



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

February 21, 2013

CERTIFIED MAIL #7011 1570 0002 7809 5292

Kevin McHugh, Consultant  
Strategic Ancillaries  
Post Office Box 696  
Centralia, Washington 98531

Dear Mr. McHugh:

Enclosed is Certificate of Need #1499 issued to VP Surgery Center of Auburn, LLC approving the establishment of an ambulatory surgery center in Auburn, within King County.

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. 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 following addresses:

Mailing Address:  
Janis Sigman, Manager  
Certificate of Need Program  
Department of Health  
Mail Stop 47852  
Olympia, WA 98504-7852

Other Than By Mail  
Janis Sigman, Manager  
Certificate of Need Program  
Department of Health  
111 Israel Road SE  
Tumwater, WA 98501



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Appeal Option 2:

You or any affected 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

Other Than By Mail

Adjudicative Service Unit  
111 Israel Road SE  
Tumwater, WA 98501

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 question, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Steven M. Saxe, FACHE  
Director, Health Professions and Facilities

Enclosure

cc: Linda Foss, Department of Health, Investigations and Inspections Office



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 #1499 is issued to:**

**Legal Name of Applicant:** VP Surgery Center of Auburn, LLC  
**Address of Applicant:** 1102 – 15<sup>th</sup> Street Southwest, #200, Auburn, Washington 98001  
**Type of Service:** Ambulatory Surgery Center  
**Facility Name:** VP Surgery Center of Auburn  
**Facility Address:** 1102 – 15<sup>th</sup> Street Southwest, #200, Auburn, Washington 98001

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION OF FEBRUARY 1, 2013, (App #12-41)**

**Project Description:**

This certificate approves the establishment of a three operating room surgery center in Auburn, within southeast King County. Services provided at the ambulatory surgery center are limited to ENT, orthopedic, plastic surgery, and pediatric oral/dentistry.

**Service Area**  
Southeast King County

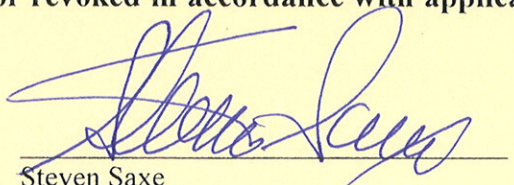
**Conditions Listed on Page Two**

**Approved Capital Expenditure**

The approved capital expenditure associated with this project is \$2,127,221, and has already been expended by the two owing physicians of VP Surgery Center of Auburn, LLC.

**This Certificate authorizes commencement of the project from February 21, 2013, to February 21, 2015, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.**

**Date Certificate Issued:** February 21, 2013

  
Steven Saxe  
Director, Health Professions and Facilities

**This Certificate is not transferable.**

## Certificate of Need #1499

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### Conditions:

1. Approval of the project description as stated above. VP Surgery Center of Auburn, LLC further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Prior to commencement of the project, VP Surgery Center of Auburn, LLC must provide to the department for review and approval a final Operating Agreement consistent with the draft agreement provided in the application.
3. Prior to commencement of the project, VP Surgery Center of Auburn, LLC must provide to the department for review and approval a final Admission Policy consistent with the draft policy provided in the application.
4. Prior to commencement of the project, VP Surgery Center of Auburn, LLC must provide to the department for review and approval a final Charity Care Policy consistent with the draft policy provided in the application.
5. Prior to commencement of the project, VP Surgery Center of Auburn, LLC must provide to the department for review and approval a final Sub-Lease Agreement consistent with the draft agreement provided in the application.
6. Prior to commencement of the project, VP Surgery Center of Auburn, LLC must provide to the department for review and approval a final Patient Transfer Agreement with at least one of the hospitals identified in the application. The final agreement must be consistent with the draft agreement provided in the application.
7. VP Surgery Center of Auburn, LLC will provide charity care in compliance with the charity care policies reviewed and approved by the Department of Health. VP Surgery Center of Auburn, LLC will use reasonable efforts to provide charity care in an amount comparable to or exceeding the average amount of charity care provided by the four hospitals currently operating in the southeast King County planning area. Currently, this amount is 1.66% gross revenue and 2.74% of adjusted revenue. VP Surgery Center of Auburn, LLC will maintain records documenting the amount of charity care it provides and demonstrating compliance with its charity care policies.