



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

May 15, 2014

Linda Marzano, COO
Pacific Medical Centers
1200 - 12th Avenue South
Seattle, Washington 98144

Dear Ms. Marzano:

RE: DOR 14-23

The Department of Health has completed its review of your exemption request regarding the establishment of an ambulatory surgery center in Bothell, within King County. Below is the information considered and the facts relied upon by the department's Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- Ambulatory Surgery Center (ASC) exemption application submitted March 17, 2014
- Supplemental information submitted on April 17, 2014, and May 13, 2014
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Washington Secretary of State and Department of Revenue information obtained from the respective websites
- Department of Health external provider look-up
- Department of Health Integrated Licensing and Regulatory System (ILRS)

FACTS CONSIDERED

- On September 11, 2002, Pacific Medical Centers established a corporation with the Washington Secretary of State's office known as 'PacMed Clinics.'
- PacMed Clinics is governed by nineteen persons with the following titles: president (1); vice-president (6); secretary (1); treasurer (1); officer (1); and director (9). [source: Secretary of State website]
- PacMed Clinics has been registered with the Washington State Department of Revenue since January 1, 2003. [source: Department of Revenue website]

- PacMed Clinics has nine operational practice sites located in the counties of King, Pierce, and Snohomish. All nine sites are listed in the table below.

Name	Address	City/Zip
Beacon Hill Clinic	1200-12th Avenue South	Seattle/98144
Canyon Park Clinic	1909 - 214th Street Southeast, #300	Bothell/98012
Federal Way Clinic	33501 First Way South, #200	Federal Way/98003
Lynnwood Clinic	19401 - 40th Avenue West, #230	Lynnwood/98036
Madison Clinic	1101 Madison, #301, #400, & #700	Seattle/98104
Northgate Clinic	10416 - 5th Avenue Northeast	Seattle/98125
Puyallup Clinic	220 - 15th Avenue Southeast, #C	Puyallup/98372
Renton Clinic	601 South Carr Road, #100	Renton/98055
Totem Lake Clinic	12910 Totem Lake Boulevard Northeast, #101	Totem Lake/98034

- On March 23, 1987, PacMed Clinics obtained an exemption from Certificate of Need for the establishment of an ambulatory surgery center located at the Madison Clinic site in Seattle.
- This application proposes to establish a second exempt ASC in dedicated space at the Canyon Park site located in Bothell. [in bold above]
- The ASC will be operated under the practice corporation of PacMed Clinics.
- At this time, six physicians intend to use the ASC. Future owners or employees may have access to the ASC. Specific physician credentialing information is below.

Name	Credential Status	Practice Status	% of Time at Practice
Marshall David Bedder	Active	Employee	75%
Margaret D. Eugenio	Active	Employee	95%
Xing Fu	Active	Employee	90%
Shoba Krishnamurthy	Active	Employee	95%
Aparna Kulkarni	Active	Employee	95%
Michele C. Pulling	Active	Employee	95%

- All six physicians are privileged at one or more local hospital in King County, which typically accounts for approximately 5% of their time.
- Procedures proposed to be provided at the exempt ASC include those typically associated with pain management and endoscopy. A listing of common procedures is included in the exemption application.
- The ASC will not be operated as a separate legal entity from the PacMed Clinics practice.
- No management agreement is proposed.

CONCLUSION

Based on the totality of information considered, the department concludes the proposed ASC would be exempt from Certificate of Need review. This exemption is not transferable and the conclusions reached concerning this proposed ASC are based on the facts about this facility and it should not be

assumed the department would reach the same conclusion in future exemption requests for other future ASCs.

If changes are made in the operation or ownership of this proposed ASC, the ASC may no longer be eligible for this exemption. In that case, prior Certificate of Need review and approval or new exemption would be required. Examples of such changes include the following. This list is not intended to be all inclusive.

- The scope of services is expanded to include services subject to Certificate of Need review under the provisions of WAC 246-310-020.
- The provision of any procedure as identified under WAC 246-310-705(4).
- The ASC is operated under a management agreement.
- The ASC is organized as a separate legal entity from the practice.
- The ASC is moved to a different site than identified in the exemption application.
- Use of the ASC is extended to any physician who is not a member/owner or employed by PacMed Clinics.
- The ASC ceases operations or relinquishes its Medicare certification and then chooses to resume services as an ASC.
- The ASC or the practice is purchased or leased.
- ASC patients are routinely transferred from the ASC for observation care at one of the area's hospitals.

APPEAL OPTIONS

This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:

You or any interested or affected person may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the addresses below.

<u>Mailing Address:</u>	<u>Other Than By Mail</u>
Department of Health	Department of Health
Certificate of Need Program	Certificate of Need Program
Mail Stop 47852	111 Israel Road SE
Olympia, WA 98504-7852	Tumwater, WA 98501

Appeal Option 2:

You 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 addresses below.

Linda Marzano, COO
Pacific Medical Centers
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May 15, 2014
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Mailing Address:

Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Other Than By Mail

Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

If you have any questions regarding this determination, you can call me directly at (360) 236-2957 or e-mail me at karen.nidermayer@doh.wa.gov.

Sincerely,

A handwritten signature in blue ink that reads "Karen Nidermayer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Karen Nidermayer, Analyst
Certificate of Need Program
Community Health Systems

cc: Department of Health, Investigations and Inspections Office
Department of Health, Construction Review Services