MEMORANDUM

To: Janis Sigman, Program Manager  
Certificate of Need Program  

From: Jody Carona  

Date: January 15, 2014  

Subj: Response to January 7, 2014, request for comment  

In response to John Hilger’s email of January 7, 2014, requesting comments on proposals discussed at the December 19, 2013 dialysis rules workshop, please find responses from the Puget Sound Kidney Centers (PSKC). For clarity, we have restated the proposal and then, in italics, provided PSKC’s comment/current thinking.

• Please submit comments on selecting a threshold number, between 4.8 and 6.0, whereby existing providers, having been at this level for at least two consecutive quarters, would qualify for an automatic capacity expansion (“plus two” proposal).

For providers located outside of the Planning Areas identified in WAC 246-310-286, PSKC believes that the standard should be 5.0 patients per station. A separate standard should be established for the facilities in WAC 246-310-286 communities.

• Please submit comments regarding larger facilities (say 40 stations and up) that qualify for an automatic capacity expansion using a percentage to add new stations to get below 4.8 (or the new agreed threshold #). One proposal suggested adding only up to 20%. Others also suggested 20% with a cap.

PSKC suggests defining two types of facilities: “small” facilities (19 stations or fewer) and “large facilities” (20 stations or more). For the small facilities, PSKC recommends a “Plus 1” station addition that could be expanded once every 12 months, with a lifetime maximum of two.

For large facilities of 20 stations or more, providers could expand a maximum of two stations annually, with a lifetime maximum of four).
Please submit comments regarding the criteria of “No Construction” for facilities that qualify for an automatic capacity expansion. Are there any circumstances where minimal construction to accommodate these additional stations should be allowed?

PSKC believes that it is reasonable to allow very minor construction and recommends that the threshold be set at $5,000 (this excludes the cost of medical equipment).

The group discussed a “two-pronged” approach. The first “prong” was immediate relief for facilities above an agreed threshold #, despite other providers being below this # AND the planning area was not showing any need - the plus two concept. The second “prong” dealt with the scenario of facilities above an agreed threshold #, despite other providers being below this # AND the planning area was also demonstrating need for new stations. This second “prong” approach would allow the successful facilities in the planning area, along with any new providers, to submit a CN application. Some members of the group proposed that the threshold # for the second-prong approach should be higher than the first-prong. Please submit comments on what the threshold # should be in order for an existing provider to be able to submit a new CN application? Some suggested numbers like 5.6? 5.7?

This question cannot be appropriately or fully answered until other parts of the “prong” are addressed, including:

a) Whether there is a “clock” and whether the clock begins at issuance of an uncontested CN or date of opening,

b) What the definition of a “successful” facility is, and

c) Which providers can apply for the stations—the purpose of this proposal was to assure that an existing provider, operating at a relatively high occupancy level, has priority and preference to add stations in response to patient need and demand. Specifically, PSKC concludes that an existing provider, operating below 4.8, should generally not be eligible to compete for additional stations.