



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

June 22, 2016

John Gallagher, Chief Executive Officer
Sunnyside Community Hospital and Clinics
1016 Tacoma Avenue
Post Office Box 719
Sunnyside, Washington 98944

DOR #16-30

Dear Mr. Gallagher:

The Department of Health has completed the review of your request for a determination of reviewability regarding the purchase of Yakima Ambulatory Surgical Center within Yakima 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

- Sunnyside Community Hospital's letter requesting a determination, received May 17, 2016
- Sunnyside Community Hospital's supplemental information received June 17, 2016
- Certificate of Need #1150 issued on August 7, 1996
- Yakima Ambulatory Surgical Center's ambulatory surgical facility license applications received January 27, 2015, and December 11, 2015 for ASF #60103038
- 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 Integrated Licensing and Regulatory System (ILRS)
- Charity Care reports produced by the office of Hospital and Patient Data Systems (HPDS)
- Certificate of Need historical files

FACTS CONSIDERED

- Sunnyside Community Hospital Association [SCHA] is a non-profit corporation governed by three members.
- SCHA is currently registered with both the Washington State Secretary of State office and the Department of Revenue. [source: Washington State Secretary of State and Washington State Department of Revenue websites]

FACTS CONSIDERED (continued)

- SCHA owns and operates Sunnyside Community Hospital located in Yakima County. The hospital provides healthcare services to the residents of Yakima and Benton counties through its healthcare clinics.
- Yakima Ambulatory Surgical Center [YASC] is a freestanding ambulatory surgery center (ASC) located at 111 South 11th Avenue, Suite #220, in Yakima [98902], within Yakima County.
- YASC received Certificate of Need approval on August 7, 1996¹ to provide the following surgical services in the 3-OR ASC: gynecology, orthopedic, otorhinolaryngology, general surgery, plastic surgery, and urology.
- YASC has been in continuous operation since its establishment.
- Once purchased, SCHA intends to operate YASC under the hospital license.
- No management agreement is proposed.
- No change in services is proposed. SCHA intends to continue the same mix of services at the surgery center, which is ENT, general surgery, ophthalmology, orthopedics, pain management, and plastic surgery.
- SCHA intends to operate the 3-OR surgery center at its present location in Yakima.
- No new services that require their own Certificate of Need will be offered as a result of this acquisition.

CONCLUSION

Based on the totality of information considered, the department concludes the purchase of Yakima Ambulatory Surgical Center by Sunnyside Community Hospital is not subject to Certificate of Need review. This determination is not transferable and the conclusions reached concerning this determination are based on its specific facts and should not be assumed the department would reach the same conclusion in future determination requests for other future ambulatory surgery center purchases.

The department would like to remind YASC that although the ASC is proposed to be licensed under the hospital license, for Certificate of Need purposes, the ASC is considered freestanding. The department would also like to remind YASC that Washington Administrative Code 246-310-270(7) requires approved ASCs to provide charity care at levels that are at least equal to or greater than the averages provided by the hospitals that would be affected by the ASC. For your convenience, the table below shows the most recent average charity care levels of the four hospitals in Yakima County.

2012-2014 Charity Care Averages²

Four Yakima County Hospitals Combined	
% of Total Revenue	1.64%
% of Adjusted Revenue	3.66%

¹ Certificate of Need #1150.

² Sunnyside Community Hospital did not report annual charity care information timely in 2014. As a result, 2014 data does not include percentages report by the hospital.

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APPEAL OPTION

This decision may be appealed. You or 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 addresses listed below.

Mailing Address:

Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Physical Address

Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

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

Sincerely,



Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

cc: Department of Health, Investigations and Inspections Office
Department of Health, Construction Review Services