



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

Certificate of Need Program
111 Israel Road Southeast – MS 4-7852
Olympia, Washington 98504

April 3, 2018

Javad Sajan, MD
Alderwood Surgical Center, LLC
3500 – 188th Street Southwest, #670
Lynnwood, Washington 98037

RE: Determination of Reviewability [DOR] 18-12

Dear Dr. Sajan:

The Department of Health has completed its review of your exemption request regarding the establishment of an ambulatory surgery facility (ASF) in Seattle, within King County. For the reasons stated below, the ambulatory surgery facility to be located at 600 Broadway, Ste. 320 Seattle Washington and operating exclusively as an ASF Monday through Thursday, from 12:00 pm to 5:00 pm, for a total of 20 hours each week does not meet the definition of an ASF requiring a Certificate of Need. The same location will operate exclusively as a clinic Monday through Thursday 8:00 am to 12:00 pm and on Friday from 8:00 am to 5:00 pm for a total of 25 hours.

Below is the information considered and the facts relied upon by the Department of Health's Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- Ambulatory Surgery Center (ASC) exemption application received December 1, 2017
- Supplemental information received January 16, 2018, January 30, 2018, and March 5, 2018
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Department of Health's Office of Community Health Systems Interpretive Statement #CN 01-18
- Washington Secretary of State and Department of Revenue information obtained from the respective websites
- Department of Health external provider look-up
- Department of Health Integrated Licensing and Regulatory System (ILRS)
- Alderwood Surgical Center website: www.allureesthetic.com
- Certificate of Need historical files

FACTS CONSIDERED

- Alderwood Surgical Center, LLC has been registered with the Washington Secretary of State's office since June 6, 2006.

- Alderwood Surgical Center, LLC has been registered with the Department of Revenue since March 1, 2008.
- Currently, Alderwood Surgical Center, LLC operates an exempt surgery center located at 3500 – 188th Street Southwest, #670 in Lynnwood [98037], within Snohomish County. Alderwood Surgery Center is currently licensed with the Department of Health. [ASF.FS.60101123]
- With this application, Alderwood Surgical Center, LLC intends to establish a second ambulatory surgery center (ASC) under the corporation.
- Alderwood Surgical Center, LLC intends to purchase the practice and surgical center known as Seattle Plastic Surgery Center from its physician owner Robert M. Grenley, MD. The purchase includes the assets, hiring of the employees, and assuming of its site lease.
- Seattle Plastic Surgery Center is located at 600 Broadway, in Seattle [98122] within King County. Once purchased, Alderwood Surgical Center, LLC would seek to transfer Seattle Surgery Center’s ASF license into Alderwood Surgical Center, LLC’s license [ASF.FS.60101123].
- Both practice sites and surgery centers would be operated under the corporation and Unified Business Identifier [UBI] number of Alderwood Surgical Center, LLC.¹
- Once purchased, three physicians intend to use the Seattle Plastic Surgery Center site. Future owners or employees may have access to the surgery center.² A table with specific physician credentialing information and practice association is in the table below.

Name	Credential Status	Practice Status	Percent of Time
Robert M. Grenley	Active	Employee	100%
Craig H. Jonov	Active	Employee	100%
Javad Sajan	Active	Owner	100%

- Information provided in the application indicates that Robert Grenley may retire within two months of selling Seattle Plastic Surgery Center to Alderwood Surgical Center, LLC.
- The procedures proposed at the surgery center include those typically associated with plastic surgery, such as abdominoplasty, breast augmentation, dermabrasion, and rhinoplasty. A listing of common procedures was included with the application request.
- The ASF will not be operated as a separate legal entity from the Alderwood Surgical Center, LLC practice.
- Hours of operation for the surgery center are to be Monday through Thursday, from 12:00 pm noon to 5:00pm, for a total of 20 hours each week. The clinic will be open from 8:00 am to 12:00 pm Monday through Thursday. The clinic will also be open from 8:00 am to 5:00 pm on Friday for a total of 25 hours each week.
- No management agreement is proposed.

CONCLUSION

Based on the totality of information considered, the department concludes the proposed ASF would be exempt from Certificate of Need review. This exemption is not transferable and the conclusions reached

¹ Alderwood Surgical Center, LLC’s UBI number is 602650780.

² Employed physicians must be employed by Alderwood Surgical Center, LLC a minimum of 75% and perform their full range of services through Alderwood Surgical Center, LLC.

concerning this proposed ASF are based on the facts about this facility and it should not be assumed the department would reach the same conclusion in future exemption requests for other future ASFs.

CHANGES THAT MAY EFFECT THIS DECISION

If changes are made in the operation or ownership of this proposed ASF, the ASF 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.

- Changes in hours or days the site is used exclusively as an ASF.
- The scope of services is expanded to include services subject to Certificate of Need review under the provisions of WAC 246-310-020.
- The scope of services is expanded beyond the services as identified in the Certificate of Need exemption application.
- The provision of any procedure as identified under WAC 246-310-705(4).
- The ASF is operated under a management agreement.
- The ASF is organized as a separate legal entity from the practice or obtains a separate UBI number from Alderwood Surgical Center, LLC.
- The ASF is moved to a different site than identified in the exemption application.
- Use of the ASF is extended to any physician who is not a member/owner or employed by Alderwood Surgical Center, LLC.³
- Use of the ASF is extended to any physician that is an independent contractor.
- The ASF obtains a new or separate Medicare certification from the clinical practice.
- The ASF ceases operations or relinquishes its Medicare certification and then chooses to resume services as an ASF.
- The ASF or the practice is purchased or leased.
- A joint venture is formed that includes the ASF.
- ASF patients are routinely transferred from the ASF for observation care at one of the area's hospitals.

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 on the following page.

³ Employed physicians must be employed by Alderwood Surgical Center, LLC a minimum of 75% and perform their full range of services through Alderwood Surgical Center, LLC.

Javad Sajan, Alderwood Surgical Center, LLC
Determination of Reviewability #18-12
April 3, 2018
Page 4 of 4

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