



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

March 28, 2017

Theresa Boyle, Senior VP
MultiCare Health System
P.O. Box 5299
MS 603-1-SBD
Tacoma, WA 98415

RE: Determination of Reviewability [DOR] 17-14

Dear Ms. Boyle:

The Department of Health has completed the review of your request for a determination of reviewability regarding the purchase of Rockwood Digestive Health Center within Spokane 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

- MultiCare Health System's letter requesting a determination, received January 6, 2017
- MultiCare Health System's supplemental information received February 27, 2017
- 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

- MultiCare Health System is a not-for-profit health system that serves the residents of Washington State, through four hospitals, a home health and hospice agency, and numerous physician clinics and urgent care facilities.
- MultiCare Health System 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]
- MultiCare Health System has proposed to acquire Deaconess Hospital, Valley Hospital, and Rockwood Health System from Community Health Systems.

FACTS CONSIDERED (continued)

- This includes the Rockwood Digestive Disease Center
- The Rockwood Digestive Disease Center is currently located in Deaconess Hospital at 800 West 5th Avenue in Spokane [99204]
- Rockwood Digestive Disease Center was previously licensed as a freestanding ASF¹, located at 105 West 8th Avenue in Spokane [99204]
- On May 26, 2010, the Rockwood Digestive Disease Center relinquished its ASF license. Services were relocated to Deaconess Hospital at 800 West 5th Avenue in Spokane [99204].
- The Rockwood Digestive Disease Center operates as an outpatient department of the hospital, and is included in the Deaconess Hospital acute care hospital license.
- Once purchased, MultiCare intends to continue to operate the Rockwood Digestive Disease Center as an outpatient department of the hospital.
- No management agreement is proposed.
- No change in services is proposed. MultiCare intends to continue the same mix of services in the hospital outpatient department, which includes gastroenterology procedures, bronchoscopies, and PEG² placements.
- MultiCare intends to operate this department at its present location in Spokane.
- 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 the Rockwood Digestive Disease Center by MultiCare Health System 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.

If changes are made in the operation or ownership of this outpatient department of the hospital, it 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 provision of WAC 246-310-020.
- The provision of any procedure as identified under WAC 246-310-705(4)
- The Rockwood Digestive Disease Center is operated as a separate legal entity from the hospital
- The Rockwood Digestive Disease Center is moved to a different site other than identified in the exemption application

¹ ASF.FS.60102677

² PEG means Percutaneous Endoscopic Gastronomy - a procedure in which a tube is placed into the stomach percutaneously for the purpose of non-oral feeding.

[source: http://www.medicinenet.com/percutaneous_endoscopic_gastronomy/article.htm]

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- The Rockwood Digestive Disease Center obtains new or separate Medicare certification from the hospital

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