



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

March 23, 2011

Kevin Brown, CSO  
Swedish Medical Center  
747 Broadway  
Seattle, Washington 98122-4307

Dear Mr. Brown:

Thank you for your Determination of Non-Reviewability (DOR) letter submitted on December 30, 2010, and supplemental information submitted on February 24, 2011. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your proposed action involving Issaquah Surgery Center.

**FACTS**

- On October 10, 2006, Proliance Surgeons, Inc. was issued Certificate of Need #1338 approving the establishment of an ambulatory surgery center to be known as Issaquah Surgery Center (ISC) at 6505 – 226<sup>th</sup> Place Southeast, #102 site in Issaquah.
- In January 2007, ISC became operational and has remained in continuous operation at the same site since its establishment.
- Approximately January 2010, Issaquah Surgery Center, LLC was established to operate the ASC. Membership of the LLC consists of two physicians and Swedish Health Services.
- Your December 2010 and February 2011 letters clarify that Swedish Health Services intends to buy out the two physicians by May 31, 2012. This action is expected to occur by July 1, 2011, and would result in 100% membership of the LLC by Swedish Health Services.
- Swedish Health Services also requests temporary relocation of the surgeries currently performed at ISC. The relocation would occur approximately July 2011.
- The surgeries would be performed in ambulatory surgery space currently being built-out at Swedish's Issaquah Hospital campus, which is expected to begin operations in approximately February 2012.
- Swedish Health Services emphasizes that while the surgeries would be temporarily relocated, the approved ASC would remain at its 'permanent location' [6505 – 226<sup>th</sup> Place Southeast, #102, Issaquah].
- Swedish Health Services would retain the ASC license once the surgeries are relocated.



- While the surgeries are relocated to Swedish's Issaquah Hospital campus, facility improvements at the existing site would occur. The improvements include replacement of carpet and worn flooring, repair of damaged walls, and painting. Swedish Health Service is also considering conversion of some waiting and administrative space into exam rooms on the clinic side of the space. An increase in examination rooms is also under consideration.
- Swedish Health Services would commence its improvements approximately July or August 2011; the renovation project would be complete approximately December 2011.

### **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 Certificate of Need review.
- RCW 70.38.025(6) defines "health care facility" as *hospices, hospice care centers, hospitals, psychiatric hospitals, nursing homes, kidney disease treatment centers, ambulatory surgical facilities, and home health agencies, and includes such facilities when owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations, but does not include any health facility or institution conducted by and for those who rely exclusively upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination, or any health facility or institution operated for the exclusive care of members of a convent as defined in RCW 84.36.800 or rectory, monastery, or other institution operated for the care of members of the clergy. In addition, the term does not include any nonprofit hospital: (a) Which is operated exclusively to provide health care services for children; (b) which does not charge fees for such services; and (c) if not contrary to federal law as necessary to the receipt of federal funds by the state.*

### **CONCLUSION**

Based on the above factual information provided by you, the Certificate of Need Program concludes that Swedish Health Services relocation of the surgeries, but not the approved ambulatory surgery center, is the establishment of a new healthcare facility.

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.

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:

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

Other Than By Mail

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

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:

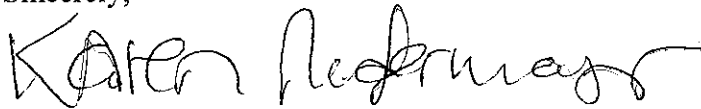
Adjudicative Service Unit  
Mail Stop 47879  
Olympia, WA 98504-7879

Other Than By Mail

Adjudicative Clerk Office  
310 Israel Road SE, Building 6  
Tumwater, WA 98501

Please call me at (360) 236-2957 if you have any questions regarding this determination.

Sincerely,



Karen Nidermayer, Analyst  
Certificate of Need Program  
Office of Certification and Technical Support

Enclosure

cc: Department of Health, Investigations and Inspections Office