

**Acute Care Services Committee  
Agency Report  
Adjusted Need Petition for  
Kidney Disease Treatment Facility in Franklin County  
in the 2021 State Medical Facilities Plan**

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***Petitioner:***

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***Request:***

The Petition requests an adjusted need determination for a new 10-station dialysis facility in Franklin County in the *North Carolina 2021 State Medical Facilities Plan (SMFP)*.

***Background Information:***

Chapter Two of the *2021 SMFP* provides that “[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies, and those requesting adjustments to the need projections.” The annual planning process and timeline allow for submission of petitions requesting adjustments to need projections in the summer. 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.

The standard methodology used to project need for new dialysis stations has two components, county need and facility need. Projected need is determined annually. Determinations are made available in the *SMFP*. This Petition’s request involves the county need determination methodology. This component is based on all residents of a county, regardless of where they currently receive services. Patient counts are projected for 12 months into the future based on a five-year trend line. A need is triggered when each of the facilities in a county has at least 80% utilization, which is 3.2 patients per station. The threshold for a need determination is a projected deficit of 10 stations. In addition, one principle of the methodology is that patients should not have to travel more than 30 miles for dialysis treatment.

The Petitioners request an adjusted need determination for a new dialysis facility for Franklin County, to “reduce out-of-pocket cost (gas, mileage on vehicles) for patients forced to travel outside of Franklin county.” Located in the central piedmont of North Carolina, Franklin County had an estimated population of 68,012 residents in FY2018 according to the North Carolina Office of State Budget and Management. Its county seat is Louisburg. The county is approximately 494 total square miles. Franklin County is surround by Granville, Halifax, Johnston, Nash, Vance, Wake and Warren counties.

**Analysis/Implications:**

The Petitioner states that approval of the petition will increase capacity in Franklin County and offer greater access and options for its residents.

The Petitioner acknowledges that 74% of the county’s residents currently receive in-center dialysis from two existing dialysis treatment facilities located in Louisburg, NC (see Table 1). As shown in Table 1, utilization at Dialysis Care of Franklin County is 53.7%, while utilization at Fresenius Medical Care Tar River is 87.5%. The utilization at Dialysis Care of Franklin County prevents a county need determination in the Proposed 2021 SMFP. By application of the standard county need methodology, Table 9B in the *Proposed 2021 SMFP* projected the December 31, 2020 in-center station utilization to be 41 stations and projected a total of 45 available stations for Franklin County. This calculation resulted in a projected four-station surplus in the county, as noted by the Petitioner.

**Table 1. Excerpt from SMFP Table 9A: Inventory of Dialysis Stations and Calculations of Utilization Rates**

A	B	C	D	E	F	J	K	L	M	N
County	FID Number	Provider Number	Name	City	Certified (Stations)	Total (Stations)	Certified Stations 12/31/2019	Number* In-Center Patients 12-31-2019	Utilization by Percent 12/31/2019	Facility Station Need Determination
Franklin	955842	34-2571	Dialysis Care of Franklin County	Louisburg	27	27	27	58	53.70%	0
Franklin	130122	34-2715	Fresenius Medical Care Tar River	Louisburg	18	18	14	49	87.50%	2
Totals					45	45				

Source: *Proposed 2021 SMFP*

As discussed above, Franklin County has enough stations to serve its residents. The Petition noted that about 32 (26%) of Franklin County’s 125 dialysis patients travel outside of the county to receive treatment. Of these, 25 (78%) receive dialysis in Wake County. The Petition proposes to place a facility in Youngsville to reduce the number of patients driving to facilities in Wake county. (Youngsville is four miles from Wake Forest, the nearest town in Wake County.) While a facility in Youngsville may seem like a solution, neither the Petitioner nor the Agency has information on why patients travel to Wake County for dialysis. There is also no data on how far Franklin County patients actually travel for dialysis. Such data would only be available from each individual patient. Driving time is likely to be only one factor in a decision to receive dialysis services outside the county. Patient and physician preference, and other factors, also contribute.

For Franklin County to generate a need, it would have to overcome the four-station surplus and generate a deficit of an additional 10 stations. Moreover, the dialysis facility in Louisburg is no more than 30 minutes driving time to any of the four corners of Franklin County (Google Maps). All distances are likewise less than 30 miles. Therefore, Franklin County residents appear to be well-served by the existing facilities.

***Agency Recommendation:***

The Agency supports the standard methodology for determining need for new dialysis stations as presented in the *Proposed 2021 Plan*. Given available information submitted by the August 12, 2020 deadline and in consideration of factors discussed above, the agency recommends denying the request for an adjusted need determination for a new 10-station dialysis facility in Franklin County.