



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

April 7, 2011

Troy Green, CEO
Olympia Surgery Center
Post Office Box 368
Olympia, Washington 98507

Dear Mr. Green:

Thank you for your Ambulatory Surgical Center Determination of Non-Reviewability (DOR) Application received on March 14, 2011, and supplemental information submitted on April 5, 2011. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your interest in establishing an Ambulatory Surgical Center (ASC) associated with the Olympia Orthopedic Associates practice.

FACTS

- Olympia Orthopedic Associates is a group practice located at 1625 Mottman Road in Tumwater, within Thurston County.
- Olympia Orthopedic Associates obtained an exemption from Certificate of Need review on May 14, 2001, for the establishment of an ASC known as Olympia Surgery Center.
- Olympia Surgery Center has been in continuous operation since its establishment in approximately November 2001.
- When the May 14, 2001, exemption was obtained for Olympia Surgery Center, procedures typically performed at the ASC were orthopedic in nature. [Listing of procedures provided in a May 29, 2001, document.],
- Your March 14, 2011, DOR application states that Olympia Orthopedic Associates is in the process of building a medical office building with an attached ASC. The intent is to relocate the Olympia Orthopedic Associates practice to the new site when it is complete. Once the relocation is complete, Olympia Orthopedic Associates will begin using the newly built ASC at that site.
- The new site for the Olympia Orthopedic Associates practice and ASC is 3925 Capitol Mall Drive Southwest, in Olympia.¹

¹ The ASC exemption application identifies the site to be 3925 Capitol Mall Drive Southwest in Olympia (98502); however, the Construction Review application identifies 3825 Capitol Mall Drive Southwest in Olympia as the site. [CRS #60215139] Based on a telephone conversation with Ms. Nicole Sandberg from your office, the address on the ASC exemption application is correct. You should notify the Construction Review office as soon as possible to correct the address on the application. The phone number is 360-236-2971.



- Once relocated, only the 12 physicians that are owners or employees of Olympia Orthopedic Associates would have access to the ASC. The 12 physicians are listed below.

Zachary Ian Abbott	Thomas Scott Helpenstell	Dennis Edward Smith
Laddie Anthony Agtarap	Andrew P. Manista	Stephen William Snow
Clyde T. Carpenter	Robert Trent McKay	Peter Brodie Wood
Patrick Joseph Halpin	William Warren Peterson	Jerome P. Zechmann
- No other physician would have access to the proposed ASC. (Future member/partners or employees of the group practice would be allowed access to the ASC.)
- The proposed ASC will not be structured as a separate legal entity from the Olympia Orthopedic Associates group practice.
- Procedures to be performed at the ASC include those surgeries typically associated with orthopedic procedures.
- No management agreement is proposed.

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 Certificate of Need review.
- RCW 70.38.025(6) defines “health care facility” as *hospices, hospice care centers, hospitals, psychiatric hospitals, nursing homes, kidney disease treatment centers, ambulatory surgical facilities, and home health agencies, and includes such facilities when owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations, but does not include any health facility or institution conducted by and for those who rely exclusively upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination, or any health facility or institution operated for the exclusive care of members of a convent as defined in RCW 84.36.800 or rectory, monastery, or other institution operated for the care of members of the clergy. In addition, the term does not include any nonprofit hospital: (a) Which is operated exclusively to provide health care services for children; (b) which does not charge fees for such services; and (c) if not contrary to federal law as necessary to the receipt of federal funds by the state.*
- Washington Administrative Code (WAC 246-310-010) defines “ambulatory surgical facility” as *any free-standing entity, including an ambulatory surgery center, that operates primarily for the purpose of performing surgical procedures to treat patients not requiring hospitalization. This term does not include a facility in the offices of private physicians or dentists, whether for individual or group practice, if the privilege of using such facility is not extended to physicians or dentists outside the individual or group practice.*

CONCLUSION

Based on the above factual information provided by you, the Certificate of Need Program concludes that the establishment of the ASC associated with the Olympia Orthopedic Associates group practice does not meet the definition of an ASC under the Certificate of Need provisions of Washington Administrative Code (WAC) 246-310-010. Therefore, the proposed ASC is not subject to Certificate of Need review.

Please note: This determination is not transferable and is based on the facts submitted in the exemption application. Prior Certificate of Need review and approval may be required under the provisions of WAC 246-310-020 if changes occur in your project. Examples of such changes include the following. This list is not intended to be all inclusive:

- 1) should Olympia Orthopedic Associates decide to extend the privilege of using the ASC to physicians not part of the practice; OR
- 2) should Olympia Orthopedic Associates decide to expand the scope of services at the ASC to include services subject to Certificate of Need review under the provisions of WAC 246-310-020; OR
- 3) should Olympia Orthopedic Associates decide to organize the ASC as a separate legal entity from the group practice; OR
- 4) should Olympia Orthopedic Associates decide to operate the ASC under a management agreement; OR
- 5) should any entity other than Olympia Orthopedic Associates hold the Medicare certification; OR
- 6) should the ASC cease operations or relinquish its Medicare certification and then choose to resume services as an ASC; OR
- 7) should the Olympia Orthopedic Associates practice or ASC be purchased or leased.

This determination of non-reviewability does not constitute approval under any other local, federal, or state statute, or implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Section 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.

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

Appeal Option 1:

You or any interested or affected person 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:

Troy Green, CEO
Olympia Surgery Center
DOR #11-23
April 7, 2011
Page 4 of 4

Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Other Than By Mail
Department of Health
Certificate of Need Program
310 Israel Road SE
Tumwater, WA 98501

Appeal Option 2:

You or any affected 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:
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Other Than By Mail
Adjudicative Clerk Office
310 Israel Road SE, Building 6
Tumwater, WA 98501

Please call me at (360) 236-2957 if you have any further questions as you proceed with establishment of the ASC.

Sincerely,



Karen Nidermayer, Analyst
Certificate of Need Program
Office of Certification and Technical Support

cc: Department of Health, Investigations and Inspections Office
Department of Health, Office of Customer Service
Department of Health, Construction Review Services