



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

October 21, 2015

CERTIFIED MAIL #7015 1640 0000 6441 5621

Mitch Long, Director of Operations
Fresenius Medical Care, Eastern Washington Area
610 South Sherman Avenue, #207
Spokane, Washington 99202

RE: DOR #16-04

Dear Mr. Long:

Thank you for your August 18, 2015, letter requesting a Certificate of Need exemption related to Fresenius Medical Care's (FMC) proposed relocation of North Pointe Dialysis Center. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your proposed relocation project.

FACTS

- On February 7, 1992, Sacred Heart Medical Center was issued Certificate of Need (CN) #1064 approving the establishment of a 12-station dialysis center to be located on the Holy Family Hospital campus in north Spokane. The address for the dialysis center is 9651 North Nevada Street in Spokane, within Spokane County. The facility was established and the dialysis center began operations in approximately 1994.¹
- On June 30, 1998, CN #1179 was issued to Sacred Heart Medical Center approving the addition of eight stations to the dialysis center, resulting in a total of 20 dialysis stations operating at the facility known as "Sacred Heart North Pointe Dialysis Unit."
- On April 13, 2001, Sacred Heart North Pointe Dialysis Unit underwent a change of ownership from Sacred Heart Medical Center to a subsidiary of Fresenius Medical Care (FMC) known as Inland Northwest Renal Care Group (IN-RCG). The facility was renamed "*IN-RCG Northpointe.*"
- On January 9, 2004, CN #1276 was issued to IN-RCG approving the addition of four stations to the dialysis center, for a facility total of 24 in-center dialysis stations.
- The 24-station dialysis center has remained at its current location on North Nevada Street since its establishment in approximately 1994.

¹ On February 23, 1993, CN #1064A was issued to Sacred Heart Medical Center approving the increase in costs beyond the 12% allowable amount.

- Your August 18, 2015, letter, requests relocation of the 24-station FMC North Pointe Dialysis Center in its entirety. Below is a summary of the information provided.
 - The new site is 1116 East Westview Court in Spokane [99218] and is less than one mile from the existing site on North Nevada Street.
 - The current site and the new site are both located in Spokane County Planning Area #2 as defined in Washington Administrative Code 246-310-280(9).
 - FMC expects that the new facility would become operational in November 2015. The existing facility would cease operation as a dialysis center once the relocated facility was operational.
 - No break in dialysis services would occur as a result of the relocation.
 - FMC North Pointe Dialysis Center does not provide home training services at the current site. The floor plan for the new facility includes space for training services. FMC does not intend to provide home training services upon opening at the new site.
 - The floor plan for the new facility demonstrates that the facility will be built-out as a 24-station dialysis center with no shelved space. Dialysis services in isolated space and a permanent bed will be available at the new site.
 - A breakdown of the 24 stations for the new site is shown below.

Private Isolation Room	1
Permanent Bed Station	1
Other In-Center Stations	22
Total	24

- The total costs for the entire relocation is estimated at \$1,093,000.

ANALYSIS

- Revised Code of Washington (RCW) 70.38.105(4) identifies the types of projects subject to prior Certificate of Need review and approval. Subsection (a) identifies that the construction, development, or other establishment of a new health care facility is subject to CON review. RCW 70.38.025(6) defines “health care facility” to include kidney disease treatment centers.
- WAC 246-310-289 allows for relocation of a kidney disease treatment center within the same planning area [as defined in WAC 246-310-280(9)] without undergoing prior Certificate of Need review and approval, provided the following five requirements are met.
 - (a) The existing facility ceases operation;
 - (b) No new stations are added to the replacement facility;
 - (c) There is no break in service between the closure of the existing facility and the operation of the replacement facility;
 - (d) The existing facility has been in operation for at least five years at its present location; and
 - (e) The existing facility has not been purchased, sold, or leased within the past five years.

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CONCLUSION

Based on the above factual information, the Certificate of Need Program concludes that the proposed relocation of FMC North Pointe Dialysis Center qualifies for a relocation exemption under WAC 246-310-289, provided that FMC agrees to the following condition.

Condition of Exemption Approval

At project completion, FMC North Pointe Dialysis Center is approved to certify and operate 24 dialysis stations at the new site.

You have two options, either accept or reject the above in its entirety. If you accept the above in its entirety, your application will be approved and a replacement authorization for the project will be issued. If you reject any provision of the above, you must identify that provision, and your application will be denied because approval would not be consistent with applicable Certificate of Need review criteria. Please notify the Department of Health within 20 days of the date of this letter whether you accept the above in its entirety.

Your written response should be sent to the Certificate of Need Program, at one of the following addresses.

Mailing Address:

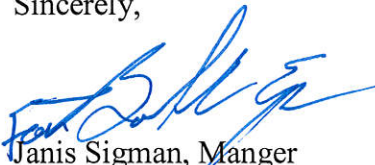
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:

Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

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

Sincerely,



Janis Sigman, Manger
Certificate of Need Program
Community Health Systems