



Public Health and Health Planning Council

Project # 092158-B

DV Corp.
d/b/a Riverside Dialysis

County: Westchester (Yonkers)
Purpose: Establishment and Brooklyn

Program: Dialysis Services
Submitted: November 27, 2009

Executive Summary

Description

DV Corp. d/b/a Riverside Dialysis, seeks approval to establish and construct a 20-station dialysis facility at 145 Saw Mill Road, Yonkers, and change the ownership through the sale by its current sole member of 90% of the membership interests in the LLC to DaVita of New York, Inc. This application amends and supersedes CON #062342-B, which received State Hospital Review and Planning Council approval on February 1, 2007 and Public Health Council approval on March 2, 2007.

Westchester County will have excess capacity through 2015, with no need for additional stations unless under extremely special circumstances.

As CON #062342-B never achieved final approval, the current proposed 90% change in membership interest of the LLC from current sole member, Leelamma Mathai, to DaVita of New York, Inc. requires the Public Health and Health Planning Council to act on the entire proposal. With a new, current examination of Need, the Department finds Westchester County is now over capacity by 77 dialysis stations for residents and by 65 dialysis stations for patients.

DOH Recommendation
Disapproval.

Need Summary

Westchester County has a higher than average elderly population but a lower than average minority population. Westchester County is currently over capacity by 77 dialysis stations for residents and by 65 dialysis stations for patients. Additionally, many facilities in the county have very low utilization rates. Westchester County facilities could potentially face financial feasibility issues with the approval of this application.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

June 7, 2012.

Need Analysis

Background

The elderly are the fastest growing group of end-stage renal disease (ESRD) patients. Minority groups are at a greater risk of developing Type II Diabetes which is the leading cause of ESRD.

The proposed service area for this project is Westchester County. The 2009 estimated population is 955,962. Approximately 14.2% of the population in Westchester County, 133,835 residents, is over 65, which is above the NYS average of 13.4%. The minority population of Westchester County is 22.5%, which is below the state average of 26.6%.

Section 5 of Part 709.4 (10 NYCRR) states that approval of proposals to add 12 or more dialysis stations to a planning area should not jeopardize the quality of service provided at or the financial viability of other existing dialysis facilities or services within the planning area. Many Westchester dialysis clinics are operating at very low utilization levels. An addition of stations would further decrease utilization of surrounding facilities.

Regional Dialysis Center Utilization	Stations	2006	2007	2008
Mt Vernon Dialysis	24		0.00%	40.74%
DCI-Westchester	24	96.30%	97.22%	91.67%
Westchester MC-Valhalla	6	29.63%	40.74%	44.44%
Yorktown AKC	16	47.22%	75.00%	77.78%
Sound Shore Dialysis	24	112.96%	119.44%	106.48%
White Plains DC	25	68.44%	75.56%	74.67%
Peekskill DC	19	88.89%	78.36%	73.68%
Hudson Valley DC	20	97.78%	107.78%	110.00%
Port Chester Dialysis & Renal Ctr	15	88.89%	82.96%	74.07%
So Westchester DC	31	134.77%	138.35%	131.18%
Westchester AKC-DCI	20	103.33%	105.56%	90.00%
Yonkers DC	21	157.67%	146.03%	139.68%

Source: Island Peer Review Organization

Projected Need

The Department uses the following methodology to determine need for dialysis stations:

One free standing station, calculated at 702 treatments per year (2.5 shifts per day x 6 days per week x 52 weeks x 90% = 702), can treat 4.5 patients per year. Freestanding Patient Treatments = 702 treatments / 4.5 patients per year = 156 treatments per patient per year.

One hospital based station, calculated at 499 treatments per year per station (2.0 shifts/day x 6 days/week x 52 weeks x 80% = 499), can treat 3 patients per year. Hospital Based Patients Treatments = 499 treatments / 3 patients per year = 166.33 treatments per patient per year.

Hospital-based stations treat fewer patients per year. Statewide, the majority of stations are free-standing as are the majority of applications for new stations. As such, when calculating the need for additional stations, the Department bases the projected need on establishing additional free-standing stations.

The table below indicates that Westchester County is currently over capacity for dialysis stations and will have excess capacity through 2015. Projections for 2015 assume a growth rate of three percent:

	2009		2015	
	Total Patients Treated	Total Residents Treated	Projected Total Patients Treated	Projected Residents Treated
	1072	1016	1281	1214
# Freestanding Stations Needed	238	226	269	270
# Existing Stations including pipeline (29)	303	303	303	303
# w/Approval of This CON	315	315	315	315
# Unmet Need	-65	-77	-18	-33

**FS – Freestanding

*** Based upon a three percent annual increase

The number of patients being treated is significantly higher than the number of residents, indicating that facilities are treating patients from surrounding counties and that additional stations are not necessary to treat residents.

It is likely that the non-Westchester County residents seeking treatment are from Bronx County. The information below takes Bronx County into consideration:

Travel Time to Bronx County from Dialysis Providers in Westchester County (Mapquest)

Name	Address 1	City	Travel Time, Distance	Approximate Occupancy	Stations
Mount Vernon Dialysis Center	12 North Seventh Ave.	Mount Vernon	11 min, 5.82mi	41%	24
FMS-Southern Westchester Dialysis Center	44 Vark Street	Yonkers	16 min, 7.43mi	132%	31
FMS-Soundshore Dialysis Center	16 Guion Place	New Rochelle	14 min, 8.30mi	107%	24
Yonkers Dialysis Center	575 Yonkers Avenue	Yonkers	14 min, 6.84mi	90%	20
Proposed	145 Saw Mill Road	Yonkers	16 min 10.26mi		20

Each of the facilities in the table is closer to the Bronx than the proposed facility. Although two of the facilities are over capacity, two are not. Mount Vernon is operating at 40% with 24 stations. Yonkers is operating at 90% with 20 stations. There is a total of 16 vacant stations at these two facilities. DV Corp. proposes to add 20 new stations.

The table below shows the zip codes that would most likely be served by this new facility. As shown, the total number of patients treated in the accessible zip codes is 1,218, including home treatments, and represents a need for 271 stations.

BRONX	Home HD	Home PD	In-Center HD	Unknown	Total
10458		3	112		115
10461	1	2	77		80
10462		6	99		105
10463		2	109		111
10464	1		5		6
10466		2	166	1	169
10467	1	4	177		182
10468	1	6	123		130
10469		4	151		155

10470		1	17		18
10471	1	2	25		28
10475		2	117		119
<i>Total</i>	5	34	1,178	1	1,218

The table below details the existing resources in these zip codes. There are currently 307 stations in this service area, with another possible 16 stations available in Westchester County without the approval of this project. This indicates an excess of approximately 52 stations. This extra capacity is sufficient to treat approximately 234 patients from other areas of the Bronx not included as part of the above Bronx zip codes most likely to be served by the proposed facility.

Name	Address 1	Zip	Stations
Bedford Park Dialysis Center	3117 Webster Avenue	10467	21
Boston Post Road Dialysis Center	4000-4026 Boston Post Road	10475	25
BRNC at Jewish Home & Hospital	100 West Kingsbridge Road	10468	15
Bronx Dialysis Center	1615-1617 Eastchester Road	10461	25
Bronx River Nephro-Care, Inc	1616 Bronxdale Avenue	10462	30
Eastchester Road Dialysis Center	1515 Jarrett Place	10461	12
FMS-Eastchester	1695 Eastchester Road	10461	27
FMS-Morris Park	1325 Morris Park Avenue	10461	24
Kings Harbor Dialysis Center	2020 East Gun Hill Road	10469	9
Montefiore Med Center – Jack D Weiler Hosp of A Einstein College Div	1825 Eastchester Rd	10461	4
Montefiore Medical Center – Henry & Lucy Moses Div	111 East 210th Street	10467	17
Montefiore Medical Center - North Division	600 East 233rd Street	10466	9
New York Renal Associates, Inc	3468 Park Avenue	10468	40
Pelham Parkway Dialysis Center	1400 Pelham Parkway South	10461	25
Riverdale Dialysis Center	170 West 233rd Street	10463	24
<i>Total</i>			307

Conclusion

Based on the requirements set forth in 10 NYCRR Section 670.6, the Department concludes that there is no need for additional dialysis services in Westchester County. This is based on an assessment of the application under the factors enumerated in section 670.6 (b); and on the application of the need methodology as presented under the Projected Need section of this report. Consideration of the need methodology is permitted under the provisions of subdivision (b) of section 670.6, which states that factors to be considered in determining public need for dialysis stations shall include but not be limited to those listed in paragraphs (1) through (5) of the subdivision. As shown in the Projected Need section, the number of existing dialysis stations and approved stations not yet operational (“pipeline” stations) in Westchester County currently exceeds those projected to be needed for the county in 2015.

As stated in subdivision (c) of section 670.6, “public need for a proposed facility or station shall be deemed to exist, when review and consideration of evidence concerning each of the five factors set forth in subdivision (b) of this section results in an affirmative finding” With respect to paragraph (2) of subdivision (b), the applicant did not submit information in its CON application materials that constituted evidence that the proposed facility and its 20 stations would enhance access to services by patients, including members of medically underserved groups.

Although the applicant points out that the proposed facility would serve an area with Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas (MUAs), the applicant does not describe outreach efforts or other special features of the proposed facility that would distinguish it from other dialysis facilities serving the area and already doing so with more total capacity than deemed necessary under the Department’s need methodology. Because an affirmative finding cannot be made under paragraph (2), the required affirmative finding on all five of the factors in subdivision (b), cannot be made; and public need for the proposed facility cannot be deemed to exist.

Recommendation

From a need perspective, disapproval is recommended.