



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

December 8, 2014

CERTIFIED MAIL # 7009 0960 0000 5565 0352

Harold Kelly, President and CEO
Puget Sound Kidney Centers
1019 Pacific Avenue
Everett, Washington 98201

RE: CN #1481R

Dear Mr. Kelly:

Enclosed is Certificate of Need (CN) #1481R that replaces CN #1481 issued to Puget Sound Kidney Centers on July 30, 2012. CN #1481 approved the establishment of a nine-station dialysis center in Skagit County. Issuance of this Certificate is based on the Dispute Resolution Agreement signed by both Puget Sound Kidney Centers and DaVita Healthcare Partners on October 2, 2014. The Dispute Resolution was signed by the presiding officer on October 27, 2014.

The certificate is not approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. Any person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Physical Address:
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

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We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

A handwritten signature in blue ink, appearing to read "Steven M. Saxe".

Steven M. Saxe, FACHE
Director, Community Health Systems

Enclosure



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

Certificate of Need #1481R is issued to:

Legal Name of Applicant: Puget Sound Kidney Centers
Address of Applicant: 1019 Pacific Avenue, Everett, Washington 98201
Type of Service: End Stage Renal Disease Facility
Facility Name: PSKC-Anacortes
Facility Address: 803 – 31st Street, Anacortes, Washington 98221

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD, EVALUATION DATED JULY 20, 2012 (App #12-21), JUDICIAL REVIEW ORDER DATED SEPTEMBER 5, 2014, THE DISPUTE RESOLUTION AGREEMENT SIGNED OCTOBER 2, 2014, AND SIGNED BY THE PRESIDING OFFICER ON OCTOBER 27, 2014.

Project Description:

Consistent with the Judicial Review Order dated September 5, 2014, in Thurston County Superior Court Case No. 13-2-01794-3:

Puget Sound Kidney Centers is approved to operate, until one month after the facility approved by CN #1540 opens, a 9-station facility providing hemodialysis, peritoneal dialysis, home hemodialysis and peritoneal training, shifts after 5:00 p.m., backup hemodialysis for home dialysis patients, and visitor hemodialysis for dialysis patients.

Home Training	1
Private Isolation Room	1
Permanent Bed Station	1
Other In-Center Stations	6
Total	9

Puget Sound Kidney Centers is approved to operate, from one month after the facility approved by CN #1540 opens, a 5-station facility providing hemodialysis, peritoneal dialysis, home hemodialysis and peritoneal training, shifts after 5:00 p.m., backup hemodialysis for home dialysis patients, and visitor hemodialysis for dialysis patients. The stations are listed below.

Home Training	1
Private Isolation Room	1
Permanent Bed Station	1
Other In-Center Stations	2
Total	5

Service Area
Skagit County

Conditions

- 1. Puget Sound Kidney Centers agrees with the project description above.

Approved Capital Expenditure

The approved capital expenditure associated with the establishment of the 9-station facility is \$4,053,082.

This Certificate authorizes commencement of the project from July 30, 2012, to July 30, 2014, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: December 8, 2014

Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.