



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

July 23, 2013

Mike Glenn, Chief Executive Officer  
Jefferson Healthcare  
834 Sheridan  
Port Townsend, Washington 98368

Dear Mr. Glenn:

RE: DOR 13-40

The department has completed the review of your exemption request regarding the proposed purchase of a physician practice and associated ambulatory surgery center located in Port Townsend, within Jefferson 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 submitted May 23, 2013
- Your supplemental information submitted June 18, 2013
- 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)

**FACTS CONSIDERED**

- Jefferson Healthcare is owned by Jefferson County Public Hospital District #2. Jefferson Healthcare provides healthcare services in three facilities located at two separate sites within Port Townsend.

JH Orthopedic Clinic  
834 Sheridan Street

JH Madrona Family Medicine Clinic  
1010 Sheridan Street, #202

JH Hospital  
834 Sheridan Street

- This project proposes Jefferson Healthcare's purchase of an existing physician practice and associated exempt ASC that is also located in Port Townsend.



- The existing practice is known as 'Port Townsend Surgical Associates' and is located at 1010 Sheridan Street, #201 in Port Townsend [98368].
- On January 13, 2000, Port Townsend Surgical Associates was issued an exemption for the establishment of an ASC located at 1010 Sheridan #201 in Port Townsend.
- The practice and exempt ASC have been in continuous operation at the same site since obtaining the exemption in January 2000.
- Once purchased by Jefferson Healthcare, the practice and exempt ASC will continue to be located at 1010 Sheridan #201 in Port Townsend.
- The practice will employ five physicians, plus one additional physician as locum tenens. Additionally, future owners or employees may have access to the ASC. Specific physician credentialing information for the six physicians is below.

Name	Credential Status	Practice Status
Harold Ray Bohman	Active	Locum Tenens
Stephen T. Erickson	Active	100% Employed
Donald Lee George*	Active	60% Employed
David C. King	Active	100% Employed
Jay A. Lawrence*	Active	100% Employed
Michael GE Thomas	Active	100% Employed

- While physician Donald Lee George is not 100% employed by Jefferson Healthcare, he is not employed by any other provider. As a result, 100% of his time is spent at the practice. If this practice arrangement changes for Dr. George, a new exemption request may be necessary.
- Physician Harold Ray Bohman is a locum tenens physician that is 100% employed by Jefferson Healthcare when he is called into service.
- Once purchased, the ASC will be operated under the Jefferson Healthcare physician practice.
- The procedures proposed include various GI procedures and minor orthopedic procedures, such as carpal tunnel release, ganglion cyst, and finger / hand surgeries.
- No management agreement is proposed.

## **CONCLUSION**

Based on the totality of information considered and consistent with similar DOR reviews, the department concludes the proposed ASC would be exempt from Certificate of Need review. This exemption is not transferable and the conclusions reached concerning this proposed ASC are based on the facts about this facility and it should not be assumed the department would reach the same conclusion in future exemption requests for other future ASCs. If changes are made in the operation or ownership of this proposed ASC, the ASC may no longer be eligible for this exemption. In that case, prior Certificate of Need review and approval or new exemption

would be required. Examples of such changes include the following. This list is not intended to be all inclusive.

- The scope of services is expanded to include services subject to Certificate of Need review under the provisions of WAC 246-310-020.
- The provision of any procedure as identified under WAC 246-310-705(4).
- The ASC is operated under a management agreement.
- The ASC is organized as a separate legal entity from the practice.
- The ASC is moved to a different site than identified in the exemption application.
- Use of the ASC is extended to any physician who is not a member or employed by Jefferson Healthcare physician practice.
- The ASC ceases operations or relinquishes its Medicare certification and then chooses to resume services as an ASC.
- The ASC or the practice is purchased or leased.
- ASC patients are routinely transferred from the ASC for observation care at one of the area's hospitals.

### **APPEAL OPTIONS**

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 addresses below.

<u>Mailing Address:</u>	<u>Other Than By Mail</u>
Department of Health	Department of Health
Certificate of Need Program	Certificate of Need Program
Mail Stop 47852	111 Israel Road SE
Olympia, WA 98504-7852	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 addresses on the following page.

Mike Glenn, Chief Executive Officer  
Jefferson Healthcare  
DOR #13-40  
July 23, 2013  
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Mailing Address:  
Department of Health  
Adjudicative Service Unit  
Mail Stop 47879  
Olympia, WA 98504-7879

Other Than By Mail  
Department of Health  
Adjudicative Service Unit  
111 Israel Road SE  
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  
Department of Health, Construction Review Services