applicable to dialysis facilities if located within the nursing home or “proximate to the nursing home building;” and

On page 49 the applicant states the facility architect has designed and estimated the cost of construction to comply with both the federal life safety and building code requirements applicable to a nursing facility and building code requirements applicable to dialysis facilities.

- *4) the CON will include a condition requiring the dialysis facility to document that it has applied for Medicare-certification no later than three years from the effective date of the CON; and*

On page 49 the applicant confirms it will apply for Medicare certification no later than three years from the effective date of the Certificate of Need.

- *5) dialysis stations developed pursuant to this need determination are excluded from the planning inventory in the SMFP and excluded from the county and facility need methodologies; and*

On page 49 the applicant acknowledges that the dialysis stations developed pursuant to this need determination will be excluded from the planning inventory as well as the county and facility need methodologies in the SMFP.

- *6) outpatient dialysis facilities developed pursuant to this need determination shall report utilization to the Agency in the same manner as other outpatient dialysis facilities.*

On page 49 the applicant confirms that it will report all utilization of the proposed dialysis stations to the Agency in the same manner as other outpatient dialysis facilities.

Policy GEN-3. In Section B, pages 16-19 the applicant explains why it believes its application is conforming to Policy GEN-3.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing
- 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 based on the following:

- The applicant does not propose to develop more dialysis stations than are determined to be needed in the service area pursuant to the adjusted need determination.
 - The applicant adequately demonstrates that the proposal is consistent with the Conditions imposed by the SHCC pursuant to the adjusted need determination based on the applicant's representations in Section E, pages 48-49.
 - The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of dialysis services;
 - The applicant adequately documents how the project will promote equitable access to dialysis services in Liberty Commons; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.
- (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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop a new six-station dialysis facility, Atrium Health Dialysis Huntersville Oaks, to be located within Atrium Health Huntersville Oaks. The applicant proposes to offer only in-center dialysis.

Patient Origin

On page 113, the 2023 SMFP defines the service area for ESRD facilities as follows: “*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.*” (emphasis in original) The applicant proposes to locate the proposed dialysis stations in Mecklenburg County. Thus, the service area for this proposal is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

In Section C, page 33, the applicant states Atrium Health Dialysis Huntersville Oaks is not an existing dialysis facility and thus has no historical patient origin to report.

In Section C, page 34, the applicant provides projected patient origin for Atrium Health Dialysis Huntersville Oaks for the second full fiscal year (FY) of operation, calendar year (CY) 2027 as shown in the following table:

Atrium Health Dialysis Huntersville Oaks Projected Patient Origin

COUNTY	SECOND PROJECT YEAR, CY 2027	
	# IN-CENTER PTS.	% OF TOTAL PTS.
Mecklenburg	41	71.9%
York, South Carolina	5	8.8%
Cleveland	2	3.5%
Union	2	3.5%
Gaston	2	3.5%
Other*	5	8.8%
Total	57	100.0%

*On page 35 the applicant states "other" includes Anson, Bladen, Cabarrus, Catawba, Iredell, Lincoln, Rowan, Rutherford, Scotland, Stanly and Vance counties and other states.

In Section C, page 34 and in Section Q, the applicant provides the assumptions and methodology used to project patient origin for the proposed dialysis stations within Atrium Health Huntersville Oaks.

The applicant's assumptions are reasonable and adequately supported because they are based on historical patient origin for existing patients receiving dialysis services at a CMHA hospital facility who are awaiting placement in a skilled nursing facility. The applicant states the hospital facilities include Carolinas Medical Center, Atrium Health Mercy, Atrium Health Pineville and Atrium Health Carolinas Rehabilitation.

Analysis of Need

In Section C, pages 35-45, the applicant explains why it believes the population projected to utilize the proposed dialysis services needs the proposed services, as summarized below:

- There is an adjusted need determination in the 2023 SMFP for six dialysis stations in a nursing facility in Mecklenburg County, and the applicant proposes to locate the proposed dialysis stations in Atrium Health Huntersville Oaks, a licensed nursing facility located in Huntersville, which is in Mecklenburg County (pages 36-37).
- Need for accessible dialysis services for nursing facility dialysis patients – The applicant states dialysis is a time-consuming and psychologically taxing treatment regimen for those with end stage renal disease (ESRD), requiring treatment at least three times per week to sustain life. A dialysis patient often has accompanying health issues and must arrange for travel to and from the treatment facility three times per week, all of which is impactful to a patient and to a patient's family members. These issues present particularly difficult challenges for those patients who reside in a nursing facility, who must rely on staff to transport them to and from dialysis treatments. Development of the dialysis stations proposed in this application will more effectively serve those nursing facility residents who require dialysis treatment (pages 37-42).

- Aging and demographic factors within Mecklenburg County – The applicant cites data from the North Carolina Office of State Budget and Management (OSBM) that shows the over 65 population in Mecklenburg County increased by a compound annual growth rate (CAGR) of 4.7% from 2013-2023, whereas the over 65 population in the state as a whole increased by a 3.3% CAGR during the same time. Similarly, the over 65 population is projected to increase by a CAGR of 4.2%, compared to 2.8% in the state as a whole from 2023-2028. The applicant states the older population groups are those most likely to need additional health care, including dialysis services. The applicant states that the demographic composition of Mecklenburg County also contributes to increasing rates of ESRD and chronic kidney disease (CKD) (pages 42-45).

On page 45, the applicant summarizes the need for this proposal as follows:

“The proposed project ... will have significant positive impacts on the quality of care, accessibility, and cost-effectiveness of dialysis services for patients in the service area. Patients of Atrium Health Huntersville Oaks and Atrium Health Sardis Oaks currently requiring dialysis services – many of whom are medically frail and for whom travel is challenging – will more easily be able to access these services at a particularly capable SNF in the service area. Additionally, patients recovering from a recent acute care discharge or who may require consistent long-term care in a SNF will have better access to these services in a medical setting appropriate for their complex nursing needs and comorbidities.”

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

- There is an adjusted need determination in the 2023 SMFP for six dialysis stations in a nursing facility in Mecklenburg County.
- The applicant uses publicly available demographic data to make assumptions supporting identification of the population to be served, the projected growth of that population, the specific demographic characteristics of that population and the need the identified population has for the proposed services.
- The applicant provides information to support the need for six dialysis stations at Atrium Health Huntersville Oaks based on the existing and projected aging of the population within the Atrium Health system and the incidence of ESRD and CKD for patients in the service area.

Projected Utilization

In Section Q, Form C, the applicant provides projected utilization for the first partial year of services (June 2, 2025-December 31, 2025) and the first two full project years (PYs), calendar years (CYs) 2026-2027 for the proposed dialysis stations at Atrium Health Huntersville Oaks, as illustrated in the following table:

Atrium Health Dialysis Huntersville Oaks Projected Utilization

IN-CENTER PATIENTS	PARTIAL PY	FIRST FULL PY	SECOND FULL PY
	6/2/25-12/31/25	CY 2026	CY 2028
# Pts. at Beginning of Year	22	23	23
# Pts. at End of Year	23	23	23
Average # Pts. During Year	22	23	23
# Treatments/Pt./Year	156	156	156
Total # Treatments	2,002	3,588	3,588

In Section Q, *Form C Utilization – Methodology and Assumptions*, pages 1-6, the applicant provides the assumptions and methodology used to project utilization as summarized below:

- The applicant examined historical dialysis utilization for dialysis patients who have received dialysis treatments through an Atrium Health or CMHA affiliate in the service area. Specifically, the applicant examined two groups of dialysis patients based on its own internal classification: 1. Those dialysis patients who receive dialysis at one of AHSNF Inc’s two nursing facilities in Mecklenburg County (“*SNF hosted dialysis patients*”) and 2. CMHA hospital patients awaiting discharge to a nursing facility that can accommodate dialysis patients (“*hospital hosted dialysis patients*”). The applicant states in CY 2022, CMHA served a total of 106 patients at a nursing facility who needed dialysis treatment. See the table provided by the applicant on page 1 of Section Q.
- The applicant examined projected population growth rates for years 2022-2026 from the North Carolina Office of State Budget and Management (OSBM), both for Mecklenburg County as a whole and for the age 65 and older age group, and found the total population is projected to increase by 1.9%, while the 65 and older group is projected to increase by 4.5% during that time.
- Using the number of CY 2022 CMHA dialysis patients as a baseline and applying the Mecklenburg County population growth rate of 1.9%, the applicant projected the SNF Hosted and Hospital Hosted dialysis patients through CY 2026, the first project year. The applicant used the 1.9% growth rate to remain conservative, even though the patients who will be served will be in the 65 and over age group. The following table, from page 3 of Section Q, illustrates these projections:

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CAGR
SNF Hosted Patients	17	17	18	18	18	1.9%
Hospital Hosted Patients	89	91	92	94	96	1.9%
Total Patients	106	108	110	112	114	

- The applicant assumes it will serve all 18 SNF Hosted patients in PY1, CY 2026, since some of those patients will already be receiving care at the nursing facility. The applicant states it will also prioritize admission for those NF patients who require dialysis, since Huntersville Oaks will be developed on the NF campus. To project future

dialysis patients, the applicant applied the 1.9% Mecklenburg County population growth rate to the patient population as of CY 2026.

- Similarly, the applicant assumes it will serve 40% of the Hospital Hosted patients at Atrium Health Huntersville Oaks in PY 1, CY 2026, due primarily to capacity constraints at Atrium Health Huntersville Oaks, with only six dialysis stations and the projection to serve all of the SNF Hosted dialysis patients at the facility. To project future dialysis patients, the applicant applied the 1.9% Mecklenburg County population growth rate to the patient population as of CY 2026. See the table on page 3 of Section Q that illustrates those projections.
- The applicant analyzed CY 2022 data regarding length of stay for its NF patients according to whether the patients were “*long term*”, with an average length of stay (ALOS) of 129 days; or “*short term*”, with an ALOS of 29 days. The applicant determined, based on historical data, that all of the SNF Hosted patients and 60% of the Hospital Hosted patients will be long term patients in the first PY, CY 2026. To project future dialysis patients, the applicant applied the 1.9% Mecklenburg County population growth rate to the patient population as of CY 2026. The following table, from Section Q, page 6, illustrates these projections through CY 2027, the second PY:

Atrium Health Dialysis Huntersville Oaks Projected Treatments, CY 2025-2027

	CY 2025*	CY 2026	CY 2027
# patients at beginning of year	22	23	23
# patients at end of year	23	23	23
Average # patients during year	22	23	23
# Treatments per year	156	156	156
Total # treatments	2,002	3,588	3,588

*The applicant states 2025 is a partial year in which the facility will operate from June 1-December 31.

The applicant projects to serve 3.8 patients per station per week as of the end of the first PY, CY 2026, which is 95.8% utilization [23 patients / 6 stations = 3.8; 3.8 / 4 = 0.958].

The Criteria and Standards for End-Stage Renal Disease Services, promulgated at 10A NCAC 14C .2203 state that an applicant proposing to establish a new dialysis facility shall document the need for at least ten stations, based on utilization of 2.8 patients per station per week at the end of the first fiscal year of operation, unless the application is for fewer than ten stations pursuant to an adjusted need determination. This application is submitted in response to an adjusted need determination, and the applicant adequately demonstrates the need for the six dialysis stations as proposed.

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

- The applicant relies on historical utilization data regarding the number of nursing facility patients it serves who need dialysis to project future utilization of the proposed dialysis stations.

- The applicant makes reasonable assumptions regarding projected utilization based on documented historical patient origin, county population growth rates, and its own patient information.
- The projected utilization of the applicant’s proposed dialysis stations exceed the Performance Standards found in 10A NCAC 14C .2203.

Access to Medically Underserved Groups

In Section C.6, page 48, the applicant states:

“... AHSNF, Inc. is an affiliate of CMHA. Consistent with all CMHA facilities, AHSNF, Inc., Atrium Health Huntersville Oaks, and Atrium Health Dialysis Huntersville Oaks, provide or will provide services to all persons in need of medical care, regardless of race, color, religion, national origin, sex, age, disability, or source of payment.”

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table from Section C, page 49:

MEDICALLY UNDERSERVED GROUPS	PERCENT OF TOTAL PATIENTS
Low Income Persons*	--
Racial and ethnic minorities	76.0%
Women	50.9%
Persons with Disabilities*	--
Persons 65 and older	59.7%
Medicare beneficiaries	84.1%
Medicaid recipients	8.9%

*The applicant states CMHA does not maintain data that includes the number of low income or disabled persons it serves and thus does not have a reasonable basis with which to estimate the percentage of those persons it proposes to serve.

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 adequately documents projected access to all the proposed dialysis services within Atrium Health Huntersville Oaks for current and projected residents, including underserved groups.
- The applicant provides its projected payor mix, which includes underserved groups, based on the historical experience of CMHA and Atrium Health Huntersville Oaks.

Conclusion

The agency reviewed the:

- Application

- Exhibits to the application
- Written comments
- Response to Comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant proposes to develop a new hemodialysis facility, Liberty Healthcare Management Renal Dialysis (Renal Dialysis Center), with six dialysis stations to be located within Royal Park. The applicant states the proposed dialysis facility will be licensed separately from Royal Park and will be operated by LRS NC, LLC.

Patient Origin

On page 113, the 2023 SMFP defines the service area for ESRD facilities as follows: “*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.*” (emphasis in original) The applicant proposes to locate the proposed dialysis stations in Mecklenburg County. Thus, the service area for this proposal is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

In Section C, page 28 the applicant states Renal Dialysis Center is not an existing dialysis facility and thus has no historical patient origin to report.

In Section C, page 28 the applicant provides projected patient origin for Renal Dialysis Center for the second full fiscal year (FY) of operation, FY 2027 (July 1, 2026-June 30, 2027) as shown in the following table:

COUNTY	SECOND PROJECT YEAR, FY 2027	
	# IN-CENTER PTS.	% OF TOTAL PTS.
Mecklenburg	18	100.0%
Total	18	100.0%

In Section C, page 28, the applicant provides the assumptions and methodology used to project patient origin for the proposed dialysis facility. The applicant’s assumptions are reasonable and adequately supported because they are based on historical patient origin for existing nursing facility patients receiving dialysis services at Royal Park.

Analysis of Need

In Section C.4, pages 30-36, the applicant explains why it believes the population projected to utilize the proposed dialysis services needs the proposed services, as summarized below:

- The 2023 SMFP provides an adjusted need determination for six dialysis stations to be located in a nursing home setting.
- Causes of End Stage Renal Disease – The applicant explains ESRD and cites data to indicate health factors that may contribute to ESRD, including diabetes, hypertension, tobacco use and obesity. The applicant cites data from the North Carolina State Office of Budget and Management (OSBM) to show the incidence of these health factors in Mecklenburg County, stating the data shows increasing health risk factors in the Mecklenburg County population (pages31-32).
- Mecklenburg County population growth and aging trends – Citing data from the NC OSBM, the applicant states Mecklenburg County’s population increased by 6.3% from 2018-2023, and is projected to increase by 8.8% between 2023-2028. The applicant states 100% of its dialysis patient population will be from Mecklenburg County. In addition, the applicant states the 65+ population cohort in Mecklenburg County increased by 24.5% from 2018-2023 and is projected to increase by 22.8% from 2023-2028. The applicant notes that the 65+ age group is projected to comprise nearly 50% of all dialysis patients in the county, and 100% of Renal Dialysis Center’s patient population (page 33).
- Mecklenburg County life expectancy – On page 34, the applicant provides data from the NCOSBM regarding the impact of increased life expectancy in Mecklenburg County on the need for dialysis services. The applicant states the life expectancy of Mecklenburg County residents is increasing and, as a result, the chance of worsening health conditions, including chronic kidney disease and ESRD, are also increasing. (page 34).
- Royal Park residents and the incidence of ESRD – The applicant cites internal data from Royal Park to show the number of dialysis patients has increased by 66.7% between September 2021 – August 2023. Additionally, the applicant cites data from 2018-2023 SMFPs to show that dialysis patients in Mecklenburg County have increased by a Five Year CAGR of 0.7%. See the tables that illustrates this data on page 35 of the application (page 35).

On page 36, the applicant summarizes the need at Royal Park for the proposed dialysis stations. The applicant states:

“Dialysis stations will always be needed due to several interconnected factors, including the prevalence of diabetes and high blood pressure, the size of the population, increasing life expectancy, and the progression of chronic kidney disease to ESRD patients. These factors create a pressing demand for dialysis treatment facilities, but more specifically in Royal Park’s case, the development of a dialysis facility in a nursing home setting, to accommodate the number of nursing home residents with kidney failure.”

Projected Utilization

In Section Q, Form C, the applicant projects the following utilization:

Royal Park Projected Utilization, First Two Project Years

In-Center Patients	1 st Full FY 7/1/25-6/30/26	2 nd Full FY 7/1/26-6/30/27
# Pts. Beginning of Year	15.0	18.0
# Pts. End of Year	18.0	18.0
Average # Pts. During Year	16.50	18.0
# Treatments/Pt./Year	156.0	156.0
Total # Treatments	2,574.0	2,808.0

In Section Q, *Form C Utilization – Methodology and Assumptions*, page 1, the applicant provides the assumptions and methodology used to project utilization as summarized below:

Step 1: The applicant examined internal data to determine the number of Royal Park residents who left the facility for dialysis treatments over the last two years, from September 2021-August 2023. The applicant calculated a six-month compound growth rate in the number of Royal Park residents who left Royal Park for their dialysis treatments. The applicant also calculated a six-month average number of Royal Park residents who left the facility for dialysis treatments.

Step 2: The applicant applied the six-month compounded growth rate from Step 1 to the six-month average number of residents from Step 1 to project the six-month average number of Royal Park residents who will need dialysis services from 2023-2025. The applicant accounted for the partial year 2023.

Step 3: The applicant projects the six-month average number of Royal Park residents who will need dialysis services, beginning with 14.64, the projected six-month average number of residents who will need dialysis services in the first half of CY 2025. The applicant projects that, during the first quarter of operation of the facility, the facility census will increase from 14.64 to 15 patients, which is reasonable, given that 14.64 rounds to 15. Thereafter, the applicant projects the patient census to increase by one patient in each of the remaining three quarters of 2025, ending with a facility total of 18 patients by the end of the first operating year. The applicant projects that the facility census will remain constant in the second year of operation, at 18 patients.

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

- The applicant relies on its internal data regarding the number of Royal Park patients who left the facility for their dialysis treatments from 2021-2023. The applicant assumes these patients will remain in the facility for their dialysis treatments when the proposed dialysis stations are developed.

- The applicant relies on NCOSBM data regarding the health status of Mecklenburg County residents, particularly the 65+ age cohort, the group most likely to reside at Royal Park.
- The applicant makes reasonable assumptions regarding the growth in the number of Royal Park residents who will need dialysis services, since it serves residents who currently need dialysis services at its facility.
- The projected utilization of the applicant’s proposed dialysis stations meets the Performance Standards in 10A NCAC 14C .2303.

Access to Medically Underserved Groups

In Section C.6, page 39, the applicant states:

“Renal Dialysis Center will provide services to all persons regardless of race, sex, age, religion, creed, disability, national origin or ability to pay because Liberty Healthcare facilities and programs do not discriminate against any persons, or other medically underserved persons, regardless of their ability to pay. Services will be available to all nursing home residents including low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved persons, including the medically indigent.”

On page 39, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table:

MEDICALLY UNDERSERVED GROUPS	PERCENT OF TOTAL PATIENTS
Low Income Persons	100.0%
Racial and ethnic minorities	30.0%
Women	40.0%
Persons with Disabilities	5.0%
Persons 65 and older	100.0%
Medicare beneficiaries	100.0%
Medicaid recipients	0.0%

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 documents projected access to the proposed dialysis services for all residents of the service area who are likely to need nursing facility and dialysis services including underserved groups, based on its internal historical data.
- The applicant provides its projected payor mix, which includes underserved groups.

Conclusion

The agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Response to Comments
- Remarks made at the public hearing

Based on the 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.

NA – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant does not propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant does not propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

- (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.

C – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop a new six-station hemodialysis facility, Atrium Health Dialysis Huntersville Oaks, to be located within Atrium Health Huntersville Oaks. The applicant proposes to offer only in-center dialysis.

In Section E.2, pages 59-60, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the status quo – The applicant states maintaining status quo would not effectively serve its NF residents who need dialysis treatments, because those patients would still need transportation to and from the NF to receive necessary dialysis care. By developing the stations within the NF, those residents who need dialysis treatments can more be treated effectively and efficiently within the facility, thus maximizing the continuum of care those patients receive while in the facility.
- Develop the proposed six dialysis stations at a different NF – The applicant considered developing the proposed dialysis stations at a different nursing facility in Mecklenburg County. The only other nursing facility owned by the applicant is Atrium Health Sardis Oaks, which the applicant states is a smaller facility without the physical space to accommodate the proposed dialysis stations. Thus, developing the proposed dialysis stations at the Sardis Oaks facility is not a reasonable alternative.
- Develop fewer than six dialysis stations – The applicant states this is not an effective alternative because the adjusted need determination in the 2023 SMFP is for six dialysis stations, and the applicant determined that six stations would be needed to provide as much access a possible for the patients it serves who need dialysis. Additionally, the applicant states there is sufficient demand for more than six dialysis stations, so developing fewer than six dialysis stations would not effectively meet current and projected demand.

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

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative to meet the need for six dialysis stations at Atrium Health Huntersville Oaks.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Response to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant proposes to develop a new hemodialysis

facility, Liberty Healthcare Management Renal Dialysis (Renal Dialysis Center), with six dialysis stations to be located within Royal Park. The applicant states the proposed dialysis facility will be licensed separately from Royal Park and will be operated by LRS NC, LLC.

In Section E.3, page 48, the applicant states it did not consider other alternatives to the one proposed in this application because the application is submitted in response to an adjusted need determination with specific conditions with which the applicant will comply. On page 48 the applicant states:

“Currently, Royal Park residents who require hemodialysis must leave the nursing home facility and travel to a dialysis facility in Mecklenburg County. The only alternative to receiving dialysis treatments outside of the nursing home facility in a dialysis facility is to develop a dialysis facility within the nursing home facility, Royal Park. In response to a petition, the State Health Coordinating Council approved an adjusted need determination for six outpatient dialysis stations located at a nursing home facility in Mecklenburg County....”

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

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative to meet the need for six dialysis stations in Royal Park.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Response to comments
- Remarks made at the public hearing

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

- (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.

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Capital and Working Capital Costs

In Form F.1a, Section Q, the applicant projects the total capital cost of the project, as shown in the table below.

Construction / Renovation Costs	\$1,435,000
Medical Equipment	\$846,000
Non-Medical Equipment	\$21,000
Miscellaneous Costs	\$960,000
Total	\$3,262,000

In Section Q, page 3, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- Construction and renovation costs, as well as architect and engineering fees are based on the project architect’s experience with similar projects.
- Medical equipment costs are based on vendor quotations and the applicant’s experience with similar projects.
- Non-medical and furniture costs are based on vendor estimates and the applicant's experience with similar projects.
- Other costs, including but not limited to IS and security are based on the applicant's experience with similar projects.
- Exhibit F.1 provides a certified construction cost estimate signed by the project architect that is consistent with the capital cost reported in Section F.

In Section F.3, pages 63-64, the applicant projects that start-up costs will be \$68,893 and initial operating expenses will be \$300,383 for a total working capital of \$369,276. On page 64, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the following:

- The applicant adequately explains start-up costs and the initial operating period.
- The initial operating period is the first five months of operation before cash inflow exceeds cash outflow.
- Operating costs are represented by the costs incurred during the initial operating period.
- Total start-up expenses are based on one month of supplies, rent, and other costs.

Availability of Funds

In Section F.2, page 61, the applicant states that the capital cost will be funded as shown in the table below:

Sources of Capital Cost Financing

TYPE	AHSNF, INC.	CMHA	TOTAL
Loans	\$0	\$0	\$0
Accumulated reserves, OE*, Cash/Cash Equivalents	\$2,345,000	\$917,000	\$3,262,000
Bonds	\$0	\$0	\$0
Other (internal revenue and/or credit)	\$0	\$0	\$0
Total Financing	\$2,345,000	\$917,000	\$3,262,000

*OE = Owner's Equity

In Section F.2, page 65, the applicant states that the working capital cost will be funded as shown in the table below:

Sources of Working Capital Financing

TYPE	CMHA	TOTAL
Loans	\$0	\$0
Accumulated reserves, OE*, Cash/Cash Equivalents	\$369,276	\$369,276
Bonds	\$0	\$0
Other (internal revenue and/or credit)	\$0	\$0
Total Financing	\$369,276	\$369,276

*OE = Owner's Equity

In Exhibit F.2-1, the applicant provides a September 15, 2023 letter from the Interim Chief Financial Officer, CMHA that documents the availability of sufficient funds to finance the capital and working capital costs associated with the proposed project. Exhibit F.2-2 contains the combined balance sheet as of December 31, 2022 for Atrium Health Enterprise, the ultimate parent company of Atrium Health Charlotte-Mecklenburg Hospital Authority that shows sufficient available cash and cash equivalents for the projected capital and working capital cost of the project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the following:

- Exhibit F.2-1 contains a letter signed by the Interim Chief Financial Officer of CMHA that documents the availability of sufficient funds to cover the capital cost and any associated costs for the proposed project. That letter also commits to use those funds to finance the proposed project.
- Exhibit F.2-2 contains a copy of Atrium Health Enterprise's December 31, 2022 balance sheet that documents adequate available funds necessary to cover the capital costs of the project.

Financial Feasibility

The applicant provided pro forma financial statements through 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:

ATRIUM HEALTH HUNTERSVILLE OAKS REVENUE AND EXPENSES			
	INTERIM YEAR (6/2/25-12/31/25)	1ST OY CY 2026	2ND OY CY 2027
Total dialysis treatments	2,002	3,588	3,588
Total gross revenues (charges)	\$4,499,441	\$8,305,851	\$8,555,027
Total net revenue	\$617,153	\$1,139,248	\$1,173,425
Average net revenue per treatment	\$308	\$318	\$327
Total operating expenses (costs)	\$558,668	\$1,017,557	\$1,059,080
Average operating expense per treatment	\$279	\$284	\$295
Net Income	\$58,485	\$121,691	\$114,3454

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

- The applicant bases its projections on the NF patients historically served by CMHA who need dialysis services.
- The applicant bases projections for gross revenue and payor mix on its FY 2022 experience, adjusted according to the number of patients projected to be recipients of Medicare.
- 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
- Written comments
- Response to comments
- Remarks made at the public hearing

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

- The applicant bases its projections on CMHA’s historical experience.
- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.

- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
- 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.

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Capital and Working Capital Costs

In Form F.1a, Section Q, page 1 the applicant projects the total capital cost of the project, as shown in the table below.

Construction / Renovation Costs	\$267,200
Miscellaneous Costs	\$455,612
Total	\$722,812

In Section Q, pages 1-2 and referenced exhibits the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- Construction and renovation costs are based on a quote from a licensed architect.
- Medical equipment costs are based on vendor quotations.
- Non-medical and furniture costs are based on vendor estimates.
- Exhibit F.1 provides a construction cost estimate signed by the project architect that is consistent with the capital cost reported in Section F.

In Section F.3, page 52, the applicant projects that start-up costs will be \$73,314 and initial operating expenses will be \$350,000 for a total working capital of \$423,314. On page 53, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the following:

- The applicant adequately explains start-up costs and the initial operating period.
- The initial operating period is the first 12 months of operation and will cover initial delays in dialysis treatment reimbursement and net income shortfall.
- Operating costs are represented by the costs incurred during the initial operating period.
- Total start-up expenses are based on one month of salaries, medical supplies, taxes and promotions; and on eight months cost for rent and utilities.

Availability of Funds

In Section F.2, page 50, the applicant states that the capital cost will be funded as shown in the table below:

Sources of Capital Cost Financing

TYPE	LRS NC, LLC	TOTAL
Loans	\$0	\$0
Accumulated reserves, OE*, Cash/Cash Equivalents	\$722,812	\$722,812
Bonds	\$0	\$0
Other (internal revenue and/or credit)	\$0	\$0
Total Financing	\$722,812	\$722,812

*OE = Owner's Equity

In Section F.3, page 54, the applicant states that the working capital cost will be funded as shown in the table below:

Sources of Working Capital Financing

TYPE	LRS NC, LLC	TOTAL
Loans	\$0	\$0
Accumulated reserves, OE*, Cash/Cash Equivalents	\$423,314	\$423,314
Bonds	\$0	\$0
Other (internal revenue and/or credit)	\$0	\$0
Total Financing	\$423,314	\$423,314

*OE = Owner's Equity

In Exhibit F.2 and Exhibit F.3, the applicant provides an August 22, 2023 letter signed by the owners of LRS NC, LLC that documents the commitment of funds via a cash transfer from Liberty Healthcare Management, Inc. to finance the capital and working capital costs associated with the proposed project. Exhibit F.2 and Exhibit F.3 also provide an August 23, 2023 letter signed by the Chief Financial Officer of Liberty Healthcare Management, Inc. that confirms the availability of sufficient assets to fund both the capital and working capital costs associated with this project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the following:

- Exhibits F.2 and F.3 contain a letter signed by the owners of LRS NC, LLC that documents the availability of sufficient funds to cover the capital and working capital cost of the proposed project. That letter also commits to use those funds to finance the proposed project.
- Exhibits F.2 and F.3 contain a letter from the Chief Financial Officer of Liberty Healthcare Management, Inc. that confirms the availability of sufficient assets to fund both the capital and working capital costs associated with this project.

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 both full fiscal years (July 1-June 30) following project completion, as shown in the table below:

RENAL DIALYSIS CENTER REVENUE AND EXPENSES		
	1ST OY FY 2026	2ND OY FY 2027
Total dialysis treatments	2,574	2,808
Total gross revenues (charges)	\$2,061,774	\$2,316,684
Total net revenue	\$687,189	\$749,679
Average net revenue per treatment	\$267	\$267
Total operating expenses (costs)	\$646,449	\$729,859
Average operating expense per treatment	\$251	\$260
Net Income	\$40,740	\$19,820

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

- The applicant bases its projections on the number of NF patients projected to be served by Royal Park who will need dialysis services at Renal Dialysis Center.
- The applicant bases projections for charges on the Medicare reimbursement rates, inflated 3% annually.
- 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
- Written comments
- Response to comments
- Remarks made at the public hearing

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 capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.

- 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.
- (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 – Both Applications

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 Mecklenburg County. Facilities may serve residents of counties not included in their service area.

According to Table 9A, pages 124-125 of the 2023 SMFP, there are 25 existing dialysis facilities in Mecklenburg County as of December 31, 2021, as illustrated in the following table:

MECKLENBURG COUNTY DIALYSIS FACILITIES				
CERTIFIED STATIONS AND UTILIZATION AS OF DECEMBER 31, 2021				
DIALYSIS FACILITY	OWNER	LOCATION	# OF CERTIFIED STATIONS	UTILIZATION
BMA Beatties Ford	BMA	Charlotte	43	56.98%
BMA Nations Ford	BMA	Charlotte	28	83.93%
BMA of East Charlotte*	BMA	Charlotte	26	75.00%
BMA West Charlotte*	BMA	Charlotte	29	76.72%
Brookshire Dialysis	DaVita	Charlotte	11	68.18%
Charlotte Dialysis	DaVita	Charlotte	33	71.21%
Charlotte East Dialysis	DaVita	Charlotte	34	80.88%
DSI Charlotte Latrobe Dialysis	DSI	Charlotte	24	71.88%
DSI Glenwater Dialysis	DSI	Charlotte	42	60.71%
FMC Charlotte	BMA	Charlotte	48	71.35%
FMC Matthews	BMA	Matthews	21	101.19%
FMC of North Charlotte	BMA	Charlotte	40	89.38%
FKC Mallard Creek**	BMA	Charlotte	0	0%
FKC Regal Oaks	BMA	Charlotte	17	92.65%
FKC Southeast Mecklenburg	BMA	Pineville	10	75.00%
FMC Aldersgate	BMA	Charlotte	16	73.44%
FMC Southwest Charlotte	BMA	Charlotte	21	86.90%
Huntersville Dialysis	DaVita	Huntersville	21	76.19%
INS Charlotte****	BMA	Charlotte	2	0%
Mint Hill Dialysis	DaVita	Mint Hill	21	69.05%
North Charlotte Dialysis Center	DaVita	Charlotte	33	68.18%
South Charlotte Dialysis*	DaVita	Charlotte	27	68.52%
Sugar Creek Dialysis	DaVita	Charlotte	21	46.43%

Source: Table 9A, Chapter 9, 2022 SMFP; Agency records

*Facility which exists and is operational, but which has been approved to relocate to a new site with additional stations.

**Facility under development or which was not operational at the time of data collection for the 2022 SMFP.

***Facility with an application under review to relocate an existing and operational facility to a new site.

****Facility which is dedicated exclusively to providing HH and PD training and support.

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section G, page 70, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved dialysis services in Mecklenburg County. The applicant states:

“This application is in response to an adjusted need determination in the 2023 SMFP for six outpatient dialysis stations located at a nursing home facility in Mecklenburg County. As such, the proposed project is necessary and not duplicative, given the determination of need by the State Health Coordinating Council (SHCC) and the SMFP.

Additionally, and as stated in Section C.4, there have been no SMFP-determined ESRD facilities in a SNF as yet developed in North Carolina. Given this, the proposed project is a unique step forward in the provision of dialysis services in both Mecklenburg County and the state, providing an accessible and cost-effective means of dialysis care for patients that currently does not exist anywhere in the service area today.”

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

- There is an adjusted need determination in the 2023 SMFP for six dialysis stations in a nursing facility in Mecklenburg County.
- There are currently no ESRD treatment facilities located in a nursing facility in Mecklenburg County.
- The applicant adequately demonstrates that the proposed dialysis stations are needed in its nursing facility in Mecklenburg County. See the discussion in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency
- Written Comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility - The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section G, pages 59-60, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved dialysis services in Mecklenburg County. In Section G, page 59 the applicant states:

“Renal Dialysis Center does not believe the development of a dialysis facility will unnecessarily duplicate existing services in the service area. Dialysis treatment is a life-sustaining therapy for nursing home facility residents with end-stage renal disease. Traditionally, residents have been required to travel to outpatient dialysis facilities for

their treatment. However, the integration of dialysis services within Royal Park brings forth a range of benefits that enhance patient care, convenience, and overall quality of life.”

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

- There is an adjusted need determination in the 2023 SMFP for six dialysis stations in a nursing facility in Mecklenburg County.
- There are currently no ESRD treatment facilities located in a nursing facility in Mecklenburg County.
- The applicant adequately demonstrates that the proposed dialysis stations are needed in its nursing facility in Mecklenburg County. See the discussion in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency
- Written Comments
- Responses to comments
- Remarks made at the public hearing

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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section Q, Form H the applicant provides projected full-time equivalent (FTE) staffing for the proposed dialysis services for the first two PYs, as illustrated in the following table:

Atrium Health Dialysis Huntersville Oaks Projected Staffing

POSITION	1ST FULL PY (CY 2026)	2ND FULL PY (CY 2027)
Nurse Manager	1.0	1.0
Registered Nurse	1.8	1.8
Certified Clinical Dialysis Tech	1.2	1.2
Dietician	0.1	0.1
Social Worker	0.1	0.1
Clerical	0.1	0.1
Total	4.3	4.3

The assumptions and methodology used to project staffing are provided in Section Q, page 11. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3, which is in Section Q. In Sections H.2 and H.3, pages 72-74, the applicant describes the methods used to recruit or fill new positions and its existing and proposed 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:

- CMHA, which is an affiliate of AHSNF, has experience in recruiting, hiring and training staff for many clinical positions appropriate for the provision of dialysis services.
- 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
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility - The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section Q, Form H, page 3 the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table:

POSITION	1ST FULL PY (FY 2026)	2ND FULL PY (FY 2027)
Administrator/Dialysis RN	1.00	1.00
Dialysis Registered Nurse	1.00	1.25
Certified Clinical Dialysis Tech	2.00	2.50
Social Worker	0.25	0.25
Dietician	0.25	0.25
Total	4.50	5.25

The assumptions and methodology used to project staffing are provided in Section Q, page 1. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3, which is in Section Q. In Sections H.2 and H.3, pages 62-63, the applicant describes the methods used to recruit or fill new positions and its existing and proposed 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:

- Liberty Healthcare has experience in operating a nursing facility and recruiting, hiring and training staff for many clinical positions appropriate for the provision of dialysis services.
- 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
- Written comments
- Responses to comments
- Remarks made at the public hearing

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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Ancillary and Support Services

In Section I, page 75 the applicant identifies the necessary ancillary and support services for the proposed dialysis services. On pages 75-76, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I-1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant specifically identifies the existing providers of existing ancillary and support services currently provided by CMHA or AHSNF and states the same providers will be available for the proposed dialysis services.
- The applicant provides a letter in Exhibit I.1 from the Vice President and Facility Executive for Continuing Care Services with CMHA which confirms the availability of the necessary ancillary and support services, as well as an intent to expand those services to the dialysis patients proposed to be served.

Coordination

In Section I, page 76 the applicant describes its existing and proposed relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- While the applicant proposes to develop a new dialysis facility within an existing NF, CMHA has established relationships with area healthcare and social services providers which will continue following the development of the dialysis stations.
- The applicant demonstrates physician, community and citizen support for the project in Exhibit I.2.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility - The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Ancillary and Support Services

In Section I, page 65 the applicant identifies the necessary ancillary and support services for the proposed PET services. On pages 66-67, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant specifically identifies the existing providers of existing ancillary and support services currently provided by Royal Park and states the same providers will be available for the proposed dialysis services.
- The applicant provides a letter in Exhibit I.1 from LRS NC, LLC which confirms the availability of the necessary ancillary and support services, as well as an intent to expand those services to the dialysis patients proposed to be served.

Coordination

In Section I, page 67 the applicant describes its proposed relationships with other local health care and social service providers, and provides a letter in Exhibit I.2 with a sample Transfer Agreement. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- While the applicant proposes to develop a new dialysis facility within an existing NF, Royal Park has established relationships with area healthcare and social services providers which will continue following the development of the dialysis stations.
- The applicant demonstrates physician, community and citizen support for the project in Exhibit I.2.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- Remarks made at the public hearing

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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – 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.

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – 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:
- would be available under a contract of at least 5 years duration;
 - would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
 - would cost no more than if the services were provided by the HMO; and
 - would be available in a manner which is administratively feasible to the HMO.

NA – Both Applications

Neither of the applicants is 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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section K, page 79 the applicant states that the project involves renovating 2,357 square feet of existing space in Atrium Health Huntersville Oaks to accommodate the proposed dialysis stations. Line drawings are provided in Exhibit C.1-1.

In Section K, pages 79-80 the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states the design and means of renovating existing space will minimize costs involved with project development.
- In Exhibit F.1-1 the applicant provides a certified cost estimate signed by a licensed architect that confirms the project development costs identified by the applicant.

In Section K, page 80 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 based on the following:

- The applicant states the minimal costs for the project are necessary to ensure increased access to convenient lower cost dialysis services for the nursing facility residents in the service area.
- The applicant states CMHA has set aside excess revenues from previous years to enable funding for projects such as this one, without resulting in an increase in costs or charges to its patients for the proposed services.

In Section K, pages 80-81 the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section K, page 70 the applicant states that the project involves renovating 1,600 square feet of existing space within Royal Park. Line drawings are provided in Exhibit K.2.

On page 71, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states the project architect has reviewed the necessary upfit proposal and confirmed the renovation costs.
- The applicant states the proposed renovation is appropriate to accommodate the proposed dialysis stations.

On page 71, 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 based on the following:

- The applicant states renovation of 1,600 square feet of space within an existing nursing facility has been confirmed by the project architect.
- The applicant states the project design will follow all applicable federal, state and local building codes.

In Section K, page 71 the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- Remarks made at the public hearing

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

- (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;

C

Atrium Health Dialysis Huntersville Oaks

NA

Liberty Healthcare Management Renal Dialysis

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – In Section L, page 85, the applicant states Atrium Health Dialysis Huntersville Oaks is not an existing facility and thus has no historical dialysis patient population to report.

In Section L, page 86, the applicant provides the following comparison for CMHA facilities:

	PERCENTAGE OF TOTAL PATIENTS SERVED BY THE FACILITY OR CAMPUS DURING THE LAST FULL FY	PERCENTAGE OF THE POPULATION OF THE SERVICE AREA
Female	50.9%	51.6%
Male	49.1%	48.4%
Unknown	0.0%	0.0%
64 and Younger	40.3%	87.8%
65 and Older	59.7%	12.2%
American Indian	0.8%	0.9%
Asian	1.3%	6.7%
Black or African American	71.0%	33.2%
Native Hawaiian or Pacific Islander	0.0%	0.1%
White or Caucasian	24.0%	56.4%
Other Race	1.1%	2.7%
Declined / Unavailable	1.8%	0.0%

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

Based on that review, the Agency concludes that the applicant adequately documents the extent to which medically underserved populations will use the applicant's 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.

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – In Section L, page 76, the applicant states Renal Dialysis Center is not an existing facility and thus has no historical dialysis patient population to report.

- (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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with

disabilities, in Section L, page 87, the applicant states it has no such obligation to provide uncompensated care.

In Section L, page 88, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against any facilities owned by the applicant or a related entity and located in North Carolina.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 77, the applicant states it has no such obligation to provide uncompensated care.

In Section L, page 77, the applicant states the proposed dialysis center does not exist and as such has no incidence of any patient civil rights access complaints filed against any facilities owned by the applicant or a related entity and located in North Carolina.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – In Section L, page 89, the applicant projects the following payor mix for the proposed services during the second full fiscal year of operation following completion of the project as shown in the table below:

**Atrium Health Dialysis Huntersville Oaks
Projected Payor Mix CY 2027**

PAYOR SOURCE	# PTS.	% OF TOTAL
Self-Pay	0.5	0.9%
Insurance*	2.0	3.5%
Medicare*	47.9	84.1%
Medicaid*	5.1	8.9%
Other (Other Gov.'t)	1.5	2.6%
Total	57.0	100.0%

Numbers may not sum due to rounding

*Includes managed care plans

As shown in the table above, during the second full fiscal year of operation, the applicant projects that 0.9% of dialysis services at Atrium Health Dialysis Huntersville Oaks will be provided to self-pay patients, 84.1% to Medicare patients and 8.9% to Medicaid patients.

In Section L, page 88, the applicant provides the assumptions and methodology used to project payor mix during the second full fiscal year of operation following project completion. The projected payor mix is reasonable and adequately supported because it is based on the dialysis patient population currently being served in Atrium's hospitals and nursing facilities in Mecklenburg County.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – In Section L, page 78, the applicant projects that, during the second full fiscal year of operation, 100.0% of the dialysis services at Renal Dialysis Center will be provided to Medicare patients.

On page 78, the applicant provides the assumptions and methodology used to project payor mix during the second full fiscal year of operation following project completion. The projected payor mix is reasonable and adequately supported because it is based on the current payor mix for all residents living and receiving outpatient dialysis at Royal Park.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

- (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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – In Section L, page 90, the applicant adequately describes the range of means by which patients will have access to the proposed dialysis services.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – In Section L, page 79, the applicant adequately describes the range of means by which patients will have access to the proposed dialysis services.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Remarks made at the public hearing

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 – Both Applications

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section M, page 92, the applicant describes the extent to which health professional training programs in the area currently have access to CMHA facilities, including Huntersville Oaks, and will continue to have access to the facility for training purposes following the development of the proposed dialysis stations. 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:

- CMHA and AHSNF are existing healthcare providers with several hospitals and nursing facilities and have existing relationships and established agreements with numerous professional training programs, listed on page 92. The applicant states those relationships and agreements will continue to operate after the development of the proposed dialysis facility.
- Exhibit M-1 contains examples of the existing clinical education agreements currently in place, which will be applicable to the proposed dialysis services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to written comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section M, page 81, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes. 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 a list of community colleges in the area it contacted to be a health training site for the nursing students.
- The applicant provides a copy of letters sent to those colleges and a sample clinical education agreement in Exhibit M-1.1

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to written comments
- Remarks made at the public hearing

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 – Both Applications

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 Mecklenburg County. Facilities may serve residents of counties not included in their service area.

According to Table 9A, pages 124-125 of the 2023 SMFP, there are 25 existing dialysis facilities in Mecklenburg County as of December 31, 2021, as illustrated in the following table:

MECKLENBURG COUNTY DIALYSIS FACILITIES CERTIFIED STATIONS AND UTILIZATION AS OF DECEMBER 31, 2021				
DIALYSIS FACILITY	OWNER	LOCATION	# OF CERTIFIED STATIONS	UTILIZATION
BMA Beatties Ford	BMA	Charlotte	43	56.98%
BMA Nations Ford	BMA	Charlotte	28	83.93%
BMA of East Charlotte*	BMA	Charlotte	26	75.00%
BMA West Charlotte*	BMA	Charlotte	29	76.72%
Brookshire Dialysis	DaVita	Charlotte	11	68.18%
Charlotte Dialysis	DaVita	Charlotte	33	71.21%
Charlotte East Dialysis	DaVita	Charlotte	34	80.88%
DSI Charlotte Latrobe Dialysis	DSI	Charlotte	24	71.88%
DSI Glenwater Dialysis	DSI	Charlotte	42	60.71%
FMC Charlotte	BMA	Charlotte	48	71.35%
FMC Matthews	BMA	Matthews	21	101.19%
FMC of North Charlotte	BMA	Charlotte	40	89.38%
FKC Mallard Creek**	BMA	Charlotte	0	0%
FKC Regal Oaks	BMA	Charlotte	17	92.65%
FKC Southeast Mecklenburg	BMA	Pineville	10	75.00%
FMC Aldersgate	BMA	Charlotte	16	73.44%
FMC Southwest Charlotte	BMA	Charlotte	21	86.90%
Huntersville Dialysis	DaVita	Huntersville	21	76.19%
INS Charlotte****	BMA	Charlotte	2	0%
Mint Hill Dialysis	DaVita	Mint Hill	21	69.05%
North Charlotte Dialysis Center	DaVita	Charlotte	33	68.18%
South Charlotte Dialysis*	DaVita	Charlotte	27	68.52%
Sugar Creek Dialysis	DaVita	Charlotte	21	46.43%

Source: Table 9A, Chapter 9, 2022 SMFP; Agency records

*Facility which exists and is operational, but which has been approved to relocate to a new site with additional stations.

**Facility under development or which was not operational at the time of data collection for the 2022 SMFP.

***Facility with an application under review to relocate an existing and operational facility to a new site.

****Facility which is dedicated exclusively to providing HH and PD training and support.

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 94, the applicant states:

“The proposed project will enhance competition in the service area by promoting cost-effectiveness, quality, and access to outpatient dialysis services as the first SMFP-determined ESRD facility located within a SNF in North Carolina. As such, it will reduce patients’ burdens associated with transportation to an ESRD facility, as well as eliminate the time and costs associated with this transportation, while also ensuring access to an ESRD facility that can accommodate the most complex SNF patients.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 94, the applicant states:

“[CMHA is committed to] maximizing the healthcare value for resources expended in the delivery of dialysis services and the positive impact that their proposed project will have on the cost-effectiveness of the proposed services.”

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

Regarding the impact of the proposal on quality, in Section N, page 94, the applicant states:

“[CMHA is committed to] promoting safety and quality in the delivery of dialysis services and the positive impact that its propose project will have on the quality of the proposed services.”

See also Sections B, C, L and O of the application and any referenced exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 94 the applicant states:

“[CMHA is committed to] promoting equitable access in the provision of dialysis services and the positive impact its proposed project will have on access by medically underserved groups to the proposed services.”

See also Sections B, C and L of the application and any referenced 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
- Written comments
- Responses to comments
- Remarks made at the public hearing

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

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 83, the applicant states:

“Developing dialysis services at Royal Park will have several positive effects on competition in the service area. Dialysis services are essential for residents with kidney-related health issues, and incorporating dialysis services into a nursing home setting can offer unique benefits that positively impact competition and the overall healthcare landscape.”

The applicant provides additional information on pages 83-84.

Regarding the impact of the proposal on cost effectiveness, in Section N, page 84, the applicant states:

“Renal Dialysis Center will maximize healthcare value for resources expended in the delivery of dialysis services by prioritizing efficient, effective, and patient-centered care.”

The applicant provides additional information on pages 84-85.

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

Regarding the impact of the proposal on quality, in Section N, page 85, the applicant states the facility will:

“Establish a continuous quality improvement program to monitor and evaluate the effectiveness of dialysis services. Regularly review outcomes, identify areas for improvement, and implement necessary changes to enhance safety and quality.”

The applicant provides additional information on page 85. See also Sections B, C, L and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 86 states:

“Promoting equitable access to dialysis services involves creating an environment where all residents, regardless of their background or circumstances, have equal opportunities to receive the care they need. This requires addressing barriers that might hinder access and ensuring that the services are tailored to individual needs.”

The applicant provides additional information on page 86. See also Sections L and C 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.
- 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
- Written comments
- Responses to comments

- Remarks made at the public hearing

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 – Atrium Health Dialysis Huntersville Oaks
NA – Liberty Healthcare Management Renal Dialysis

Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

In Section Q, Form O, the applicant identifies the dialysis facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 21 existing licensed dialysis facilities that are located in North Carolina.

In Section O, page 98 the applicant states no facilities identified on Form O had any situations resulting in an immediate jeopardy during the 18 months immediately preceding the submittal of the application. After reviewing and considering information provided by the applicant, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis / Develop six dialysis stations at a nursing facility – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP. In Section O, the applicant states neither the applicant nor any related entities currently own, operate or manage a dialysis facility in North Carolina.

- (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.

C – Both Applications

The Criteria and Standards for End Stage Renal Disease Services, promulgated in 10A NCAC 14C .2200, are applicable to this review.

10A NCAC 14C .2203 PERFORMANCE STANDARDS

(a) *An applicant proposing to establish a new dialysis facility for in-center hemodialysis services shall document the need for at least 10 dialysis stations based on utilization of 2.8 in-center patients per station per week as of the end of the first full fiscal year of operation following certification of the facility. An applicant may document the need for fewer than 10 stations if the application is submitted in response to an adjusted need determination in the State Medical Facilities Plan for fewer than 10 stations.*

-C- **Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks** – In Section Q, Form C, page 1, the applicant projects to serve 23 in-center dialysis patients on six dialysis stations to be located within Atrium Health Huntersville Oaks nursing facility pursuant to the adjusted need determination in the 2023 SMFP, which is 3.8 patients per station per week [23 patients/6 stations = 3.83].

-C- **Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis** – In Section Q, Form C, page 1, the applicant projects to serve 18 in-center dialysis patients on six dialysis stations to be located within Royal Park nursing facility pursuant to the adjusted need determination in the 2023 SMFP, which is 3.0 patients per station per week [18 patients/6 stations = 3.00].

(b) *An applicant proposing to increase the number of in-center dialysis stations in:*

(1) *an existing dialysis facility; or*

(2) *a dialysis facility that is not operational as of the date the certificate of need application is submitted but has been issued a certificate of need*

shall document the need for the total number of dialysis stations in the facility based on 2.8 in-center patients per station per week as of the end of the first full fiscal year of operation following certification of the additional stations.

-NA- **Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks** – The applicant does not propose to increase the number of in-center dialysis stations in an existing facility or in a dialysis facility that was not operational as of the date the application was submitted.

-NA- **Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis** – The applicant does not propose to increase the number of in-center dialysis stations in an existing facility or in a dialysis facility that was not operational as of the date the application was submitted.

(c) *An applicant proposing to establish a new dialysis facility dedicated to home hemodialysis or peritoneal dialysis training shall document the need for the total number of home hemodialysis stations in the facility based on training six home hemodialysis patients per*

station per year as of the end of the first full fiscal year of operation following certification of the facility.

- NA- **Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks** – The applicant does not propose to establish a new dialysis facility dedicated to home hemodialysis or peritoneal dialysis training.
- NA- **Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis** – The applicant does not propose to establish a new dialysis facility dedicated to home hemodialysis or peritoneal dialysis training.
 - (d) *An applicant proposing to increase the number of home hemodialysis stations in a dialysis facility dedicated to home hemodialysis or peritoneal dialysis training shall document the need for the total number of home hemodialysis stations in the facility based on training six home hemodialysis patients per station per year as of the end of the first full fiscal year of operation following certification of the additional stations.*
- NA- **Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks** – The applicant does not propose to increase the number of home hemodialysis stations in a dialysis facility dedicated to home hemodialysis or peritoneal dialysis training.
- NA- **Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis** – The applicant does not propose to increase the number of home hemodialysis stations in a dialysis facility dedicated to home hemodialysis or peritoneal dialysis training.
 - (e) *The applicant shall provide the assumptions and methodology used for the projected utilization required by this Rule.*
- C- **Project ID #F-12424-23/ Atrium Health Dialysis Huntersville Oaks** – The applicant provides the assumptions and methodology used to project utilization of the six dialysis stations proposed in this application in Section Q, pages 2-7. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.
- C- **Project ID #F-12430-23 / Liberty Healthcare Management Renal Dialysis** - The applicant provides the assumptions and methodology used to project utilization of the six dialysis stations proposed in this application in Section Q, *“Form C Utilization Methodology and Assumptions* following Form C. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

COMPARATIVE ANALYSIS

Pursuant to G.S. 131E-183(a)(1) and the adjusted need determination in the 2023 State Medical Facilities Plan, no more than six dialysis stations in a nursing facility may be approved for the Mecklenburg County service area in this review. Because the two applications in this review collectively propose to develop a total of 12 dialysis stations in Mecklenburg County, both applications cannot be approved. Therefore, after considering all the information in each application and reviewing each application individually against all applicable statutory and regulatory review criteria, the Project Analyst conducted a comparative analysis of the proposals to decide which proposal could be approved.

Below is a brief description of each project included in this review.

Project ID #F-12424-23/Atrium Health Dialysis Huntersville Oaks – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Project ID #F-12430-23/Liberty Healthcare Management Renal Dialysis – The applicant proposes to develop no more than six dialysis stations at a nursing facility pursuant to an adjusted need determination in the 2023 SMFP.

Conformity with Statutory and Regulatory Review Criteria

An application that is not conforming or conforming as conditioned with all applicable statutory and regulatory review criteria cannot be approved. Both applications are conforming to all applicable statutory and regulatory review criteria. Therefore, regarding this comparative factor, both applications are equally effective alternatives.

Access by Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“Medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, 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 access by underserved groups, applications are compared with respect to two underserved groups: Medicare patients and Medicaid patients. Access by each group is evaluated as a separate factor.

Projected Medicaid

The following table shows each applicant’s projected number of dialysis treatments, the projected number of treatments for Medicaid patients, total projected gross revenues (charges) and projected percentage of gross revenues for Medicaid patients for dialysis services in each applicant’s second full fiscal year of operation following project completion, based on the information provided in each applicant’s pro forma financial statements in Section Q. Generally, the application proposing to provide a higher number or

percentage of services to Medicaid patients is the more effective alternative regarding this comparative factor.

PROJECTED SERVICES TO MEDICAID PATIENTS					
PROJECT YEAR 2					
	Total Treatments	Total Medicaid Treatments	Total Gross Revenue	Medicaid Gross Revenue	Medicaid % of Total Gross Revenue
Atrium Health Dialysis Huntersville Oaks	3,588	319	\$8,555,027	\$758,703	8.9%
Liberty Healthcare Management Renal Dialysis	2,808	0	\$2,316,684	\$0	0.0%

Source: Section Q, Forms F.2 and F.3 for each application.
 Numbers may not sum due to rounding.

As shown in the table above, **Atrium Health Dialysis Huntersville Oaks** projects the highest number of treatments for Medicaid patients and the highest total and percentage of gross revenues for Medicaid patients in the second project year. Therefore, regarding access by Medicaid patients, the application submitted by **Atrium Health Dialysis Huntersville Oaks** is the more effective alternative.

Projected Medicare

The following table shows each applicant’s projected number of dialysis treatments, the projected number of treatments for Medicare patients, total projected gross revenues (charges) and projected percentage of gross revenues for Medicare patients for dialysis services in each applicant’s second full fiscal year of operation following project completion, based on the information provided in each applicant’s pro forma financial statements in Section Q. Generally, the application proposing to provide a higher number or percentage of services to Medicare patients is the more effective alternative regarding this comparative factor.

PROJECTED SERVICES TO MEDICARE PATIENTS					
PROJECT YEAR 2					
	Total Treatments	Total Medicare Treatments	Total Gross Revenue	Medicare Gross Revenue	Medicare % of Total Gross Revenue
Atrium Health Dialysis Huntersville Oaks	3,588	3,017	\$8,555,027	\$7,195,028	84.1%
Liberty Healthcare Management Renal Dialysis	2,808	2,808	\$2,316,684	\$2,316,684	100.0%

Source: Section Q, Forms F.2 and F.3 for each application.
 Numbers may not sum due to rounding.

As shown in the table above, although **Liberty Healthcare Management Renal Dialysis** projects 100 percent of its patients will be Medicare patients, **Atrium Health Dialysis Huntersville Oaks** projects the highest number of treatments for Medicare patients and the highest total gross revenues for Medicare patients in the second project year. Therefore, regarding access by Medicare patients, the application submitted by **Atrium Health Dialysis Huntersville Oaks** is the more effective alternative.

Projected Average Net Revenue per Dialysis Treatment

The following table compares projected average net revenue per dialysis treatment in the second full fiscal year following project completion for each project, based on the information provided in the applicant’s pro forma financial statements in Section Q. Generally, the application projecting the lowest average net revenue per treatment is the more effective alternative regarding this comparative factor based on the assumption that the lower average net revenue per treatment could ultimately result in a lower cost to the patient or third-party payor.

AVERAGE NET REVENUE PER DIALYSIS TREATMENT			
PROJECT YEAR 2			
	TOTAL # OF TREATMENTS	Total Net Revenue	Average Net Revenue per Treatment
Atrium Health Dialysis Huntersville Oaks	3,588	\$1,173,425	\$327
Liberty Healthcare Management Renal Dialysis	2,808	\$749,679	\$267

Source: Section Q, Forms F.2 and F.3 for each application.

As shown in the table above, **Liberty Healthcare Management Renal Dialysis** projects the lowest average net revenue per dialysis treatment in the second full fiscal year following project completion. Therefore, the application submitted by **Liberty Healthcare Management Renal Dialysis** is the more effective alternative regarding this comparative factor.

Projected Average Operating Expense per Dialysis Treatment

The following table compares projected average operating expense per dialysis treatment in the second full fiscal year following project completion for each facility, based on the information provided in the applicant’s pro forma financial statements in Section Q. Generally, the application proposing the lowest average operating expense per treatment is the more effective alternative regarding this comparative factor based on the assumption that a lower average operating cost per procedure may indicate a lower cost to the patient or third-party payor or a more cost-effective service.

AVERAGE OPERATING COST PER DIALYSIS TREATMENT			
PROJECT YEAR 2			
	TOTAL # OF TREATMENTS	Total Operating Cost	Average Operating Cost per Treatment
Atrium Health Dialysis Huntersville Oaks	3,588	\$1,059,080	\$295
Liberty Healthcare Management Renal Dialysis	2,808	\$729,859	\$260

Source: Section Q, Forms F.2.b for each application.

As shown in the table above, **Liberty Healthcare Management Renal Dialysis** projects the lowest average operating cost per dialysis treatment in the second full fiscal year following project completion. Therefore, the application submitted by **Liberty Healthcare Management Renal Dialysis** is the more effective alternative regarding this comparative factor.

Projected Utilization

In response to a petition, the SHCC approved an adjusted need determination for six outpatient dialysis stations located at a nursing home facility in Mecklenburg County. The following table shows the projected number of patients, total treatments and utilization rates for the proposed dialysis services for each of the applicants in the second project year. The application projecting to serve highest number of patients, provide the highest number of services and operate with the highest utilization rate for the proposed dialysis services for nursing facility residents is the more effective alternative regarding this comparative factor.

Projected Utilization - Project Year 2

FACILITY	# PATIENTS	# TREATMENTS	% UTILIZATION
Atrium Health Dialysis Huntersville Oaks	23	3,588	95.8%
Liberty Healthcare Management Renal Dialysis	18	2,808	75.0%

As shown in the table above, **Atrium Health Dialysis Huntersville Oaks** projects to serve the highest number of patients, provide the highest number of treatments and operate with the highest utilization rate for the six proposed dialysis stations in a nursing facility. Therefore, the application submitted by **Atrium Health Dialysis Huntersville Oaks** is the more effective alternative regarding this comparative factor.

SUMMARY

The following table lists the comparative factors and indicates whether each application was more effective, less effective or equally effective for each factor. The comparative factors are listed in the same order they are discussed in the Comparative Analysis which should not be construed to indicate an order of importance.

COMPARATIVE FACTOR	ATRIUM HEALTH DIALYSIS HUNTERSVILLE OAKS	LIBERTY HEALTHCARE MANAGEMENT RENAL DIALYSIS
Conformity with Statutory and Regulatory Review Criteria	Equally Effective	Equally Effective
Access by Medicaid Patients	More Effective	Less Effective
Access by Medicare Patients	More Effective	Less Effective
Projected Average Net Revenue per Dialysis Treatment	Less Effective	More Effective
Projected Average Operating Cost per Dialysis Treatment	Less Effective	More Effective
Projected Utilization	More Effective	Less Effective

As shown in the table above, the application submitted by **Atrium Health Huntersville Dialysis Oaks** was determined to be a more effective alternative regarding the following factors:

- Access by Medicaid Patients
- Access by Medicare Patients
- Projected Utilization

The application submitted by **Liberty Healthcare Management Renal Dialysis** was determined to be a more effective alternative regarding the following factors:

- Projected average net revenue per dialysis treatment
- Projected average operating cost per dialysis treatment

DECISION

Based upon the independent review of each application and the Comparative Analysis, the Agency determined that the application submitted by **Atrium Health Dialysis Huntersville Oaks** is the more effective alternative proposed in this review for the development of six dialysis stations located within a nursing facility pursuant to the adjusted need determination in the 2023 SMFP and is approved. The application submitted by **Liberty Healthcare Management Renal Dialysis** is denied.

The application submitted by **Atrium Health Dialysis Huntersville Oaks** is approved subject to the following conditions:

- 1. The Charlotte-Mecklenburg Hospital Authority and AHSNF, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. Pursuant to the adjusted need determination in the 2023 SMFP, the certificate holder shall develop no more than six dialysis stations at Atrium Health Huntersville Oaks.**
- 3. 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 December 1, 2024.**
- 4. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
- 5. The certificate holder shall document that it has applied for Medicare certification no later than three years from the effective date of the Certificate of Need.**

- 6. 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.**