



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

September 18, 2015

Shaun Schuller, Administrator
Cascade Surgery Associates, PLLC
122 Third Street Northeast
Auburn, Washington 98002

RE: DOR #15-43

Dear Mr. Schuller:

The Department of Health (department) has completed the review of your request under Washington Administrative Code (WAC) 246-310-050 for exemption regarding the proposed ambulatory surgery center in Auburn, within King County. Below is the information considered and the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- Ambulatory Surgery Center (ASC) exemption application received April 20, 2015.
- Supplemental information received on June 18, 2015.
- 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)
- Certificate of Need historical files for the November 4, 1998, exemption approval for Cascade Orthopaedics, PLLC to use the facility under a time share agreement with Ear, Nose, Throat, and Plastic Surgery Associates.
- Certificate of Need historical files for the January 14, 2000, expansion of the sublease agreement between Cascade Orthopaedics, PLLC and Ear, Nose, Throat, and Plastic Surgery Associates.

FACTS CONSIDERED

- On November 4, 1998, the Certificate of Need Program approved an exemption request for a time share arrangement between Cascade Orthopaedics, PLLC and Ear, Nose, Throat, and Plastic Surgery Associates.¹
- On January 14, 2000, the Program approved expansion of the sub-lease agreement between Cascade Orthopaedics, PLLC and Ear, Nose, Throat, and Plastic Surgery Associates.
- On January 19, 2015, Cascade Surgery Center submitted its annual Ambulatory Surgical Facility License Application update.² The Certificate of Need Program noted a change in the address for the surgery center. Subsequent correspondence between the Program and Cascade Surgery Center identified that there was no longer a time-share arrangement with Ear, Nose, Throat, and Plastic Surgery Associates.
- Further, the site for Cascade Surgery Center changed from 101-2nd Street Northeast in Auburn to 126 Auburn Avenue, #200, in Auburn.
- Currently, the practice of Cascade Surgery Associates, PLLC is located at 122 Third Street Northeast in Auburn [98002]; the surgery center known as Cascade Surgery Center is located at 126 Auburn Avenue, #200 in Auburn [98002].
- Cascade Surgery Associates, PLLC has been registered with the Secretary of State office as an active Washington State corporation since January 11, 1995. The corporation is also registered with the Department of Revenue.
- Currently, Cascade Surgery Associates, PLLC is made up of eight separate members, each with a separate professional service (PS) corporation. The members and associated PS are listed below.

Corporation Name	Sole Shareholder
Roger Blauvelt, MD, Inc. PS	Roger Blauvelt, MD
Robert E. Carlson, MD, Inc. PS	Robert E. Carlson
Alan Chen, MD, Inc. PS	Alan Chen, MD
Richard P. Martin, MD, Inc. PS	Richard P. Martin
Milan Shannon Moore, MD, Inc. PS	Milan Shannon Moore, MD
Donna E. Smith, MD, Inc. PS	Donna E. Smith, MD
Brereton Bruce Strafford, MD, Inc. PS	Brereton Bruce Strafford, MD
Apex Spine, Inc. PS	Andelle Teng, MD

- The exemption application identifies that the eight physician members listed above would have access to the ASC known as Cascade Surgery Center. Credentialing information for the eight physicians is listed below.

¹ In November 1998, the Ear Nose, Throat, and Plastic Surgery Associates practice was owned and operated by William Portuese, MD.

² ASC #60099142.

Name	Credential Status	Practice Status	% of time employed
Roger Blauvelt, MD	Active	Member	100%
Robert E. Carlson	Active	Member	100%
Alan Chen, MD	Active	Member	100%
Richard P. Martin	Active	Member	100%
Milan Shannon Moore, MD	Active	Member	100%
Donna E. Smith, MD	Active	Member	100%
Brereton Bruce Strafford, MD	Active	Member	75%
Apex Spine, Inc. PS	Active	Member	100%

- The proposed ASC would be operated under the corporation of Cascade Surgery Associates, PLLC.
- Procedures to be performed at the ASC are those typically associated with interventional orthopedic procedures.
- The proposed ASC would not be operated under a management agreement.

CONCLUSION

Ambulatory surgery facilities (ASF), subject to CN review, are defined in WAC 246-310-010(5) to mean *“any free-standing facility, including an ambulatory surgery center that operates primarily for the purpose of performing surgeries not requiring hospitalization. The term does not include a facility in the offices of private physicians or dentists, whether for individual or group practice if the facility is not extended to physicians or dentists outside the individual or group practice.”*

In November 1998 and again in January 2000, the Certificate of Need Program approved an exemption request for a time share arrangement between Cascade Orthopaedics, PLLC and Ear, Nose, Throat, and Plastic Surgery Associates. At that time, Cascade Orthopaedics, PLLC was not made up of different professional service corporations each owned by a different physician.

Since the structure of Cascade Surgery Associates, PLLC, is made up of different professional service corporations, was the surgery center no longer qualifies for the exemption. Accordingly, the ASC is subject to prior Certificate of Need review. Since it is already established and operating without a valid exemption, timely submission of a Certificate of Need application is necessary.

Enclosed is a copy of the Certificate of Need rules, (WAC 246-310), regulations (RCW 70.38), and a blank application form should you wish to pursue this project.

Shaun Schuller, Administrator
Cascade Surgery Associates, PLLC
DOR #15-43
September 14, 2015
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APPEAL OPTION

This decision may be appealed. You or 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 addresses listed below.

Mailing Address:

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

Physical Address

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

If you have any questions or you would like to arrange for a meeting or conference call to discuss this decision, please call me at (360) 236-2955.

Sincerely,



Janis R. Sigman, Manager
Certificate of Need Program
Community Health Systems

Enclosure

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