

WAC 246-310-827 Kidney disease treatment centers—Superiority criteria. For purposes of determining which of the competing applications should be approved, the criteria in this section will be used as the only means for comparing two or more applications to each other. No other criteria or measures will be used in comparing two or more applications to each other under any of the applicable subcriteria within WAC 246-310-210, 246-310-220, 246-310-230 or 246-310-240.

(1) An application will be denied if it fails to meet any criteria under WAC 246-310-210, 246-310-220, 246-310-230, or 246-310-240 (2) or (3).

(2) An application will be denied if the applicant has one or more kidney disease treatment centers in the planning area not meeting the 4.5 or 3.2 in-center patients per station standards required in WAC 246-310-812 (5) or (6) as of the most recent quarterly report from the Network as of the date of the letter of intent.

(3) When available, Washington kidney disease treatment centers must be used as comparables, as follows:

(a) For existing kidney disease treatment centers proposing to expand, use data for the existing center plus the next two closest Washington centers as comparables owned by or affiliated with the applicant as measured by a straight line. Straight lines will be calculated using "Google Maps" or equivalent mapping software (mileage calculated out to two decimal points, no rounding).

(b) For new kidney disease treatment centers, use data for the next three closest centers as comparables owned by or affiliated with the applicant as measured by a straight line from the proposed new kidney disease treatment center location. Straight lines will be calculated using "Google Maps" or equivalent mapping software (mileage calculated out to two decimal points, no rounding).

(c) The number of applications per concurrent review cycle that rely on the same three comparables is limited to two.

(d) If complete medicare data is not available for any of the kidney disease treatment centers and a center has been granted a department exemption in WAC 246-310-803(3), then that center will not be used as a comparable and the next closest center should be used as a comparable.

(e) If the applicant currently does not own or is not affiliated with any kidney disease treatment center, the department will assign the following points:

(i) The median quintile points for those superiority measures using quintiles (excluding net revenue per treatment);

(ii) Two points for standardized mortality ratio (SMR);

(iii) Two points for standardized hospitalization ratio (SHR); and

(iv) Any remaining points for other measures will be based on the representations made in the application.

(f) If the applicant owns or is affiliated with one existing kidney disease treatment center in total, the department will assign the center's actual points as follows:

(i) The actual quintile points for those superiority measures using quintiles;

(ii) The actual points for SMR;

(iii) The actual points for SHR; and

(iv) Any remaining points for other measures will be based on the representations made in the application.

(g) If the applicant owns or is affiliated with two existing kidney disease treatment centers, the department will average the center's scores as follows:

(i) The average quintile points for those superiority measures using quintiles;

(ii) The average points for SMR;

(iii) The average points for SHR; and

(iv) The average of the remaining points for other measures will be based on the representations made in the applications.

(4) The following table identifies the data measures and the data sources:

Data Item	Source
Home peritoneal dialysis and home hemodialysis training (Yes or No)	DFC report
Shift beginning after 5:00 p.m.? (Yes or No)	DFC report
Nursing home residents percentage (quintile)	Dialysis facility report (DFR)
Average number of comorbidities claimed (quintile)	Dialysis facility report (DFR)
Standardized mortality ratio performance (SMR) (better than expected, as expected, worse than expected)	DFC report - 4 year
Standardized hospitalization ratio performance (SHR) (better than expected, as expected, worse than expected)	DFC report - 1 year
Medicare total performance score (quintile)	QIP report
Net revenue per treatment (quintile)	Department calculation from medicare cost report. Divide total revenue by total treatments.

(5) The department will obtain the medicare QIP total performance scores (QIP Report) and the kidney dialysis facility compare reports (DFC Report) from the medicare website on the first working day in February.

(6) The department will determine the quintile scores and non-quintile scores. The department will calculate the quintile scores using the following process for each quintile measure:

(a) For all kidney disease treatment centers for which data is available, sort the centers from most favorable to least favorable according to the identified data.

(b) Use the percent rank formula using Excel to create the percentile ranking for each kidney disease treatment center in the data set. The array used in the formula is the data set of available center data identified for that measure.

(c) Assign quintile and nonquintile scores using the following methods:

(i) Quintile measures. For nursing home resident percentage, number of comorbidities, and QIP total performance score measures, the department will determine the quintile scores using the following process:

(A) Kidney disease treatment centers with a percentile ranking of 80 percent or higher get five points.

(B) Kidney disease treatment centers with a percentile ranking less than 80 percent and greater than or equal to 60 percent get four points.

(C) Kidney disease treatment centers with a percentile ranking less than 60 percent and greater than or equal to 40 percent get three points.

(D) Kidney disease treatment centers with a percentile ranking less than 40 percent and greater than or equal to 20 percent get two points.

(E) Kidney disease treatment centers with a percentile ranking below 20 percent get one point.

(ii) Quintile measure. For the net revenue per treatment measure, the department will determine the quintile scores using the following process:

(A) Kidney disease treatment centers with a percentile ranking of 80 percent or higher get one point.

(B) Kidney disease treatment centers with a percentile ranking less than 80 percent and greater than or equal to 60 percent get two points.

(C) Kidney disease treatment centers with a percentile ranking less than 60 percent and greater than or equal to 40 percent get three points.

(D) Kidney disease treatment centers with a percentile ranking less than 40 percent and greater than or equal to 20 percent get four points.

(E) Kidney disease treatment centers with a percentile ranking below 20 percent get five points.

(F) Hospitals that do not have a cost report may submit net revenue per treatment actuals from the previous year. Hospitals must also submit a signed attestation stating the net revenue per treatment data is accurate.

(iii) Nonquintile measures. The department will determine the nonquintile scores using the following process:

(A) Kidney disease treatment centers that offer training services are given one point.

(B) Kidney disease treatment centers that offer a shift that begins after 5 p.m. are given one point.

(C) The department will determine SMR points for kidney disease treatment centers as follows:

(I) "Better than expected" get four points.

(II) "As expected" get two points.

(III) "Worse than expected" get 0 points.

(D) The department will determine SHR points for kidney disease treatment centers as follows:

(I) "Better than expected" get four points.

(II) "As expected" get two points.

(III) "Worse than expected" get 0 points.

(E) The department will assign two points for an "as expected" score for kidney disease treatment centers missing only SMR data from the DFC report, provided the center was granted an exception under WAC 246-310-803(3).

(7) The department will publish the data set including resulting scores and quintiles for all kidney disease treatment centers for review no later than March 15th or the first working day thereafter. The data set, including resulting scores and quintiles, will remain open for review and any person may propose the correction of data to the department for seven calendar days. Correction of data may be proposed as follows:

(a) Training services (HPD and HHD): The department will accept a copy of a medicare certification for training services (HPD and HHD) as evidence that a kidney disease treatment center provides these services, regardless of what is represented in the DFC report.

(b) Data related to a shift beginning after 5 p.m.: The department will accept an attestation that a center either operates a shift beginning after 5 p.m. or will operate that shift if there is a need, regardless of what is represented in the DFC report.

(c) The department will publish the final data set, including resulting scores and quintiles, no later than the first working day in April.

(8) The department will do the following analysis in order to determine the superior application:

(a) Create the comparable kidney disease treatment center set for each application per subsection (3) of this section.

(b) Determine the individual measure scores for each application by taking the simple average of the comparable scores for each measure.

(c) Determine the total score in the following manner according to the table below:

Data Items:	Calculation of Points	Score
Home training	The average score of comparable centers rounded up to two decimal places.	
Shift beginning after 5 p.m.	The average score of comparable centers rounded up to two decimal places.	
Nursing home residents	Average quintile score of comparable centers rounded up to two decimal places.	
Average number of comorbid conditions	Average quintile score of comparable centers multiplied by 1.25 and rounded up to two decimal places.	
Standardized mortality ratio	Average score of comparable centers rounded up to two decimal places.	
Standardized hospitalization ratio	Average score of comparable centers rounded up to two decimal places.	

Data Items:	Calculation of Points	Score
QIP total performance score	Average quintile score of comparable centers multiplied by 2.0 and rounded up to two decimal places.	
Net revenue per treatment	Average quintile score of comparable centers rounded down to two decimal places.	
Total score	Sum each of these individual average scores to arrive at total score.	

(9) The application with the highest total score will be the superior alternative for the purpose of meeting WAC 246-310-240(1).

(10) After applying the superiority criterion in this section, if applications are tied, the department will use the following process to determine the superior alternative:

(a) An applicant that was assigned points under subsection (3)(e) of this section in the superiority analysis will be considered the superior alternative; if no applicant was assigned points under subsection (3)(e) of this section, apply (b) of this subsection:

(b) The applicant with the highest average QIP total performance score will be considered the superior alternative;

(c) If applications have the same average QIP total performance score, the applicant with the lowest average net revenue per treatment will be considered the superior alternative.

[Statutory Authority: RCW 70.38.135, 2023 c 48, and RCW 70.38.280. WSR 24-18-006, § 246-310-827, filed 8/22/24, effective 9/22/24. Statutory Authority: RCW 70.38.135. WSR 17-04-062, § 246-310-827, filed 1/27/17, effective 1/1/18.]