



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

February 19, 2013

Dennis Barts, CEO
Valley Hospital and Medical Center
12606 East Mission Avenue
Spokane Valley, Washington 99216

DOR #13-22

Dear Mr. Barts:

Thank you for your December 3, 2012, letter requesting a determination of reviewability regarding the level of pediatric services provided at the hospital. Specifically, you assert that the hospital has been providing level II intermediate care services to neonates for approximately 25 years. Below is a summary of the documents reviewed and the Certificate of Need Program's conclusion regarding your inquiry.

ANALYSIS OF DOCUMENTS REVIEWED

- Historical Certificate of Need records concerning licensing of hospital bed spaces.
- Construction Review Services listing of Valley's construction projects from 1987-2013. [DoH website]
- Historical Certificates of Need reviewed from October 15, 1982 (approximately 30 years), to present do not approve or acknowledge any neonatal level II or intermediate care nursery services to be provided at the hospital.
- The Certificate of Need application submitted on January 11, 2008, for the purchase of Valley Hospital and Medical Center included a listing of current services provided at the hospital. The listing—located in Exhibit 3 of the application—stated that neonatal intensive care services are not maintained in the hospital. Level II services were not included in the current services provided.
- The May 22, 2008, supplemental information provided by Community Health Services clarified that neonatal intensive care services are provided at Deaconess Medical Center, but not at Valley Hospital and Medical Center. Level II services were not included in the current services provided.
- Certificate of Need #1383 issued on August 29, 2008, to Community Health Systems approving the purchase of Valley Hospital and Medical Center identifies the 'essential services' provided at the hospital. Neither level II (intermediate care nursery) nor level III (neonatal intensive care nursery) services are identified, which is consistent with the information provided in the Certificate of Need application.
- Valley Hospital and Medical Center's hospital renewal and annual update license applications submitted for years 2008, 2009, 2010, and 2011 were also reviewed.¹ All applications identify

¹ 2012 information was not yet filed in the facility file.



zero bassinets associated with either an intermediate care nursery [level II] or a neonatal care nursery [level III]².

- In December 2011 staff from the Department’s Construction Review Services along with Bart Eggen, Executive Director conducted an on-site survey of Valley Hospital and Medical Center as part of an appeal Valley was a party to. The purpose of that on-site visit was to determine existing hospital bed spaces meeting both the physical and moveable equipment requirements for hospital licensure. That on-site visit revealed that Valley had no bed spaces meeting the physical space and moveable equipment requirements for neonatal intermediate care level II services. Department records also show no construction projects being submitted, since that on-site visit, related to a neonatal intermediate care nursery.
- Year 2007 through 2011 patient discharge data for major diagnostic category [MDC] #15—Newborns and Other Neonates with Conditions Originating in the Perinatal Period was reviewed. Additionally, diagnosis related groups [DRGs] 789 through 795 under MDC #15 was reviewed. The most recent data [2011] is summarized in the table below. Focusing on DRGs 791, 792, and 793 shows that Valley Hospital and Medical Center may be providing emergent level II intermediate care services to less than 3 patients per month. However, the patient day data below shows the hospital kept these patients for an average of 6.9 days per patient. This data indicates that Valley Hospital and Medical Center may be operating out of compliance with both Certificate of Need requirements and hospital licensing requirements by retaining and treating these patients, rather than stabilizing and transferring.³

DRG	Definition	Level of Care ⁴	# of Discharges	# of Pt Days
789	Neonates died or transferred to another acute care facility	Level III	13	14
790	Extreme immaturity or respiratory distress syndrome neonate	Level III	1	13
791	Prematurity with major problems	Levels II or III	1	12
792	Prematurity without major problems	Level II	17	57
793	Full term neonate with major problems	Level II	14	152
794	Neonate with other significant problems	Levels I or II	23	62
795	Normal newborn	Level I	349	528

² Department records show that since 1984 neonatal intermediate care nursery and neonatal intensive care nursery bassinet spaces were to be included in the hospital’s total licensed bed capacity. In 1984 the department (then Department of Social and Health Services) administratively adjusted the hospital licensed bed counts by the number of bassinets in existence as of April 17, 1984, for those hospitals meeting the physical space and equipment requirements for licensing. Only normal infant bassinets were excluded from the licensed bed count.

³ Deaconess Medical Center has Certificate of Need approval to provide both neonatal intermediate care Level II and neonatal intensive care level III.

⁴ Each DRGs corresponding level of care is based on October 3, 2001, testimony provided by Louis Pollack, MD, a board certified neonatologist and member of Washington State Perinatal Advisory Committee, and the October 16, 2007, testimony provided by Linda Wallen, MD, also a board certified neonatologist.

CONCLUSION

In conclusion, Revised Code of Washington (RCW) 70.38.105(4) identifies the types of projects that require prior Certificate of Need review and approval. Subsection (f) states that tertiary services are subject to review. Washington Administrative Code (WAC) 246-310-020(d)(i) includes intermediate care nursery and/or obstetric services level II as a tertiary health service. Valley Hospital and Medical Center does not have Certificate of Need approval to provide the level II services. Based on the totality of the information considered, the Certificate of Need Program concludes that Valley Hospital and Medical Center is required to obtain a Certificate of Need for intermediate care nursery and/or obstetric services level II.

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 identified on the following page.

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

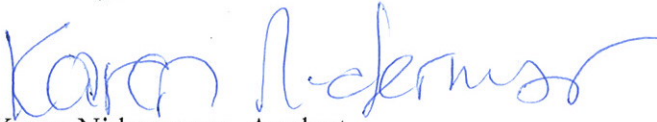
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Please call me at (360) 236-2957 if you have any further questions.

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, Construction Review Services