

MISSISSIPPI DEPARTMENT OF HEALTH
Division of Health Planning and Resource Development
October 2006

Emergency Review No.: ESRD-ERE-1006-002
Bio Medical Applications of Mississippi, Inc. d/b/a South
Mississippi Kidney Center (SMKC), Bay St. Louis
Replace and Relocate a 16-Station End Stage Renal Disease Facility
Capital Expenditure: \$794,919
Location: Diamondhead, Mississippi

Staff Report

Project Summary:

Bio-Medical Applications of Mississippi, Inc. d/b/a South Mississippi Kidney Center, located in Bay St. Louis, Mississippi, requests an Emergency Certificate of Need to replace and relocate its 16-station end stage renal disease (ESRD) facility from 300 Drinkwater Boulevard, Bay St. Louis, Mississippi to 4300 Aloha Drive, Diamondhead, Mississippi. The applicant states that the approximate distance between the current location and that proposed is 14 miles.

The applicant submitted photographs of the damage sustained by Hurricane Katrina; Hurricane Katrina Damage Assessment by Water Management Consultants, LLC, Destin, Florida; a Site Investigation Report and Building Condition Recommendations prepared by Neal B. Braswell, AIA; and a Visual Fungal Assessment prepared by Professional Service Industries, Inc. to substantiate the damages caused by the storm. In addition, the application contained six letters from physicians and patients supporting the re-establishment of a dialysis facility in the Bay St. Louis or the Diamondhead area. Hattiesburg Clinic Dialysis also submitted a letter verifying that it does not oppose the relocation of the facility to Diamondhead.

Type of Review Required:

Applications for emergency certificates of need are reviewed in accordance with Section 41-7-207 of the Mississippi Code of 1972, as amended, and with criteria and standards set forth in duly promulgated rules and regulations. Emergency certificates of need are valid for a period not to exceed 90 days, and a recipient of an emergency certificate of need (CON) must submit the appropriate CON application to the Department within 45 days of the effective date of the emergency CON, in accordance with rules and regulations set forth in the Certificate of Need Review Manual.

Findings:

The rules and regulations of the Mississippi Department of Health permit any health care facility, finding it a matter of immediate necessity to make a capital expenditure for replacement of or repair to equipment or facility caused by unforeseen or unpredictable events which may jeopardize the health and/or safety of the patients or such health care facility, to file an application for an Emergency Certificate of Need.

The applicant submits that the facility experienced flood waters of approximately four to five feet, extensive roof damage, and extensive structural damage basically gutting the entire facility. In addition to the water damage experienced by the facility and the loss of its equipment and systems including the plumbing, electrical and HVAC systems, the facility has experienced extensive mold growth. Reports contained in the application recommend extensive repair, including partial demolition, and replacement of all systems; or destroying and rebuilding the entire facility.

Letters included in the application indicate that patients are traveling approximately 45 minutes and outside of the ESRD Service Area to receive needed dialysis services, multiple times a week. Patients also stress that the travel is a hardship due to weakness or tiredness after treatment. The applicant estimates that approximately 25-30 patients will return to the Hancock County location when the new facility is completed. Five patients submitted statements that the travel time currently causes a hardship for them and that they will relocate to the new facility if approved.

Replacement and relocation of the Bay St. Louis facility does not add capacity or services, and does not move the facility out of the market area for which the original facility served.

Recommendation:

This request is in substantial compliance with the *Certificate of Need Review Manual, Revised 2000*, and all adopted rules, procedures and plans of the Mississippi Department of Health. Therefore, the Division of Health Planning and Resource Development recommends approval of this request for an Emergency CON for replacement and relocation of the South Mississippi Kidney Center from Bay St. Louis to Diamondhead, Mississippi.