



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

November 29, 2012

Pamela Renna, Director of Business Development
UW Medicine-Northwest Hospital and Medical Center
1550 North 115th Street
Seattle, Washington 98133

Dear Ms. Renna:

Thank you for your letter dated October 23, 2012, requesting a Determination of Reviewability (DOR) regarding Northwest Hospital and Medical Center's proposal to acquire the assets of a Certificate of Need (CN) approved ambulatory surgery center known as North Seattle Surgery Center. Below are the facts relied upon by the CN Program in reaching its conclusion regarding your project.

FACTS

- North Seattle Surgery Center (NSSC) was established as a surgery center under the Northwest Hospital and Medical Center's license prior to 1995.¹
- In January 1995, the ASC was relocated to 10330 Meridian Avenue North, #150, Seattle [98133].
- On May 24 2005, the department issued CN #1306 to North Seattle Surgery Center, LLC, which was a joint venture with the hospital, local surgeons, and an anesthesiology group.²
- At the time of purchase, NSSC had four operating rooms (ORs) and had been in continuous operation at the Meridian Avenue North site in Seattle since 1995.
- In this DOR, Northwest Hospital and Medical Center requests to acquire 100% of the NSSC assets and return the ASC to solely hospital ownership and operation. The space would be licensed under Northwest Hospital and Medical Center's hospital license.

¹ Before December 28, 1996, the definition of ASC was interpreted by the CN Program to exclude from review those ASCs that were both physically located within the hospital and those facilities licensed under the hospital license, yet not physically located within the hospital. Therefore, establishment of NSSC did not require prior CN review and approval. On December 28, 1996, a revision to the CN ASC rules became effective that resulted in ASCs licensed under a hospital license, but NOT physically located within the hospital, having to obtain prior CN review and approval before establishment.

² The ownership breakdown is 50% hospital and 50% combined local surgeons and an anesthesiology group. CN #1306 approved the establishment of a new healthcare facility because of the purchase of the ASC by the new LLC.

- There would be no changes in the following:
 - the number of operating rooms (4);
 - the types of procedures performed at the ASC; and
 - the location of the ASC. It would remain at the Meridian Avenue North address.
- No separate management agreement for the ASC is proposed.

CONCLUSION

Based on the above factual information provided by you, the Certificate of Need Program concludes that the purchase of 100% of NSSC's assets as described in your October 23, 2012, letter 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 project is not subject to Certificate of Need review.

Please note: This determination is not transferable and is based on the facts submitted in your letter. 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 the scope of services at the ASC be expanded to include services subject to review under the provisions of WAC 246-310-020; OR
- 2) should the hospital decide to operate NSSC under a management agreement; OR
- 3) should NSSC cease operations and then intend to resume operations; OR
- 4) should NSSC be purchased or leased; OR
- 5) should NSSC be moved to a different site than identified in your letter.

Additionally, if at some point in the future, Northwest Hospital and Medical Center decides to remove NSSC from its hospital license and operate it as a separate ASC, prior Certificate of Need review and approval may be required depending on the rules in place at the time. At this time under current rules, removal of NSSC and operation as a freestanding ASC would require prior Certificate of Need review.

APPEAL OPTIONS

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 addresses on the following page.

Pamela Renna, Director of Business Development
UW Medicine-Northwest Hospital and Medical Center
DOR #13-11
November 29, 2012
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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

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:

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 call me at (360) 236-2957 if you have any questions regarding this determination.

Sincerely,



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