

## **UNC Hospitals**

### **Lauren Kearns' Presentation**

Good afternoon. I am Lauren Kearns, Associate Vice President – Operations at UNC Hospitals. I am here today along with one of our faculty physicians to discuss our petition for an adjusted need determination for four outpatient dialysis stations in Orange County to serve a unique patient population.

After years of discussing this issue internally and after conversations earlier this year with the Healthcare Planning and CON Section staff, we have determined that we need outpatient dialysis stations to continue serving a patient population that has nowhere else to go for care. On a regular basis, patients present at UNC Hospitals in need of dialysis treatments, but on an outpatient basis. While these patients would typically receive care at one of the existing ESRD facilities in Orange or surrounding counties, these patients cannot. Let me describe this population to you.

First, they could be pediatric patients who are medically complex, or who may be too young, or who are too small to sit in a dialysis chair in a community facility. They might be undocumented patients, with no payor source and no ability to receive care elsewhere. They might be

other patients without a payor, or patients whose Medicare or Medicaid status is still pending but will not be accepted to an outpatient ESRD facility until they qualify. Some are patients with behavioral health issues, who have acted out or threatened violence to the staff and patients at ESRD facilities that are simply not equipped to deal with this issue. They could also be current patients of an ESRD facility who have had an inpatient procedure done at UNC Hospitals, such as a vascular access procedure, but who are being discharged home too late to make their regularly scheduled dialysis appointment and need to be dialyzed somewhere. We also have patients who have recently initiated dialysis treatment and would benefit from having their first three treatments performed in a hospital-based outpatient setting to ensure there are no issues. Or they could be patients who have been refused care at an ESRD facilities for multiple of these or other reasons. UNC Hospitals regularly cares for these types of patients, using its inpatient dialysis unit. But because they are not inpatients, UNC Hospitals cannot bill for the service, even if the patients have a payor.

Currently UNC Hospitals treats all of these patients but does not receive any reimbursement for their care. Because we have no licensed and certified outpatient dialysis stations, we do not bill for their care. While it is part of UNC Hospitals' mission to serve all North Carolinians in need of care, regardless of their ability to pay, it is also important for us to seek

reimbursement for those services, particularly from third parties, whenever possible, in order to sustain its operations and not place an undue burden on residents of the state. Many of the patients we treat have no payor source at the time of treatment but will eventually qualify for Medicaid or Medicare. In order to potentially qualify for reimbursement for some of these patients, UNCH needs to develop Medicare-certified outpatient dialysis stations, for which it requires a need determination in the SMFP in order to apply for a Certificate of Need.

As you know, both the current and proposed methodology for outpatient dialysis stations generates need in one of two ways: a facility need or a county need. County need determinations are not common, and without an existing facility in the county, UNC Hospitals would not generate a facility need on its own. Moreover, this need determination is more suitable for typical ESRD patients: those who are being cared for by an ESRD facility for the long term. In contrast, many of UNC Hospitals' patients are transient, short term patients who need care on a temporary basis. Some, however, are in our care for a longer time due to their circumstances.

Based on this unique patient population, UNC Hospitals believes a special need petition is the most effective way to address this need. In order to

ensure that there is no unnecessary duplication of existing ESRD facilities, we are proposing that applicants for these stations must locate them on the campus of an acute care hospital, and that they must limit their care to patients in these groups. Once a patient has a payor, or for other reasons no longer needs outpatient dialysis treatment in a hospital setting, they must be transferred to an appropriate local ESRD facility for ongoing care. We work closely with Fresenius, who operates the ESRD facility in Orange County and several in contiguous counties. They understand the patients we are proposing to serve, and they support our petition.

As you'll see by the data presented in our petition, we are proposing four stations because we believe that will help us ensure appropriate access for both adult and pediatric patients without duplicating existing resources in the community. These are not scheduled patients like a typical dialysis facility; rather, there are some weeks that we treat several patients, and some weeks only a few. On average, we are usually treating one to two adult patients and one to two pediatric patients per week on an outpatient basis. The four stations we propose will help us meet the need of these patients.

I will leave it to Dr. Sanderson to address more of the clinical need of these patients. I appreciate your time today.

Thank you.