

Proposed Dialysis Rule Modification

November 15, 2013

Background/Context:

Tri-State Memorial Hospital (TSMH) is located in the SE Corner of Washington in rural Asotin County. TSMH is the sole provider of dialysis services in Asotin County. In addition, TSMH is the sole provider of dialysis services in neighboring Nez Perce County, Idaho.

- Our Asotin unit has been in operation since 1988. In 1996, TSMH received CN approval to expand from 6 to 13 stations. 40% of the patients treated in the Asotin unit are Washington residents, the rest are residents of neighboring Idaho.
- The Nez Perce unit has been owned and operated by TSMH since 2009. The unit is certified for 13 stations. More than 90% of the patients treated in our Nez Perce unit are Idaho residents,
- The two units are located approximately four miles and less than 5 minute travel time apart.

The lease on our Nez Perce unit expires in the summer of 2014. The unit has been expensive and inefficient to operate, and to date, we have been unable to successfully negotiate a new lease. For economies and efficiencies, TSMH now proposes to consolidate our two units on the campus of the Hospital in Clarkston, Asotin County so that patients can be immediately adjacent to a full range of ancillary and support services as well as clinical specialists. While current rules allow providers to relocate their facilities without a full-blown CN process (assuming certain requirements are met), there is no provision in the rules that address the unique bi-State issue we face. In fact, current CN rules prohibit TSMH from filing a CN to add enough stations to serve our current combined patient census.

Under current rules, TSMH could not secure CN approval because the “need” for the 25 stations we currently operate in our two facilities cannot be demonstrated (the methodology does not have a provision for including an out-of- state facility’s dialysis patient census, even if that facility is operated by a Washington provider). In addition, the current exception language fails to support our situation because we are not currently operating our Washington stations at 6 patients per stations and because we cannot demonstrate that “all other applicable review standards can be met”. Without a “fix”, access will be compromised, and upon closure of our Nez Perce facility, we will immediately be operating our Washington stations in excess of 100% capacity on 3 shifts.

In order to assure access and availability for our end-stage renal disease patients, we respectfully request the Task Force’s consideration of our unique situation and support for our proposed modification to WAC 246-310-289-Relocation of Facilities.

Existing Rule:

The existing guidance on replacement facilities is contained in WAC 246-310-289:

(1) When an entire facility proposes to relocate to another planning area, a new health care facility is considered to be established under WAC [246-310-020\(1\)](#).

(2) When an existing facility proposes to relocate a portion of its stations to either another planning area or within the same planning area, a new health care facility is considered to be established under WAC [246-310-020\(1\)](#).

(3) When an entire facility proposes to relocate within the same planning area, a new health care facility is not considered to be established under WAC [246-310-020\(1\)](#) if:

(a) The existing facility ceases operation;

(b) No new stations are added to the replacement facility;

(c) There is no break in service between the closure of the existing facility and the operation of the replacement facility;

(d) The existing facility has been in operation for at least five years at its present location; and

(e) The existing facility has not been purchased, sold or leased within the past five years.

Proposed Modification:

TSMH respectfully requests consideration of the following modification:

1) When an entire facility proposes to relocate to another planning area, a new health care facility is considered to be established under WAC [246-310-020\(1\)](#).

(2) When an existing facility proposes to relocate a portion of its stations to either another planning area or within the same planning area, a new health care facility is considered to be established under WAC [246-310-020\(1\)](#).

(3) When an entire facility proposes to relocate within the same planning area, a new health care facility is not considered to be established under WAC [246-310-020\(1\)](#) if:

(a) The existing facility ceases operation;

(b) No new stations are added to the replacement facility;

(c) There is no break in service between the closure of the existing facility and the operation of the replacement facility;

(d) The existing facility has been in operation for at least five years at its present location; and

(e) The existing facility has not been purchased, sold or leased within the past five years.

(4) When a provider proposes to relocate within the same planning area and simultaneously combine a facility it operates in a contiguous State, a new health care facility is not considered to be established under WAC [246-310-020\(1\)](#) if:

a) Both existing facilities cease operation.

b) The number of stations in the consolidated new facility is no more than the sum of the two existing facilities.

c) There is no break in service between the closure of the existing facilities and the operation of the replacement facility.

d) Each of the existing facilities have been owned and operated by the provider for at least five years at their present locations.

e) The owner of both facilities is the same legal entity and is the sole provider of dialysis services in both the Washington planning area and in the County in the adjacent State.

f) Neither of the facilities has been purchased, sold, or leased within the past five years.