



HOSPICE CARE | PALLIATIVE CARE | GRIEF CARE | BEHAVIORAL HEALTH

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OCT 07 2019

CERTIFICATE OF NEED PROGRAM  
DEPARTMENT OF HEALTH

October 2, 2019

Nancy Tyson, Executive Director  
Health Facilities and Certificate of Need  
Department of Health  
111 Israel Road Southeast  
Tumwater, WA 98501

Dear Ms. Tyson:

Over the past several years, Tri-Cities Chaplaincy d/b/a Chaplaincy Healthcare (Chaplaincy) has had the opportunity to participate in a number of Technical Assistance (TA) consultations with staff of the Certificate of Need (CN) Program regarding our intention to replace our existing hospice care center, known as Chaplaincy Hospice House (Hospice House). Initially, we were advised by staff that the replacement requires prior review, and more recently, after requesting clarification, and after involvement of additional CN Program staff, we were advised that the reason our project requires prior review is not the replacement per se, but rather the fact that our original certificate of need was issued to a specific address and that the change to the address requires review.

We have had the chance to research these advisements and consult with CN experts, and have been advised that the replacement of our current hospice care center should not be subject to prior CN review. This letter provides our research and rationale and requests a formal Determination of Reviewability (DOR). We respectfully request timely processing of this request as letters of intent for hospice care centers are due in late October.

### **Description of the Project:**

In 1994, Chaplaincy received a DOR that states the establishment of its Hospice House did not require prior CN review and approval. Hospice House opened in 1996. At that time, there was no hospice care center licensure category and Hospice House was licensed as an acute care hospital.

In 2002, a hospice care center licensure category was created and in 2004, Chaplaincy submitted a CN application to change Hospice House's licensure category from a hospital to a hospice care center. CN# 1313 was subsequently issued on July 19, 2005. This CN was simply for the change in licensure category.

Chaplaincy's existing Hospice House has operated for more than 23 years at 2108 W Entiat Ave, in Kennewick. Since opening, Hospice House has served more than 17,000 patients and their families primarily from Benton and Franklin Counties.

After several years of analysis, Chaplaincy Healthcare's Board and leadership determined that the Hospice House is in need of significant updates and improvements. Because the existing facility would need to be closed during the renovation (estimated at 10 to 12 months), and because the cost was nearly as high as new construction, it was decided that replacement was superior. We identified and acquired property at 1336 Spaulding Ave., a location approximately 5.6 miles from our current location in Kennewick. Upon completion of the replacement, the existing Hospice House will close. No new beds are proposed, and both the existing and replacement beds are located in the same planning area (Benton County).

Chaplaincy has determined that this project does not require prior CN review and approval and provides the following.

**1. Hospice Care Centers are not included in the CN Program's definition of a health care facility.**

WAC 246-310 020 (1) (a) states that that *the construction, development, or other establishment of a new health care facility* requires prior CN review. WAC 246-310-010 (26) defines a "Health care facility" as *hospitals, psychiatric hospitals, nursing homes, kidney disease treatment centers including freestanding dialysis units, ambulatory surgical facilities, continuing care retirement communities, hospices and home health agencies, and includes the facilities when owned and operated by a political subdivision or instrumentality of the state and other facilities as required by federal law and rules, 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.*

Hospice Care Center Facilities, as a separate licensure category under Washington State law, are not included in the above definition.

**2. Chaplaincy Healthcare is not establishing a new health care facility.**

Even if the CN Program were to somehow determine that Hospice House is a health care facility, WAC 246-310 020 (1) (a) only requires review for *the construction, development, or other establishment of a new health care facility*. Hospice House is proposing a total replacement of the existing Hospice House; not a new health care facility.



**3. The CN Program has a consistent history of exempting replacement projects from prior CN review, and a simple change of address has not been an obstacle to the projects securing Determinations of Reviewability.**

The CN Program has a long, consistent and documented history of determining that replacement projects do not require prior review. Specifically, the CN Program has issued Determinations of Reviewability to many entities included under the definition of health care facility in WAC 246-310-020(1)(a). Examples include:

**Hospitals:** Hospitals are defined in WAC as health care facilities. Chaplaincy has not identified any hospital replacement that triggered a CN review. In fact, we identified at least seven requests for Determinations of Reviewability in which the hospital proposing replacement stated explicitly that there would be no change in licensed bed capacity, no change in planning area and that the current location would close when the replacement facility opens. Examples include: Pullman Memorial Hospital (October 2002), Summit Pacific Medical Center (October 2002 and April 2010), Snoqualmie Valley Hospital (June 2007), Enumclaw Regional Hospital (September 2008), East Adams Rural Hospital (July 2013), Sunnyside Community Hospital (December 2015), and Lake Chelan Community Hospital (October 2017). In each of these examples, the entity proposed a new physical address. The new address did not result in a CN being required.

**Dialysis Centers:** Dialysis Centers are defined in WAC as health care facilities. Yet, CN rules specifically allow centers that have operated for more than five years to relocate without prior CN review. For example, DaVita Puyallup was issued DOR #19-09 when it proposed to relocate the existing facility to a new location. No change in the number of approved dialysis stations, no change in the planning area and confirmation that the existing facility would close when the new facility opened. In these examples, and in each example that Chaplaincy reviewed, the dialysis centers proposed a new physical address. The new address did not result in a CN being required.

**Ambulatory Surgery Centers (ASCs):** ASCs are defined in WAC as health care facilities. We understand that many, once operational, have relocated over the years without notifying the CN Program (though they have advised licensing and Medicare). One recent DOR request, from Valley Medical Center ASC (DOR #16-23) allowed the hospital to not only replace the existing facility but to relocate it to a new location and to establish a joint venture ASC with another entity. None of this required prior review and approval. Importantly, the ASC proposed a new physical address, and the new address did not result in a CN being required.

**Nursing Homes:** Nursing Homes are defined in WAC as health care facilities. However, separate rules allow nursing homes to file a DOR and preserve and relocate the beds to another location. For example: DOR #17-03 allowed Mission Healthcare at Bellevue, JV to establish a new facility with a portion of the beds from its existing nursing home. No change in planning area was proposed and the total number of licensed nursing home beds did not change. For the 60 relocated beds, a new address was proposed. Importantly, the Nursing Home proposed a new physical address, and the new address did not result in a CN being required.

Based on the above, we respectfully request that the CN Program make a timely finding that Chaplaincy Health does not require CN review to replace its current Hospice House at a location approximately five miles from the current location, with the same number of beds, and with the knowledge that the existing Hospice House location will be closed.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Castillo". The signature is stylized with a large initial "G" and a series of vertical lines for the last name.

Gary Castillo  
Executive Director  
Chaplaincy Health Care


cc: Nate Weed, Director of Community Health Systems  
Kristin Petersen, Assistant Secretary, Health Systems Quality Assurance



Payee DEPT OF HEALTH  
Vendor ID DEPTOFHEALTH

Account #:

8488  
10/4/2019

Invoice	Description	Discount	Amount
100419	NEW HH DETERMINATION FEE	\$0.00	\$1,925.00
 <b>RECEIVED</b> <b>OCT 07 2019</b> CERTIFICATE OF NEED PROGRAM DEPARTMENT OF HEALTH		<b>Total :</b> \$0.00 \$1,925.00	

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