Public Hearing Comments on the N.C. Proposed 2020 SMFP
Presented on July 24, 2019 by
Esther Fleming

Good afternoon. My name is Esther Fleming. I am Director of Healthcare Planning for DaVita Kidney Care. DaVita and its related entities have 106 operational and approved dialysis facilities in North Carolina, providing dialysis care and support to over 6,000 dialysis patients. Over the past year, we have been given opportunities to analyze and provide feedback on the proposed adjustments necessary as the Agency transitions from twice-yearly reporting of ESRD data in the Semiannual Dialysis Reports (SDR) to annual reporting of ESRD data in the State Medical Facilities Plan (SMFP). The primary reason for this change was to increase transparency and oversight by incorporating ESRD into the SMFP.

We were invited to participate in ESRD Interested Parties Meetings. As we have engaged with members of the Acute Care Services Committee and Agency staff in these meetings, our primary concern has been the impact of the Agency's proposed changes on patient access. As we began this process, the Agency assured interested parties that this transition was "not intended to negatively affect ability to apply to develop needed facilities and/or stations" and that one of the overall goals in the process of making adjustments to the methodology was to "achieve parity, or better, with current ability to develop sufficient facilities and stations in a timely manner."[1]

Sufficient facilities and stations in a timely manner. There are some who would point to Table 9E of the proposed plan and highlight the fact that the facility need methodology produces a need for 874 stations – certainly that should allow for the development of sufficient facilities and stations? If, in an application to the Certificate of Need Section, providers were able to successfully prove a need for all 874 stations that would constitute about a 15% increase in the current 5,321 dialysis stations in the state. The Agency's efforts to account for the age of the data in this annual (vs semi-annual) reporting framework led to this large number. Sufficient facilities and stations? Possibly, but only for those 109 facilities that produced a need pursuant to the facility need methodology. The 19-station need at Durham Dialysis in Durham County is of no use to Burlington Dialysis in Alamance County whose need determination in the proposed plan is zero stations, based on the snapshot of the facility utilization on 12/31/2018.

And it's these facilities – facilities whose need determination is zero – that we believe the SHCC should be most mindful of, because among them are facilities who may not be able to develop sufficient facilities and stations ***in a timely manner***.

The Agency prepared a discussion paper for the Acute Care Services Committee for its April 9th meeting and noted several issues that the updated facility need methodology has not been able to overcome, specifically as it relates to the issue of timely station development:

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[1] https://www2.ncdhhs.gov/dhsr/mfp/pdf/2018/esrd/1116_presentation.pdf (Agency Presentation, ESRD Interested Parties Meeting, 11/14/2018)

We examined several other related factors, based on results of model development and concerns expressed in the Interested Parties meetings:

- ***Number of stations in the facility.*** *Small facilities may have more difficulty generating sufficient utilization on an annual versus semiannual basis.*
- ***Facilities in rural areas.*** *These facilities tend to be smaller than average. If they fail to generate a need under an annual methodology, it may be more detrimental to patients due to the limited dialysis options in the area. The average facility size is 24 stations, but facilities in rural areas do not tend to exceed 15 stations.*
- ***Growth.*** *A facility may have had a larger than usual growth rate over a single time period. An annual methodology may not produce a sufficient number of stations when they are needed.*[2]

Facilities can apply for an adjusted need determination, but ultimately a clinic with a need determination of zero stations in the proposed plan, cannot apply for additional dialysis stations throughout the entirety of 2020. The proposed 2020 SMFP doesn't allow for a timely remedy to a situation where a growth spurt occurs after an opportunity for an adjusted need determination application can be submitted (July 2019) and the publishing of the next SMFP (Jan 2021). A facility in this situation would not see a potential station expansion until August 2021, at the earliest (if a need is determined in the 2021 SMFP based on census data as of December 2019).

Who would this impact? Patients in rural/remote western North Carolina like those served by Dr. Fleming who spoke at the Public Hearing in Asheville. Some of his small clinics may see an influx of "snowbirds" in the summer months and he was concerned about how the methodology doesn't account for these patients. And patients in fast-growing areas, like those served by Dr. Lateef who spoke at the Public Hearing in Greensboro. He had seen large growth spurts in localized areas at some of the clinics he supports in Alamance County during a window of time that fall outside of the snapshot taken for the new annual methodology. Both nephrologists expressed concern about the negative impacts that the facility need methodology in the proposed SMFP may have on ESRD patients and their access to care in North Carolina.

I want to be clear – we knew this process would be difficult. Change is hard. And these changes are significant because of who will be most affected by them – dialysis patients who rely on timely access to life-sustaining care. As providers, we knew there wouldn't be a "perfect" way to make this transition. We made a good faith effort to work through this process and provide our feedback on how we thought the methodology, as applied to the SDR, could be tweaked to fit this new way of operating – annual data reporting. We appreciate all of the work put in by the Healthcare Planning staff to crunch the numbers and do some substantial analyses in order to develop the methodology in the proposed plan. But it still falls short, as noted in our comments today, in the comments of practicing nephrologists, and in the Agency Discussion paper from 4/9/2019.

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[2] https://www2.ncdhhs.gov/dhsr/mfp/pdf/2019/acsc/0402_esrd_discussionpaper.pdf (Agency Discussion Paper, Prepared for Acute Care Services Committee, April 9, 2019)

My question: Is the SHCC comfortable moving forward with the proposed 2020 SMFP as is, knowing that the facility need methodology (for facilities certified and in operation at least 21 months) falls short in meeting the needs of ESRD patients? Or are you willing to consider an alternative – addressing facility needs via a policy?

Our hope is that the Acute Care Services Committee would give due consideration to the policy option – something they did not do at their April 9th meeting[3] – while there is still time to make recommendation to the SHCC regarding changes to the proposed 2020 SMFP.

In closing, I offer this assessment from the Agency's Discussion Paper to the Acute Care Services Committee on 4/9/2019: "The options developed by Healthcare Planning were sensitive to the providers' concerns...If the policy option is chosen instead of the methodology, those concerns would be moot."

Thank you for your time and I'm happy to answer any questions.

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[3] https://www2.ncdhhs.gov/dhsr/mfp/pdf/2019/acsc/0430_minutes.pdf (Acute Care Service Committee Minutes, 4/9/2019)