



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

May 30, 2014

CERTIFIED MAIL #7011 1570 0002 7809 5650

Mitch Long, Eastern Washington Director of Operations
Fresenius Medical Care-North America
610 South Sherman, #207
Spokane, Washington 99202

RE: DOR #14-24

Dear Mr. Long:

Thank you for your March 16, 2014, letter requesting a Determination of Reviewability (DOR) related to Fresenius Medical Care's (FMC) proposed relocation of Moses Lake Dialysis Center. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your proposed relocation project.

FACTS

- On October 11, 1995, Sacred Heart Medical Center was issued Certificate of Need (CN) #1132 approving the establishment of a 5-station dialysis center known as Moses Lake Dialysis Unit. The approved location of dialysis center is 801 West Wheeler in Moses Lake, within Grant County.
- On March 22, 1999, CN #1187 was issued to Sacred Heart Medical Center approving the addition of 12 dialysis stations to the dialysis center, for a facility total of 17. The project also included the relocation of the dialysis center to 1545 South Pilgram Street in Moses Lake [98837]. The relocation and station addition project was completed in January 2000.
- After January 2000 and before July 27, 2007, the Moses Lake Dialysis Unit underwent a change of ownership from Sacred Heart Medical Center to a subsidiary of Fresenius Medical Care known as Renal Care Group Northwest (RCGNW).
- On July 27, 2007, CN #1351 was issued to RCGNW approving the addition of three stations to the dialysis center, for a facility total of 20. The dialysis center's name was changed to FMC Moses Lake Dialysis Center.
- FMC Moses Lake Dialysis Center has been in continuous operation at its current location on Pilgram Street since January 2000.
- On December 29, 2008, CN #1388 was issued to another subsidiary of Fresenius Medical Care known as Inland Northwest Renal Care Group, LLC. CN #1388 approved the establishment of a

four-station dialysis center in Ephrata, within Grant County by relocating four stations from FMC Moses Lake Dialysis Center to the new facility. On March 3, 2011, CN #1388 was relinquished with no action on the project. The Ephrata center was not established and the Moses Lake Dialysis Center's stations remained at 20.

- Your March 16, 2014 letter and supplemental information provided on April 28, 2014, and May 20, 2014, requests relocation of the 20-station FMC Moses Lake Dialysis Center in its entirety. Below is a summary of the information provided.

- The new site is 847 East Broadway Avenue in Moses Lake [98837] and is within three miles of the existing site on Pilgram Avenue.
- The current site and the new site are both located in Grant County as defined in Washington Administrative Code 246-310-280(9).
- FMC expects that the new facility would become operational in June 2014. The existing facility would cease operation once the relocated facility was operational.
- No break in dialysis services would occur as a result of the relocation.
- Based on the floor plan for the new facility, the building could house 26 dialysis stations. Only the 20-station facility would become operational at the new site.
- Moses Lake Dialysis Center does not provide home training services at the current site. The floor plan for the new facility shows space for training services [two stations]. FMC does not intend to provide home training services upon opening Moses Lake Dialysis Center at the new site; however, the center may provide home training services in the future.
- Moses Lake Dialysis Center has one isolation station at the current site. The floor plan for the new site also shows one isolation station. Dialysis services within isolated space will continue to be available at the new site.
- A breakdown of the 20 stations for the new site is shown below.

Private Isolation Room	1
Training Station	2
Other In-Center Stations	17
Total	20

- The total costs for the entire relocation are estimated at \$1,825,646. Of that amount, \$1,750,905 is attributed to the relocation of the 20 station facility
- The remaining \$74,741 is the costs for the additional station space that will not be used at this time. These costs must be identified in any future application(s) to add dialysis stations at Moses Lake Dialysis Center.

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 CON review. RCW 70.38.025(6) defines "health care facility" to include kidney disease treatment centers.

- WAC 246-310-289 allows for relocation of a kidney disease treatment center within the same planning area [as defined in WAC 246-310-280(9)] without undergoing prior Certificate of Need review and approval, provided the following five requirements are met.
 - (a) The existing facility ceases operation;
 - (b) No new stations are added to the replacement facility;
 - (c) There is no break in service between the closure of the existing facility and the operation of the replacement facility;
 - (d) The existing facility has been in operation for at least five years at its present location; and
 - (e) The existing facility has not been purchased, sold, or leased within the past five years.

CONCLUSION

Based on the above factual information, the Certificate of Need Program concludes that the proposed relocation of FMC Moses Lake Dialysis Center qualifies for a relocation exemption under WAC 246-310-289, provided that FMC Moses Lake Dialysis Center agrees to the following condition.

Conditions of Exemption Approval

- 1) At project completion, FMC Moses Lake Dialysis Center is approved to certify and operate 20 dialysis stations at the new site.
- 2) FMC Moses Lake Dialysis Center does not currently provide home training services. Home training services will not be offered at the dialysis center upon opening at the new site. Before FMC Moses Lake Dialysis Center begins providing home training services, a minimum of 30-day prior notification to the Certificate of Need Program is required.

Once FMC Moses Lake Dialysis Center provides written agreement to the conditions above, the program will issue a replacement authorization for the project.

You have two options, either accept or reject the above in its entirety. If you accept the above in its entirety, your application will be approved and a Certificate of Need sent to you. If you reject any provision of the above, you must identify that provision, and your application will be denied because approval would not be consistent with applicable Certificate of Need review criteria. Please notify the Department of Health within 20 days of the date of this letter whether you accept the above in its entirety.

Your written response should be sent to the Certificate of Need Program, 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

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If you have any questions, or would like to arrange for a meeting to discuss our decision, please contact me at (360) 236-2955.

Sincerely,



Janis Sigman, Manger
Certificate of Need Program
Community Health Systems