

**Long-Term Behavioral Health Committee  
Agency Report  
Adjusted Need Petition for End-Stage Renal Disease Facility  
2017 State Medical Facilities Plan**

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***Petitioner:***

Graham County Commissioners  
12 North Main Street  
Robbinsville, North Carolina 28771

***Contact:***

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***Request:***

The Petition requests an adjusted need determination for a new dialysis facility in Graham County, with a minimum of five dialysis stations, and a maximum number of “projected as needed” [stations] in the most recent “Semiannual Dialysis Report” available prior to the certificate of need application due date in the *North Carolina 2017 State Medical Facilities Plan (SMFP)*.

***Background Information:***

Located in the western corner of North Carolina, with a population of 8,891 residents according to the 2010 Census, Graham County is the third-least populous county in the state. Its county seat is Robbinsville. The county is approximately 902 total square miles, and the terrain is mountainous with elevations ranging from 1,177 feet to 5,560 feet. Portions of the Eastern Cherokee Indian Reservation, officially known as the Qualla Boundary, are located in Graham County.

Graham County is part of a three-county planning area composed of Cherokee, Clay and Graham counties. The multi-county planning area was the first of its kind for dialysis services when it was approved by the State Health Coordinating Council (SHCC) in response to a petition submitted by the Murphy Medical Center. The newly approved multi-county planning area appeared in the *2005 SMFP* along with an adjusted need determination for 10 dialysis stations. Except for the Cherokee-Clay-Graham and Avery-Mitchell-Yancey Multi-county Planning Areas, each of the 94 remaining counties is a separate dialysis stations planning area.

The standard methodology used to project need for new dialysis stations has two components, county need and facility need. Projected need is determined two times each calendar year. Determinations are made available in the *North Carolina Semiannual Dialysis Report (SDR)*.

County Need: This component is based on all residents of North Carolina, regardless of where they are currently receiving services. Future patient counts are projected for 6 to 12 months into the future based on a five-year trend line. Need is based on 80 percent utilization of existing stations, at 3.2 patients per station. The threshold for need is a projected deficit of 10 stations.

Facility Need: This is a permissive methodology which allows an existing provider located in a county where the projected county need is zero to apply for additional stations if that facility is operating at or above 80 percent utilization and believes it needs additional capacity. Because patients can choose to cross county lines, this allows a facility in “high demand” to apply for expansion even if the host county has sufficient stations based on local county residents.

Chapter Two of the *2016 SMFP* allows persons to petition for an adjusted need determination in consideration of “...unique or special attributes of a particular geographic area or institution...,” if they believe their needs are not appropriately addressed by the standard methodology.

The Graham County Board of Commissioners is requesting an adjusted need determination for a new dialysis facility for Graham County, “in order to minimize travel for dialysis patients over hazardous mountain roads, particularly in adverse weather.”

It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. The CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

***Analysis/Implications:***

The *North Carolina Semiannual Dialysis Report – July 2016* indicates 10 residents of Graham County were receiving chronic outpatient dialysis services as of December 31, 2015 (based on data providers self-report to NC Division of Health Service Regulation). The reported number of patients from Graham County has varied from 2013 to 2016, ranging from a low of 10 to a high of 15 patients. The average annual rate of change in the total number of Graham County dialysis patients over the past four years indicates a small growth of 0.11% per year. This is not surprising considering Graham County’s population.

Of the 15 Graham County patients reported on December 31, 2015, a total of five (33.3%) were receiving “home dialysis” rather than “in-center dialysis.” Data are not available to determine whether patient choice of treatment location was based on issues related to travel for in-center service, as opposed to patient preference or medical necessity/preference.

Based on a projected December 31, 2016 total of 10.4 in-center patients, an application of the standard dialysis methodology to the December 31, 2015 patient data projects a deficit of 3 dialysis stations for Graham County. The standard methodology also projects 5.2 home-based patients for December 31, 2016.

The Petition cites long and sometimes dangerous commutes for in-center dialysis treatments over treacherous mountain roads, often in adverse weather conditions, as the principal basis for its request. Early start times for first shift patients exacerbate these issues. According to Graham County transportation officials, the van used to transport dialysis patients has been diverted to Asheville’s Mission Hospital and 911 has been called due to a patient medical emergency occurring on the long ride back to Graham.

In addition, most of the Petitioner’s cited travel distances exceed the goal of “Basic Principle” #10a, which encourages the provision of End-Stage Renal Disease treatment “...in a facility no farther than 30 miles from the patient’s homes....”

Based on the most recent patient origin data, 65% of the residents receiving in-center dialysis travel 46.6 miles one-way (93.2 miles round-trip) to Swain County three times a week, as shown below in Table 1. Swain County is not part of the multi-county dialysis planning area of Cherokee-Clay-Graham. It is a single county planning area. Of the 10 Graham County residents receiving in-center dialysis, the majority of them are traveling outside of the planning area.

Where are Graham Residents Receiving Dialysis?	ESRD Facility Name	County	City	In-Center Certified Dialysis Stations as of 12/31/2015	Number of In-Center Patients as of 12/31/2015	Number of In-Center Patients (that are Residents of Graham County) as of 12/31/2015	Utilization Rate as of 12/31/2015	Driving from Robbinsville to...	Miles One-way Trip	Drive Time One-way Trip
<b>1</b>	<b>Cherokee Dialysis Center</b>	<b>Swain</b>	<b>Cherokee</b>	<b>20</b>	<b>52</b>	<b>7</b>	<b>65.00%</b>	<b>Cherokee</b>	<b>46.6 miles</b>	<b>57 minutes</b>
	Franklin Township Dialysis	Macon	Swain	9	19		52.78%	Franklin	49.8 miles	1 hour 17 minutes
<b>3</b>	<b>Sylva Dialysis Center</b>	<b>Jackson</b>	<b>Sylva</b>	<b>16</b>	<b>25</b>	<b>1</b>	<b>39.06%</b>	<b>Sylva</b>	<b>50.7 miles</b>	<b>1 hour 1 minute</b>
	Waynesville Dialysis Center	Haywood	Clyde	18	58		80.56%	Clyde	73.8 miles	1 hour 24 minutes
	Asheville Kidney Center	Buncombe	Asheville	52	167		80.29%	Asheville	97.6 miles	1 hour 48 minutes
<b>2</b>	<b>Smokey Mountain Dialysis Center</b>	<b>Cherokee</b>	<b>Murphy</b>	<b>13</b>	<b>32</b>	<b>2</b>	<b>61.54%</b>	<b>Murphy</b>	<b>98 miles</b>	<b>2 hours 15 minutes</b>
	Weaverville Dialysis	Buncombe	Weaverville	20	46		57.20%	Weaverville	104.7 miles	1 Hour 57 minutes
	Hendersonville Dialysis Center	Henderson	Hendersonville	24	83		86.46%	Hendersonville	112.9 miles	2 hours 5 minutes
	Brevard Dialysis Center	Transylvania	Brevard	9	21		58.22%	Brevard	121.2 miles	2 hours 16 minutes
	McDowell Dialysis Center	McDowell	Marion	13	44		84.62%	Marion	131.1 miles	2 hours 22 minutes

**Sources of Data:**

- North Carolina Semiannual Dialysis Report - July 2016
- ESRD Patient Origin Report - July 2016
- Rand McNally Driving Direction & Maps; [http://maps.randmcnally.com/mileage\\_calculator](http://maps.randmcnally.com/mileage_calculator)

The SHCC has previously made exceptions to the minimum facility size to address similar concerns in response to previous petitions (Dare County - Adjusted Need Determination for 4 stations, 1996 SMFP; Macon County – Adjusted Need Determination for 5 Stations, 2012 SMFP).

***Agency Recommendation:***

The Agency supports the standard methodology for determining need for new dialysis stations as presented in the *Proposed 2017 Plan*. The Agency recognizes and supports the state health planning process and policies as identified in the *2016 SMFP* and approved by the SHCC and the Governor.

Given available information submitted by the August 12, 2016 deadline and in consideration of factors discussed above, the Agency recommends approval of the request for an adjusted need determination for a new dialysis facility in Graham County, with a minimum of five dialysis stations, and a maximum of the number “projected as needed for Graham County” in the most recent *Semiannual Dialysis Report* available prior to the certificate of need application due date. Certificate of Need shall impose a condition requiring the approved applicant to document that it has applied for Medicare certification no later than three (3) years from the effective date on the certificate of need.