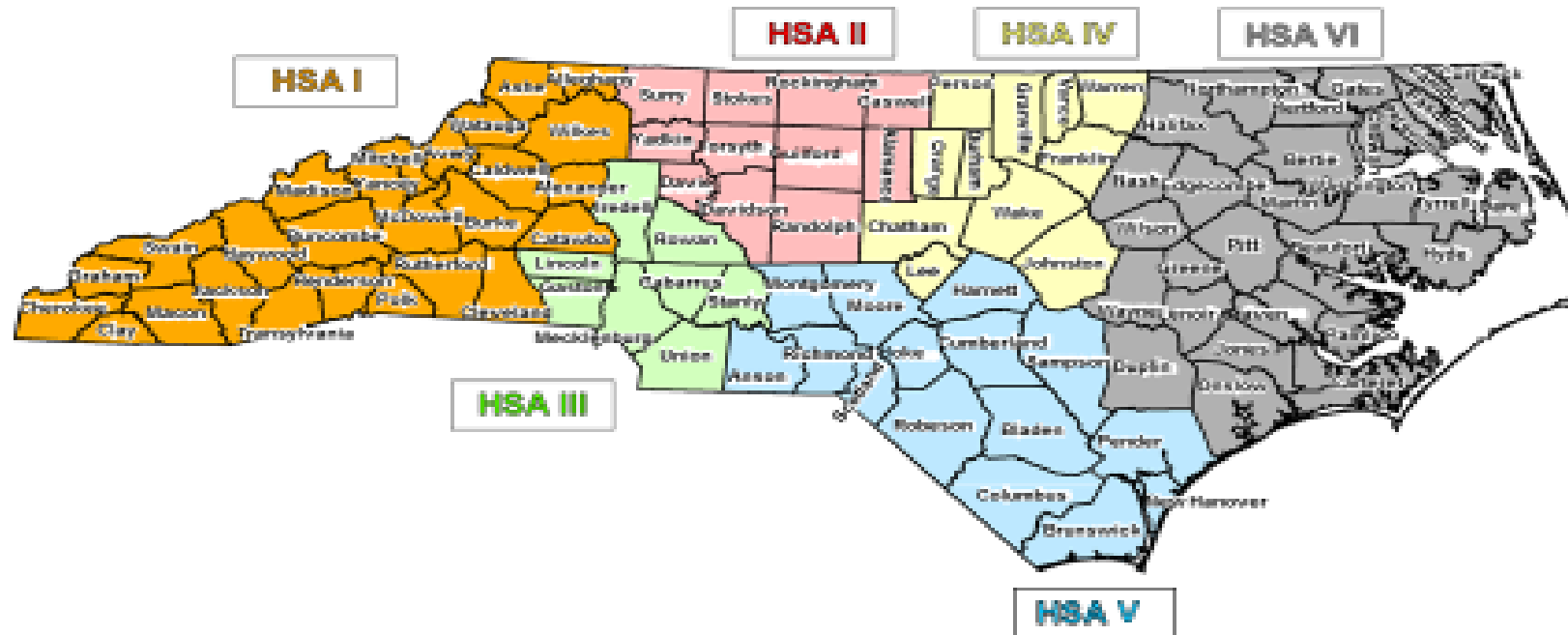


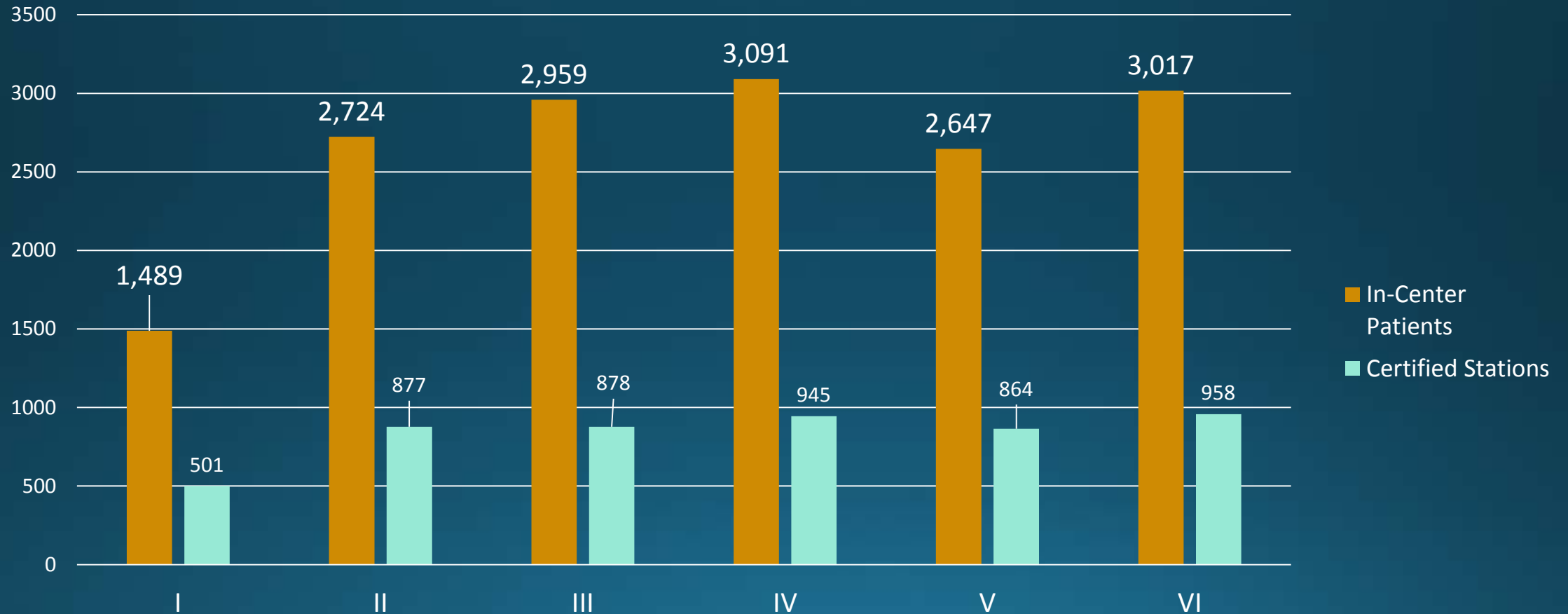
# ESRD Interested Parties Meeting

Division of Health Service Regulation  
Healthcare Planning and Certificate of Need  
January 16, 2019

# Appendix A: North Carolina Health Service Areas

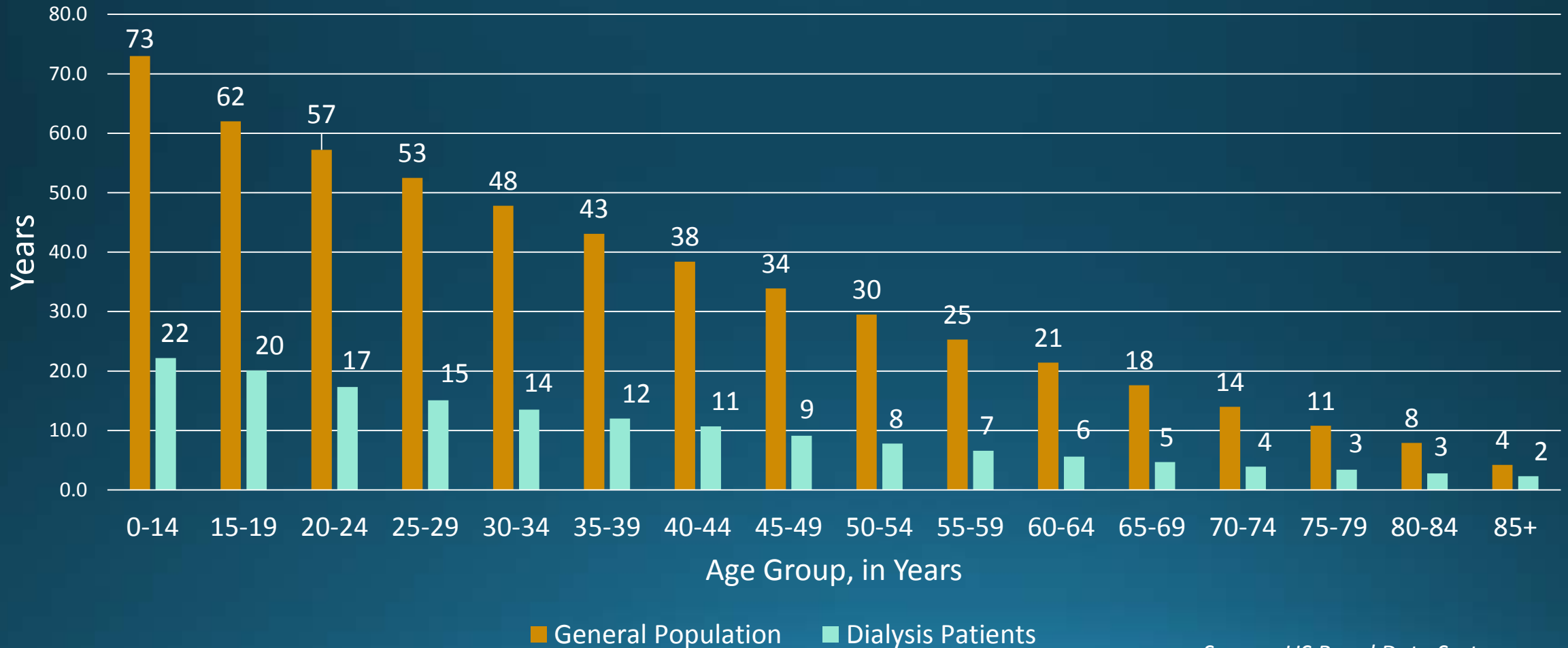


# Number of In-Center Patients (n=15,927) and Certified Stations (n=5,023) by Health Service Area, December 31, 2017



Source: ESRD Database

# Expected Remaining Lifetimes, General Population and Treated Dialysis Patients, 2016



Source: US Renal Data System

# Facility Need and CON Applications, January 2016 SDR - July 2017 SDR

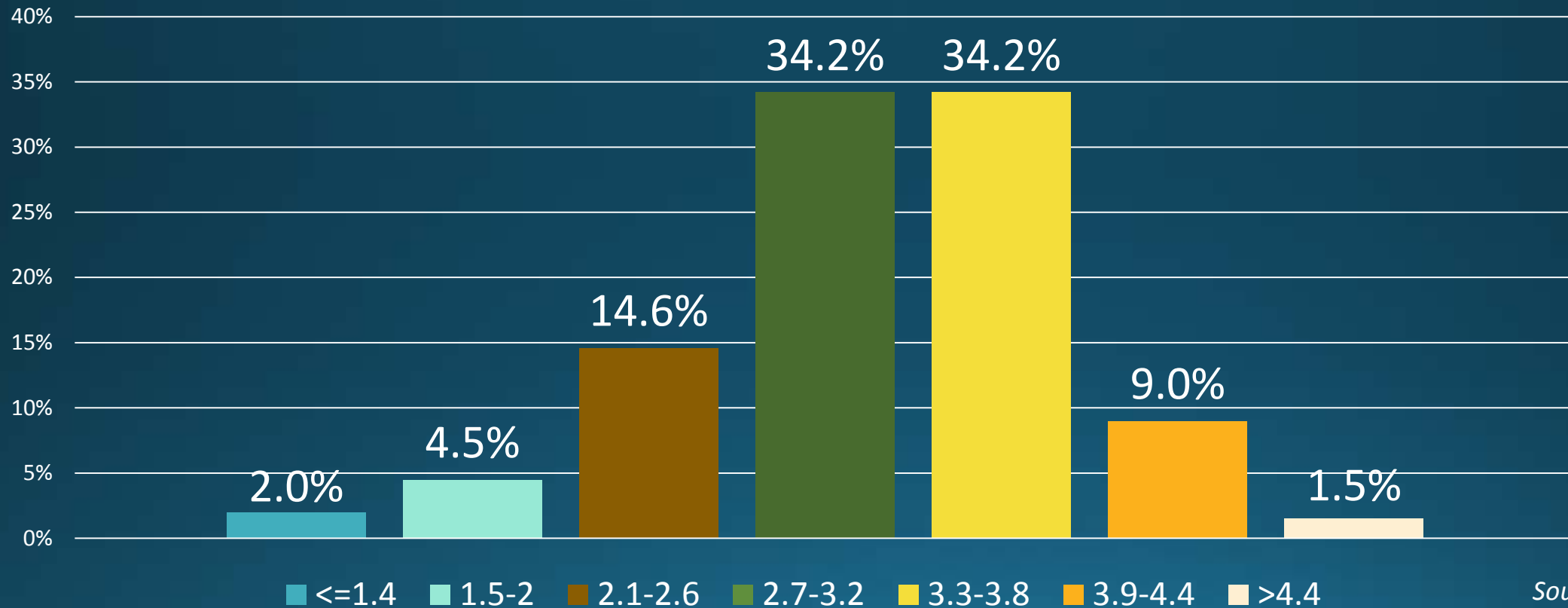
SDR	Actual Station Deficit	Need Determinations (max 10 stations)	Number of Facilities with Need Determination	Number of Facilities that Filed CON Applications	No. of Additional Stations Applied for in Next CON Review Cycle	No. Facilities with Previous CON Apps. 6 Months before Current
January 2016	336	304	61	18	78	1
July 2016	496	404	68	33	150	4
January 2017	431	375	62	19	82	3
July 2017	455	384	71	21	86	5

Source: ESRD and CON databases

# Facility Need and CON Applications, January 2016 SDR - July 2017 SDR

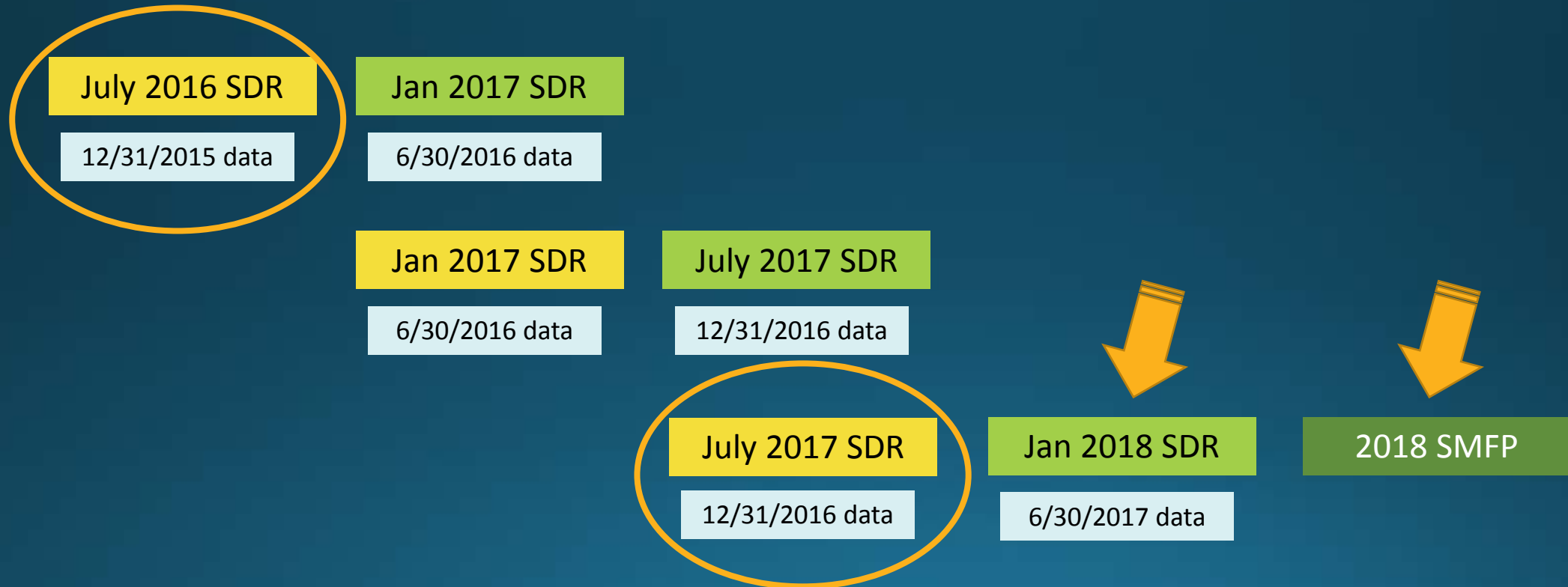
- What does this mean that facilities don't apply for all of the needs generated?
  - High level of unmet needs?
  - Methodology projects more needs than actually exist?

# Patients per Station, July 2017 SDR (n=199 Facilities with Patients)



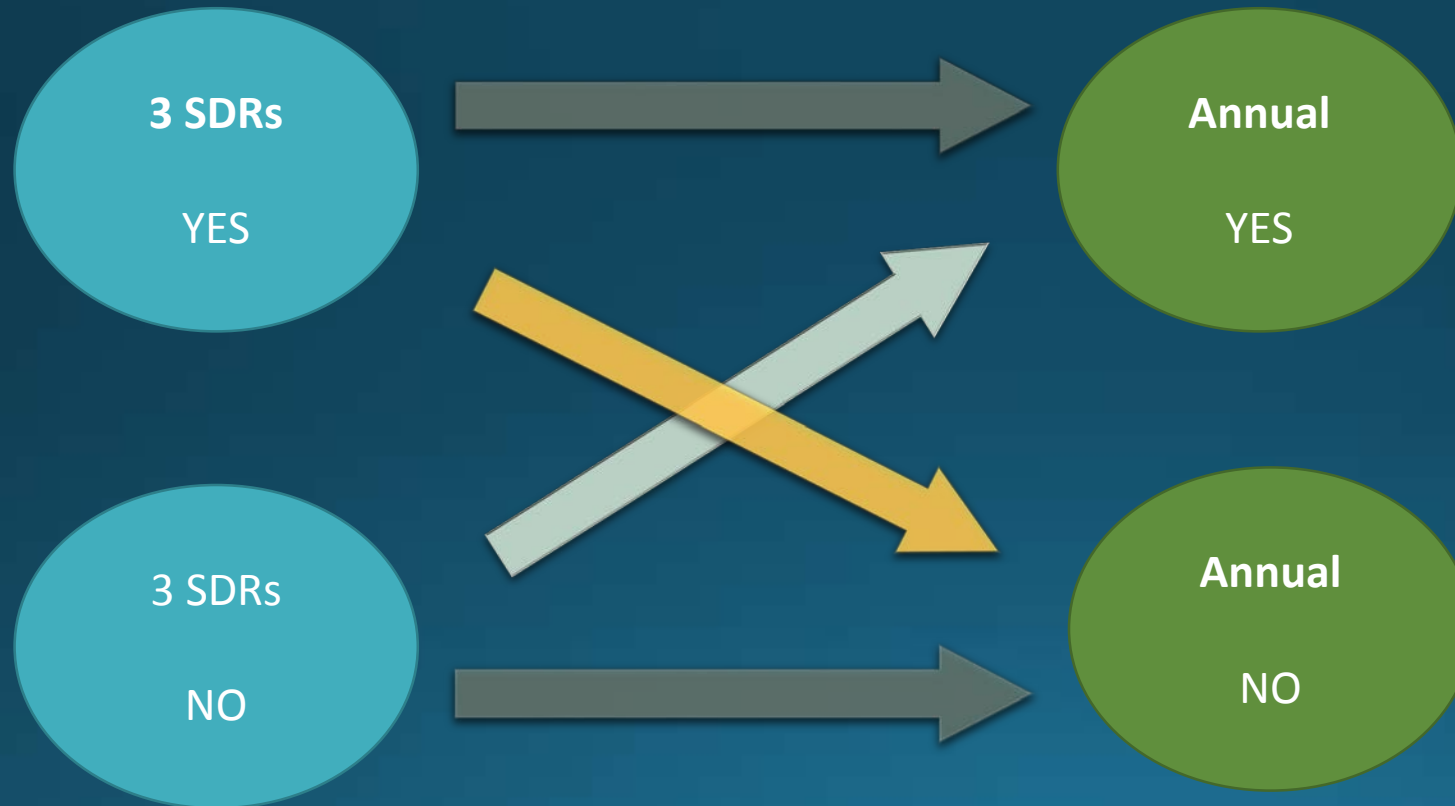
**Although about 21% of facilities have much lower than 80% utilization, about 68% of facilities are just above or just below the level required to generate a facility need.**

# Modeling Tool: 3 SDRs and Annual Models





# Differences between 3 SDR and Annual Model Results



# Effects of Adjusting Parameters

Value	Description	Equivalent Value (do not change)
80	Utilization Criterion (eligibility to add stations)	3.2
1	Growth rate multiplier	
80	Utilization Threshold to determine number of stations needed	3.2
10,000	Maximum number of stations needed	

- Lowering the Utilization Criterion below 80 will cause a facility to need new stations sooner.
- Lowering the Utilization Threshold below 80 will generate a need for a larger number of stations when the Utilization Criterion has been satisfied.
- Suggest entering a “reasonable” number here, perhaps 20 – 30.
- **Inventory Adjustments:** Suggest entering a 1 or 2 here.

Inventory Adjustments
0 = add nothing to inventory
1 = add up to 10 stations from previous need
2 = add all stations from previous need

# Proposed Model

Value	Description	Equivalent Value (do not change)
<b>75</b>	Utilization Criterion (eligibility to add stations)	3
1	Growth rate multiplier	
<b>70</b>	Utilization Threshold to determine number of stations needed	2.8
<b>20</b>	Maximum number of stations needed	

Inventory Adjustments
0 = add nothing to inventory
<b>1</b> = add up to 10 stations from previous need
2 = add all stations from previous need

Number of Facilities				Number of Stations Needed		
with needs (1+ last 3 SDRs)	with needs (annual)	3 SDRs=yes Annual=no	3 SDRs=no Annual = yes	3 SDRs	Annual	Difference (annual minus 3 SDRs)
98	108	12	22	890	893	4