



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

May 24, 2012

Alan Curryer, CEO
Rockwood South Hill
2903 East 25th Avenue
Spokane, Washington 99223

Dear Mr. Curryer:

Thank you for your May 9, 2012, letter and supporting documentation intended to meet the Certificate of Need exemption requirements to add skilled nursing beds to an existing Type A continuing care retirement community (CCRC). Below are the facts relied on by the Certificate of Need Program in reaching its conclusion regarding this project.

REVISED CODE OF WASHINGTON 70.38.111(5)(a) and (b)

Revised Code of Washington (RCW) 70.38.111(5)(a) and (b) provide guidance related to bed additions at a Type A CCRC. It states:

- “(a) The department shall not require a certificate of need for the construction, development, or other establishment of a nursing home, or the addition of beds to an existing nursing home, that is owned and operated by a continuing care retirement community that*
- (i) Offers services only to contractual members;*
 - (ii) Provides its members a contractually guaranteed range of services from independent living through skilled nursing, including some assistance with daily living activities;*
 - (iii) Contractually assumes responsibility for the cost of services exceeding the member's financial responsibility under the contract, so that no third party, with the exception of insurance purchased by the retirement community or its members, but including the medicaid program, is liable for costs of care even if the member depletes his or her personal resources;*
 - (iv) Has offered continuing care contracts and operated a nursing home continuously since January 1, 1988, or has obtained a certificate of need to establish a nursing home;*
 - (v) Maintains a binding agreement with the state assuring that financial liability for services to members, including nursing home services, will not fall upon the state;*
 - (vi) Does not operate, and has not undertaken a project that would result in a number of nursing home beds in excess of one for every four living units*



- operated by the continuing care retirement community, exclusive of nursing home beds; and*
- (vii) *Has obtained a professional review of pricing and long-term solvency within the prior five years which was fully disclosed to members.*
- (b) *A continuing care retirement community shall not be exempt under this subsection from obtaining a certificate of need unless:*
- (i) *It has submitted an application for exemption at least thirty days prior to commencing construction of, is submitting an application for the licensure of, or is commencing operation of a nursing home, whichever comes first; and*
- (ii) *The application documents to the department that the continuing care retirement community qualifies for exemption."*

FACTS

- Rockwood South Hill is an existing Type A continuing care retirement community (CCRC) located at 2903 East 25th Avenue in Spokane, within Spokane County.
- Your documentation states the Type A CCRC has been in operation since November 1, 1960¹.
- As of April 30, 2012, the retirement community was operating 254 independent living units, 68 assisted living units, and 36 skilled nursing beds.
- Your letter requests an exemption from review to add 9 nursing home beds to Rockwood South Hill. With the additional nine nursing home beds, the retirement community would be operating a total of 45 skilled nursing beds.
- The following documents were included in the exemption request to demonstrate that Rockwood South Hill continues to qualify for the exemption.
 - Monthly Rental Residency Agreement;
 - Residency Agreement Traditional – 50-Month Descending Refund;
 - Rockwood Retirement Communities South Hill Brochure
 - May 31, 2011, Actuarial Compilation Report for Rockwood South, prepared December 5, 2011; and
 - Spokane United Methodist Homes dba Rockwood Retirement Communities Consolidated Financial Statement and Independent Auditors' Report May 31, 2010 and May 31, 2011

CONCLUSION

Based on the above factual information and the supporting documents, the Certificate of Need Program concludes that Rockwood South Hill continues to meet the exemption requirements under RCW 70.38.111(5)(b). Therefore, the addition of 9 nursing beds to the Type A CCRC does not require further Certificate of Need review. This exemption is based on the facts submitted in the exemption application. Prior Certificate of Need review and approval may be required if changes occur in your project.

¹ Historical Certificate of Need files substantiate that the facility has been in operation since at least January 1, 1988.

This exemption approval does not constitute approval under any other local, federal, or state statute, or implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Section 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.

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
111 Israel Road SE
Tumwater, WA 98501

Appeal Option 2:

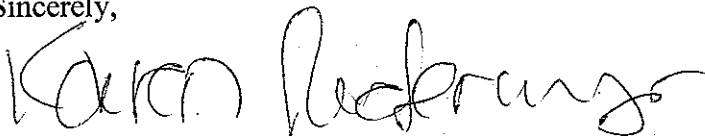
You or any affected person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. 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 further questions as you proceed with your project.

Sincerely,



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

cc: Allen Spaulding, Plans Examiner
Department of Health, Construction Review Services