



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

July 19, 2012

Stephen Pentz, Attorney  
3213 West Wheeler Street, #45  
Seattle, Washington 98199

Dear Mr. Pentz:

Thank you for your June 8, 2012, request for a determination of reviewability associated with BHC Fairfax Hospital and Providence Regional Medical Center-Everett. Your request was received in the Certificate of Need Program office on June 11, 2012. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding this project.

**FACTS**

- On November 17, 2011, BHC Fairfax Hospital submitted a Certificate of Need application proposing to establish a new psychiatric hospital in Everett, within Snohomish County. [Application #12-13]
- The new psychiatric hospital is to be located on 7<sup>th</sup> floor of the Pacific Campus of Providence Regional Medical Center-Everett.
- BHC Fairfax Hospital intends to enter into a lease agreement with Providence Regional Medical Center-Everett for lease of the entire 7<sup>th</sup> floor of the Pacific Campus of Providence Regional Medical Center-Everett.
- Currently, the 7<sup>th</sup> floor of the Pacific Campus of Providence Regional Medical Center-Everett is included with the hospital's license space.
- Providence Regional Medical Center-Everett intends to de-license the 7<sup>th</sup> floor of the Pacific Campus prior to commencement of the lease agreement with BHC Fairfax Hospital.
- De-licensure of the space does not affect the number of acute care beds licensed Providence Regional Medical Center-Everett or the services provided at the hospital.

**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 (b) identifies that the sale, purchase, or lease of part of all of any existing hospital licensed under RCW 70.38.025 is subject to CON review.

**CONCLUSION**

Based on the above factual information provided by you, the Certificate of Need Program concludes that the lease of the 7<sup>th</sup> floor of the Pacific Campus of Providence Regional Medical

Center-Everett by BHC Fairfax is not subject to prior Certificate of Need review, provided that Providence Regional Medical Center-Everett de-license the space prior to implementation of the lease agreement as described in your letter. Therefore, the lease of space is not subject to Certificate of Need review, provided that Providence Regional Medical Center-Everett agrees to the condition below.

**Providence Regional Medical Center-Everett Condition**

- 1) Providence Regional Medical Center-Everett must de-license the 7<sup>th</sup> floor of its Pacific Campus. This action requires submission of a new hospital application form indicating the changes in an attached cover letter.<sup>1</sup> Providence Regional Medical Center-Everett will send a copy of the completed application to the Certificate of Need Program to demonstrate its intent to de-license the space.

**Please note:** This determination is not transferable and is based on the facts submitted in the documents provided to the Certificate of Need Program. This exemption approval 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:

<u>Mailing Address:</u>	<u>Other Than By Mail</u>
Department of Health	Department of Health
Certificate of Need Program	Certificate of Need Program
Mail Stop 47852	111 Israel Road SE
Olympia, WA 98504-7852	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

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<sup>1</sup> The application form can be printed from the Department of Health website at [www.doh.wa.gov](http://www.doh.wa.gov)

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DOR #12-40  
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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

Other Than By Mail

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

Please provide a response to this letter by August 1, 2012, acknowledging acceptance of the condition of this exemption approval. You may provide your response to me at one of the following addresses.

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  
111 Israel Road SE  
Tumwater, WA 98501

If you have any questions regarding the exemption approval, you may call me at 360-206-2957.

Sincerely,



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

cc: Department of Health, Investigations and Inspections Office