



**TOPCATS Division**  
2321 West Morehead Street  
Charlotte, NC 28208

August 12, 2016

Ms. Elizabeth Brown, Planner  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
North Carolina Department of Health and Human Services  
809 Ruggles Drive  
Raleigh, NC 27603

RE: Petition to the State Health Coordinating Council for One Additional End-Stage Renal Dialysis Facility in Graham County

Dear Ms. Brown:

The purpose of this letter is to provide written comment and to clarify the inaccuracies contained in the petition that was submitted on July 28, 2016 by Jacob Nelms, representing the Graham County Commissioners. The petition is requesting an “adjusted need determination for a new dialysis facility in Graham County with a minimum of five, and a maximum of “projected as needed” in the most recent “Semiannual Dialysis Report” available prior to the Certificate of Need application date”.

The July 2016 Semiannual Dialysis Report correctly indicates in Table B of the report that Graham County has a deficit of three (3) stations based on the number of patients living in Graham County that were being treated in dialysis facilities located in North Carolina as of December 31, 2015. There were a total of fifteen (15) End-Stage Renal Disease patients. Ten of the patients were receiving their in-center treatments at the Cherokee Dialysis Center (7 patients), Smoky Mountain Dialysis Center (2 patients) and Sylva Dialysis Center (1 patient). Five of the patients were home trained patients on peritoneal dialysis that were receiving their support at the Sylva Dialysis Center. This information is public record and is contained in the Semiannual Dialysis Report – July 2016, Patient Origin Report that is available at the Healthcare Planning and Certificate of Need Section.

The patient data that will be used for the January 2017 Semiannual Dialysis Report will be submitted to the Healthcare Planning and Certificate of Need Section on August 26, 2016. The data will show that there were a total of 18 End-Stage Renal Disease patients living in Graham County and being treated at three DaVita affiliated facilities as of June 30, 2016. Twelve of those patients were receiving their dialysis treatments at the Cherokee Dialysis Center (7 patients), Smoky Mountain Dialysis Center (4 patients) and Sylva Dialysis Center (1 patient). Six of the patients were home-trained patients on peritoneal dialysis that were receiving their support at the Sylva Dialysis Center.

Based on the number of patients living in Graham County and receiving dialysis services at DaVita operated facilities, there would be a deficit of four (4) dialysis stations in Graham County

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(12 in-center patients X 0.042 Average Annual Change Rate for Past Five Years = 0.504 + 12 in-center patients / 3.2 patients per station = 3.9075 rounded up = 4 station county deficit. However, Graham County is included in the tri-county service area of Cherokee, Clay and Graham Counties. The tri-county area has one dialysis facility that is located in Cherokee County, which is between Clay and Graham Counties.

About fifteen (15) years ago Mitch Gillespie, a resident of McDowell County, who at the time was serving as a member of the North Carolina Generally Assembly submitted a petition to the State Health Coordinating Council for an adjusted need determination of six stations so that a dialysis facility could be located in the McDowell county. The Semiannual Dialysis Report indicated that there was a deficit of six stations in McDowell County. The SHCC granted the adjusted need determination, but neither Fresenius nor DaVita submitted a certificate of need application because neither company could show a profit at the end of operating year two (which is a requirement).

The chart on page 2 of the petition indicates that as of 2016 the population of Graham County was 8,969 with population increases in 2021 and 2026 of 3.6% and 3.5% respectively. However, the United States Census Bureau (Attachment 1) indicates that the Graham County population estimates for July 2015 shows 8,616, which is a population decrease of 2.8% from the 2010 census. So it is not clear if the Graham County base population will increase or decrease.

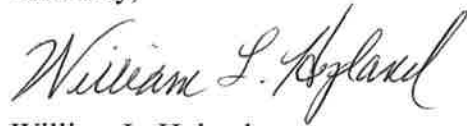
On page three of the petition the last sentence in the first paragraph states, "Fifteen individuals using an ESRD dialysis facility three times weekly warrants nine stations operating five days per week, under favorable conditions  $((15 \times 3) / 5 = 9$ ." Dialysis station utilization in North Carolina is based on two patient shifts per day, six days a week. Therefore, if you have twelve (12) in-center dialysis patients, a facility would be at 100% utilization with three dialysis stations. Each dialysis station could treat four (4) patients – two on Monday/Wednesday/Friday and two on Tuesday/Thursday/Saturday.

The second paragraph on page four of the petition states, "The July 2016 Semiannual Dialysis Report underestimates the projected dialysis deficit and overstates the percent of at home dialysis patients in Graham County. Table B in the July 2016 report projects 33 percent of persons who require dialysis treatments will receive them at home. This is not true in Graham County." All of the statements above are untrue. The data in the July 2016 Semiannual Dialysis Report is accurate patient data as of December 31, 2015 for the Graham County patients who receive dialysis services at DaVita operated facilities in Cherokee, Swain and Jackson Counties.

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On page five of the petition it states, "Local dialysis providers have shown interest in the project. The Graham County Board of Commissioners has been in contact with DaVita and Fresenius..." No one representing the Graham County Board of Commissioners has been in contact with anyone employed by DaVita.

Sincerely,

A handwritten signature in cursive script that reads "William L. Hyland". The signature is written in black ink and is positioned above the printed name and title.

William L. Hyland  
Director of Healthcare Planning

# **Attachment 1**



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**QuickFacts**

**Graham County, North Carolina**

QuickFacts provides statistics for all states and counties, and for cities and towns with a population of 5,000 or more.

ALL TOPICS



GRAHAM COUNTY,  
NORTH CAROLINA

*People*

**Population**

Population estimates, July 1, 2015, (V2015)	8,616
Population estimates base, April 1, 2010, (V2015)	8,861
Population, percent change - April 1, 2010 (estimates base) to July 1, 2015, (V2015)	-2.8%
Population, Census, April 1, 2010	8,861

**Age and Sex**

Persons under 5 years, percent, July 1, 2015, (V2015)	5.4%
Persons under 5 years, percent, April 1, 2010	5.7%
Persons under 18 years, percent, July 1, 2015, (V2015)	21.3%
Persons under 18 years, percent, April 1, 2010	21.6%
Persons 65 years and over, percent, July 1, 2015, (V2015)	22.8%
Persons 65 years and over, percent, April 1, 2010	19.7%
Female persons, percent, July 1, 2015, (V2015)	50.7%
Female persons, percent, April 1, 2010	50.7%

**Race and Hispanic Origin**

White alone, percent, July 1, 2015, (V2015) (a)	89.5%
White alone, percent, April 1, 2010 (a)	90.3%
Black or African American alone, percent, July 1, 2015, (V2015) (a)	0.5%
Black or African American alone, percent, April 1, 2010 (a)	0.2%
American Indian and Alaska Native alone, percent, July 1, 2015, (V2015) (a)	7.4%
American Indian and Alaska Native alone, percent, April 1, 2010 (a)	6.4%
Asian alone, percent, July 1, 2015, (V2015) (a)	0.5%
Asian alone, percent, April 1, 2010 (a)	0.3%
Native Hawaiian and Other Pacific Islander alone, percent, July 1, 2015, (V2015) (a)	0.1%
Native Hawaiian and Other Pacific Islander alone, percent, April 1, 2010 (a)	Z
Two or More Races, percent, July 1, 2015, (V2015)	2.0%
Two or More Races, percent, April 1, 2010	1.7%
Hispanic or Latino, percent, July 1, 2015, (V2015) (b)	3.4%
Hispanic or Latino, percent, April 1, 2010 (b)	2.2%
White alone, not Hispanic or Latino, percent, July 1, 2015, (V2015)	87.0%
White alone, not Hispanic or Latino, percent, April 1, 2010	89.6%

**Population Characteristics**

Veterans, 2010-2014	666
Foreign born persons, percent, 2010-2014	2.4%

**Housing**

Housing units, July 1, 2015, (V2015)	5,931
Housing units, April 1, 2010	5,930
Owner-occupied housing unit rate, 2010-2014	82.0%
Median value of owner-occupied housing units, 2010-2014	\$122,300
Median selected monthly owner costs -with a mortgage, 2010-2014	\$807
Median selected monthly owner costs -without a mortgage, 2010-2014	\$268
Median gross rent, 2010-2014	\$576
Building permits, 2015	20

**Families and Living Arrangements**

Households, 2010-2014	3,392
Persons per household, 2010-2014	2.54
Living in same house 1 year ago, percent of persons age 1 year+, 2010-2014	93.7%
Language other than English spoken at home, percent of persons age 5 years+, 2010-2014	3.1%

**Education**

High school graduate or higher, percent of persons age 25 years+, 2010-2014	79.8%
Bachelor's degree or higher, percent of persons age 25 years+, 2010-2014	16.6%

**Health**

With a disability, under age 65 years, percent, 2010-2014	6.6%
Persons without health insurance, under age 65 years, percent	▲ 19.0%

**Economy**

In civilian labor force, total, percent of population age 16 years+, 2010-2014	48.6%
In civilian labor force, female, percent of population age 16 years+, 2010-2014	42.4%
Total accommodation and food services sales, 2012 (\$1,000) (c)	14,611
Total health care and social assistance receipts/revenue, 2012 (\$1,000) (c)	D
Total manufacturers shipments, 2012 (\$1,000) (c)	D
Total merchant wholesaler sales, 2012 (\$1,000) (c)	D
Total retail sales, 2012 (\$1,000) (c)	44,505
Total retail sales per capita, 2012 (c)	\$5,116

**Transportation**

Mean travel time to work (minutes), workers age 16 years+, 2010-2014	22.7
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**Income and Poverty**

Median household income (in 2014 dollars), 2010-2014	\$37,161
Per capita income in past 12 months (in 2014 dollars), 2010-2014	\$20,525
Persons in poverty, percent	▲ 20.6%
<b>Businesses</b>	
Total employer establishments, 2014	169
Total employment, 2014	1,653
Total annual payroll, 2014	55,055
Total employment, percent change, 2013-2014	-8.7%
Total nonemployer establishments, 2014	685
All firms, 2012	719
Men-owned firms, 2012	326
Women-owned firms, 2012	234
Minority-owned firms, 2012	90
Nonminority-owned firms, 2012	610
Veteran-owned firms, 2012	F
Nonveteran-owned firms, 2012	657
<b>Geography</b>	
Population per square mile, 2010	30.3
Land area in square miles, 2010	292.08
FIPS Code	37075

▲ This geographic level of poverty and health estimates are not comparable to other geographic levels of these estimates

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info icon to the left of each row in TABLE view to learn about sampling error.

The vintage year (e.g., V2015) refers to the final year of the series (2010 thru 2015). Different vintage years of estimates are not comparable.

- (a) Includes persons reporting only one race
- (b) Hispanics may be of any race, so also are included in applicable race categories
- (c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data

- D Suppressed to avoid disclosure of confidential information
- F Fewer than 25 firms
- FN Footnote on this item in place of data
- NA Not available
- S Suppressed; does not meet publication standards
- X Not applicable
- Z Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

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