



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

January 29, 2016

CERTIFIED MAIL #7015 6040 0000 6441 5812

Casey Stowell, Regional Vice President
Pacific Northwest Region
Fresenius Medical Care
7780 Southwest Mohawk Place
Tualatin, Oregon 97062

RE: DOR #16-16

Dear Mr. Stowell:

Thank you for your November 23, 2015, letter requesting a Certificate of Need exemption related to Fresenius Medical Care's (FMC) proposed relocation of Columbia Basin Dialysis Center. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your proposed relocation project.

FACTS

- On October 11, 1995, Certificate of Need (CN) #1133 was issued to joint applicants Our Lady of Lourdes Health Center, Kadlec Medical Center, and Kennewick General Hospital. CN #1134 approved the establishment of a 7-station dialysis center to be located at 522 North Colorado Street, #520 in Kennewick, within Benton County. The facility was completed and the dialysis center was known as Tri-Cities Kidney Center.
- On January 20, 2004, CN #1255A was issued to Tri-Cities Kidney Center approving the addition of six stations to the dialysis center, resulting in a total of 13 dialysis stations operating at the facility. CN #1255A also approved relocation of the dialysis to 510 North Colorado in Kennewick [99336].
- On February 1, 2007, Tri-Cities Kidney Center underwent a change of ownership from jointly owned by the three hospitals to Fresenius Medical Care. The facility was renamed "*FMC Columbia Basin*."
- The 13-station dialysis center has remained at its current location on North Colorado since its relocation in 2004.
- Your November 23, 2015, letter, requests relocation of the 13-station FMC Columbia Basin Dialysis Center in its entirety. Below is a summary of the information provided.
 - The new site at 6600 West Rio Grande Avenue in Kennewick [99336] and is less than two miles from the existing site on North Colorado.

- The current site and the new site are both located in the Benton County Planning Area as defined in Washington Administrative Code 246-310-280(9).
- FMC expects that the new facility would become operational at the new site by March 31, 2017. The existing facility would cease operation as a dialysis center once the relocated facility was operational.
- No break in dialysis services would occur as a result of the relocation.
- FMC Columbia Basin Dialysis Center has been providing home training services since it became operational under CN #1133 issued in 1995. The floor plan for the new facility includes space for training services.
- The floor plan for the new facility demonstrates that the facility will be built-out as a 13-station dialysis center with no shelled space. Dialysis services in isolated space and a permanent bed will be available at the new site.
- A breakdown of the 13 stations for the new site is shown below.

Private Isolation Room	1
Permanent Bed Station	1
Other In-Center Stations	11
Total	13

- FMC's total cost for the relocation is estimated at \$1,869,000.

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 (a) identifies that the construction, development, or other establishment of a new health care facility is subject to CON review. RCW 70.38.025(6) defines "health care facility" to include kidney disease treatment centers.
- WAC 246-310-289 allows for relocation of a kidney disease treatment center within the same planning area [as defined in WAC 246-310-280(9)] without undergoing prior Certificate of Need review and approval, provided the following five requirements are met.
 - (a) The existing facility ceases operation;
 - (b) No new stations are added to the replacement facility;
 - (c) There is no break in service between the closure of the existing facility and the operation of the replacement facility;
 - (d) The existing facility has been in operation for at least five years at its present location; and
 - (e) The existing facility has not been purchased, sold, or leased within the past five years.

CONCLUSION

Based on the above factual information, the Certificate of Need Program concludes that the proposed relocation of FMC Columbia Basin Dialysis Center qualifies for a relocation exemption under WAC 246-310-289, provided that FMC agrees to the following condition.

Condition of Exemption Approval

At project completion, FMC Columbia Basin Dialysis Center is approved to certify and operate 13 dialysis stations at the new site.

You have two options, either accept or reject the above in its entirety. If you accept the above in its entirety, your application will be approved and a replacement authorization for the project will be issued. If you reject any provision of the above, you must identify that provision, and your application will be denied because approval would not be consistent with applicable Certificate of Need review criteria. Please notify the Department of Health within 20 days of the date of this letter whether you accept the above in its entirety.

Your written response should be sent to the Certificate of Need Program, at one of the following addresses.

Mailing Address:

Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:

Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

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

Sincerely,



Janis Sigman, Manger
Certificate of Need Program
Community Health Systems