



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

January 16, 2015

Daron Vchulek, VP Ancillary Services
The PolyClinic PC
1145 Broadway
Seattle, Washington 98122

RE: DOR #15-05

Dear Mr. Vchulek:

The Department of Health has completed the review of your exemption request regarding the proposed ambulatory surgery center in Seattle, within King 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 July 28, 2014
- Supplemental information received September 9, 2014, and December 24, 2014
- Notes from the March 24, 2014, and May 22, 2014, meetings with representatives of The PolyClinic
- 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)
- PolyClinic website-physician listing
- Swedish Health System website-physician listing
- Certificate of Need historical files

FACTS CONSIDERED

- On July 1, 1932, The PolyClinic, APC was established with the Washington Secretary of State's office. [source: Secretary of State website]
- The PolyClinic, APC is governed by the seven persons listed on the following page.

Name	Title
Rex Ochi, MD	President
Peter Baciewicz, MD	Secretary
Emily Bradley, MD	Director

Name	Title
Ferda [Frank] Isik, MD	Director
Marti Liddell, MD	Director
John Stimson, MD	Director
Kelly White, MD	Director

- The PolyClinic, APC has been registered with the Washington State Department of Revenue since August 1, 1989. [source: Department of Revenue website]
- The PolyClinic, APC has a total of 15 practice sites located in Clallam (2), King (12), and Snohomish (1) counties. The 15 practice sites are listed below.

Address	City	Zip
904 – 7 th Avenue	Seattle	98104
11011 Meridian Avenue North, #200	Seattle	98133
1145 Broadway	Seattle	98122
1801 Northwest Market Street, #203 & 308	Seattle	98107
3216 Northeast 45 th Place, #200	Seattle	98105
509 Olive Way, #900	Seattle	98101
11545 – 15 th Street Northeast, #205	Seattle	98125
1229 Madison Street, #1600	Seattle	98104
10700 Meridian Avenue North, #105	Seattle	98133
1001 Broadway, #215	Seattle	98133
3400 California Avenue Southwest, #200	Seattle	98116
751 Northeast Blakely Drive, #3020	Issaquah	98029
840 North 5 th Avenue, #107 & 2400	Sequim	98382
777 North 5 th Avenue, #107	Sequim	98382
7315 – 212 th Street Southwest, #205	Edmonds	98026

- The practice at 1145 Broadway operates a Certificate of Need approved ASC at the site.¹ This surgery center is located on the second floor of the building and has three operating rooms.
- The PolyClinic, APC has 130 physician shareholders/owners and 48 employed physicians.
- This application proposes to establish an exempt ASC in dedicated space at the practice site of 1145 Broadway, which is identified in bold above. The exempt ASC would be located at the same site as the CN approved facility. The exempt ASC would be located on the first floor of the building.
- The exempt ASC would be operated entirely separate from the CN approved ASC.

¹ Certificate of Need #1046 issued May 7, 1991.

- Procedures to be performed at the exempt ASC are limited to those typically associated with vascular surgeries. A listing of most common procedures was provided in the application.
- The proposed ASC would not be operated under a management agreement.
- At this time, only five physicians intend to use the ASC. Specific physician credentialing information is below.

Name	Credential Status	Practice Status	% of Time
Mitchell D. Cahn	Active	Employed	70%
Kaj Henry Johnson	Active	Member	100%
Yi Soo R. Kim	Active	Member	100%
Jason K. Lee	Active	Member	100%
James C. Watson	Active	Member	100%

CONCLUSION

Based on the totality of information considered, the department concludes the proposed ASC would be exempt from Certificate of Need review with the condition that Dr. Mitchell Cahn is not eligible to use the ASC. According to the PolyClinic's website, Dr. Cahn is not a physician at PolyClinic. However, Dr. Cahn is a Swedish provider and as such is not eligible to use the exempt ASC. This condition applies specifically to Dr. Cahn and would also apply to any other physician that is not part of the PolyClinic group practice.

This exemption is not transferable and the conclusions reached concerning this proposed ASC are based on the facts about this facility and it should not be assumed the department would reach the same conclusion in future exemption requests for other future ASCs.

If changes are made in the operation or ownership of this proposed ASC, the ASC may no longer be eligible for this exemption. In that case, prior Certificate of Need review and approval or new exemption would be required. Examples of such changes include the following. This list is not intended to be all inclusive.

- The scope of services is expanded to include services subject to Certificate of Need review under the provisions of WAC 246-310-020.
- The provision of any procedure as identified under WAC 246-310-705(4).
- The ASC is operated under a management agreement.
- The ASC is organized as a separate legal entity from the practice.
- The ASC is moved to a different site than identified in the exemption application.
- Use of the ASC is extended to any physician who is not a member/owner or employed by The Polyclinic
- The ASC ceases operations or relinquishes its Medicare certification and then chooses to resume services as an ASC.
- The ASC or the practice is purchased or leased.

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- ASC patients are routinely transferred from the ASC for observation care at one of the area's hospitals.

APPEAL OPTION

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

Appeal Option 1:

You 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:

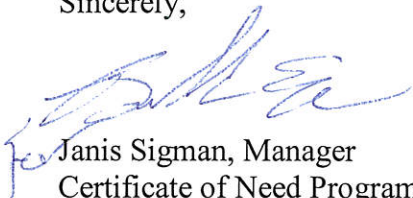
Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Physical Address

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

If you have any questions or would like to set up a meeting to discuss our decision, please call me at (360) 236-2955.

Sincerely,



Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

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