



State of Washington
Department of Health

April 29, 2016

CERTIFIED MAIL # 7009 0960 0000 5565 0277

Heidi Aylsworth
Chief Strategy Officer
Swedish Health Services
747 Broadway
Seattle, WA 98122

CN: 15-25

Dear Ms. Aylsworth

Enclosed is Certificate of Need #1573 issued to Redmond Ambulatory Surgery Center, LLC approving the construction of a three operating room ambulatory surgical center within existing spaces in the Swedish Redmond Ambulatory Care Center in the city of Redmond within King County.

The certificate is not approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

Heidi Aylsworth, Chief Strategy Officer
Swedish Health Services
CN Application #15-25
April 29, 2016
Page 2 of 2

This decision may be appealed. The appeal options are listed below.

Appeal Option 1:

Any person with standing 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

Physical Address:

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

Appeal Option 2:

Any 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

Physical Address:

Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Bart Eggen
Acting Director, Office of Community Health Systems

Enclosure



State of Washington
Department of Health

April 29, 2016

CERTIFIED MAIL # 7009 0960 0000 5565 0260

David Fitzgerald
Chief Executive Officer
Proliance Surgeons, Inc. P.S.
805 Madison, Suite 901
Seattle, WA 98104

CN: 15-25

Dear Mr. Fitzgerald

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David Fitzgerald, Chief Executive Officer
Proliance Surgeons, Inc. P.S.
CN Application #15-25
April 29, 2016
Page 2 of 2

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Sincerely,



Bart Eggen
Acting Director, Office of Community Health Systems

Enclosure



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit 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.

Certificate of Need #1573 is issued to:

Legal Name of Applicant: Swedish Health Services & Proliance Surgeons, Inc., P.S.
Address of Applicant: 747 Broadway Seattle, WA 98122 / 805 Madison, Suite 901, Seattle, WA 98104
Type of Service: Ambulatory Surgery Center
Facility Name: Redmond Ambulatory Surgery Center, LLC
Facility Address: 18100 Union Hill Road, Redmond, Washington 98052

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD AND EVALUATION DATED APRIL 8, 2016 (CN App #15-25)

Project Description

This certificate approves Swedish Health Services and Proliance Surgeons, Inc. P.S. to construct a three operating room ambulatory surgical center within existing spaces in the Swedish Redmond Ambulatory Care Center in the city of Redmond within King County.

Services to be provided at the ASC include eye surgeries, ear, nose and throat (ENT), gastrointestinal (GI), gynecology, general surgery, orthopedics, plastics, podiatry, urology, vascular surgery and some limited respiratory and cardiovascular cases.

Service Area

East King Planning Area

Conditions

Conditions identified on page two

Approved Capital Expenditure

The approved capital expenditure for this project is \$8,500,916

This Certificate authorizes commencement of the project from April 29, 2016 to April 29, 2018 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: April 29, 2016


Bart Eggen, Acting Director
Office of Community Health Systems

This Certificate is not transferable

Certificate of Need #1573

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Conditions

1. Swedish Health Services and Proliance Surgeons, Inc. P.S. agree with the project description as stated above. Swedish Health Services and Proliance Surgeons, Inc. P.S. further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Elective percutaneous coronary interventions (PCI), as defined in WAC 246-310-705, may not be performed at Redmond Ambulatory Surgery Center, LLC.
3. Prior to commencement, Swedish Health Services and Proliance Surgeons, Inc. P.S. must provide an executed copy of Redmond Ambulatory Surgery Center, LLC operating agreement for the department's review and approval. The executed LLC operating agreement must be consistent with the draft provided in the application.
4. Prior to providing services, Swedish Health Services and Proliance Surgeons, Inc. P.S. will provide copies of the adopted policies listed below for the department's review and approval.
 - Redmond Ambulatory Surgery Center, LLC Patient's Rights and Responsibility Policy
 - Redmond Ambulatory Surgery Center, LLC Non-Discrimination Policy
 - Redmond Ambulatory Surgery Center, LLC Charity Care Policy

The adopted policies specific to the Redmond ASC must be consistent with the draft policies provided in the application.

5. Prior to commencement, Swedish Health Services and Proliance Surgeons, Inc. P.S. must provide an executed copy of the management services agreement for the department's review and approval. The executed management services agreement must be consistent with the draft provided in the application.
6. Prior to providing services Swedish Health Services and Proliance Surgeons, Inc. P.S. will provide an executed copy of the medical director agreement for the department's review and approval along with the Medical Director's name and credential number. The executed medical director agreement must be consistent with the draft provided in the application.
7. Prior to commencement, Swedish Health Services and Proliance Surgeons, Inc. P.S. must provide a copy of the executed lease agreement for space to be used by Redmond Ambulatory Surgery Center, LLC for the department's review and approval. The executed lease must be consistent with the draft provided in the application.
8. Redmond Ambulatory Surgery Center, LLC will provide charity care in compliance with the charity care policy provided in the application, or any subsequent polices. Swedish Health Services and Proliance Surgeons, Inc. P.S. will use reasonable efforts to provide charity care at Redmond Ambulatory Surgery Center, LLC in an amount comparable to or exceeding the average amount of charity care provided by the four hospitals in East King County. Currently, this amount is 1.23% for gross revenue and 2.23% for adjusted revenue. Swedish Health Services and Proliance Surgeons, Inc. P.S. will maintain records of charity care amount provided by Redmond Ambulatory Surgery Center, LLC documenting the amount of charity care its provides and demonstrating compliance with its charity care policies.
9. Redmond Ambulatory Surgery Center, LLC must maintain Medicare and Medicaid certification.