



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

December 8, 2014

Matthew Kollman
Memorial Physicians, PLLC
3909 Creekside Loop, #120
Yakima, Washington 98902

RE: DOR #15-12

Dear Mr. Kollman:

The Department of Health (department) has completed the review of your request under Washington Administrative Code (WAC) 246-310-050 for exemption regarding the proposed ambulatory surgery center in Yakima, within Yakima County. Below is the information considered and the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- Ambulatory Surgery Center (ASC) exemption application received August 25, 2014
- Supplemental information received on October 6, 2014
- December 21, 1995, exemption approval for Cornerstone Medical Group
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Washington Secretary of State and Department of Revenue information obtained from the respective websites
- Department of Health external provider look-up
- Department of Health Integrated Licensing and Regulatory System (ILRS)
- Certificate of Need historical files

FACTS CONSIDERED

- On December 21, 1995, the Certificate of Need Program approved an exemption request from Cornerstone Medical Group. At that time, Cornerstone Medical Group was a group practice consisting of three gastroenterologists.
- Sometime after the exemption approval, Cornerstone Medical Group was purchased by Memorial Physicians, PLLC. This action occurred without prior contact between Cornerstone Medical Group or Memorial Physicians, PLLC, and CN Program staff.
- Currently, the practice is known as Memorial Physicians, PLLC and operates under the d/b/a of Yakima Gastroenterology Associates.

- Memorial Physicians, PLLC has been registered with the Secretary of State office as an active Washington State corporation since February 25, 2009. The corporation is also registered with the Department of Revenue.
- Hospital Association Yakima Valley Memorial is the sole member of Memorial Physicians, PLLC.
- Memorial Physicians, PLLC has one practice site at 3909 Creekside Loop, #120 in Yakima [98902]. The surgery center is located at this site.
- The exemption application identifies eight physicians that would have access to the ASC. The physicians are listed below.

Name	Credential Status	Practice Status	% of time employed
Thomas Joseph Attaway	Active	Member	75%
Timothy Erwin Brown	Active	Member	75%
Guturu Praveen	Active	Member	100%
Gilbert K. Ong	Active	Member	75%
Amarnath V. Ramakrishnan	Active	Member	40%
Joseph Schmer	Active	Member	100%
Robert M. Williams	Active	Member	75%
Lei Yu	Active	Member	100%

- Of the eight physicians using the ASC, seven are employed by the practice 75% or greater. These same seven physicians have no other practice site.
- One physician, Amarnath Ramakrishnan, MD, is employed 60% at Swedish Hospital.
- The proposed ASC would be operated under the corporation Memorial Physicians, PLLC, whose sole member is Hospital Association Yakima Valley Memorial.
- Procedures to be performed at the ASC are those typically associated with endoscopies and colonoscopies.
- The proposed ASC would not be operated under a management agreement.

CONCLUSION

Ambulatory surgery facilities (ASF), subject to CN review, are defined in WAC 246-310-010(5) to mean “*any free-standing facility, including an ambulatory surgery center that operates primarily for the purpose of performing surgeries not requiring hospitalization. The term does not include a facility in the offices of private physicians or dentists, whether for individual or group practice if the facility is not extended to physicians or dentists outside the individual or group practice.*”

In 1995, Cornerstone Medical Group received a group practice exemption under the second sentence of WAC 246-310-010(5). Once purchased by Memorial Physicians, PLLC whose sole member is Hospital Association Yakima Valley Memorial, the surgery center no longer qualified for the exemption. Since the practice is now owned by Yakima Valley Memorial Hospital, under the first sentence of the rule, the surgery center is subject to CN review because it is a “free-standing” facility, located outside of a hospital, where surgeries would be performed.

Further, the surgery center does not qualify for the exemption under the second sentence of WAC 246-310-010(5). This conclusion is based on the following information provided in the application.

- The ASC is used by a physician, Dr. Amarnath V. Ramakrishnan, reported to be employed at Swedish Hospital 60% of the time.

Accordingly, the ASC is subject to prior Certificate of Need review. Since it is already established and operating without a valid exemption, timely submission of a Certificate of Need application is necessary.

Enclosed is a copy of the Certificate of Need rules, (WAC 246-310), regulations (RCW 70.38), and a blank application form should you wish to pursue this project.

APPEAL OPTION

This decision may be appealed using the option below.

Appeal Option 1:

You or 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 addresses listed below.

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

If you have any questions or you would like to arrange for a meeting or conference call to discuss this decision, please call me at (360) 236-2955.

Sincerely,



Janis R. Sigman, Manager
Certificate of Need Program
Community Health Systems

Enclosure

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