



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

February 5, 2018

CERTIFIED MAIL # 7014 2120 0002 7627 2100

Lance Baldwin, Director of Nursing
Northwest Eye Surgeons, PC
10330 Meridian Avenue N. Suite 370
Seattle, WA 98133 – 9451

Adriana Enriquez, Administrator Coordinator
Northwest Eye Surgeons, PC
10330 Meridian Avenue N. Suite 370
Seattle, WA 98133 – 9451

CN: 17-29

Dear Mr. Baldwin and Ms. Enriquez:

We have completed review of the Certificate of Need application submitted by N.W. Eye Surgeons, PC proposing to establish an ambulatory surgery center to be located in Renton within southeast King County. Enclosed is a written evaluation of the application.

For the reasons stated in the enclosed decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided N.W. Eye Surgeons, PC agrees to the following in its entirety.

Project Description:

This certificate approves N.W. Eye Surgeons, PC to establish a two room ASC within the City of Renton in southeast King County secondary health services planning area. The ASC will provide surgeries to patients 12 years and older who are not expected to require hospitalization and can be served in an outpatient surgery setting. Services to be provided at the ASC is limited to eye surgeries, ophthalmic and optometric eye procedures as currently performed, needle or similar non-invasive ophthalmic and optometric eye procedures, pain management procedures (non-implants), and dermatology type procedures such as Botox injections that can be performed at the ASC as currently configured.

Conditions:

1. N.W. Eye Surgeons, PC agrees with the project description as stated above. N.W. Eye Surgeons, PC 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. N.W. Eye Surgeons, PC must maintain its Medicare and Medicaid certification throughout the life of the facility regardless of ownership.
3. N.W. Eye Surgeons, PC will provide charity care in compliance with the charity care policy provided in the application, or any subsequent policies. N.W. Eye Surgeons, PC will use reasonable efforts to provide charity care at 3.40% for gross revenue and 5.83% for adjusted revenue as identified in the application or the regional average, whichever is greater. N.W. Eye Surgeons, PC will maintain records of the charity care amount provided by documenting the amount of charity care it provides and demonstrating compliance with its charity care policies.

Approved Cost:

The approved capital expenditure for this project is \$218,870

Please notify the Department of Health within 20 days of the date of this letter whether you accept the above project description, conditions, and capital costs for your project. If you accept these in entirety, your application will be approved and a Certificate of Need sent to you.

If you reject any of the above provision, your application will be denied. The department will send you a letter denying your application and provide you information regarding your appeal rights. 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

Physical Address:

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

Lance Baldwin, Director of Nursing
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N. W. Eye Surgeons, PC
Certificate of Need App #17-29
February 5, 2018
Page 3 of 3

If you have any questions, or would like to arrange for a meeting to discuss our decision, please contact Janis Sigman with the Certificate of Need Program at (360) 236-2955.

Sincerely,



Nancy Tyson, Executive Director
Certificate of Need Program
Office of Certification and Technical Support

Enclosure

**EVALUATION DATED FEBRUARY 5, 2018, FOR THE CERTIFICATE OF NEED
APPLICATION SUBMITTED BY N.W EYE SURGEONS, PC PROPOSING TO ESTABLISH
A NEW AMBULATORY SURGERY CENTER¹ IN SOUTHEAST KING COUNTY
SECONDARY HEALTH SERVICES PLANNING AREA**

APPLICANT DESCRIPTION

In March 1986 Northwest Eye Surgeons, PC was incorporated in Washington as a private physician owned corporation specializing in eye surgery services, and ophthalmic and optometric eye surgeries. On September 5, 2008, the Certificate of Need Program (CN) approved the determination of reviewability application submitted by Northwest Eye Surgeons, PC to relocate its Renton ASC to a new location within the same city. N.W. Eye Surgeons, PC is licensed by the Department of Health and accredited by the American Association for Accreditation of Ambulatory Surgery Facilities. Information within the application stated the ASC legal name is N.W. Eye Surgeons, PC. [Source: www.nweyes.com/our-practice-our-people, www.sos.wa.gov; and Application, Pages 10-12; and DOR decision September 5, 2008]

As a licensed ASC, N.W. Eye Surgeons, PC specialty is eye surgery services, ophthalmic and optometric procedures of the eye. The eye surgery services, and ophthalmic and optometric procedures of the eye provided at the ASC include eye restorative and cosmetic eye surgery procedures, laser vision correction, corneal surgery, cataract surgery, vitreoretinal surgery, glaucoma surgery, laser treatments and other specialized optometric surgical procedures. N.W. Eye Surgeons, PC own and operates six separate practice sites within Washington. The six facilities are listed below. [Source: Application Pages 3 and 12]

Facility Address	Licensed #	City	Zip Code
1412 S.W 43 rd Street, Suite 310	ASF.FS.60101742	Renton	98057
795 North 5 th Avenue	ASF.FS. 60101741	Sequim	98382
10330 Meridian Avenue, North #370	ASF.FS.60101724	Seattle	98133
1300 Roosevelt Avenue	ASF.FS.60264053	Mount Vernon	98273
16404 Smokey Point Blvd, Suite 303	ASF.FS.60101736	Arlington	98223
2075 Barkley Boulevard, #205	MT.SW.FS.60656482	Bellingham	98226

PROJECT DESCRIPTION

N.W. Eye Surgeons, PC proposes to convert its two room CN exempt ASC located at 1412 SW 43rd Street, Suite 310 within the City of Renton [98057] in southeast King County to CN approved. If approved, the ASC will continue to provide eye surgeries to patients 12 years and older who are not expected to require hospitalization and can be served in an outpatient surgery settings. Services to be provided at the ASC will be limited to eye surgery, and ophthalmic and optometric eye surgery procedures as currently performed, needle or similar non-invasive ophthalmic procedures, pain management procedures (non-implants), and dermatology type procedures such as Botox injections that can be performed at the ASC as currently configured. [Source: Screening responses received September 1, 2017]

The capital expenditure associated with this project is \$218,870 and it is solely dedicated to equipment. [Source: Application Page 19] N.W. Eye Surgeons, PC is an existing facility and anticipates that if approved, it will be providing services as CN approved ASC by end of January 2018. Under this timeline, year 2018 would be the facility’s first full calendar year of operation and 2020 would be year three. [Source:

¹ For Certificate of Need purposes, ambulatory surgery facility (ASF) and ambulatory surgery center (ASC) have the same meaning. For ease of reading, the term “ASC” will be used throughout this analysis.

Screening responses received June 26, 2017]. For ease of reference in this evaluation, the department would refer to N.W. Eye Surgeons, PS as “NWES”

APPLICABILITY OF CERTIFICATE OF NEED LAW

This project is subject to Certificate of Need review as the construction, development, or other establishment of a new healthcare facility under Revised Code of Washington (RCW) 70.38.105(4)(a) and Washington Administrative Code (WAC) 246-310-020(1)(a).

EVALUATION CRITERIA

WAC 246-310-200(1)(a)-(d) identifies the four determinations that the department must make for each application. WAC 246-310-200(2) provides additional direction in how the department is to make its determinations. It states:

“Criteria contained in this section and in WAC 246-310-210, 246-310-220, 246-310-230, and 246-310-240 shall be used by the department in making the required determinations.

(a) In the use of criteria for making the required determinations the department shall consider:

- (i) The consistency of the proposed project with service or facility standards contained in this chapter;*
- (ii) In the event the standards contained in this chapter do not address in sufficient detail for a required determination the services or facilities for health services proposed, the department may consider standards not in conflict with those standards in accordance with subsection (2)(b) of this section; and*
- (iii) The relationship of the proposed project to the long-range plan (if any) of the person proposing the project”*

In the event that WAC 246-310 does not contain service or facility standards in sufficient detail to make the required determinations, WAC 246-310-200(2)(b) identifies the types of standards the department may consider in making its required determinations. Specifically WAC 246-310-200(2)(b) states:

“The department may consider any of the following in its use of criteria for making the required determinations:

- (i) Nationally recognized standards from professional organizations;*
- (ii) Standards developed by professional organizations in Washington State;*
- (iii) Federal Medicare and Medicaid certification requirements;*
- (iv) State licensing requirements;*
- (v) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to a proposed undertaking; and*
- (vi) The written findings and recommendations of individuals, groups, or organizations with recognized experience related to a proposed undertaking, with whom the department consults during the review of an application.”*

To obtain Certificate of Need approval, the applicant must demonstrate compliance with the criteria found in WAC 246-310-210 (need); 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment). Additionally, WAC 246-310-270 (ambulatory surgery) contains service or facility specific criteria for ASC projects and must be used to make the required determinations for applicable criteria in WAC 246-310-210.

TYPE OF REVIEW

This application was reviewed under the regular review timeline outlined in WAC 246-310-160, which is summarized on the next page.

APPLICATION CHRONOLOGY

Action	NWES
Letter of Intent Submitted	November 8, 2016
Application Submitted	February 21, 2017
Department's Pre-review Activities including <ul style="list-style-type: none"> • DOH 1st Screening Letter • Applicant's 1st Screening Responses Received² • DOH 2nd Screening Letter • Applicant's 2nd Screening Responses Received 	March 14, 2017 June 12 ³ , 2017 July 18, 2017 September 1, 2017
Beginning of Review	September 12, 2017
End of Public Comment <ul style="list-style-type: none"> • Public comments accepted through • Public hearing conducted⁴ • Rebuttal Comments Received 	October 17, 2017 N/A N/A
Department's Anticipated Decision Date	December 18, 2017
Department's Actual Decision Date	February 5, 2018

AFFECTED PERSONS

Washington Administrative Code 246-310-010(2) defines “affected” person as:

“...an “interested person” who:

- (a) *Is located or resides in the applicant's health service area;*
- (b) *Testified at a public hearing or submitted written evidence; and*
- (c) *Requested in writing to be informed of the department's decision.”*

As noted above, WAC 246-310-010(2) requires an affected person to first meet the definition of an ‘interested person.’ WAC 246-310(34) defines “interested person” as:

- (a) *The applicant;*
- (b) *Health care facilities and health maintenance organizations providing services similar to the services under review and located in the health service area;*
- (c) *Third-party payers reimbursing health care facilities in the health service area;*
- (d) *Any agency establishing rates for health care facilities and health maintenance organizations in the health service area where the proposed project is to be located;*
- (e) *Health care facilities and health maintenance organizations, which, in the twelve months prior to receipt of the application, have submitted a letter of intent to provide similar services in the same planning area;*
- (f) *Any person⁵ residing within the geographic area to be served by the applicant; and*
- (g) *Any person regularly using health care facilities within the geographic area to be served by the applicant.*

² On April 27, 2017, the applicant requested 45 days extension to the submission of screening responses

³ The applicant did not choose a screening response option under WAC 246-310-090(2)(C) so the department withheld the responses until June 30, 2017 so the applicant could inform the department in writing which option it elected to choose.

⁴ The department did not conduct a public hearing.

⁵ WAC 246-310-020(42) "Person" means an individual, a trust or estate, a partnership, any public or private corporation (including associations, joint stock companies, and insurance companies), the state, or a political subdivision or instrumentality of the state, including a municipal corporation or a hospital district.

For this project, Health Facilities Planning & Development sought interested person status.

Health Facilities Planning & Development

Health Facilities Planning & Development located in King County, is a consultation entity hired by applicants to prepare and submit application on their behalf to the department of health. Health Facilities Planning & Development requested interested person status and to be informed of the department's decision. Health Facilities Planning & Development does meet the definition of an "interested person" under WAC 246-310-010(34)(f). However, Health Facilities Planning & Development does not operate a healthcare facility in King County that provides services similar to the services proposed to be provided by NWES and it did not provide written or oral comment on this application. Therefore, Health Facilities Planning & Development does not meet the definition of an "affected person" under WAC 246-310-010(2).

SOURCE INFORMATION REVIEWED

- N.W. Eye Surgeons, PC Certificate of Need application received on February 21, 2017
- N.W. Eye Surgeons, PC screening responses received on June 26, 2017 and September 1, 2017
- Year 2016 Annual Ambulatory Surgery Provider Survey for Surgical Procedures Performed During Calendar Year 2015 for hospitals, ambulatory surgery centers, or ambulatory surgical facilities located in Southeast King County secondary health services planning area
- Department of Health's Integrated Licensing and Regulatory System [ILRS] data obtained for ambulatory surgery centers located in Southeast King County secondary health services planning area
- Office of Financial Management population data for South east King County secondary health services planning area
- Licensing data provided by the Medical Quality Assurance Commission
- Washington State Secretary of State website at www.sos.wa.gov
- Northwest Eye Surgeons website at www.nweyes.com/our-practice-our-people/
- AAAASF website at www.aaaasf.org/who-we-are/what-is-accreditation

CONCLUSION

For the reasons stated in this evaluation, the application submitted by N.W. Eye Surgeons, PC to establish an ambulatory surgery center in Renton within southeast King County secondary health services planning area is consistent with applicable criteria of the Certificate of Need Program provided N.W. Eye Surgeons, PC agrees to the following in its entirety.

Project Description:

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Approved Cost:

The approved capital expenditure for this project is \$218,870

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210)

Based on the source information reviewed, and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that N.W. Eye Surgeons, PC has met the applicable need criteria in WAC 246-310-210 and WAC 246- 310- 270

- (1) The population served or to be served has need for the project and other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need.

To evaluate this sub-criterion, the department uses facility specific criteria found in WAC 246-310-270.

WAC 246-310-270(9) – Ambulatory Surgery Numeric Methodology

The methodology in WAC 246-310-270(9) divides Washington State into 54 secondary health services planning areas. The proposed ASC would be located in southeast King County secondary health services planning area. The numeric methodology provides a basis of comparison for existing operating room (OR) capacity for both outpatient and inpatient ORs in a planning area using the current utilization of existing providers.

The methodology estimates OR need in a planning area using multiple steps as defined in WAC 246-310-270(9). This methodology relies on a variety of assumptions and initially determines existing capacity of dedicated outpatient and mixed-use operating rooms in the planning area, it subtracts this capacity from the forecasted number of surgeries expected in the planning area in the target year, and it examines the difference to determine:

- (a) Whether a surplus or shortage of ORs is predicted to exist in the target year; and
- (b) If a shortage of ORs is predicted, the shortage of dedicated outpatient and mixed-use rooms are calculated.

Data used to make these projections specifically exclude special purpose and endoscopy operating rooms and procedures.

NWES Application of the Numeric Methodology

“This project does not affect the existing supply of ophthalmic surgery ORs. By approving the CoN, non –NWES surgeons will have access to Northwest Eye Surgeons Renton ASC to improve patient access and meet the unmet demand in Southeast Planning Area”. [Source: Application, page 24]

“The Department’s ASF need methodology is planning area specific, thus the methodology uses Southeast King Planning Area population estimates, as obtained from Claritas, 2015, shown in Exhibit P and Table 8.

Table 8 –Southeast King 2010, 2015, and 2020 (Reproduced)

	2010	Pct of Tot Pop	2015 Est	Pct of Tot Pop	Pct Chg 2010-2015	2020 Proj.	Pct of Tot Pop	Pct Chg 2015-2020
Total Pop.	552,226	100.0%	593,826	100.0%	7.50%	634,618	100.0%	6.9%
Pop. By Age								
0-17	140,097	25.4%	144,355	24.3%	3.0%	151,276	23.8%	4.8%
18-44	208,015	37.7%	219,002	36.9%	5.3%	223,161	35.2%	1.9%
45-64	149,443	27.1%	161,535	27.2%	8.1%	171,570	27.0%	6.2%
65-74	31,637	5.7%	42,735	7.2%	35.1%	56,761	8.9%	32.8%
75-84	16,260	2.9%	18,723	3.2%	15.1%	24,118	3.8%	28.8%
85+	6,774	1.2%	7,477	1.3%	10.4%	7,732	1.2%	3.4%”

[Source: Application page 23]

“Tables 9 and 10 contain patient origin data for NWES Renton ASC. As Table 9 depicts, while most of the patients come from Southern King County, over 30% from the surrounding zip codes.

Table 9 –Patient Origin (Reproduced)

<i>Area</i>	<i>Percent of Patient</i>
<i>Southern King County</i>	<i>68%</i>
<i>Remaining King County</i>	<i>27%</i>
<i>Outside King County</i>	<i>4%</i>
<i>Outside WA</i>	<i>2%”</i>

[Source: Application page 31]

Within the application, NWES provided it projected ASC volumes for years 2017-2021 and stated, ““Utilization forecasts per year for the five years following CON approval are shown in Table 11 below. NWES is predicting a 63.750% increase in utilization in 2017 with 1.485% annually afterwards. [Source: Application, Page 33] Given the project review timeline and the anticipated projection increases expected in 2017 by NWES, the department asked the applicant to provide a revised table. On June 26, 2017, NWES responded by providing the same table, but labeled it revised table 11. The department did not observed any changes in the data previously provided in table 11 and the revised table 11 and NWES did not provide a rationale for the submission. Below is a reproduction of revised table 11.

“Table 11 – Projected Number of Ambulatory Surgeries by year (Reproduced)

	<i>Annual Total</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>June</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
2017	1986	100	100	100	119	136	153	170	188	204	222	238	256
2018	3081	257	257	257	257	257	257	257	257	257	257	257	257
2019	3127	261	261	261	261	261	261	261	261	261	261	261	261
2020	3173	264	264	264	264	264	264	264	264	264	264	264	264
2021	3220	268	268	268	268	268	268	268	268	268	268	268	268”

[Source: Screening response received June 26, 2017, Page 4]

“The utilization forecast was created using the National Health Statistic Report (NHSR), projected population for the Southeast Planning Area, and the reported cases of outpatient surgical centers in the Southeast planning Area. The NHSR identified the utilization rate for operation of the eye to be 237.6/10,000. Claritas data was used to project the future population of individuals 18 and older. The utilization rate was applied to the population to identify the number of ophthalmic surgeries that will be needed in the Southeast Planning Area.

$$449,471 * 237.6 \text{ divided by } 10,000 = 10,679$$

In 2015, there was an estimated need for 10,679 operations of the eye, based on the utilization rate and current population. An internet review of outpatient facilities in the Southeast Planning Area found that Evergreen Eye Center, Northwest Eye Surgeons, and Valley Eye and Laser Center were the only facilities with ophthalmic surgeons on staff. The number of cases performed in 2015 by the 3 listed facilities was 7,628 creating an estimated eye deficit of 3,051

Table 12 – Forecast for Operation of Eye in Southeast King Planning Area

Table 12 (Reproduced)

		2015	2016	2017	2018	2019	2020
Total Population 18 and older		449,471	456,245	463,019	469,794	476,568	483,342
Utilization Rate/10,000	237.6						
Operations of the Eye		10,679	10,840	11,001	11,162	11,323	11,484
Annual OR Deficits 2015		3,051					
NWES Marketshare		19%	28%	28%	28%	28%	28%

The NCHS use rates in the utilization are based on national data sets and are national estimates. It is possible that local patterns could vary from the survey figures. However, there is no better statistical approach to estimate expected future volumes with procedural specificity.

As discussed above, it would be reasonable to increase the use rate over time, given population aging, the much higher growth in the number of persons age 65 years and older, and the much higher ambulatory surgery use rate for this age cohort in relation to overall use rates. See Table 12. As noted in Table 12; NWES has a current market share of 19% for operation of the eye. Based on reporting, there was a deficit of 3,051 eye surgeries in the Southeast Planning Area. The initiation of CoN would allow NWES to increase its surgery volume to accommodate the surgeries that were not performed or performed elsewhere”. [Source: Application page 33-35]

“Below are updated volumes by procedure and operating.

Table 1(Reproduced)

ASC Volumes	2016	2017	2018	2019	2020
Pain Management Procedures			269.0	273.0	277.1
Operations of the Integumentary System			221.0	224.3	227.7
Operations of the Eye	1,213.0	1,295.0	1,631.0	1,655.3	1,679.9
Total ASC Volumes	1,213.0	1,295.0	2,121.0	2,152.7	2,184.7
	1,213	1,295	2,121	2,152	2,184

Table 2(Reproduced)

	2016	2017	2018	2019	2020
ASC Volumes Totals OR Cases (“Procedures”)	1,213	1,295	2,121	2,152	2,184
OR Minutes	17,916	19,127	48,590	49,316	50,053
Number of Operating Rooms Utilized*	0.26	0.28	0.71	0.72	0.73

*Operating Room is defined as 68,850 minutes of surgery per Washington State Certificate of Need Department”. [Source: Screening responses received September 1, 2017]

NWES submitted a copy of its methodology used to project need. A summary of the applicant methodology is on the next page.

Assumption	Data Used
Planning Area	Southeast King County
Total Surgeries	40,318
Area population 2015	593,826
Use Rate	67.90
Planning area population projected 2020	634,618
Total future surgeries based on projected population	43,090
%Outpatient of Total Procedures	50.03%; 21,557
%inpatient of Total Procedures	49.97%; 21,531
Existing providers/ORs	6 dedicated outpatient ORs 29 mixed use ORs
Need	12.02

[Source: Screening responses received June 26, 2017, Exhibit Q]

Public Comment

None

Rebuttal Comment

None

The Department's Application of the Numeric Methodology

The numeric portion of the methodology requires a calculation of the annual capacity of the existing provider's inpatient and outpatient ORs in a planning area. According to the department's historical records, there are 22 active providers within the Southeast King County secondary health services planning area including the applicant with OR capacity. Of the 22 providers, five are hospitals and 17 are ASCs. Shown below in Table 1 is the listing of the five hospitals. [Source: CN historic files and DOH ILRS database]

Table 1
Southeast King County Planning Area Hospitals

Hospitals	DOH License	Zip Code
FHS St. Elizabeth Hospital	HAC.FS.00000035	98022
FHS St. Francis Hospital	HAC.FS.00000201	98003
MultiCare Auburn Medical Center	HAC.FS.60311052	98001
MultiCare Covington Medical Center	HAC.FS.60311052	98042
Valley Medical Center	HAC.FS.00000155	98055

For the five hospitals listed in Table 1 above, all known OR capacity and inpatient/mixed-use procedures are included in the methodology calculations for the planning area.

Because there is no mandatory reporting requirement for utilization of ASCs or hospital ORs, the department sends an annual utilization survey to all hospitals and known ASCs in Washington. When NWES submitted its application on February 21, 2017, the department's most recent annual utilization survey was mailed to providers in August 2016 to collect utilization data for year 2015.

Since the data provided in this annual utilization survey is the most recently available data, the department will use this data. Listed in Table 2 below are the 17 ASC's located in the planning area.

Table 2
Southeast King County Planning Area
Ambulatory Surgery Centers

Ambulatory Surgery Centers	Zip Code
Auburn Surgery Center	98001
Cascade Surgery Center	98002
ENT Facial & Allergy	98022
Fogel Endoscopy*	98003
Evergreen Eye Center	98003
Northwest Eye Surgeons	98057
Plastic and Reconstructive Surgeons	98055
Proliance Orthopedic Associates	98055
Rainier Surgical Center	98003
Sound International Pain Management	98001
Southlake Clinic*	98055
Sports Medicine Day Center	98001
Surgery Center Enumclaw	98022
Valley Eye and Laser Center	98055
Virginia Mason Surgery Center	98003
VP Surgery Center	98001
Women and Family Health Specialist	98057

[Source: ILRS]

Of the seventeen ASCs shown above, Sound International Pain Management is a dedicated pain management ASC. Therefore the department would not count this ASC minutes in the evaluation. Of the remaining sixteen ASC's, two are endoscopy facilities (shown with an asterisk). The ASC numeric methodology deliberately excludes OR capacity and procedures for endoscopy facilities.⁶ As a result, the ORs and procedures for the two endoscopy facilities will not be counted in the numeric methodology.⁷ For the remaining fourteen ASCs, twelve are located within a solo or group practice (considered a CN exempt ASC) and the use of these ASCs are restricted to physicians that are employees or members of the clinical practices that operate these facilities. Therefore, these twelve facilities do not meet the ASC definition in WAC 246-310-270. For CN exempt ASCs, the number of surgeries, but not ORs are included in the methodology for the planning area. The remaining two ASC's are CN approved facilities.⁸ For these two facilities, the OR capacity and utilization is counted in the numeric methodology.

In summary, utilization data will be used for the five acute care hospitals, twelve CN exempt ASCs, and the two CN approved ASCs. OR capacity will be counted for the five acute care hospitals and the two CN approved ASCs. If a facility does not complete and return a utilization survey, then the other data source that can be used is the department's internal database known as the Integrated Licensing and Regulatory System (ILRS).

⁶ WAC 246-310-270(9)(iv).

⁷ The two facilities are Fogel Endoscopy and Southlake Clinic.

⁸ Valley Medical Center and VP surgery Center.

According to WAC 246-330-100(2), licensed ambulatory surgical facilities must submit to the department an annual update form. The data provided on this annual update form includes the number of ORs and the approximate number of procedures performed at the facility during the year. This data is updated in ILRS as it is received. The department uses the listed number of surgical procedures and multiplies the number by 50 minutes which is the default minutes per outpatient surgery as identified under WAC 246-310-270(9)(b)(iii). For those agencies not responding to the department's survey, the 50 minutes is used as the default to calculate outpatient surgery minutes.

The data points used in the department's numeric methodology are identified in Table 3. The methodology and supporting data used by the department is provided in the attached Appendix A with this evaluation.

**Table 3
Department's Methodology Assumptions and Data**

Assumption	Data Used
Planning Area	Southeast King County
Population Estimates and Forecasts	Age Group: 15+ Office of Financial Management Population: Year 2016 – 494,250 Year 2020 – 515,633
Use Rate	Divide calculated surgical cases by 2016 population results in the service area use rate of 95.197/1,000 population
Year 2015 Total Number of Surgical Cases	22,336 – Inpatient or Mixed-Use; 24,715 – Outpatient 47,051 – Total Cases
Percent of surgery: ambulatory vs. inpatient	Based on DOH survey and ILRS data: 52.53% ambulatory (outpatient); 47.47% inpatient
Average minutes per case	Based on DOH survey and ILRS Data: Outpatient cases: 56.46 minutes Inpatient cases: 105.07 minutes
OR Annual capacity in minutes	68,850 outpatient surgery minutes; 94,250 inpatient or mixed-use surgery minutes (per methodology in rule)
Existing providers/ORs	Based on listing of Southeast King County Providers: 6 dedicated outpatient ORs 34 mixed use ORs
Department's Methodology Results	Shortage of 16.84 outpatient ORs

Based on the assumptions described in Table 3, the department's numeric methodology projects a shortage of 16.84 outpatient ORs in southeast King County for projection year 2020.

Public Comment

None

Rebuttal Comment

None

Department Evaluation

NWES correctly identified that there are 6 dedicated outpatient ORs in the planning area, but the number of dedicated mixed use ORs stated by the applicant is less than the department has identified. The department counted 34 dedicated mixed use ORs instead of 29. The department noted a difference in the population data used by NWES to project need. NWES used year 2015 population data and the department used year 2016 population data. The difference in the year population data between the department and NWES resulted in a different use rate for the planning area.

However despite the difference in the data used by NWES within its application, it stated that there is need. The department methodology also finds that there is need in the planning area. Within the application, the applicant stated, *“This project does not affect the existing supply of ophthalmic surgery ORs. By approving the CoN, non –NWES surgeons will have access to Northwest Eye Surgeons Renton ASC to improve patient access and meet the unmet demand in Southeast Planning Area”*. [Source: Application, page 24]

Given the applicant statement above, there is no information to suggest that existing facilities in the planning area have the capacity to absorb these volumes, nor did any area providers provide public comment indicating that their facilities could do so. NWES currently provides eye surgery, ophthalmic and optometric eye procedures within the planning area as an outpatient surgical facility. Although NWES application proposed to expand the types of surgeries currently provided at the ASC to include plastic surgery, ENT and urology, a technical assistant site visit to determine if the current physical facility can be used to provide other types of services by the department office of construction review services on June 13, 2017, determined the ASC physical space must be upgraded before it can be used to provide new services.

The department screening questions asked the applicant to provide clarifications whether the ASC current surgical space configuration is appropriate for use to provide proposed services. In response to screening questions NWES on September 1, 2017 stated, *“As a result of the technical assistance meeting with the Department of Health Office of Construction Review Services, Northwest Eye Surgeons will perform surgeries limited to ophthalmic procedures as currently performed, needle or similar non-invasive pain management procedures (no implants), and dermatology type procedures like Botox injection and similar procedures, as allowed in the existing ORs currently configured. There will be no changes to the facility physical space”*. [Source: screening responses received September 1, 2017, page 1]

From the statement above, the only new services that NWES intend to provide at the ASC without surgical space configuration, is needle or similar non-invasive ophthalmic, pain management procedures (no implants), and dermatology type procedures such as Botox injections. If this project is approved, the department would attach a condition limiting the types of surgeries provided at the ASC to eye surgery, ophthalmic and optometric procedures as currently performed, needle or similar non-invasive ophthalmic and optometric procedures, pain management procedures (non-implants), and dermatology type procedures such as Botox injections that can be performed at the facility as currently configured without construction or renovation.

Based on the source documentation reviewed and NWES agreement to the conditions identified in the “conclusion” section of this evaluation, the department concludes the current services and facility of the type proposed are not sufficiently available and accessible to meet the current need in the planning area. The department concludes **this sub-criterion is met.**

WAC 246-310-270(6)

WAC 246-310-270(6) requires a minimum of two ORs in an ASC.

NWES

“Exhibit B contains line drawing of the proposed facility.

“The project will convert two operating room facility as a CoN facility, allowing for improved access to the existing facility”. [Sources: Application, page 19-43 and Screening responses received June 26, 2017, Exhibit B]

Public Comment

None

Rebuttal Comment

None

Department’s Evaluation

WAC 246-310-270(6) requires a minimum of two ORs in an ASC. NWES currently operates two ORs and the applicant intends to continue to maintain both ORs. A review of the facility floor layout submitted by NWES confirmed it has two operating rooms. **This sub-criterion is met.**

- (2) All residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly are likely to have adequate access to the proposed health service or services.

To evaluate this sub-criterion, the department evaluates an applicant’s admission policies, willingness to serve Medicare and Medicaid patients, and to serve patients that cannot afford to pay for services. The admission policy provides the overall guiding principles of the facility as to the types of patients that are appropriate candidates to use the facility and assurances regarding access to treatment. The admission policy must also include language to ensure all residents of the planning area would have access to the proposed services. This is accomplished by providing an admission policy that states patients would be admitted without regard to race, ethnicity, national origin, age, sex, pre-existing condition, physical, or mental status.

Medicare certification is a measure of an agency’s willingness to serve the elderly. With limited exceptions, Medicare is coverage for individuals age 65 and over. It is also well recognized that women live longer than men do and therefore more likely to be on Medicare longer.

Medicaid certification is a measure of an agency’s willingness to serve low income persons and may include individuals with disabilities.

Charity care shows a willingness of a provider to provide services to individuals who do not have private insurance, do not qualify for Medicare, do not qualify for Medicaid, or are under insured. With the passage of the Affordable Care Act in 2010, the amount of charity care decreased over time. However, with recent federal legislative changes affecting the ACA, it is uncertain whether this trend will continue.

WAC 246-310-270(7) requires that ASCs shall implement policies to provide access to individuals unable to pay consistent with charity care levels reported by the hospitals affected by the proposed project.

NWES

“Please refer to the Patient Admission Assessment and Discharge policy provided in Exhibit K”.
 [Source: Application page 30]

“Patients are admitted to NWES based on clinical need. Our services are provided regardless of race, color, sex, national origin, religion, sexual preferences, or disabilities; as is illustrated in the “Patient Rights and Responsibility” policy (Exhibit L). [Source: Application, page 8]

“Exhibit J—Charity Care and Community Service.

Exhibit K—Patient Admission Policy.

Exhibit L—Patient Rights and Responsibility Policy”. [Source: Screening responses received June 26, 2017]

“As shown in Table 4 in Section II, Medicaid accounts for 20.7% of total revenue, which is amongst the highest in the area. It is projected that the amount of revenue received from Medicaid will increase as NWES continues to serve those patients in need, based on population forecasts and trending increase in need of ASFs”. [Source: Application, page 38]

“Table 5- Source of Patient Revenue (Reproduced)

Sources of Patient Revenue 2015		
Medicare	\$ 1,111,491	54.4%
Medicaid	\$ 138,224	6.8%
Commercial/Health Care Contractor	\$ 728,167	37.4%
Self-pay	\$ 16,678	1.3%

NWES expects the percentage of revenue to be consistent and not change after completion of the project” [Source: Application, page 18]

“NWES assumes that projected payer sources will remain the same as current

Current Payer Source (Reproduced)

Payer	% of Patients	% Payer Source
Medicare	54%	55.7%
Medicaid	7%	6.9%
Commercial/Health Care Contractor/HMO	37%	36.5%
Other Government / L & I	0	0
Self-pay	2%	0.8%
Total	100%	100%”

[Source: Screening responses received June 26, 2017]

NWES also provided a table comparing its projected percentages of charity care with all hospitals located in King County Region and the five hospitals located in southeast King County secondary health service planning area. The comparison table is reproduced below. [Source: Screening responses received June 26, 2017]

Reproduced NWES Projected Charity Care

	% of Total Revenue	% of Adjusted Revenue
Hospitals in King County Region	0.94%	2.05%

Southeast King County Hospitals Combined	0.89%	2.39%
Northwest Eye Surgeons	3.40%	5.83%

Public Comment

None

Rebuttal Comment

None

Department Evaluation

The admission policy provided by NWES outlined the process and criteria it will use to admit patients for treatment and ensures that patients receive appropriate care. NWES is licensed by the state and certified by the Centers for Medicare and Medicaid Services. A review of the information provided by NWES in the application shows that it expects reimbursements from Medicare and Medicaid. [Sources: Application page 18 and Screening responses received September 1, 2017 page 4]

If this project is approved, the department would attach a condition requiring NWES to continue to maintain its Medicare and Medicaid certification throughout the life of the facility. Similarly, the department would also attach a condition requiring NWES to continue to maintain state licensure throughout the life of the facility.

The department acknowledges that NWES demonstrated its intent to provide charity care to patients receiving treatments at the ASC by submitting its Charity Care/Community Service Policy. The policy outlined the process patients would use to access charity care services when they do not have the financial resources to pay for required treatments. [Source: Application, 38 and Exhibit J]

WAC 246-310-270(7)

WAC 246-310-270(7) requires that ASCs shall implement policies to provide access to individuals unable to pay consistent with charity care levels reported by the hospitals affected by the proposed ASC. For charity care reporting purposes, Washington State is divided into five regions: King County, Puget Sound, Southwest, Central, and Eastern. NWES is located in King County Region currently there are 22 hospitals operating in the region. Of those, five are acute care hospitals located in southeast King County where NWES is located and the approval of this project may affect these five hospitals.⁹

For this project, the department reviewed the most recent three years charity care data for the 22 hospitals currently operating within the King County Region, but mainly focused on the five general acute care hospitals within southeast King County secondary health services planning area. For this evaluation, the charity data reviewed is historical years 2014, 2015, and 2016. Shown in Table 4 is a comparison of the three years average charity care for King County Region as a whole, the combine five hospitals charity care averages, and NWES projected charity care for this project.¹⁰ [Sources: HPDS Charity Care 2014-2016, screening responses received September 1, 2017]

⁹These five hospitals are FHS St. Elizabeth Hospital, FHS St. Francis Hospital; MultiCare Auburn Medical Center; MultiCare Covington Medical Center; and Valley Medical Center.

¹⁰ Harborview Medical Center is subsidized by the state legislature to provide charity care services. Charity care percentages for Harborview make up almost 50% of the total percentages provided in the King County Region. Therefore, for comparison purposes, the department excludes Harborview Medical Center's percentages.

Table 4
Charity Care Comparison Table

	% of Total Revenue	% of Adjusted Revenue
King County Region	0.91%	1.93%
Five Hospitals Combined ¹¹	1.04%	2.54%
NWES	3.40%	5.83%

As shown in the table above, the proposed charity care levels represented in NWES application exceed the regional and the five hospitals in southeast King County secondary health services planning area three-year average. In its pro forma financial statement, NWES included a ‘charity care’ line item as deduction from revenues. [Sources: Screening responses received September 1, 2017]

As shown in the table above, NWES states it will provide charity care in the amount of 3.4% of its total revenue and 5.83% adjusted revenue. These percentages are greater than the regional average and were considered by the department in its analysis of NWES meeting WAC 246-310-270(7). Therefore, if this project is approved the department would condition the Certificate of Need requiring NWES to provide charity care in the amount identified in the application or at the regional average whichever is greater.

Based on the source documentation reviewed and NWES agreement to the charity care condition, the department concludes that all residents of the service area, including low income, racial and ethnic minorities, handicapped, and other under-served groups would have access to the services provided by the applicant. **This sub-criterion is met.**

- (3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.
- (a) The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.

Department Evaluation

This sub-criterion is not applicable to the application.

- (b) The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.

Department Evaluation

This sub-criterion is not applicable to the application.

- (c) The special needs and circumstances of osteopathic hospitals and non-allopathic services.

Department Evaluation

This sub-criterion is not applicable to the application.

¹¹ Year 2014 charity care data was not reported for CHI/Regional Hospital. Years 2014, 2015 and 2016 charity care data was not reported for Kindred Hospital Seattle.

- (4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:
(a) The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.

Department Evaluation

This sub-criterion is not applicable to the application.

- (b) If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.

Department Evaluation

This sub-criterion is not applicable to the application.

- (5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

Department Evaluation

This sub-criterion is not applicable to the application.

B. Financial Feasibility (WAC 246-310-220)

Based on the source information reviewed and the applicant's agreement to the conditions identified in the conclusion section of this evaluation, the department determines that N.W. Eye Surgeons, PC has met the financial feasibility criteria in WAC 246-310-220.

- (1) The immediate and long-range capital and operating costs of the project can be met.
WAC 246-310 does not contain specific WAC 246-310-220(1) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what the operating revenues and expenses should be for a project of this type and size. Therefore, using its experience and expertise the department evaluates if the applicant's pro forma operating statements reasonably project the proposed project is meeting its immediate and long-range capital and operating costs by the end of the third complete year of operation.

NWES

NWES stated its volume for operations of the eye in year 2016 was 1,213 and for year 2017, the volume is 1,295. NWES assumed the volume would increase slightly with the addition of pain management procedures, operations of the integumentary system and operations of the eye in years 2017-2020. The followings is the summary of the assumptions NWES used to prepare its operation volumes, revenue and expense statement.

- For the projected number of patients in 2017 the number is 1,295; in year 2018 it is 2,121; in year 2019 it is 2,152 and year 2020 it is 2,184.

- For gross revenue % change in 2017 NWES stated this number is 6.800%, and in year 2018 the change is 63.75%; in years 2019 and 2020 the applicant projected the change would remain constant at 1.485%.
- For inflation change NWES assumed this would stay constant at 2% from 2017-2020
- For Variable opEx Efficiency factor, NWES projected this would remain constant at 75% from year 2017-2020.
- For its portion of the year post approval in year 2017, NWES projected that year 2017 data is 8% and in year 2018 it would be 100%.
- For cost of revenue % in year 2016 NWES this was 16%, and in years 2017 through 2020 it is assumed to remain constant at 13%. [Source: Screening responses received September 1, 2017]
- Screening responses provided by NWES stated, *“There will be no changes in the physical space of the facility. Since there will be no construction of change in physical space, the capital expenditure is expected to be unchanged.*
- *Management fees—NWES is a physician-owned organization that maintains its own coding, billing, marketing, and IT departments. Each geographical location is responsible for a percentage of the costs associated with these departments, as well as the costs associated with the organization’s director team. In the Pro Forma and in our internal documents these costs are combined as single allocation called management fees.*
- *Cost Revenue is defined at NWES as medications, medical supplies, instruments, and pass-thru new technology. These are items and supplies necessary for the surgery procedures. These items may be disposable or the cost of lease or rent on specific equipment. Pass-thru technology are medications, supplies, and equipment that are purchased by the organization prior to the procedure. NWES is reimbursed 4-6% greater than purchase price by the payer for pass-thru item.*
- *Other variable operating expenses are defined at NWES as medical equipment leases (not included in pass-thru) service agreement, equipment depreciation, office equipment, IT software, IT hardware, and direct marketing expenses, training, and travel. The “people line” renamed to total salary and benefits to reduce confusion. Total salary and benefits is based on average wage/hr x 2080 hours for annual salary. Benefits are estimated at 25% of annual salary”. [Source: Screening responses received September 1, 2017]*

In addition to the statements above, NWES provided its current payer source that is restated below.

Current Payer Source and Projected (Reproduced)

<i>“Payer Source</i>	<i>% of Patients</i>	<i>% of Payer Source</i>
<i>Medicare</i>	<i>54%</i>	<i>55.7%</i>
<i>Medicaid</i>	<i>7%</i>	<i>6.9%</i>
<i>Commercial/Health Care Contractor/HMO</i>	<i>37%</i>	<i>36.5%</i>
<i>Other Government /L&I</i>	<i>0%</i>	<i>0%</i>
<i>Self-Pay</i>	<i>2%</i>	<i>0.9%</i>
<i>Total</i>	<i>100%</i>	<i>100%”</i>

[Source: Screening responses received June 26, 2017, page 4]

Using the assumptions above, NWES provided its utilizations volume for year 2016, and projected number of cases by payer source for years 2017 through 2020.

NWES Volumes for Year 2016 and Projected Volumes for Years 2017 - 2020

	2016	2017	2018	2019	2020
Medicare	660	705	1,154	1,171	1,189
Medicaid	83	89	145	147	149
Commercial/Private	454	485	794	806	818
Self-Pay	16	17	28	28	29
Total Cases	1,213	1,296	2,121	2,152	2,185

In addition to the assumptions identified above, NWES also used the assumptions listed below to prepare its pro forma revenue and expense statement for the ASC. [Source: Screening responses received September 1, 2017]

- Medicare revenue is estimated at 55.7% of annual gross revenues
- Medicaid revenue is estimated at 6.9% of annual gross revenues
- Commercial/Private insurance revenue is estimated at 36.50% of annual gross revenues
- Self-Pay revenue is estimated at 0.8% of annual gross revenues
- Charity care expenses is estimated at 3.40% of annual gross revenues
- Bad debt is estimated at 1.50% of annual gross revenues.
- Current FTEs (7.50) is expected to grow with volumes in future years to 17 FTEs by year 2020

Based on the summarized assumptions above, NWES provided its year 2016 volumes, and the projected revenue and expense statement for years 2017-2020 summarized in the table below. [Source: Screening responses received September 1, 2017]

	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Net Revenue	\$1,314,735	\$1,404,137	\$2,299,274	\$2,333,419	\$2,368,870
Total Operating Expenses	\$805,234	\$832,794	\$1,489,562	\$1,515,797	\$1,542,474
Contribution Margin	\$509,501	\$571,343	\$809,712	\$817,712	\$852,596
Total Non-Operating Expenses.	\$546,401	\$557,329	\$568,476	\$579,845	\$591,442
Net Income/(Loss)	(\$36,900)	\$14,014	\$241,236	\$237,777	\$234,154

Furthermore, in addition to the revenue and expense statement above, NWES provided its year 2015 balance sheet for the ASC. Shown in the table below is the 2015 financial statement. [Source: Application, page 140 and Exhibit H]

NWES Balance sheet Year 2015

Assets		Liabilities	
Current Assets	\$3,809,462	Long term Liabilities	\$4,728,061
Property, Plant & Equipment	\$4,300,675	Total Liabilities	\$2,737,412
Other Assets	\$218,144	Equity	\$862,808
Total Assets	\$8,328,281	Total Liabilities & Member's Equity	\$8,328,281

Public Comments

None

Rebuttal Comments

None

Department Evaluation

To evaluation this sub-criterion, the department first reviewed the assumption used by NWES to determine the projected number of procedures. The bulk of the surgeries that would be performed at the ASC is based on procedures of the eye historical utilization at the surgery center. Within the application, NWES stated approval of this project will open the ASF to credentialed surgeons and this will improve surgical eye specialties for patients in the planning area. NWES also stated the planning area population is forecasted to grow by 13% from 2017-2026. Relying on this projected growth, NWES is assuming that its market share of the growth will be more than enough to sustain its projected volumes. Based on this assumption the pain management and the integumentary system surgeries projected by NWES appear to be reasonable. The sum total of the number of surgeries to be provided at the ASC also appears to be reasonable. NWES based its revenue and expense assumptions on the historical use of the ASC and stated that it does not think this would change. This approach is also reasonable.

NWES anticipates this project would become operational by the end of January 2018. Under this timeline, year 2018 is the facility first full calendar year of operation and year 2020 is year three. [Source: Screening responses received June 26, 2017] NWES provided its revenue and expense statement and the "Net Revenue" line item includes deductions for contractual allowances, bad debt and charity care. The "total operating expenses" line item includes medications, medical supplies, salaries and wages & benefits and all costs associated with operation of a surgery center. The "total non-operating expenses" includes lease expenses, lease fee, depreciation, and equipment, operating expenses and management fees.

NWES is located at 1412 SW 43rd Street, Suite 310 in the City of Renton and it currently leases office space from Oakesdale 1, LLC. NWES provided an executed lease agreement between Oakesdale 1, LLC ("Landlord") and Northwest Eye Surgeons ("Tenant"). [Source: Application page 55 and Exhibit F] The executed lease expires in 2018. According to the terms of the lease agreement, the tenant has two additional term of five years option to extend the lease agreement. The lease outlines the roles and responsibilities of both lessor and lessee and all costs associated with the lease were included in the pro forma operating statement for the ASC reviewed by the department.

Susan Hoki, MD an employee of the ASC is identified as the facility's medical director. This position does not require a contract or additional payment for services. [Source: Application Page 42 and Screening responses received June 26, 2017] As shown above, NWES projected the surgery center revenues will cover expenses in all years of operation. Based on the information above, the department concludes the immediate and long-range operating costs of the project can be met. **This sub criterion is met.**

- (2) *The costs of the project, including any construction costs, will probably not result in an unreasonable impact on the costs and charges for health services.*

WAC 246-310 does not contain specific WAC 246-310-220(2) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what an unreasonable impact on costs and charges would be for a project of this type and size. Therefore, using its experience and expertise the department compared the proposed project's costs with those previously considered by the department.

NWES

"The proposed project does not require any construction or change in physical property. As much, there are no associated capital expenditures for the proposed project.

There is no construction required for the proposed project". [Source: Application page 40]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

The total capital expenditure for this project is \$218,870 and the amount is for the purchase of eye surgical equipment. [Source: Application, Page 19] Although NWES application proposed to expand the types of surgeries currently provided at the ASC to include plastic surgery, ENT and urology, a technical assistant site visit by the department construction review services on June 13, 2017 determined that the ASC physical space would need to be upgraded in order for it to be able to accommodate the new services proposed.

Screening responses submitted by NWES stated, *"As the ASF is equipped and qualified to perform non-invasive ophthalmic, dermatologic and pain management procedures mentioned above, there will be no physical changes to the facility and no changes in capital expenditure".* [Source: screening responses received September 1, 2017, page 1]

The capital expenditure for this project is dedicated to the purchase of medical equipment necessary to provide outpatient surgical services. NWES provided a letter of financial commitment from its chief executive officer stating it would use reserves to fund the project. In addition a copy of NWES financial statements documents for yearend 2013, 2014 and 2015 was provided as Exhibit G in the application. The impact of the cost is included in the operating revenue and expenses statement for the ASC. Any increase in the operating costs will be associated with increase in the number of procedures to be performed. Based on the information, the department concludes this project may not have an unreasonable impact on the costs and charges for healthcare services in southeast King County secondary health services planning area. **This sub criterion is met.**

(3) The project can be appropriately financed.

WAC 246-310 does not contain specific source of financing criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how a project of this type and size should be financed. Therefore, using its experience and expertise the department compared the proposed project's source of financing to those previously considered by the department.

NWES

"NWES will use existing reserves to fund the project" [Source: Application, page 18]

"N.W Eye surgeons, P.C. hereby commits to financing the Certificate of Need project 17-29 in the amount of \$235,135. Funding for this project will be provided by the organization's available cash reserves". [Source: Screening responses received June 26, 2017]

There is no associated financing for the proposed project. The application fees and any other associated non-physical costs for the proposed project are provided by Northwest Eye Surgeons cash reserves” [Source: Application, page 41]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Within the application, NWES stated there is no construction involved with this project and total capital expenditure is dedicated to the purchase of medical equipment necessary to provide the outpatient surgical services. NWES intends to finance project using its reserves.

To demonstrate compliance with this sub-criterion, NWES provided a letter of financial commitment for this project from its chief executive officer stated the applicant will commit the sum of \$235,135 to finance the project. The applicant did not provide clarification why the amount in the letter is slightly different from the sum of \$218,870 which is the total capital expenditure in the application. However, the department notes that the difference between both amounts, is less than 12%. The letter of financial commitment demonstrates compliance with this sub-criterion. Based on the source information above, the department concludes the cost of the capital costs for the project can be appropriately financed **this sub criterion is met.**

C. Structure and Process (Quality) of Care (WAC 246-310-230)

Based on the source information reviewed and provided the applicant agrees to the conditions identified in the conclusion section of this evaluation, the department determines N.W. Eye Surgeons, PC has met the structure and process of care criteria in WAC 246-310-230.

(1) A sufficient supply of qualified staff for the project, including both health personnel and management personnel, are available or can be recruited.

WAC 246-310 does not contain specific WAC 246-310-230(1) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what specific staffing patterns or numbers of full time equivalents (FTEs) that should be employed for projects of this type or size. Therefore, using its experience and expertise the department determined whether the proposed staffing would allow for the required coverage.

NWES

“The medical director is an employee of NWES.

“NWES currently provides ophthalmic surgery in the planning area. Our existing support capacity and third party contracts sufficiently support the services offered at NWES and meet all the demands of patients care”. [Source: Application, page 43]

“Table 13- Number of FTEs per Year.

Table 13 Number of FTEs per Year (Reproduced)

<i>Number of FTEs per Year</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
<i>Office/Clerical Employees</i>	<i>1</i>	<i>3</i>	<i>3</i>	<i>3</i>
<i>Registered Nurses</i>	<i>3</i>	<i>7</i>	<i>7</i>	<i>7</i>
<i>Operating Room Technicians</i>	<i>3</i>	<i>5</i>	<i>5</i>	<i>5</i>
<i>Materials Management</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Manager</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Total FTEs</i>	<i>8</i>	<i>17</i>	<i>17</i>	<i>17</i>

[Source: Application, page 42]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Within the application, NWES stated this project will allow it to increase the ASC volumes and to hire a modest number of additional staff that will create a better economies of scale for the ASC. NWES asserted that its administrative, technical and human support resources will make the ASC attractive to potential employees looking for employment. NWES projected it will increase its FTEs from 8 to 17 by 2019. This number was based on the applicant’s intent to expand the types and numbers of surgical procedures to be performed at the surgery center. However, NWES is no longer proposing to add to the types and numbers of procedures beyond the ASC’s current physical design capabilities. Because of this change, it is unlikely the ASC will have to add the total number of additional FTEs. The department noted that NWES currently operates surgical facilities in Arlington, Mount Vernon, Seattle, Renton, Sequim, and Bellingham as a result, the department expect the applicant to use its resources to hire staff for the ASC.

As shown in the reproduced table above, it appears that NWES would have the FTE’s needed for the project. Dr. Susan Hoki an employee of the ASC is identified as the facility medical director. This position does not require a contract. Based on the above information, the department concludes that NWES has the ability to recruit and retain a sufficient supply of qualified staff for this project. **This sub criterion is met.**

- (2) The proposed service(s) will have an appropriate relationship, including organizational relationship, to ancillary and support services, and ancillary and support services will be sufficient to support any health services included in the proposed project.

WAC 246-310 does not contain specific WAC 246-310-230(2) criteria as identified in WAC 246-310-200(2)(a)(i). There are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed the applicant history in meeting these standards at other facilities owned or operated by the applicant.

NWES

“NWES currently provides ophthalmic surgery in the planning area. Our existing support capacity and third party contract sufficiently support the services offered at NWES and meet all the demands of patient care” [Source: Application, Page 43]

“Please see Exhibit O, which includes the transfer agreements with UW Medicine Valley Medical Center”. [Source: Application, Page 44]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

NWES has been a provider in King County for many years. NWES provided a copy of its executed patient transfer agreement between itself and UW Medicine Valley Medical Center. [Source: Application, Page 202 and Exhibit O] The executed agreement dated 2012 identified the responsibilities of the parties involved. Based on the information reviewed, the department concludes **this sub-criterion is met.**

- (3) *There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and, if the applicant is or plans to be certified under the Medicaid or Medicare program, with the applicable conditions of participation related to those programs.*

WAC 246-310 does not contain specific WAC 246-310-230(3) criteria as identified in WAC 246-310-200(2)(a)(i). There are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed the applicant’s history in meeting these standards at other facilities owned or operated by the applicant.

NWES

“All NWES facilities meet all relevant State and Federal rules and regulations. All physicians performing surgeries at this ASC are credentialed and privileged as a member of the NWES Medical staff and are all in good standing within the medical community”. [Source: Application, Page 44]

“NWES has active licenses from the Washington State Department of Health as well as American Association for Accreditation for Ambulatory Surgery Facilities (AAAASF) accreditation”. [Source: Application, Page 12]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

NWES has been providing services in King County since 1996 and currently has two ASC's in within the county. As a part of this review, the department must conclude that the services provided by the ASC is provided in a manner that ensures safe and adequate care to the public.¹² To accomplish this task, the department reviews an applicant's quality of care compliance history for all the healthcare facilities owned, operated, or managed by the applicant. [Source: Certificate of Need historical files]

NWES is accredited by the Accreditation Association for Ambulatory Surgical Facilities (AAAASF). An accredited facility is re-evaluated through self-survey every year, and an onsite survey every three years¹³. NWES accreditation by the AAAASF is effective from July 2017 through July 2018. NWES provided a copy of its most recent survey by AAAASF. [Sources: ILRS, AAAASF website, Application page 12 and Screening responses received June 26, 2017] A review of the last survey conducted in September 2015 by the Washington State Office of Investigation and Inspection revealed no substantial non-compliance issues for the facilities owned or operated by NWES. [Sources: Application, Page 11-12, ILRS, and AAAASF website]

The department conducted quality of care check for all NWES active medical staff and others through the Nursing Quality Assurance Commission (NQAC) and Health Systems Quality Assurance (HSQA OCS). The department quality check shows that NWES credentialed staff members licenses are in good standing, and this includes the ASC designated director of nursing and the ASC supervisor. [Source: Application, Page 42 and Screening responses received June 26, 2017, and NQAC, HSQA OCS]

The table below shows the facilities owned or operated by NWES and the facilities license numbers. [Sources: Application, page 11-12 and ILRS]

Facility Address	Licensed #	City	Zip Code
1412 S.W 43 rd Street, Suite 310	ASF.FS.60101742	Renton	98057
795 North 5 th Avenue	ASF.FS. 60101741	Sequim	98382
10330 Meridian Avenue, North #370	ASF.FS.60101724	Seattle	98133
1300 Roosevelt Avenue	ASF.FS.60264053	Mount Vernon	98273
16404 Smokey Point Blvd, Suite 303	ASF.FS.60101736	Arlington	98223
2075 Barkley Boulevard, #205	MT.SW.FS.60656482	Bellingham	98226

According to the Department of Health Office of Investigation and Inspections, all facilities owned or operated by NWES must comply with facility licensing standards. In addition to verifying the quality of care for all NWES facilities, the department also performed a quality of care check for the eleven active physicians who are partners or employees of NWES. The results of the quality of care check for all of the eleven physicians shows that none has restricted licenses with the State of Washington. [Sources: DOH Provider Credential Search and Screening responses received on June 26, 2017]

¹² WAC 246-310-230(5)

¹³ AAAASF provides official recognition to facilities that have met 100% of its standards. Accreditation assures the public that patient safety is top priority in a facility. An accredited facility must comply with the most stringent set of applicable standards and meet strict requirements for facility directors, medical specialist certification and staff credentials. The facility also must pass a survey by qualified AAAASF surveyors. [Source: www.aaaasf.org/who-we-are/what-is-accreditation]

Given the compliance history of the healthcare facilities owned and operated by NWES and staff, there is reasonable assurance the ASC would continue to be operated and managed in conformance with applicable state and federal licensing and certification requirements.

Public Comments

None

Rebuttal Comments

None

Based on the information reviewed, the department concludes that there is reasonable assurance that NWES would be operated and managed in conformance with applicable state and federal licensing and certification requirements if this project is approved. **This sub criterion is met.**

- (4) The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the service area's existing health care system.

WAC 246-310 does not contain specific WAC 246-310-230(4) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how to measure unwarranted fragmentation of services or what types of relationships with a services area's existing health care system should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials in the application.

NWES

"The project will convert NWES two operating room facility as a CoN facility, allowing for improved access to the existing facility. The Southeast Planning Area patients will benefit from the increased availability of high quality, low cost care.

Please see Exhibit O, which includes the transfer agreements with UW Medicine Valley Medical Center". [Source: Application, Page 43]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Based on the information and the executed patient transfer agreement submitted by NWES, the department concludes the ASC has working relationship with an existing healthcare provider in the planning area. Based on the information reviewed the department concludes that approval of this project would promote continuity of healthcare provision in the planning area, and may not result in an unwarranted fragmentation of services. **This sub criterion is met.**

- (5) There is reasonable assurance that the services to be provided through the proposed project will be provided in a manner that ensures safe and adequate care to the public to be served and in accord with applicable federal and state laws, rules, and regulations.

This sub-criterion is addressed in sub-section (3) above and **is met.**

D. Cost Containment (WAC 246-310-240)

Based on the source information reviewed and provided the applicant agrees to the conditions identified in the conclusion section of this evaluation, the department concludes that N.W. Eye Surgeons, PC project has met the cost containment criteria in WAC 246-310-240

- (1) Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or practicable. To determine if a proposed project is the best alternative, the department takes a multi-step approach. Step one determines if the application has met the other criteria of WAC 246-310-210 thru 230. If it has failed to meet one or more of these criteria, then the project is determined not to be the best alternative, and would fail this sub-criterion.

If the project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant and the department has not identified any other better options this criterion is determined to be met unless there are multiple applications.

If there are multiple applications, the department's assessment is to apply any service or facility superiority criteria contained throughout WAC 246-310 related to the specific project type in Step three. The superiority criteria are objective measures used to compare competing projects and make the determination between two or more approvable projects, which is the best alternative. If WAC 246-310 does not contain any service or facility type superiority criteria as directed by WAC 246-310-200(2) (a)(i), then the department would use WAC 246-310-240(2)(a)(ii) and (b) for criteria to make the assessment of the competing proposals. If there are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b), then using its experience and expertise, the department would assess the competing projects and determine which project should be approved.

Department Evaluation

Step One

The department determined NWES met the applicable review criteria under WAC 246-310-210, which includes portions of WAC 246-310-270, 220, and 230. Therefore, the department moves to step two.

Step Two

For this project, NWES is the only applicant and it has met the review criteria in the applicable sections of WAC 246-210, WAC 246-310-220, and WAC 246-310-230. Therefore, the department reviews the proposed alternatives by the applicant.

NWES

"NWES is requesting certificate of need approval of its existing two-OR ambulatory surgical center in Renton to convert it to a CoN-approved ASC. Our project will help address net need for outpatient operating rooms in the Southeast King Planning Area by providing non-NWES physicians and their patient's access to our ASC. This will increase the number of cases as well as expand the availability of lower cost outpatients ORs for physicians and patients.

NWES considered the following options:

No project—continue as a licensed, certificate of need exempt facility

Certificate of need facility and the requested project

Alternative Analysis: Promoting Access to Healthcare Services

Option :	Advantage /Disadvantages:
<i>No Project</i>	<ul style="list-style-type: none"> • <i>There is no advantage or disadvantage to continuing as is in terms of improving access. The current NWES Renton surgical center has been in place for many years without access issues. (Neutral)</i> • <i>The principal disadvantage is this option does nothing to address the ambulatory surgery OR shortages forecast in the Planning Area. (Disadvantage)</i>
<i>Requested Project</i>	<ul style="list-style-type: none"> • <i>The Requested project best meets current and future access issues identified in the planning Area. (Advantage)</i> • <i>From an improved access perspective, there are no disadvantages. (Advantage)</i>

Alternative Analysis: Promoting Quality of Care

Option :	Advantage /Disadvantages:
<i>No Project</i>	<ul style="list-style-type: none"> • <i>There are no advantages from a quality of care perspectives. However, there are no current quality of care issues. (Neutral)</i> • <i>The principal disadvantage with maintaining the current situation is driven by projected shortages of outpatient ambulatory surgery suites. Over time, as access is constrained, there will be adverse impact on quality of care if Planning Area physicians and their patients either have to wait for surgical capacity or travel to other locations outside the Planning Area, assuming this is an option. (Disadvantage)</i>
<i>Requested Project</i>	<ul style="list-style-type: none"> • <i>The requested project best meets and promote quality and continuity of care issues in the Planning Area. (Advantage)</i> • <i>From quality of care perspectives, there are only advantages. (Advantage)</i>

Alternative Analysis: Cost and Operating Efficiency

Option :	Advantage /Disadvantages:
<i>No Project</i>	<ul style="list-style-type: none"> • <i>Under this option, there would be no impacts on cost or efficiency—the surgery center would continue as presently. (Neutral)</i> • <i>However, Northwest Eye Surgeons has already incurred all capital costs for two operating suites. It is much more efficient (lower cost) to better utilize fixed plant equipment with greater volumes/through output –average operating costs fall. This option constraints other use of the ASC, and as a result, constraints case volumes at the ASC. As a direct result, the No Project option will reduce efficiency and cost-effectiveness. This is the principal disadvantage from an efficiency perspective. (Disadvantage)</i>
<i>Requested Project</i>	<ul style="list-style-type: none"> • <i>Northwest Eye Surgeons has already incurred all capital cost for its two operating suites. It is much more efficient to better utilize fixed plant and</i>

Option :	Advantage /Disadvantages:
	<p>equipment with greater volumes/through output. This option allows Northwest Surgeons to best utilize its ASF resources, hence improves efficiency and increases cost-effectiveness. (Advantage)</p> <ul style="list-style-type: none"> • There are only disadvantages. (Neutral)

Staffing Impacts

Option :	Advantage /Disadvantages:
No Project	<ul style="list-style-type: none"> • The principal advantage would be the avoidance of hiring/employing additional ASC staff. (Advantage) • There are no disadvantages from a staffing point-of-view. (Neutral)
Requested Project	<ul style="list-style-type: none"> • This Requested Project allows Northwest Eye Surgeons the opportunity to hire a modest number additional staff, which will likely create economies of scale for Northwest Eye Surgeons across its staff as volumes increase and staff are utilized more productively. Greater volumes will also increase the attractiveness of Northwest Eye Surgeons to employment candidates –this can act to improve staff quality. (Advantage) • The principal disadvantage would be the necessity for Northwest Eye Surgeons to hire, employ, and train additional ASC staff. This disadvantage is temporary because NWES has administrative, technical, human resource support to accommodate surgical centers in the northwest with as many or more FTEs that will be required in Renton. (Disadvantage)

Legal Restrictions

Option :	Advantage /Disadvantages:
No Project	<ul style="list-style-type: none"> • There are no legal restrictions to continuing operations as presently. (Advantage)
Requested Project	<ul style="list-style-type: none"> • The principal advantage would be allowing Northwest Eye Surgeons the ability to “open” its ASC to non-NWES physicians. This will improve access, quality and continuity of care and promote highest, efficient use of Northwest Eye Surgeons assets as compared to the No Project options. (Advantage) • Requires certificate of need approval. This requires times and expense. (Disadvantage)”

[Source: Application, Page 45- 48]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

The department did not identify any other alternatives that would be equal to or superior to those considered by NWES. Within the application, NWES stated this project is converting two certificate of need exempt ORs to CoN approved so that non-NWES physicians and their patients can use the ASC. As a result, the reasoning for moving forward with the application and rejecting the status quo is reasonable. Based on the source information evaluated the department concludes that **this sub-criterion is met.**

(2) *In the case of a project involving construction:*

(a) *The costs, scope, and methods of construction and energy conservation are reasonable;*

NWES

"This question is not applicable as there is no associated construction, renovation, or expansion for the requested approval of the existing NEWS Renton ASF". [Source: Application, Page 48]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

So long as the types of surgeries provided at the ASC is limited to ophthalmic procedures as currently performed, needle or similar non-invasive ophthalmic procedures, pain management procedures (non-implants), and dermatology type procedures such as Botox injections that can be performed at the ASC as currently configured, the department agrees no renovation or construction is needed. However, if future expansion of services is anticipated by NWES the ASC physical structure would require renovation and construction.

If this project is approved, the department would require that NWES agree to the condition limiting the types surgeries provided at the ASC to the surgical procedures currently provided by the ASC and those stated above. Without NWES agreement to the condition, this project cannot be approved. Based on the information reviewed, and with NWES agreement to the condition, the department concludes **this sub-criterion is met**

(b) *The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.*

NWES

"NWES expects the percentage of revenue to be consistent and not change after completion of the project". [Source: Application, Page 18]

"...Additionally, ambulatory surgery facilities have lower operating costs than those of hospital-based outpatient departments. This offers persons of lower or reduced incomes access to necessary care". [Source: Application, Page 37]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

The information reviewed by the department is consistent with similar projects. Because there is a demonstrated need for additional outpatient's operating rooms in southeast King County secondary health services planning area, the department does not anticipate an unreasonable impact on the costs and charges to the public for providing these type services. The department concludes **this sub criterion is met.**

- (3) *The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment and which promote quality assurance and cost effectiveness.*

NWES

"The application fee and any other associated non-physical costs for the proposed project are provided by Northwest Eye Surgeons cash reserves". [Source: Application, Page 41 and Screening responses received June 26, 2017]

Public Comments

None

Rebuttal Comments

None

Department Evaluation

This project has the potential to improve delivery of ambulatory surgical services within the planning area. Information within application stated the applicant will use cash reserves. The applicant provided a letter of financial commitment from its chief executive officer. Based on the information, the department concludes **this sub criterion is met.**

APPENDIX A



**APPENDIX A
ASC Need Methodology
Southeast King County**

	Service Area Population: 2020 Surgeries @ 95.197/1,000:	556,914	Clartias	Age:15+															
a.i.	94,250	minutes/year/mixed-use OR																	
a.ii.	68,850	minutes/year/dedicated outpatient OR																	
a.iii.	6	dedicated outpatient OR's x 94,250 minutes =			413,100	minutes dedicated OR capacity		7,316	Outpatient surgeries										
a.iv.	34	mixed-use OR's x 94,250 minutes =			3,204,500	minutes mixed-use OR capacity		30,499	Mixed-use surgeries										
b.i.		projected inpatient surgeries =	25,168	=	2,644,353	minutes inpatient surgeries													
		projected outpatient surgeries =	27,849	=	1,572,379	minutes outpatient surgeries													
b.ii.		Forecast # of outpatient surgeries - capacity of dedicated outpatient OR's	27,849	-	7,316	=	20,532	outpatient surgeries											
b.iii.		average time of inpatient surgeries		=	105.07	minutes													
		average time of outpatient surgeries		=	56.46	minutes													
b.iv.		inpatient surgeries*average time		=	2,644,353	minutes													
		remaining outpatient surgeries(b.ii.)*ave time		=	1,159,279	minutes													
					3,803,632	minutes													
c.i.		if b.iv. < a.iv., divide (a.iv.-b.iv.) by 94,250 to determine surplus of mixed-use OR's																	
		Not Applicable - Go to c.11. and ignore any value here.																	
			3,204,500																
			- 3,803,632																
			-599,132	/	94,250	=	-6.36												
c.ii.		if b.iv. > a.iv., divide (inpatient part of b.iv - a.iv.) by 94,250 to determine shortage of inpatient OR's																	
		USE THESE VALUES																	
			2,644,353																
			- 3,204,500																
			(560,147)	/	94,250	=	-5.94												
		divide outpatient part of b.iv. By 68,850 to determine shortage of dedicated outpatient OR's																	
			1,159,279	/	68,850	=	16.84												

Facility	Credential Number	ZIP Code	Special Procedure Rooms	Dedicated Inpatient ORs	Dedicated Outpatient ORs	Mixed Use ORs	Inpatient min/case	2015 Inpatient Cases in Mixed Use ORs	2015 Inpatient Mins. in Mixed Use ORs	Outpatient Min/Case	Outpatient Cases	Outpatient t Mins.	Data Source
Multicare Auburn Medical Center	HAC.FS.60311052	98001	6	0	0	7	137.4	3,567	489,941	0.0	0	0	Year 2015 Data obtained from Year 2016 survey. Minutes/surgery calculated.
Multicare Covington Medical Center	HAC.FS.60311052	98042	1	0	3	3	101.4	1,309	132,675	10.1	1,309	132,675	Year 2015 Data obtained from Year 2016 survey. Minutes/surgery calculated.
FHS St. Francis Hospital	HAC.FS.00000201	98003	1	0	8	8	114.3	5,282	603,707	0	0	0	Year 2015 data obtained from year 2016 survey. Minutes/surgery calculated.
FHS St. Elizabeth Hospital	HAC.FS.00000035	98022	0	0	0	3	79.2	1,571	124,355	0	0	0	Year 2015 data obtained from year 2016 survey. Minutes/surgery calculated.
Valley Medical Center	HAC.FS.00000155	98055	2	0	3	13	93.9	10,607	996,132	47	1864	88,374	Year 2015 data obtained from year 2016 survey. Minutes/surgery calculated.
Auburn Surgery Center	ASF.FS.60220018	98001	0	2	2	0	0.0	0	0	50	486	24,300	Year 2015 data obtained from year 2016 survey. Outpatient minutes/ calculated using 50 x # of cases.
Cascade Surgery Center	ASF.FS.60099142	98002	0	2	0	0	0.0	0	0	56	1,241	69,074	Year 2014 data obtained from year 2015 survey. Outpatient minutes/ calculated using 50 x # of cases.
ENT Facial & Allergy	ASF.FS.60360678	98022	0	0	1	0	0.0	0	0	50	394	19,700	Year 2015 data obtained from year 2016 survey. Outpatient minutes/ calculated using 50 x # of cases.
Evergreen Eye Center	ASF.FS.60099942	98003	0	0	1	0	0.0	0	0	50	4,500	225,000	Outpatient minutes calculated using 50 x # of cases. Data for 2014
Fogel Endoscopy Center	ASF.FS.60100197	98003	0	0	1	0	0.0	0	0	50	0	0	Outpatient minutes calculated using 50 x # of cases. Data for 2014
Northwest Eye Surgeons	ASF.FS.60101742	98057	0	0	2	0	0.0	0	0	50	1,028	51,400	Year 2015 data obtained from year 2016 survey. Outpatient minutes/ calculated using 50 x # of cases.
Plastic and Reconstructive Surgeons	ASF.FS.60572737	98055	0	0	2	0	0.0	0	0	65	2,645	172,459	Year 2014 data obtained from year 2015 survey. Minutes/surgery calculated.
Prolience Orthopedic Associates	ASF.FS.60101083	98055	1	0	2	0	0.0	0	0	65	2,645	172,459	Year 2014 data obtained from year 2015 survey. Outpatient minutes/ calculated using 50 x # of cases.
Rainier Surgical Center	ASF.FS.60099146	98003	0	0	2	0	0.0	0	0	62	841	51,914	Year 2014 data obtained from year 2015 survey. Outpatient minutes/ calculated using 50 x # of cases.
Sound International Pain Management	ASF.FS.60293976	98001	0	0	2	0	0.0	0	0	62	841	51,914	Year 2014 data obtained from year 2015 survey. Outpatient minutes/ calculated using 50 x # of cases.
Southlake Clinic	ASF.FS.60100090	98055	0	0	1	0	0.0	0	0	50	245	12,250	Outpatient minutes calculated using 50 x # of cases. Data for 2014
Sports Medicine Day Surgery	ASF.FS.60102746	98022	0	0	1	0	0.0	0	0	50	700	35,000	Outpatient minutes calculated using 50 x # of cases. Data for 2014
Valley Eye and Laser Center	ASF.FS.60101656	98055	0	0	1	0	0.0	0	0	50	2,100	105,000	Outpatient minutes calculated using 50 x # of cases. Data for 2014
Virginia Mason Surgery Center	ASF.FS.60101660	98003	0	0	6	0	0.0	0	0	50	3,642	182,100	Outpatient minutes calculated using 50 x # of cases. Data for 2014
VP Surgery Center	ASF.FS.60604663	98001	0	0	3	0	0.0	0	0	50	1,000	50,000	Outpatient minutes calculated using 50 x # of cases. Data for 2014
Womens and Family Health Specialist	ASF.FS.60273439	98057	0	0	1	0	0.0	0	0	50	75	3,750	Outpatient minutes calculated using 50 x # of cases. Data for 2014
Totals			11	4	29	34	526.1	22,336	2,346,810	748	24,715	1,395,455	
ORs counted in numeric methodology													
ILRS: Integrated Licensing & Regulatory System													
Population data source: Claritas 2016													
Total Surgeries			47,051										
Area population 2016 [15+]													Total Surgeries
Use Rate													Area population 2016 [0-85+]
Planning Area projected 15+ population Year: 2020													Use Rate
													Planning Area projected 0-85+ population Year:20
% Outpatient of total surgeries													
% Inpatient of total surgeries													