



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

April 3, 2018

CERTIFIED MAIL #7014 2120 0002 7627 2155

Casey Stowell, RVP Pacific Northwest
Fresenius Medical Care
7780 Southwest Mohawk Street
Tualatin, Oregon 97062

RE: Determination of Reviewability #18-15

Dear Mr. Stowell:

Thank you for your December 29, 2017, letter requesting a Certificate of Need exemption related to Fresenius Medical Centers (FMC) proposed relocation of FMC Aberdeen Dialysis Center. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your proposed relocation project.

FACTS

- On January 20, 1990, Certificate of Need (CN) #1007 was issued to Providence St. Peter Hospital approving the establishment of a 6-station dialysis center to be located at 1006 North H Street in Aberdeen, within Grays Harbor County. The facility was completed and the dialysis center was known as St. Peter Hospital Kidney Dialysis Center-Grays Harbor Unit.
- On January 31, 1995, CN #1118 was issued to Providence St. Peter Hospital approving the addition of two stations to St. Peter Hospital Kidney Dialysis Center-Grays Harbor Unit. At project completion, the dialysis center was operating 8 dialysis stations.
- On December 31, 2000, FMC purchased the 8-station dialysis center from Providence St. Peter Hospital. The dialysis center remained at the same location of 1006 North H Street in Aberdeen. The center was operated under the FMC subsidiary of Renal Care Group Northwest (RCGNW) and renamed RCGNW-Aberdeen.
- On April 7, 2003, CN #1260 was issued to RCGNW approving an 8-station addition and relocation of the dialysis center to a new site in Aberdeen.
- On April 5, 2004, CN #1260A was issued to RCGNW. CN #1260A continued to approve the 8 station addition, but changed the approved site to 2012 Industrial Parkway in Aberdeen. At project completion, the dialysis center was operating 16 dialysis stations at the new site.
- Your December 29, 2017, letter requests relocation of the currently operational 16-station FMC Aberdeen Dialysis Center in its entirety. Given that the exemption request was submitted before January 1, 2018, for this review, the department will use the kidney dialysis rules in

place at the time of submission.¹ WAC 246-310-289 provides the information necessary for relocation of kidney dialysis facilities. Below is a summary of the information provided by FMC for this relocation project.

- The new site has not been assigned an address. The legal description is:
“Lots 6, 7, and 8 of the Plat of Skyview, as per plat recorded in Volume 10 of Plats, pages 39 and 40, records of Grays Harbor County; situate in the County of Grays Harbor, State of Washington.”
- Parcel numbers for each of the lots are: Lot 6-027300000600, Lot 7-027300000700, and Lot 8-027300000800
- The current site and the new site are both located in Grays Harbor County as defined in Washington Administrative Code 246-310-280((9)).
- FMC expects that the new facility would become operational at the new site by the end of April 2019. The existing facility would cease operation as a dialysis center once the relocated facility was operational.
- No break in dialysis services would occur as a result of the relocation.
- A breakdown of the existing 16 stations for the new site is shown below.

Private Isolation Room	1
Permanent Bed Station	1
General Dialysis Stations	14
Total	16

- FMC’s total cost for the relocation is estimated at \$1,931,802.

ANALYSIS

- Revised Code of Washington (RCW) 70.38.105(4) identifies the types of projects subject to prior Certificate of Need review and approval. Subsection (a) identifies that the construction, development, or other establishment of a new health care facility is subject to CON review. RCW 70.38.025(6) defines “health care facility” to include kidney disease treatment centers.
- WAC 246-310-289 allows for relocation of a kidney disease treatment center within the same planning area [as defined in WAC 246-310-280(9)] without undergoing prior Certificate of Need review and approval, provided the following five requirements are met.
 - (a) The existing facility ceases operation;
 - (b) No new stations are added to the replacement facility;
 - (c) There is no break in service between the closure of the existing facility and the operation of the replacement facility;
 - (d) The existing facility has been in operation for at least five years at its present location; and
 - (e) The existing facility has not been purchased, sold, or leased within the past five years.

¹ As of January 1, 2018, new kidney dialysis rules became effective. The new rules are referenced under WAC 246-310-800 through 833.

CONCLUSION

Based on the above factual information, the Certificate of Need Program concludes that the proposed relocation of FMC Aberdeen Dialysis Center qualifies for a relocation exemption under WAC 246-310-289, provided that FMC agrees to the following conditions.

Condition of Exemption Approval

1. FMC Aberdeen Dialysis Center is approved to certify and operate 16 dialysis stations at the new site.
2. CN #1627 issued on January 5, 2018, approves the addition of 8 dialysis stations to the 16-station center. CN #1627 was issued with an approved project description and four conditions. This relocation approval does not invalidate the issued CN, project description, or conditions attached to CN #1627.

You have two options, either accept or reject the above in its entirety. If you accept the above in its entirety, your application will be approved and a replacement authorization for the project will be issued. If you reject any provision of the above, you must identify that provision, and your application will be denied because approval would not be consistent with applicable Certificate of Need review criteria. Please notify the Department of Health within 20 days of the date of this letter whether you accept the above in its entirety.

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

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

Sincerely,



Janis Sigman, Manger
Certificate of Need Program
Community Health Systems