



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

*PO Box 47890 • Olympia, Washington 98504-7890  
Tel: 360-236-4030 • TTY Relay: 800-833-6384*

February 26, 2019

CERTIFIED MAIL # 7017 3380 0000 0863 8659

David E. Smith, Esq. General Counsel  
Valley Medical Center  
400 South 43<sup>rd</sup> Street  
Renton, WA 98058

Dear Mr. Smith:

RE: CN Application #18-17

Enclosed is Certificate of Need #1768 issued to Public Hospital District No. 1 of King County dba Valley Medical Center to construct a six room ambulatory surgery center within the City of Covington in southeast King County secondary health services planning area.

The certificate is not an approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. The appeal options are listed below.

Appeal Option 1:

Any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

David E. Smith, Esq. General Counsel  
Valley Medical Center  
Certificate of Need App #18-17  
February 26, 2019  
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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

Appeal Option 2:

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 following addresses:

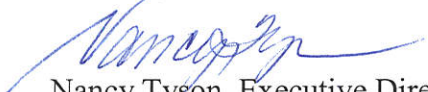
Mailing Address:  
Department of Health  
Adjudicative Service Unit  
Mail Stop 47879  
Olympia, WA 98504-7879

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

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Nancy Tyson, Executive Director  
Health Facilities and Certificate of Need  
Community Health Systems

Enclosure



**This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.**

**Certificate of Need #1768 is issued to:**

**Applicant's Legal Name:** Public Hospital District No. 1 of King County dba Valley Medical Center  
**Applicant's Address:** 400 South 43<sup>rd</sup> Street, Renton, WA 98058  
**Facility Type** Ambulatory Surgical Facility  
**Project Type** Ambulatory Surgical Facility  
**Facility Name:** Valley Covington ASC  
**Facility Address:** 27500 168<sup>th</sup> Place SE, Covington, WA 98042

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED JANUARY 15, 2019 (CN APP # 18-17 )**

**Project Description**

This certificate approves Valley Covington to construct a six operating room ambulatory surgery center in Covington within south east King County secondary health services planning area. Four of the ORs will be for multispecialty surgeries and two will be dedicated to procedures such as endoscopies. Valley Covington will provide surgical services to patients 18 years and older who are not expected to require hospitalization and can be served in an outpatient surgery setting. Services to be provided by Valley Covington ASC includes gastroenterology, vascular surgery, gynecology, urology, orthopedics, spine, otolaryngology, ophthalmology, pain, and general surgery such as hernia repair, breast biopsy, breast reconstruction, mastectomy, laparoscopy, laparoscopic cholecystectomy, excision and destruction of lesions and tumor, colorectal surgery, hemorrhoidectomy, anal fistulas, insertion and removal of catheter placement for renal dialysis and chemotherapy; and gastric neurostimulators. Surgical services provided at the Valley Covington ASC would require anesthesia services.

**Service Area**

Southeast King County

**Conditions**

The conditions are identified on page 2 of this certificate

**Approved Capital Expenditure**

The capital expenditure associated with this project is \$12,715,827.

**This Certificate authorizes commencement of the project from February 26, 2019 to February 26, 2021 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.**

**Date Certificate Issued: February 26, 2019**

  
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Nancy Tyson, Executive Director  
Health Facilities and Certificate of Need  
Washington State Department of Health

**This Certificate is not transferable**

## **Certificate of Need #1768**

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#### **Conditions**

1. Valley Covington ASC agrees with the project description as stated above. Valley Covington ASC 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. Valley Covington ASC will maintain licensure as an ambulatory surgery facility under WAC 246-330, regardless of ownership.
3. Valley Covington ASC will maintain Medicare and Medicaid certification, regardless of ownership.
4. Prior to providing services, Valley Covington ASC will provide the adopted job description, the name and credentialed number of the medical director for the ASC for department's review and approval. The adopted medical director job description must be consistent with the draft provided in the application.
5. Prior to providing services, Valley Covington ASC will provide an executed copy of the patient transfer agreement for the department's review and approval. The executed patient transfer agreement must be consistent with the draft agreement provided in the application.
6. Valley Covington ASC will provide charity care in compliance with the charity care policy provided in the application, or any subsequent policies. Valley Covington ASC will use reasonable efforts to provide charity care at 0.93% for gross revenue and 2.51% for adjusted revenue as identified in the application or the regional average, whichever is greater. Valley Covington ASC 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.