

## ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

Decision Date: February 5, 2016

Findings Date: February 5, 2016

Project Analyst: Bernetta Thorne-Williams

Team Leader: Lisa Pittman

Project ID #: H-11080-15

Facility: Dialysis Care of Richmond County

FID #: 955843

County: Richmond

Applicant(s): Total Renal Care of North Carolina, LLC

Project: Relocate two dialysis stations from Dialysis Care of Moore County and add one station for a total of 30 dialysis stations upon project completion

### REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

G.S. 131E-183(a) The Agency 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

Total Renal Care of North Carolina, LLC (TRC) d/b/a Dialysis Care of Richmond County (“the applicant”) proposes to relocate two dialysis stations from Dialysis Care of Moore County and to add one dialysis station for a total of 30 stations upon project completion.

#### **Need Determination**

The 2015 State Medical Facilities Plan (2015 SMFP) provides a county need methodology and a facility need methodology for determining the need for new dialysis stations. According to the July 2015 Semiannual Dialysis Report (SDR), the county need methodology shows there is a deficit of 5 dialysis stations in Richmond County. Additionally, an applicant is also eligible to apply for additional dialysis stations based on the facility need methodology if the utilization rate for the dialysis center, as reported in the most recent SDR, is at least 3.2 patients per station per

week, or 80%. The applicant is eligible to apply for additional stations in its existing facility based on the facility need methodology because the utilization rate reported for Dialysis Care of Richmond County (DC of Richmond County) in the July 2015 SDR is 3.5185 patients per station, or 87.96% ( $3.5185 / 4 \text{ patients per station} = 0.87.96$ ) which is at least 3.2 patients per station per week. This utilization rate was calculated based on 95 in-center dialysis patients and 27 certified dialysis stations ( $95 \text{ patients} / 27 \text{ stations} = 3.5185 \text{ patients per station}$ ).

Application of the facility need methodology indicates additional stations are needed for this facility, as illustrated in the following table:

**DC of Richmond County – October 1 Review – July 2015 SDR**

Required SDR Utilization		80%
Center Utilization Rate as of 12/31/14		88.0%
Certified Stations		27
Pending Stations		0
<b>Total Existing and Pending Stations</b>		<b>27</b>
In-Center Patients as of 12/31/14 (July 2015 SDR) (SDR2)		95
In-Center Patients as of 6/30/14 (Jan 2015 SDR) (SDR1)		98
<b>Step</b>	<b>Description</b>	<b>Result</b>
(i)	Difference (SDR2 - SDR1)	-3
	Multiply the difference by 2 for the projected net in-center change	-6
	Divide the projected net in-center change for 1 year by the number of in-center patients as of 6/30/14	-0.0612
(ii)	Divide the result of Step (i) by 12	-0.0051
(iii)	Multiply the result of Step (ii) by 12 (the number of months from 12/31/13 until 12/31/14)	-0.0612
(iv)	Multiply the result of Step (iii) by the number of in-center patients reported in SDR2 and add the product to the number of in-center patients reported in SDR2	89.1837
(v)	Divide the result of Step (iv) by 3.2 patients per station	27.8699
	and subtract the number of certified and pending stations to determine the number of stations needed	0.8699 [1]

As shown in the table above, based on the facility need methodology for dialysis stations, the potential number of stations needed is 1 station. Step (C) of the facility need methodology states, “*The facility may apply to expand to meet the need established ..., up to a maximum of ten stations.*” The applicant proposes to add one new station and relocate two stations, therefore the application is consistent with the facility need determination for dialysis stations.

**Policies**

Policy ESRD-2: Relocation of Dialysis Stations and Policy GEN-3: Basic Principles are both applicable to this review.

Policy ESRD-2 states:

*“Relocations of existing dialysis stations are allowed only within the host county and to*

*contiguous counties currently served by the facility. Certificate of Need applicants proposing to relocate dialysis stations to contiguous counties shall:*

- (A) Demonstrate that the proposal shall not result in a deficit in the number of dialysis stations in the county that would be losing stations as a result of the proposed project, as reflected in the most recent North Carolina Semiannual Dialysis Report, and*
- (B) Demonstrate that the proposal shall not result in a surplus of dialysis stations in the county that would gain stations as a result of the proposed project, as reflected in the most recent North Carolina Semiannual Dialysis Report.”*

The applicant proposes to relocate two existing dialysis stations from Dialysis Care of Moore County (DC of Moore County). According to the July 2015 SDR, the county need methodology shows there is a surplus of 4 dialysis stations in Moore County. Consequently, the relocation of two stations from Moore County to Richmond County would reduce the surplus of dialysis stations in Moore County by two stations. Additionally, the July 2015 SDR reports a deficit of five stations in Richmond County. The proposed relocation of two stations and the additional of one station, based on the facility need methodology will decrease the deficit of stations needed in Richmond County by three stations. Therefore, the application is consistent with Policy ESRD-2.

Policy GEN -3 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.”*

#### Promote Safety and Quality

The applicant describes how it believes the proposed project would promote safety and quality in Section B-4(a), pages 9-10, Section O, page 53, and referenced exhibits. The information provided by the applicant is reasonable and adequately supports the determination that the applicant’s proposal would promote safety and quality.

#### Promote Equitable Access

The applicant describes how it believes the proposed project would promote equitable access in Section B-4(b), pages 10-11, Section C, page 15, Section L, pages 46-49 and referenced exhibits. The information provided by the applicant is reasonable and adequately supports the determination that the applicant’s proposal would promote equitable access.

### Maximize Healthcare Value

The applicant describes how it believes the proposed project would maximize healthcare value in Section B-4(c), page 11, Section F, pages 25-29, and Section N, page 52. The information provided by the applicant is reasonable and adequately supports the determination that the applicant's proposal would maximize healthcare value.

### Conclusion

In summary, the applicant adequately demonstrates that the proposal is consistent with the facility need methodology in the July 2015 SDR, Policy ESRD-2 and Policy GEN-3. Therefore, the application is conforming to this criterion.

- (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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

### C

The applicant proposes to relocate two existing dialysis stations from DC of Moore County and to add one dialysis station based on the facility need methodology for a total of three additional stations at DC of Richmond County, an existing facility located at 771 Cheraw Road in Hamlet. Upon completion of the proposed project, DC of Richmond County will be certified for 30 dialysis stations.

### Population to be Served

On page 361, the 2015 SMFP defines the service area for dialysis services as the dialysis station planning area in which the dialysis station is located. Except for the Cherokee-Clay-Graham Multicounty Planning Area and the Avery-Mitchell-Yancey Multicounty Planning Area, each of the 94 remaining North Carolina counties is a separate dialysis station planning area. Thus, the service area for this facility consists of Richmond County. Facilities may also serve residents of counties not included in their service area.

In Section C-8, page 18, the applicant identifies the population served as of December 31, 2014, as illustrated below in the table:

<b>DC OF RICHMOND COUNTY Patient Origin December 31, 2014</b>			
<b>County</b>	<b># of In-Center Patients</b>	<b># of Home Dialysis Patients</b>	<b># PD Patients</b>
Richmond	85	0	5
Scotland	6	0	1
Moore	1	0	0
Anson	1	0	0
South Carolina	2	0	0
<b>TOTAL</b>	<b>95</b>	<b>0</b>	<b>6</b>

In Section C-1, page 13, the applicant identifies the patient population it proposes to serve during the first three years of operation following project completion, as illustrated below in the table:

<b>County</b>	<b>Operating Year 1 2017</b>		<b>Operating Year 2 2018</b>		<b>County Patients as Percent of Total</b>	
	<b>In-Center Patients</b>	<b>Peritoneal Dialysis Patients</b>	<b>In-Center Patients</b>	<b>Peritoneal Dialysis Patients</b>	<b>Year 1</b>	<b>Year 2</b>
Richmond	94	8	98	9	90.2%	90.8%
Scotland	6	1	6	1	6.2%	5.9%
Moore	1	0	1	0	0.9%	0.8%
Anson	1	0	1	0	0.9%	0.8%
South Carolina	2	0	2	0	1.8%	1.7%
<b>TOTAL</b>	<b>104</b>	<b>9</b>	<b>108</b>	<b>10</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Dialysis Care of Richmond County Center does not provide home hemodialysis.

The applicant does not project to serve any home hemodialysis patients. The applicant provides the assumptions and methodology for the projections above on pages 13-15.

The applicant adequately identifies the population it proposes to serve.

**Analysis of Need**

In Section B-2, page 7, the applicant states the need for the proposed project is based, in part, on the facility need methodology. The applicant also based the need for the project on the county need methodology as the July 2015 SDR reports a deficit of five dialysis stations in Richmond County. The proposed relocation of two stations from Moore County will decrease the deficit of stations needed in Richmond County while reducing the surplus of stations in Moore County. The discussion regarding the need determination found in Criteria (1) is incorporated herein by reference.

Projected Utilization

The applicant projects to serve 104 in-center dialysis patients at the end of the first operating year, which is 3.47 patients per station per week or an 86.7% utilization rate.

In Section C, pages 13-15, the applicant provides the assumptions and methodology used to project utilization which are summarized below:

- Based on information in the July 2015 SDR, DC of Richmond County had 95 in-center patients with a station utilization rate of 87.96%. This utilization was based on 95 in-center patients dialyzing on 27 stations. Eighty-five of the 95 patients were residents of Richmond County.
- The applicant used half the Five Year Average Annual Change Rate (AACR) for Richmond County ( $7.5\% / 2 = 3.75\%$ ) as reported in the July 2015 SDR to project future growth at DC of Richmond County from January 1, 2015 – December 31, 2018.
- The applicant projects to serve 10 patients who reside outside of Richmond County. The applicant did not project growth for those 10 patients.
- The applicant projects to have 104 in-center patients by the end of Operating Year 1 (OY1) with a utilization rate of 86.7% or 3.47 patients per station per week and 108 in-center patients by the end of OY2, for a projected utilization rate of 90% or 3.6 patients per station per week.
- OY1 is Calendar Year 2017
- OY2 is Calendar Year 2018

The following table illustrates application of the assumptions and methodology.

**DC OF RICHMOND COUNTY  
 RICHMOND COUNTY PATIENTS ONLY**

<b>TIME PERIOD</b>	<b>CALCULATION</b>
CY 2015	85 patients x 1.0375 = 88.1875
CY 2016	88 x 1.0375 = 91.4945
CY 2017 (OY1)	91.4945 x 1.0375 = 94.9255
CY 2018 (OY2)	94.9255 x 1.0375 = 98.4852
Number of patients rounded down to nearest whole number.	

As shown in the table above, the applicant projects to serve 94 Richmond County in-center patients in OY1 (2017) and 98 Richmond County in-center patients in OY2 (2018). The following table includes the total in-center patient projections, including the 10 in-center patients from other counties and states.

**DC OF RICHMOND COUNTY  
 ALL IN-CENTER PATIENTS**

<b>TIME PERIOD</b>	<b>CALCULATION</b>
CY 2015	85 patients x 1.0375 = 88.1875 + 10 = 98.1875
CY 2016	88 x 1.0375 = 91.4945 + 10 = 101.4945
CY 2017 (OY1)	91.4945 x 1.0375 = 94.9255 + 10 = 104.9255
CY 2018 (OY2)	94.9255 x 1.0375 = 98.4852 + 10 = 108.4852
All in-center patients, Richmond County and the 10 patients from other counties and states. Number of patients rounded down to nearest whole number.	

As shown in the previous table, at the end of OY1 (2017), the applicant projects an in-center patient census of 104 patients, which is a utilization rate of 87.8% or 3.51 patients per station per week (104 patients / 30 stations = 3.47; 3.47 / 4 = .8666 or 86.7%). At the end of OY2 (2018), the applicant projects an in-center patient census of 108 patients which is a utilization rate of 90% or 3.6 patients per station per week per week. The projected utilization of 3.2 patients per station per week for OY1 satisfies the 3.2 in-center patients per station per week threshold as required by 10A NCAC 14C .2203(b).

The applicant adequately demonstrates that projected utilization is based on reasonable and adequately supported assumptions regarding continued growth in the dialysis patient population in Richmond County.

Peritoneal Dialysis

The applicant currently provides peritoneal dialysis (PD) but this project proposes additional in-center dialysis stations. See Section C, pages 14-15 for the applicant’s discussion of its PD services.

Access

In Section C-3, page 15, the applicant states:

*“By policy, the proposed services will be made available to all residents in its service area without qualifications. The facility will serve patients without regard to race, sex, age, or handicap ... regardless of ethnic or socioeconomic situation.”*

In Section L, page 50, the applicant provides its historical payor mix which indicates that Medicare and Medicaid represented 91.1% of all dialysis services in CY 2014. The applicant confirms that low income and medically underinsured persons will continue to have access to all services provided by DVA and that the facility will conform to all federal, state and local codes and standards for handicapped access.

The applicant adequately demonstrates the extent to which all residents of the area, including underserved groups, are likely to have access to the proposed services.

**Conclusion**

In summary, the applicant adequately identifies the population to be served, adequately demonstrates the need that population has for the proposed project and the extent to which all residents of the area, including underserved groups, are likely to have access to the proposed services. Therefore, the application is conforming to this criterion.

- (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, handicapped persons, and other underserved groups and the elderly to obtain needed health care.

**C**

The applicant proposes to relocate two existing certified dialysis stations from DC of Moore County to DC of Richmond County. In Section D, pages 21-22, the applicant discusses how the needs of dialysis patients at DC of Moore County will continue to be met after the transfer of two stations to DC of Richmond County.

The July SDR reported DC of Moore County had 75 in-center patients dialyzing on 25 dialysis stations for a utilization rate of 75% as of December 31, 2014. The applicant states on page 21 that two dialysis stations and no current in-center patients are projected to transfer to DC of Richmond County. This would leave 23 dialysis stations and 75 in-center patients at DC of Moore County. The applicant used the Five Year Average Annual Change Rate for Moore County, as reported on Table B of the July SDR, of 2.5% to project utilization of the facility.

The applicant provides the assumptions and methodology on page 21:

**DC OF MOORE COUNTY**

<b>TIME PERIOD</b>	<b>CALCULATION</b>
CY 2015	75 patients x 1.025 = 76.875
CY 2016	76.875 x 1.025 = 78.9687
CY 2017	78.9687 x 1.025 = 80.766
CY 2018	80.766 x 1.025 = 82.7859
Number of patients rounded down to nearest whole number.	

Based on the information above, DC of Moore County is projected to have a utilization rate of 87% or 3.48 patients per station per week (80 patients / 23 stations = 3.48; 3.48 / 4 = .8695 or 87%) at the end of CY 2017. This is the end of OY1 for DC of Richmond County.

The proposed project reduces the surplus of stations in Moore County from four stations to two stations.

The applicant states the medically underserved population will continue to have access to services provided by DVA, as stated in Section D-2, pages 21-22. Therefore, the applicant



demonstrates that the needs of the population presently served at DC of Moore County will be adequately met following the relocation of two stations from DC of Moore County to DC of Richmond County. Additional discussion relating to promoting equitable access in Criterion (13) is incorporated herein by reference.

- (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.

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In Section E-1, page 23, the applicant discusses the three alternatives considered prior to submitting this application, which include:

1. Maintain the Status Quo - the applicant states that this option would not support the growth rate at the facility.
2. Apply to add three stations – the applicant states the three-station expansion would help to meet the growing demand for dialysis services at Dialysis Care of Richmond County Center.
3. Add a third shift – the applicant determined that a third shift would be inconvenient for patients; and a facility at maximum capacity eliminates patient choice.

After considering the alternatives above, the applicant believes the most effective alternative is to add three stations to the existing facility to ensure adequate access for the dialysis patients of Richmond County.

Furthermore, the application is conforming to all other statutory and regulatory review criteria, and thus, is approvable. A project that cannot be approved cannot be an effective alternative.

In summary, the applicant adequately demonstrates that this proposal is the least costly or most effective alternative to meet the identified need. Therefore, the application is conforming to this criterion and approved subject to the following conditions:

1. **Total Renal Care of North Carolina, LLC d/b/a Dialysis Care of Richmond County shall materially comply with all representations made in the certificate of need application.**
2. **Total Renal Care of North Carolina, LLC d/b/a Dialysis Care of Richmond County shall relocate no more than two existing dialysis stations from Dialysis Care of Moore County and add no more than one new dialysis station at Dialysis Care of Richmond County for a total of no more than 30 certified dialysis stations which shall include any home hemodialysis training or isolation stations upon project completion.**

**3. Total Renal Care of North Carolina, LLC d/b/a Dialysis Care of Richmond County 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.**

- (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 Richmond proposing the service.

C

The applicant proposes to relocate two existing dialysis stations from DC of Moore County and add one new dialysis station for a total of three additional dialysis stations at DC of Richmond County, for a total of 30 dialysis stations at DC of Richmond County upon project completion.

**Capital and Working Capital Costs**

In the table in Section F-1, page 25, the applicant states there are no capital costs associated with the proposed project. Additionally, in Section F-10, page 27, the applicant states that there are no working capital needs as DC of Richmond County is an existing facility.

**Financial Feasibility**

The applicant projects revenues and expenses and provides assumptions in Section R, Form B, pages 1-2, as summarized below in the table:

<b>DC OF RICHMOND COUNTY</b>		
<b>Revenue and Expenses - Total Facility</b>		
	<b>OPERATING YEAR 1 CY 2017</b>	<b>OPERATING YEAR 2 CY 2018</b>
Gross Patient Revenue	\$ 4,960,923	\$ 5,181,098
Deductions from Gross Patient Revenue	(\$222,143)	(\$231,960)
Net Patient Revenue	\$ 4,738,780	\$ 4,949,138
Operating Expenses	\$ 3,920,224	\$ 4,070,240
<b>Net Profit</b>	<b>\$ 818,556</b>	<b>\$ 878,898</b>

The applicant projects that revenues will exceed operating expenses in each of the first two operating years. The applicant’s projections of treatments and revenues are reasonable based on the number of in-center and PD patients projected for the first two operating years. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

In Section H, page 32, the applicant provides projected staffing and salaries. Form A in Section R, page 1, shows budgeted operating costs adequate to cover the projected staffing. The discussion regarding staffing found in Criterion (7) is incorporated herein by reference.

**Conclusion**

In summary, the applicant adequately demonstrates the financial feasibility of the project is based on reasonable projections of revenues and operating costs. Therefore, the application is conforming to this criterion.

- (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**

The applicant proposes to relocate two existing dialysis from DC or Moore County based on the county need methodology and to add one new station to DC of Richmond County using the facility need methodology for a total of three additional dialysis stations at DC of Richmond County. There will be 30 certified dialysis station at DC of Richmond County upon project completion.

On page 361, the 2015 SMFP defines the service area for dialysis services as the dialysis station planning area in which the dialysis station is located. Except for the Cherokee-Clay-Graham Multicounty Planning Area and the Avery-Mitchell-Yancey Multicounty Planning Area, each of the 94 remaining North Carolina counties is a separate dialysis station planning area. Thus, the service area for this facility consists of Richmond County. Facilities may also serve residents of counties not included in their service area.

Table A in the July 2015 SDR indicates there are two existing dialysis facilities in Richmond County, as illustrated in the table below:

<b>DIALYSIS FACILITY</b>	<b>EXISTING AND APPROVED STATIONS</b>	<b># PATIENTS</b>	<b>PATIENTS PER STATION</b>	<b>% UTILIZATION</b>
DC of Richmond County	27	95	3.52	87.96%
Sandhills Dialysis	12	51	4.25	106.25%
Data reported in the July 2015 SDR, as of 12/31/14.				

Both facilities are owned by DVA.

In Section C, page 13, the applicant provides the total projected patients by county of residence for the proposed project, as shown in the following table:

County	Operating Year 1 2017		Operating Year 2 2018		County Patients as Percent of Total	
	In- Center Patients	Peritoneal Dialysis Patients	In- Center Patients	Peritoneal Dialysis Patients	Year 1	Year 2
Richmond	94	8	98	9	90.2%	90.8%
Scotland	6	1	6	1	6.2%	5.9%
Moore	1	0	1	0	0.9%	0.8%
Anson	1	0	1	0	0.9%	0.8%
South Carolina	2	0	2	0	1.8%	1.7%
<b>TOTAL</b>	<b>104</b>	<b>9</b>	<b>108</b>	<b>10</b>	<b>100.0%</b>	<b>100.0%</b>
Note: Dialysis Care of Richmond County Center does not provide home hemodialysis.						

As shown in the previous table, at the end of OY1 (2017), the applicant projects an in-center patient census of 104 patients, which is a utilization rate of 87.8% or 3.51 patients per station per week (104 patients / 30 stations = 3.47; 3.47 / 4 = .8666 or 86.7%). At the end of OY2 (2018), the applicant projects an in-center patient census of 108 patients which is a utilization rate of 90% or 3.6 patients per station per week per week. The projected utilization of 3.2 patients per station per week for OY1 satisfies the 3.2 in-center patients per station per week threshold as required by 10A NCAC 14C .2203(b).

The applicant adequately demonstrates that projected utilization is based on growth of in-center patients at the facility.

The applicant adequately demonstrates the need to add a total of three stations to DC of Richmond County based on the number of in-center patients it proposes to serve. The discussion of analysis of need found in Criterion (3) is incorporated herein by reference. The discussion of competition found in Criterion (18a) is incorporated herein by reference.

The applicant adequately demonstrates that the proposal will not result in the unnecessary duplication of existing or approved health service capabilities or facilities in Richmond County. Consequently, the application is conforming to this criterion.

- (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

In Section H, page 32, the applicant provides the following table to illustrate current and projected staffing in full time equivalents (FTEs) for DC of Richmond County. The applicant states the Medical Director is not employed by the facility, and thus is not reflected on the staffing chart.

<b>POSITION</b>	<b>CURRENT # FTEs</b>	<b># FTEs TO BE ADDED</b>	<b>PROJECT ED # FTEs</b>
Registered Nurse	4.0	-	4.0
Technician (Patient Care)	11.0	1.0	12.0
Administrator	1.0	-	1.0
Dietician	1.0	-	1.0
Social Worker	1.0	-	1.0
Home Training RN	0.5	-	0.5
Administrative Assistant	1.0	-	1.0
Bio-med Tech	.05	-	0.5
<b>Total</b>	<b>20.0</b>	<b>1.0</b>	<b>21.0</b>

As illustrated in the table above, the applicant proposes the addition of one new FTE position for DC of Richmond County.

In Section H-7, page 35, the applicant provides the projected direct care staff for Dialysis Care of Richmond County in Operating Year 2, as shown below in the table:

<b>DIRECT CARE POSITIONS</b>	<b># FTEs</b>	<b>HOURS PER YEAR PER FTE</b>	<b>TOTAL ANNUAL FTE HOURS</b>	<b>TOTAL ANNUAL HOURS OF OPERATION</b>	<b># FTE HOURS PER HOUR OF OPERATION</b>
Registered Nurse	4.0	2,080	8,320	3,120	2.7
Patient Care Tech	12.0	2,080	24,960	3,120	8
<b>Total</b>	<b>16.0</b>	<b>2,080</b>	<b>33,280</b>	<b>3,120</b>	<b>10.7</b>

In Section I-3(a), page 38, the applicant identifies Dr. Edward Hoehn-Saric as the Medical Director of the facility. In Exhibit I-3, the applicant provides a copy of an August 2015 letter signed by Dr. Hoehn-Saric of Pinehurst Nephrology Associates, PC, supporting the project and confirming his commitment to serve as Medical Director. In Section H-3, pages 33-34, the applicant states that vacant staff positions are filled by one or more of the following: the DaVita Teammate Recruiter, Teammate Referral Program and/or Student Internship Program.

The applicant documents the availability of adequate health manpower and management personnel, including the Medical Director, for the provision of the proposed dialysis services. Therefore, the application is conforming to this criterion.

- (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.

In Section I-1, page 37, the applicant lists the providers of the necessary ancillary and support services to be provided at the existing facility. The applicant discusses coordination with the existing health care system on pages 38-39. The applicant adequately demonstrates that the necessary ancillary and support services will be available and that the proposed services will be coordinated with the existing health care system. The information in Section I and corresponding exhibits is reasonable and supports a finding of conformity to this criterion.

- (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

- (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:
- (i) would be available under a contract of at least 5 years duration;
  - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
  - (iii) would cost no more than if the services were provided by the HMO; and
  - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

- (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 Richmond 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.

NA

- (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 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 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

In Section L-1, pages 46-47, the applicant states, *“Dialysis Care of Richmond County, by policy, makes dialysis services available to all residents in its service area. ... Dialysis Care of Richmond County helps uninsured/underinsured patients with identifying and applying for financial assistance; therefore, services are available to all patients including low income persons, racial and ethnic minorities, women, handicapped persons, elderly and other under-served persons.”*

In addition, on pages 48-49, the applicant discusses its financial policies regarding admission of patients not fully covered by Medicare, Medicaid or other insurance. In Section L-7, page 50, the applicant states that Medicare/Medicaid represented 91.1% of all dialysis services provided at DC of Richmond County in CY 2014. The following table illustrates the historical payor sources for DC of Richmond County:

PAYOR TYPE	% IN-CENTER PATIENTS	% OF PD PATIENTS	TOTAL PERCENT PATIENTS
Commercial Insurance	5.9%	5.9%	5.9%
Medicare	27.7%	27.7%	27.7%
Medicaid	3.0%	3.0%	3.0%
Medicare/Medicaid	28.7%	28.7%	28.7%
VA	3.0%	3.1%	24.8%
Other – [Medicare/Commercial]*	31.7%	31.7%	31.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*In supplemental information the applicant reported the other payor type as Medicare/Commercial

The Division of Medical Assistance (DMA) maintains a website which provides the number of persons eligible for Medicaid in North Carolina, and estimates the percentage of uninsured people for each county. The following table illustrates those percentages for Richmond, Scotland, Moore, and Anson counties and statewide.

<b>County</b>	<b>2010 Total # of Medicaid Eligibles as % of Total Population *</b>	<b>2010 Total # of Medicaid Eligibles Age 21 and older as % of Total Population *</b>	<b>2008-2009 % Uninsured (Estimate by Cecil G. Sheps Center) *</b>
Richmond	28.0%	7.3%	21.4%
Scotland	30.0%	12.9%	21.5%
Moore	14.0%	5.7%	18.5%
Anson	23.0%	10.9%	22.3%
Statewide	17.0%	6.7%	19.7%
*More current data, particularly with regard to the estimated uninsured percentages, was not available.			

Although the majority of Medicaid eligibles are children under the age of 21, they represent a very small percentage of those persons who utilize the services offered by dialysis facilities. In 2014, over 85% of dialysis patients in North Carolina were 45 years of age and older. (*Southeastern Kidney Council Nethreerk 6 Inc. 2014 Annual Report, page 59*).<sup>1</sup>

The Office of State Budget & Management (OSBM) maintains a website which provides historical and projected population data for each county in North Carolina, as well as data sorted by age, race or gender. But it does not include information on the number of elderly, handicapped, minorities or women utilizing health services.

However, the *Southeastern Kidney Council Nethreerk 6 Inc. 2014 Annual Report*, provides prevalence data on North Carolina dialysis patients by age, race and gender, and is summarized as follows, on page 59:

<sup>1</sup><http://www.esrdnethreerk6.org/utills/pdf/annual-report/2014%20Nethreerk%206%20Annual%20Report.pdf>



<b>Number and Percent of Dialysis Patients by Age, Race, and Gender 2014</b>		
	<b># of ESRD Patients</b>	<b>% of Dialysis Population</b>
<b>Age</b>		
0-19	52	0.3%
20-34	770	4.8%
35-44	1,547	9.7%
45-54	2,853	17.8%
55-64	4,175	26.1%
65+	6,601	41.3%
<b>Gender</b>		
Female	7,064	44.2%
Male	8,934	55.8%
<b>Race</b>		
African-American	9,855	61.6%
White	5,778	36.1%
Other, not specified	365	2.3%
Source: Southeastern Kidney Council Nethreerk6 Inc. 2014 Annual Report. <sup>2</sup>		

The applicant demonstrates that it currently provides adequate access to medically underserved populations. Therefore, the application is conforming to this criterion.

- (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 handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

In Section L-3(d), page 49, the applicant states:

*“Dialysis Care of Richmond County has no obligation under any applicable federal regulation to provide uncompensated care, community service or access by minorities and handicapped persons except those obligations which are placed upon all medical facilities under Section 504 of the Rehabilitation Act of 1973 and its subsequent amendment in 1993. The facility has no obligation under the Hill Burton Act.”*

In Section L-6, page 50, the applicant states, *“There have been no civil rights equal access filed within the last five years.”*

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

C

In Section C-3, page 15, the applicant states:

*“By policy, the proposed services will be made available to all residents in its service area without qualifications. ...*

*Payment will not be required upon admission. Therefore, services are available to all patients including low income persons, racial and ethnic minorities, women, handicapped persons, elderly and other under-served persons.”*

In Section L-3(c), page 49, the applicant states:

*“Dialysis Care of Richmond County makes no effort to categorize patients into groups according to their financial ability to obtain medical care. Physicians identify the patients in need of dialysis services and only then will a financial counselor and/or social worker evaluate their medical insurance and financial status.”*

In Section L-1(b), page 47, the applicant reports that it expects 91.1% of the patients who receive services at Dialysis Care of Richmond County to have all or part of their services paid for by Medicare and Medicaid, as indicated below in the table.

**Projected Payor Mix Project Year 2**

<b>PAYOR TYPE</b>	<b>% IN-CENTER PATIENTS</b>	<b>% OF PD PATIENTS</b>	<b>TOTAL PERCENT PATIENTS</b>
Commercial Insurance	5.9%	5.9%	5.9%
Medicare	27.7%	27.7%	27.7%
Medicaid	3.0%	3.0%	3.0%
Medicare/Medicaid	28.7%	28.7%	28.7%
VA	3.0%	3.0%	3.0%
Medicare/Commercial	31.7%	31.7%	31.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

On page 44, the applicant states it assumes the payor mix for DC of Richmond County will remain the same as its historical payor mix.

The applicant demonstrates that medically underserved populations will have adequate access to the proposed services. Therefore, the application is conforming to this criterion.

- (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

In Section L-4, page 49, the applicant states:

*“Patients with End Stage Renal Disease have access to dialysis services upon referral by a nephrologist with privileges at Dialysis Care of Richmond County. ... Patients from outside the facility catchment area requesting transfer to this facility will be processed in accordance with the facility transfer and transient policies, found at Exhibit L-3. ...”*

The applicant adequately demonstrates that it will offer a range of means by which patients will have access to the proposed services. Therefore, 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

In Section M-1, page 51, the applicant states that DC of Richmond County has been offered as a clinical training site for student nurses attending Richmond Community College.

Exhibit M-2 contains a copy of the student training agreement with Richmond Community College. The information provided in Section M and referenced exhibits is reasonable and supports a finding of conformity to this criterion.

- (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

The applicant proposes to relocate two existing certified dialysis stations from DC of Moore County to DC of Richmond County using the county need methodology and to add one new dialysis station using the facility need methodology for a total of 30 stations overall at DC of Richmond County upon project completion.

On page 361, the 2015 SMFP defines the service area for dialysis services as the dialysis station planning area in which the dialysis station is located. Except for the Cherokee-Clay-Graham Multicounty Planning Area and the Avery-Mitchell-Yancey Multicounty Planning Area, each of the 94 remaining North Carolina counties is a separate dialysis station planning area. Thus, the service area for this facility consists of Richmond County. Facilities may also serve residents of counties not included in their service area.

Table A in the July 2015 SDR indicates there are two existing dialysis facilities in Richmond County, as illustrated in the table below:

DIALYSIS FACILITY	EXISTING AND APPROVED STATIONS	# PATIENTS	PATIENTS PER STATION	% UTILIZATION
DC of Richmond County	27	95	3.52	87.96%
Sandhills Dialysis	12	51	4.25	106.25%

Data reported in the July 2015 SDR, as of 12/31/14.

Both facilities are owned by DVA.

As illustrated in the table above, DC of Richmond County operated at 87.96% of capacity or 3.51 patients per station per week as of December 31, 2014.

In Section N-1, page 52, the applicant discusses how any enhanced competition in the service area will promote cost-effectiveness, quality and access to the proposed services. The applicant states:

*“The expansion of Dialysis Care of Richmond County will have no effect on competition in Richmond County. The addition of three stations at this facility serves to address the needs of a population already served (or projected to be served, based on historical growth rates) by DVA Renal Healthcare, Inc.*

*The expansion of Dialysis Care of Richmond County will enhance accessibility to dialysis for our patients, and by reducing the economic and physical burdens on our patients, this project will enhance the quality and cost effectiveness of our services because it will make it easier for patients, family members and others involved in the dialysis process to receive services.”*

See also Sections C, F, G, H, L and P where the applicant discusses the impact of the project on cost-effectiveness, quality and access.

The information provided by the applicant in the sections referenced above is reasonable and adequately demonstrates that any enhanced competition in the service area includes a positive impact on cost-effectiveness, quality and access to the proposed services. This determination is based on the information in the application, and the following analysis:

- The applicant adequately demonstrates the need for the proposed project and that it is an effective alternative. The discussions regarding analysis of need and alternatives found in Criteria (3) and (4), respectively, are incorporated herein by reference.
- The applicant adequately demonstrates that DC of Richmond County will continue to provide quality dialysis services. The discussions regarding quality found in Criteria (1) and (20) are incorporated herein by reference.
- The applicant demonstrates that DC of Richmond County will continue to provide adequate access to medically underserved populations. The discussions regarding access found in Criteria (1), (3) and (13) are incorporated herein by reference.

Therefore, the application is conforming to this criterion.

- (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

See Section B-4(a), pages 9-10, for discussion regarding the methods used to ensure and maintain quality. In Section O-3, page 53, the applicant states:

*“Exhibit O-3 lists facilities located in NC owned by the parent company DaVita HealthCare Partners Inc. that did not operate in compliance with the Medicare conditions of participation during the 18 month look back period. Each facility is currently in compliance.”*

In Exhibit O-3, the applicant states that three facilities were cited for deficiencies that resulted in a finding of Immediate Jeopardy during the 18 months immediately preceding the submittal of the application, as illustrated the table below:

<b>DVA Quality Care</b>			
<b>Facility</b>	<b>Survey Date</b>	<b>Back in Compliance</b>	
Burlington Dialysis	6/16/2014	Yes	7/29/2014
Dialysis Care of Edgecombe County	7/1/2014	Yes	7/30/2014
Dialysis Care of Rowan County	9/17/2014	Yes	10/22/2014

Based on a review of this certificate of need application and publicly available information, the applicant adequately demonstrates that it has provided quality care during the 18 months immediately preceding the submittal of the application through the date of the decision. The application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

- (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

The Criteria and Standards for End Stage Renal Disease Services promulgated in 10A NCAC 14C .2200 are applicable to this review. The application is conforming to all applicable criteria, as discussed below.

**10A NCAC 14C .2202 INFORMATION REQUIRED OF APPLICANT**

*(a) An applicant that proposes to increase stations in an existing certified facility or relocate stations must provide the following information:*

*.2202(a)(1) Utilization rates;*

- C- In Section G-1, page 31, the applicant provides the utilization rates for DC of Richmond County. The December 31, 2014 utilization rate was reported as 87.96% with 95 in-center patients dialyzing on 27 stations.

*.2202(a)(2) Mortality rates;*

- C- In Section C-9, page 18, the applicant provides the DC of Richmond County mortality rates, as follows:

<b>Dialysis Care of Richmond County</b>	<b>Beginning In-center Patients</b>	<b>Ending In-center Patients</b>	<b>Average</b>	<b>Deaths</b>	<b>% Gross Mortality</b>
2014	93	95	94	5	5.3%
2013	85	93	89	14	15.7%
2012	115	85	100	27	27.0%

*.2202(a)(3) The number of patients that are home-trained and the number of patients on home dialysis;*

- C- In Section C-8, page 18, the applicant states DC of Richmond County reports having no home hemodialysis patients and 6 PD dialysis patients.

.2202(a)(4) *The number of transplants performed or referred;*

- C- In Section C-10, page 19, the applicant states the number of transplants performed or referred by DC of Richmond County in 2014 was 16.

.2202(a)(5) *The number of patients currently on the transplant waiting list;*

- C- In Section C-10, page 19, the applicant states that DC of Richmond County had three patients on the transplant waiting list.

.2202(a)(6) *Hospital admission rates, by admission diagnosis, i.e., dialysis related versus non-dialysis related;*

- C- In Section C-11, page 19, the applicant states hospital admission rates as: Dialysis related six or 4.8%; Non-dialysis related 131 or 95.6%.

.2202(a)(7) *The number of patients with infectious disease, e.g., hepatitis, and the number converted to infectious status during the last calendar year.*

- C- In Section C-10, page 19, the applicant states that at DC of Richmond County, there were zero persons with infectious disease and zero patients converted to an infectious status during the last calendar year.

*(b) An applicant that proposes to develop a new facility, increase the number of dialysis stations in an existing facility, establish a new dialysis station, or relocate existing dialysis stations shall provide the following information requested on the End Stage Renal Disease (ESRD) Treatment application form:*

.2202(b)(1) *For new facilities, a letter of intent to sign a written agreement or a signed written agreement with an acute care hospital that specifies the relationship with the dialysis facility and describes the services that the hospital will provide to patients of the dialysis facility. The agreement must comply with 42 C.F.R., Section 405.2100 (Replaced with 42 CFR Part 494).*

- NA- This application is to add stations and does not propose a new facility.

.2202(b)(2) *For new facilities, a letter of intent to sign a written agreement or a written agreement with a transplantation center describing the relationship with the dialysis facility and the specific services that the transplantation center will provide to patients of the dialysis facility. The agreements must include the following:*

- (A) *timeframe for initial assessment and evaluation of patients for transplantation,*
- (B) *composition of the assessment/evaluation team at the transplant center,*
- (C) *method for periodic re-evaluation,*
- (D) *criteria by which a patient will be evaluated and periodically re-evaluated for transplantation, and,*

(E) *Signatures of the duly authorized persons representing the facilities and the agency providing the services.*

-NA- This application is to add stations and does not propose a new facility.

.2202(b)(3) *For new or replacement facilities, documentation that power and water will be available at the proposed site.*

-NA- This application is to add stations and does not propose a new facility.

.2202(b)(4) *Copies of written policies and procedures for back up for electrical service in the event of a power outage.*

-C- In Exhibit K-1(f) the applicant provides copies of written policies and procedures for back up electrical service in the event of a power outage.

.2202(b)(5) *For new facilities, the location of the site on which the services are to be operated. If such site is neither owned by nor under option to the applicant, the applicant must provide a written commitment to pursue acquiring the site if and when the approval is granted, must specify a secondary site on which the services could be operated should acquisition efforts relative to the primary site ultimately fail, and must demonstrate that the primary and secondary sites are available for acquisition.*

-NA- This application is to add stations and does not propose a new facility.

.2202(b)(6) *Documentation that the services will be provided in conformity with applicable laws and regulations pertaining to staffing, fire safety equipment, physical environment, water supply, and other relevant health and safety requirements.*

-C- In Section K-1(g), page 42, where it states: “Durham Dialysis [sic] will provide service in conformity with applicable laws and regulations pertaining to staffing, fire safety equipment, physical environment, water supply and other relevant health and safety requirements ... .” See also Section H-2, page 33.

.2202(b)(7) *The projected patient origin for the services. All assumptions, including the methodology by which patient origin is projected, must be stated.*

-C- In Section C-1, page 13, the applicant provides projected patient origin by county for DC of Richmond County, based on the patients who currently dialyze there. The applicant’s assumptions and methodology for its projections are provided on pages 13-15 of the application. The discussion regarding population to be served found in Criterion (3) is incorporated herein by reference.

.2202(b)(8) *For new facilities, documentation that at least 80 percent of the anticipated patient population resides within 30 miles of the proposed facility.*

-NA- This application is to add stations and does not propose a new facility.



.2202(b)(9) *A commitment that the applicant shall admit and provide dialysis services to patients who have no insurance or other source of payment, but for whom payment for dialysis services will be made by another healthcare provider in an amount equal to the Medicare reimbursement for such services.*

-C- In Section L-3(c), page 49, the applicant states, “*Dialysis Care of Richmond County makes no effort to categorize patients into groups according to their financial ability to obtain medical care. Physicians identify the patients in need of dialysis services and only then will a financial counselor and/or social worker evaluate their medical insurance and financial status.*”

### **10 NCAC 14C .2203 PERFORMANCE STANDARDS**

.2203(a) *An applicant proposing to establish a new End Stage Renal Disease facility shall document the need for at least 10 stations based on utilization of 3.2 patients per station per week as of the end of the first operating year of the facility, with the exception that the performance standard shall be waived for a need in the State Medical Facilities Plan that is based on an adjusted need determination.*

-NA- This application is to add stations and does not propose a new facility.

.2203(b) *An applicant proposing to increase the number of dialysis stations in an existing End Stage Renal Disease facility or one that was not operational prior to the beginning of the review period but which had been issued a certificate of need shall document the need for the additional stations based on utilization of 3.2 patients per station per week as of the end of the first operating year of the additional stations.*

-C- In Section C-1, pages 13-14, the applicant documents the need for the project and demonstrates that it will serve a total of 104 in-center patients on 30 stations at the end of the first operating year, which is 3.47 patients per station per week, or a utilization rate of 86.7%. The discussion regarding analysis of need found in Criterion (3) is incorporated herein by reference.

.2203(c) *An applicant shall provide all assumptions, including the methodology by which patient utilization is projected.*

-C- In Section C.1, pages 13-15, where the applicant provides the assumptions and methodology used to project utilization of the facility. The discussion regarding analysis of need found in Criterion (3) is incorporated herein by reference.

## 10 NCAC 14C .2204 SCOPE OF SERVICES

*To be approved, the applicant must demonstrate that the following services will be available:*

*.2204(1) Diagnostic and evaluation services;*

- C- In Section I-1, page 37, the applicant states that diagnostic and evaluation services will be provided by Sandhill Regional Medical Center (Sandhill RMC).

*.2204(2) Maintenance dialysis;*

- C- In Section I-1, page 37, the applicant states that in-center dialysis maintenance is provided at DC of Richmond County.

*.2204(3) Accessible self-care training;*

- C- In Section I-1, page 37, the applicant states that self-care training is provided at DC of Richmond County.

*.2204(4) Accessible follow-up program for support of patients dialyzing at home;*

- C- In Section I-1, page 37, the applicant states that an accessible follow-up program for support of patients dialyzing at home is provided at DC of Richmond County.

*.2204(5) X-ray services;*

- C- In Section I-1, page 37, the applicant states that patients in need of x-ray services will be referred to Sandhills RMC.

*.2204(6) Laboratory services;*

- C- In Section I-1, page 37, the applicant states that laboratory services will be provided by DaVita Laboratory Services, Inc.

*.2204(7) Blood bank services;*

- C- In Section I-1, page 36, the applicant states that patients in need of blood bank services will be referred to Sandhills RMC.

*.2204(8) Emergency care;*

- C- In Section I-1, page 37, the applicant states that patients in need of emergency care will be referred to Sandhills RMC.

*.2204(9) Acute dialysis in an acute care setting;*

- C- In Section I-1, page 37, where the applicant states that patients in need of acute dialysis services will be referred to Sandhills RMC.

*.2204(10) Vascular surgery for dialysis treatment patients;*

- C- In Section I-1, page 37, the applicant states that patients in need of vascular surgery services will be referred to Pinehurst Surgical.

*.2204(11) Transplantation services;*

- C- In Section I-1, page 37, the applicant states that patients in need of transplantation services will be referred to Carolinas Medical Center. Exhibit I-3 contains a copy of the August 2015 letter from Dr. Hoehn-Saric, the medical director at DC of Richmond County which documents the provision of transplantation services to the proposed facility.

*.2204(12) Vocational rehabilitation counseling and services; and*

- C- In Section I-1, page 37, the applicant states that vocational rehabilitation counseling services are provided by the North Carolina Division of Vocational Rehabilitation Services.

*.2204(13) Transportation*

- C- In Section I-1, page 34, the applicant states that transportation services will be provided by the Richmond Area Transit.

**10 NCAC 14C .2205 STAFFING AND STAFF TRAINING**

*.2205(a) To be approved, the state agency must determine that the proponent can meet all staffing requirements as stated in 42 C.F.R. Section 405.2100 (Replaced with 42 CFR Part 494).*

- C- In Section H-2, page 33, the applicant states that it will comply with 42 C.F.R. Section 405.2100 (Replaced with 42 CFR Part 494). In Section H-1, page 32, the applicant provides a staffing chart. The discussion regarding proposed staffing found in Criterion (7) is incorporated herein by reference.

*.2205(b) To be approved, the state agency must determine that the proponent will provide an ongoing program of training for nurses and technicians in dialysis techniques at the facility.*

- C- In Section H-4, page 34, where the applicant discusses its training at DVA facilities.

