

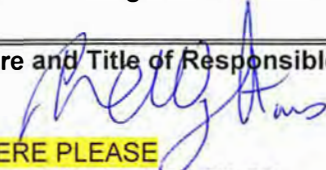


STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

APPLICATION FOR CERTIFICATE OF NEED
Health Care Facility Projects
(excluding nursing home, hospital, or CCRC related projects)

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and WAC 246-310, rules and regulations adopted by the Washington State Department of Health. I hereby certify that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer:  SIGN HERE PLEASE Robert C. Wright, MD, FACS	Date: October 4, 2018 Telephone Number: 253-840-1999
Legal Name of Applicant: Meridian Surgery Center (Cascade Hernia & Surgical Solutions PS) Address of Applicant: 208 17 th Ave SE, Suite 201 Puyallup, WA 98372	Type of Application: <input checked="" type="checkbox"/> Ambulatory Surgical Facility <input type="checkbox"/> Kidney Disease Treatment Center Type of Project (check all that apply) <input checked="" type="checkbox"/> New Health Care Facility <input type="checkbox"/> Capital expenditure over expenditure minimum <input type="checkbox"/> Pre-development Expenditure <input type="checkbox"/> Increase in the number of dialysis stations in a kidney disease center
Intended date of incurring contractual obligation to construct, acquire, lease or finance capital asset: Upon certificate of need approval. Estimated capital expenditure: <u>\$279,694</u>	Intended date of undertaking project: Upon certificate of need approval. Intended date for beginning to offer services or operate completed project: July 2019 Project Summary: Convert an exempt ASC in Puyallup to a CN approved ASC.

October 3, 2018

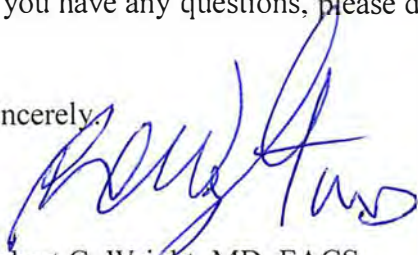
Janis Sigman, Manager
Certificate of Need Program
Department of Health
P.O. Box 47852
Olympia, WA 98504-7852

Dear Ms. Sigman:

Enclosed please find a copy of Meridian Surgery Center's certificate of need application to convert an existing exempt ambulatory surgery center (ASC) to a CN approved ASC. Also enclosed is the appropriate review and processing fee of \$20,427.

If you have any questions, please do not hesitate to contact me at 253- 840-1999.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert C. Wright", is written over the word "Sincerely,".

Robert C. Wright, MD, FACS



Certificate of Need Application
to
Convert an Existing CN Exempt
Ambulatory Surgery Center to CN Approved
in the
East Pierce Secondary Health Services Planning Area
October 2018

SECTION 1 APPLICANT DESCRIPTION

A. Legal name(s) of applicant(s)

The applicant is Meridian Surgery Center. The legal name of Meridian Surgery Center is Cascade Hernia & Surgical Solutions PS (formerly Robert Wright MD, PS)¹. Throughout this CN, the applicant and the ASC will be referred to as Meridian Surgery Center (Meridian).

B. Name and address of the proposed/existing facility.

The address of Meridian is currently, and will continue to be:

208 17th Ave SE, Suite 201
Puyallup, WA 98372

C. Type of ownership (public/private/corporation, etc.).

The legal entity, Cascade Hernia and Surgical Solutions PS (Cascade Hernia), is a Washington corporation.

D. Name and address of owning entity at completion of project (unless same as applicant).

The owning entity is the same as the applicant.

¹ Robert Wright, PS changed its name to Cascade Hernia and Surgical Solutions on August 14, 2018. This is a name change only. Cascade Hernia and Surgical Solutions is 100% owned by Robert Wright, MD.

E. Name, title, address, and telephone number of the person to whom questions regarding this application should be directed.

Please address all correspondence to:

Robert Wright, MD, FACS, Medical Director
Meridian Surgery Center
208 17th Ave SE, Suite 201
Puyallup, WA 98372
253.840.1999
Sally@CascadeHernia.com

F. Corporate structure and related parties. Attach chart showing organizational relationship to related parties.

An organizational chart for Meridian is included as Exhibit 1.

G. Name and address of operating entity at completion of project (unless same as applicant).

The operating entity is the same as the applicant.

H. General description and address of each facility owned and/or operated by applicant.

No other facilities are owned or operated by Meridian or Cascade. This question is not applicable.

I. Facility licensure/accreditation status.

Meridian is licensed by the Washington State Department of Health. Its Ambulatory Surgical Facility License number is ASF.FS.60100910.

J. Is applicant reimbursed for services under Titles V, XVIII, and XIX of Social Security Act?

Meridian is reimbursed for services under Title XVIII, and XIX of the Social Security Act. Medicare and Medicaid provider numbers are in Table 1.

Table 1
Medicare and Medicaid Provider Numbers

	Medicare Provider Number	Medicaid Provider Number
Meridian Surgery Center	G8866205	1477616936

Source: Applicant

K. Geographic identification of primary service area.

Consistent with WAC 246-310-270(3), the East Pierce Secondary Health Services Area is the primary service area for this project.

L. List physician specialties represented on active medical staff and indicate number of active staff per specialty.

Table 2 details the physicians currently on the active medical staff at Meridian, as well as their professional license numbers.

Table 2
Meridian Surgery Center
Active Medical Staff

Name	Professional License Number
Robert Wright, MD FACS	MD00025095
Brian Nelson, MD (employed)	MD00020208

Source: Applicant

M. List all other generally similar providers currently operating in the primary service area.

The current ASC providers in the East Pierce Secondary Health Services Area, along with their CN status are detailed in Table 3:

Table 3
East Pierce County ASC Providers and CN Status

Facility	CN Status
Hospitals	
Good Samaritan Hospital	CN Approved
ASCs	
Neospine Puyallup Spine Center	CN Approved
The Surgery Center at Rainier	CN Approved
Hillside Medical Surgery Center	CN Exempt
Meridian Surgery Center	CN Exempt
Puyallup Ambulatory Surgicenter (Philip C. Kierney MD)	CN Exempt
Proliance dba Puyallup Ambulatory Surgery Center	CN Exempt
Cascade Eye and Skin Centers	CN Exempt
Puyallup Endoscopy Center	Excluded-Endo only
Peninsula Endoscopy Center	Excluded-Endo only
Sunrise Endoscopy Center	Excluded-Endo only

Source: Department of Health CN Program Information

N. For existing facilities, provide applicant's overall utilization for the last five years, as appropriate.

1. Ambulatory Surgical Facility - surgeries per year

Table 4 details Meridian's historical utilization for the period of 2013-2018 YTD.

Table 4
Meridian Surgery Center
Historical Utilization, 2013-2018 YTD

Year	Number of Cases
2013	441
2014	482
2015	540
2016	531
2017	488
2018 Annualized	453

Source: Applicant, annualized based on data through 9/30/2018

O. Describe the history of applicant entity with respect to criminal convictions related to ownership/operation of health care facility, license revocations, and other sanctions described in WAC 246-310-230 (5)(a). If there have been no such convictions or sanctions, please state.

Neither Meridian nor its legal owner, has any history with respect to criminal convictions related to ownership/operation of health care facility, license revocations, and other sanctions described in WAC 246-310-230 (5)(a).

SECTION 2 PROJECT DESCRIPTION

A. Describe the project for which Certificate of Need approval is sought.

This application seeks CN approval to convert an existing exempt ASC to a Certificate of Need approved ASC. In addition, Meridian proposes to expand its capacity from one room to two rooms in order to have the capacity to provide access to providers interested in accessing the ASC once the group practice exemption is removed.

B. Total estimated capital expenditures.

The estimated capital expenditure for the proposed project (which includes the addition of one OR) is \$279,694.

C. Total estimated operating expense for the first and second years of operation (please show separately).

The ASC is already operational. Assuming CN approval in mid 2019, the first two full years of operation for the CN approved ASC will be 2020 and 2021. The estimated operating expenses in those years are:

Year 1 (2020): \$1,477,683
Year 2 (2021): \$1,580,746

D. New services/changes in services represented by this project.

Today, Meridian provides primarily general surgery. With the second room and with the CN group practice exemption lifted, proposed new specialties are projected to include bariatrics, ENT, gynecology, plastics and podiatry.

E. General description of types of patients to be served by the project.

Meridian will provide care to patients clinically appropriate for an ASC setting. The American Society of Anesthesiologists (ASA) has a physical status classification system (the ASA system) that assesses the fitness of patients for surgery. Meridian's admission policy (contained in Exhibit 9) indicates that it will take patients categorized as ASA I, II or III. ASA I (is defined as a healthy person), ASA II is defined as a person with mild systemic disease and ASA III is defined as a patient with severe systemic disease. Meridian does limit the ASA III patients that it takes and will not perform surgery on many ASA III patients, including those with unstable angina, BMI 46+, patients who cannot reverse anticoagulation, uncontrolled diabetics, asthmatics, and those with uncontrolled hypertension.

Meridian also proposes to provide services in the following specialties including general surgery, bariatrics, ENT, gynecology, plastics and podiatry.

F. Projected utilization of service(s) for the first and second year of operation following project completion (*please show separately*). This should be expressed in appropriate workload unit measures.

Table 5 contains projected utilization of operations for the first two full years of operation:

Table 5
Meridian Surgery Center
Projected Cases, 2020-2021

Year	Projected cases/year
2020	748
2021	946

Source: Applicant

G. A copy of the letter of intent, per WAC 246-310-080.

A copy of the letter of intent and proof of receipt is included in Exhibit 2.

H. Sources of patient revenue (Medicare, etc.) with anticipated percentage of revenue from each source. Estimate the percentage of change for each of the courses of revenue by payer that will result from this project.

Table 6 includes the estimated sources of revenue for the ASC.

Table 6
Existing and Proposed Source of Revenue by Payer

Payer	Existing Payer (% of Total)	Proposed Payer Mix (% of Total)
Medicare	18%	18%
Medicaid	5%	5%
Other Government	7%	7%
Commercial	70%	65%
Other	0%	0%
Self Pay ²	0%	5%
Total	100%	100.0%

Source: Applicant

I. Sources (s) of financing.

Meridian will utilize a combination of reserves and a line of credit to fund the project.

J. Equipment proposed:

- 1 Description of equipment proposed.**
- 2. Description of equipment to be replaced, including cost of the equipment, and salvage value (if any) or disposal, or use of the equipment to be replaced.**

Exhibit 3 includes a listing of equipment proposed. No equipment will be replaced.

K. Drawings:

- 1. Single line drawings, *at least approximately to scale*, of current locations which identify current department and services.**

Single line drawings of Meridian are included in Exhibit 4.

- 2. Single line drawings, *at least approximately to scale*, of proposed locations which identify proposed services and departments.**

Single line drawings of Meridian with the additional OR is included is contained in Exhibit 4.

² Assumes 5% private pay for bariatric cases.

3. Total net and gross square feet of project.

The existing gross square feet of Meridian Surgery Center is 1,618. The proposed 2nd OR will contain additionally approximately 652 SF. The total square footage at the completion of the project will be 2,270.

4. Describe any changes in dialysis station capacity proposed as part of this project.

This question is not applicable as there is no dialysis capacity proposed.

L. Anticipated dates of both commencement and completion of project.

Anticipated commencement of the project is expected to be upon CN approval, currently anticipated to be July 2019. The expected completion date will be late in 2020 when the 2nd OR is completed.

M. Describe the relationship of this project to the applicant's long-range plan and long-range financial plan (if any).

Since its opening in 2001, Meridian has sought to provide safe, effective, patient-centered, affordable care for patients. As a trusted and reliable ASC in East Pierce County, Meridian regularly receives request for use from outside physicians. CN approval will expand the utilization of this facility to other physicians and this will increase access for patients.

N. Describe any of the following which would currently restrict usage of the proposed site and/or alternate site for the proposed project: (a) mortgages; (b) liens; (c) assessments; (d) mineral or mining rights; (e) restrictive clauses in the instrument of conveyance; (f) easements and right-of-ways; (g) building restrictions; (h) water and sewer access; (i) probability of flooding; (j) special use restrictions; (k) existence of access roads; (l) access to power and/or electricity sources; (m) shoreline management/environmental impact; (n) others (please explain).

Meridian is an existing and fully operational ASC. There are no restrictions in regards to the site that would prohibit the addition of a second operating room in the space.

- O. Provide documentation that the proposed site may be used for the proposed project. Documentation may include, but not limited to a letter from any appropriate municipal authority, zoning information, and signed letter from leasing agent or realtor attesting to appropriate usage.**

Included in Exhibit 5 is information from the Pierce County Assessor's Office documenting that the site is in use for medical office services. Please note that the taxpayer name on this information is Evergreen Rentals, LLC. Evergreen Rentals, LLC is also owned by Robert Wright. Included in Exhibit 6 is information from the Secretary of State website documenting that Dr. Wright is also the owner of Evergreen Rentals, LLC.

- P. Provide documentation that the applicant has sufficient interest in the site or facility proposed. "*Sufficient interest*" includes but not limited to one of the following:**
- a. clear legal title to the proposed site;**
 - b. a lease for at least one year with, options to renew for not less than a total of five years**
 - c. a draft lease for at least one year with, options to renew for not less than a total of five years. A draft is acceptable only if all parties identified in the draft agreement provide a signed "Letter of Intent to finalize" the agreement.**
 - d. an earnest money agreement provided all parties identified in the agreement have signed it.**
 - e. a letter signed by a duly authorized representative of the property owner attesting to the property owners intent to sale the site as represented in the application.**

Meridian is the sole tenant in the space owned by Evergreen Rentals, LLC. Robert Wright, MD FACS is the sole owner of Evergreen Rentals, LLC and Meridian. Documentation from the Pierce County Assessor's office and the Secretary of State's office (provided in Exhibits 5 and 6) demonstrate the ownership connection.

SECTION 3
PROJECT RATIONALE
Need (WAC 246-310-210)

- 1. Identify and analyze the unmet health services needs and/or other problems toward which this project is directed.**
 - a. Unmet health services needs of the defined populations should be differentiated from physical plant and operating (*service delivery*) deficiencies that are related to present arrangements.**

This application requests CN approval for the conversion of an existing CN exempt ASC to a CN approved ASC. To assure that adequate OR capacity is available when additional providers can begin utilizing the ASC, Meridian also proposes to add one OR such that it will have two ORs at project completion. Based on the CN Program's quantitative methodology, the East Pierce planning area currently needs more than nine additional outpatient ORs. A copy of the methodology applied to East Pierce is included in Exhibit 7.

As noted in Table 7, East Pierce, home to a population of nearly 300,000 people (and growing and aging rapidly), has only two CN approved ASCs with a total of 5 operating rooms. One of these ASCs, Proliance Rainier recently filed a CN application requesting approval to expand by 2 ORs.

Table 7
East Pierce County ASC Providers, CN Status and Operating Room Capacity
Per WAC 246-310-270(9)

Facility	CN Status	Number of Rooms
Mixed Use		
Good Samaritan Hospital	Not Applicable	10
<i>Total Mixed Use</i>		<i>10</i>
ASCs		
Neospine Puyallup Spine Center	CN Approved	3
The Surgery Center at Rainier	CN Approved	2
Hillside Medical Surgery Center	CN Exempt	NA
Meridian Surgery Center	CN Exempt	NA
Puyallup Ambulatory Surgicenter (Philip C. Kierney MD)	CN Exempt	NA
Proliance dba Puyallup Ambulatory Surgery Center	CN Exempt	NA
Cascade Eye and Skin Centers	CN Exempt	NA
Puyallup Endoscopy Center	Excluded-Endo only	NA
Peninsula Endoscopy Center	Excluded-Endo only	NA
Sunrise Endoscopy Center	Excluded-Endo only	
<i>Total Dedicated Outpatient</i>		<i>5</i>

Source: Department of Health CN Program Information, excludes Meridian Surgery Center from the supply

The fact that only two dedicated outpatient ASCs, with a total of 5 operating rooms are available to serve more than 300,000 residents limits options, reduces choice, and potentially increases costs. The CN program is well aware that patients and payers are increasingly demanding improved access to value-based care; lower costs and better outcomes.

Even in the highly unlikely event that the Program calculates no need for additional ASCs in East Pierce, Meridian believes that this project qualifies under WAC 246-310-270 (4) for extraordinary consideration. Specifically:

- 1) The occupancy of the two existing ASCs is high. Combined, the five rooms operate at an average of 90% of the WAC defined capacity for a dedicated outpatient OR. And, one has already has submitted a CN application requesting to increase capacity by two rooms.

- 2) The highly congested travel roadways in and out of East Pierce make it challenging for patients to leave the area for services they can appropriately receive locally. The Puyallup Comprehensive Plan notes that population growth and resident use of motor vehicles has resulted in increased traffic congestion along some of Puyallup's main corridors^[1]. For example, travel from Puyallup to Tacoma, a distance of less than 12 miles, can take, depending on the time of day, anywhere from 18-45 minutes depending on the route taken^[2]. For those patients residing in the communities of Sumner or Bonney Lake, travel times takes on average almost 10-15% longer. Expanding access to Meridian to other providers means that patients will be able to stay locally for services.
- 3) The limited accessible dedicated outpatient capacity is inconsistent with payer and provider demand for lower cost settings. A September 2017 whitepaper from the Health System 100 Leadership Conference documented the growing preference for a shift to ASCs for outpatient surgery^[3]. This includes the shift to value-based purchasing (pressure from payers to lower costs, improve quality and enhance patient satisfaction and convenience) and reimbursement changes (CMS and other payers increasing the number and type of procedures that will be paid for as outpatient). This is expected to result in increased price transparency, increased patient preference and even higher quality of care for patients.^[4]

b. The negative impact and consequences of unmet needs and deficiencies should be identified.

The CN Program's own methodology demonstrates need for additional outpatient surgery capacity in East Pierce. Without sufficient capacity, residents of East Pierce will be forced to travel outside of the service area under highly congested routes, or have higher cost surgery at the hospital location.

- 2. Define the population that is expected to be served by the project. The specific manner of definition is of necessity based on the specific project proposed, and may require definitions for different elements of the project.**

^[1] 2015 Puyallup Comprehensive Plan, Chapter 7, Transportation Element

^[2] Googlemaps.com

^[3] Googlemaps.com

^[4] ASCs at a Tipping Point: The New Reality of Surgical Services for Health Systems, Executive White Paper Series, September 2017.

In the case of an existing facility, include a patient origin analysis for at least the most recent three-month period, if such data is maintained, or provide patient origin data from the last statewide patient origin study. Patient origin is to be indicated by zip code, zip codes are to be grouped by city and county, and include a zip code map illustrating the service area.

Meridian's existing patient origin is provided in included in Table 8. It demonstrates that 65% of patients have historically come from the East Pierce planning area.

**Table 8
Meridian Surgery Center,
Patient Origin, 2017**

Planning Area	% of Total
East Pierce	64.8%
West Pierce	14.1%
Central Pierce	9.6%
Southeast King	4.7%
Other	5.3%
Total	100.0%

Source: Applicant

Table 9 depicts the demographic trends within East Pierce, and shows that the total population is expected to grow by over 7% between 2017 and 2022. More importantly, the adult population (especially those age 45+, the primary users of ASC services) are expected to grow even faster (growing nearly 11% by 2022).

**Table 9
East Pierce Secondary Health Services Area Population, 2010, 2017 and 2022**

	2010	Pct of Tot Pop	2017 Est	Pct of Tot Pop	Pct Chg 2010-2017	2022 Proj.	Pct of Tot Pop	Pct Chg 2017-2022
Tot. Pop.	268,734	100.0%	295,787	100.0%	10.1%	316,943	100.0%	7.2%
Pop. By Age								
0-17	70,043	26.1%	70,726	23.9%	1.0%	74,072	23.4%	4.7%
18-44	97,046	36.1%	106,140	35.9%	9.4%	111,196	35.1%	4.8%
45-64	74,523	27.7%	80,709	27.3%	8.3%	83,220	26.3%	3.1%
65-74	15,949	5.9%	24,014	8.1%	50.6%	30,201	9.5%	25.8%
75-84	8,114	3.0%	10,514	3.6%	29.6%	14,147	4.5%	34.6%
85+	3,059	1.1%	3,684	1.2%	20.4%	4,107	1.3%	11.5%
Tot. 0-64	241,612	89.9%	257,575	87.1%	6.6%	268,488	84.7%	4.2%
Tot. 65 +	27,122	10.1%	38,212	12.9%	40.9%	48,455	15.3%	26.8%

Source: Nielsen Claritas

3. Provide utilization forecasts for each service included in the project. Include the following:
 - a. Utilization forecasts for at least five years following project completion.
 - b. The complete quantitative methodology used to construct each utilization forecast.
 - c. Identify and justify all assumptions related to changes in use rate, market share, intensity of service, and others.
 - d. Evidence of the number of persons now using the service(s) who will continue to use the service(s). Utilization experience for existing services involved in the project should be reported for up to the last ten years, as available. Such utilization should be reported in recognized units of measure appropriate to the service.
 - e. Evidence of the number of persons who will begin to use the services(s).

The projected utilization for Meridian is provided in Table 10.

Table 10
Meridian Surgery Center,
Projected Utilization, 2019-2022

Estimated Procedures by Year				
Type	2019	2020	2021	2022
General Surgery	460	460	460	460
Bariatrics	12	60	84	96
Plastics	12	48	72	96
ENT/Oral	6	60	120	156
Podiatry	0	48	96	132
GYN	0	72	144	156
Total	490	748	976	1,096

Source: Applicant

The underlying assumptions, by specialty include:

- General Surgery: Dr. Wright and Nelson are the only general surgeons. We have held their approximate/estimated 2018 volume flat at 460 cases per year. Average minutes per case are expected to remain at 67.
- Bariatrics: assumes 2 cases per month in 2019; increasing to 8 cases per month by 2022. It is assumed that the average bariatrics case is 120 minutes.

- **Plastics:** assumes 2 cases per month in 2019; increasing to 8 cases per month by 2022. It is assumed that the average plastics case is 180 minutes.
 - **ENT:** assumes 1 case per month in 2019; increasing to 12 cases per month by 2022. It is assumed that the average plastics case is 60 minutes.
 - **Podiatry:** assumes this specialty is added beginning in 2020; with 4 cases per month in the first year and increasing to 11 cases per month by 2022. It is assumed that the average plastics case is 60 minutes.
 - **GYN:** assumes this specialty is added beginning in 2020; with 6 cases per month in the first year and increasing to 13 cases per month by 2022. It is assumed that the average plastics case is 90 minutes.
- 4. a. Provide information on the availability and accessibility of similar existing services to the defined population expected to be served. This section should concentrate on other facilities and services which "*compete*" with the applicant.**
- i. Identify all existing providers of services similar to those proposed and include sufficient utilization experience of those providers that demonstrates that such existing services are not available in sufficient supply to meet all or some portion of the forecaster utilization.**
 - ii. If existing services are available to the defined population, demonstrate that such services are not accessible to that population. Time and distance factors, among others, are to be analyzed in this section.**
 - iii. If existing services are available and accessible to the defined population, justify why the proposed project does not constitute an unnecessary duplication of services.**

This project is not an unnecessary duplication, as the methodology in WAC 246-310-270(9) identifies need for additional outpatient operating room capacity in East Pierce over and above that which currently exists. Nearly 80% of our projected year 2 utilization is "current volume" already occurring at Meridian. Without CN approval, and under the new interpretive guidelines, we are frankly concerned about ongoing viability and seek assurance of our ability to continue to provide access. A loss of Meridian would cause disruption to patients, increased costs to patients and payers, and place increasing pressure on a Planning Area that already has a defined shortage of 9 ORs by 2022 and only two highly utilized dedicated CN approved outpatient ASCs.

In addition, as described earlier, patients and payers have also demonstrated an increasing desire for freestanding ASC services (both in terms of access and cost) further assuring that this CN application proposes services that will improve access, availability and cost.

b. In the context of the criteria contained in WAC 246-310-210 (1) (a) and (b), document the manner in which:

- i. Access of low-income persons, racial and ethnic minorities, women, mentally handicapped persons, and other under-served groups to the services proposed is commensurate with needs for the health services.**

Meridian is dedicated to providing service to any person regardless of income, race, ethnicity, gender, disabilities, or background. A copy of Meridian's Non-Discrimination Policy is included in Exhibit 8.

- ii. In the case of the relocation of a facility or service, or the reduction or elimination of a service, the present needs of the defined population for that facility or service, including the needs of under-served groups, will continue to be met by the proposed relocation by alternative arrangements.**

This project proposes no relocation, reduction or service elimination. This question is not applicable.

iii, Applicants should include the following:

- **Copy of admissions policy;**

The admission policy for Meridian is included in Exhibit 9.

- **Copy of community service policy;**

Meridian does not have a community service policy.

- **Copy of its charity care policy;**

A copy of Meridian's charity care policy is included in Exhibit 10.

- **Reference appropriate access problems and discuss how this project addresses such problems;**

Based on the analysis discussed in earlier sections, there is projected net need for nine additional ambulatory operating rooms in East Pierce. Converting Meridian from CN exempt to CN approved and adding one room will help alleviate the unmet need and provide a lower cost alternative setting for patients and payers.

5. **As applicable, substantiate the following special needs and circumstances that the proposed project is to serve.**
 - a. **The special needs and circumstances of entities such as medical and other health professions' schools, multi-disciplinary clinics, and specialty centers that provide a substantial portion of their services, resources, or both, to individuals not residing in the health services areas in which the entities are located or in adjacent health services areas.**
 - b. **The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages.**
 - c. **The special needs and circumstances of osteopathic hospitals and non-allopathic services with which the proposed facility/service would be affiliated.**

This question is not applicable.

SECTION 4
PROJECT RATIONALE
Financial Feasibility (WAC 246-310-220)

1. Proposed capital expenditures should be broken out in detail.

The capital expenditure for the proposed project is detailed in Table 11.

Table 11
Proposed Capital Expenditure Breakdown

	Description	Estimated Cost
a.	Land Purchase	
b.	Land/Building Improvements	
c.	Building Purchase	
d.	Residual Value of Facility	
e.	Building Construction	\$229,000
f.	Moveable Equipment	\$23,224
g.	Fixed Equipment	
h.	Architect/Engineer Fees	\$2,500
i.	Consulting Fees	
j.	Site Preparation	
k.	Supervision and Inspection	
l.	Cost of securing financing	
m.	Costs Associated with Financing to Include Interim Interest	
n.	Sales Tax	
	Building Construction	\$22,671
	Equipment	\$2,299
o.	Other Project Costs:	
p.	Total Estimated Capital Costs	\$279,694

Source: Applicant

2. The method and sources for calculating construction costs and other estimated capital expenditures should be fully explained.

The construction costs were provided from a construction bid and the equipment costs were supplied by our vendors. Meridian compared these costs with available information and prior CNs, and are confident they accurately reflect what the costs will be.

3. Documentation of project impact on (a) capital costs, and (b) operating costs and charges for health services.

For health care facilities, Meridian's proposed capital expenditure is relatively small as it simply proposes to make a small expansion to an existing facility. As an existing ASC, Meridian already has one OR and much of the equipment needed. And, as noted in other sections of this application, ASCs offer patients and payers a lower cost alternative to outpatient surgical services when compared to hospital-based services.

4. Source(s) of financing (*loan, grant, gifts, etc.*). Provide all financing costs, including reserve account, interest expense, and other financing costs. If acquisition of the asset is to be by lease, copies of any lease agreements, and/or maintenance repair contracts should be provided. The proposed lease should be capitalized with interest expense and principal separated. For debt amortization, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

Evergreen Rentals, LLC, the landlord, will fund the building improvements and related costs and will utilize the line of credit to do so. Meridian will fund the equipment through reserves. Included in Exhibit 11 is a copy of the letter regarding the line of credit.

5. Provide a cost comparison analysis of the following alternative financing methods: purchase, lease, board-designated reserves, and interfund loan or bank loan. Provide the rationale for choosing the financing method selected.

The proposed funding methods are prudent: they will assure that Meridian can retain reasonable rates and adequate reserves.

- 6. Provide a pro forma balance sheet and the accounting statement, statement of changes in financial position of unrestricted funds and changes in components of working capital.**

The requested financial information is included in Exhibit 12.

- 7. Provide a capital expenditure budget through the project completion and for three years following completion of the project.**

This project requires no capital expenditures beyond those identified in the proposal. This question is not applicable.

- 8. The expected sources of revenues for the applicant's total operations (e.g., Medicaid, Blue Cross, Labor and Industries, etc.) with anticipated percentage of revenue from each source.**

As detailed in Table 6 (replicated below); the existing and proposed payer mix is as follows:

Table 6 (Replicated)
Existing and Proposed Source of Revenue by Payer

Payer	Existing Payer (% of Total)	Proposed Payer Mix (% of Total)
Medicare	18%	18%
Medicaid	5%	5%
Other Government	7%	7%
Commercial	70%	65%
Other	0%	0%
Self Pay ³	0%	5%
Total	100%	100.0%

Source: Applicant

- 9. Expense and revenue statements for the last three full years.**

Historical financial statements are included in Appendix 1.

- 10. Cash flow statement for the last three full years.**

Historical financial statements are included in Appendix 1.

³ Assumes 5% private pay for bariatric cases.

11. Balance sheets detailing the assets, liabilities, and net worth of facility for the last three full *fiscal* years.

Historical financial statements are included in Appendix 1.

12. Indicate the reduction or addition of FTEs with the salaries, wages, employee benefits for each FTE affected.

The current and proposed staff (by FTE) are provided in Table 12:

Table 12
Current and Projected FTEs

Position	Current FTE	2019	2020	2021	2022
Asst Medical Director & PA	1.0	1.0	1.0	1.0	1.0
RNs	2.0	2.0	2.5	2.7	3.0
LPNs/Techs/MA	2.0	2.0	2.4	2.8	3.2
Registration/ Receptionist	2.0	2.0	2.0	2.0	2.0
Total	7.0	7.0	7.9	8.5	9.2

Source: Applicant

SECTION 5
PROJECT RATIONALE
Structure and Process (Quality) of Care (WAC 246-310-230)

- 1. The availability of sufficient numbers of qualified health manpower and management personnel. If the staff availability is a problem, describe the manner in which the problem will be addressed.**

Meridian offers a competitive wage and benefit package and has been very successful in recruiting and retaining staff. The total incremental FTEs proposed for this project are relatively small. Meridian is a dedicated outpatient provider with scheduled hours of operation and we have found this to be a strong recruiting strategy for clinical and other staff desiring a predictable business hours schedule.

- 2. Identify the facility's Medical Director, Director of Nursing, and other key staff. For each provide their professional license number for Washington. If they are also licensed in other states, provide their license number for those states.**

The medical director is Robert Wright, MD. Dr. Wright's provider number was provided in Table 1. Marie L. Wright, RN is the clinical coordinator and serves in the role of Director of Nursing. Marie's professional license number is RN00126732

- 3. For the Medical Director indicate if he/she will be an employee of the facility or contractual. If performing his/her duties through a contract, provide a copy. A draft is acceptable only if all parties identified in the draft agreement provide a signed "Letter of Intent to finalize" the agreement and all terms and costs are included.**

The medical director position is not a contracted position. A copy of the medical director job description is included in Exhibit 13.

- 4. The relationship of ancillary and support services to proposed services, and the capability of ancillary and support services to meet the service demands of the proposed project.**

Meridian has strong working relationships and currently purchases most ancillary services from community-based vendors. Specific vendors include: LabsNW, (laboratory); Waste Management (sharp disposal), Beal's Pharmacy (pharmacy), Surgical supplies (McKesson, Covidien, Ephicon) (Airgas (med gas supply), laundry available on site.

- 5. The specific means by which the proposed project will promote continuity in the provision of health care to the defined population and avoid unwarranted fragmentation of services. This section should include the identification of existing and proposed formal working relationships with hospitals, nursing homes, and other health service resources serving your primary service area. This description should include recent, current, and pending cooperative planning activities, shared services agreements, and transfer agreements. Copies of relevant agreements and other documents should be included.**

Meridian has established relationships with area providers to assure continuity of care for its patients. In addition, Meridian does have a transfer agreement with Good Samaritan Hospital. A copy is included in Exhibit 14.

- 6. Fully describe any history of the applicant entity with respect to the actions noted in Certificate of Need rules and regulations WAC 246-310-230 (5) (a). If there is such history, provide clear, cogent, and convincing evidence that the proposed project will be operated in a manner that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.**

Neither Meridian nor its legal owner have any history with respect to the actions described in the CN criterion referenced above.

- 7. Services to be provided will be provided (a) in a manner that ensures safe and adequate care, and (b) in accord with applicable federal and state laws, rules, and regulations.**

Meridian operates all existing programs in conformance with applicable federal and state laws, rules and regulations and will continue to do so.

SECTION 6
PROJECT RATIONALE
Cost Containment (WAC 246-310-240)

Please document the following associated with cost containment.

1. **Exploration of alternatives to the project you have chosen to pursue, including postponing action, shared service arrangements, merger, contract services, and different methods of service provision, including different spacial configurations you have evaluated and rejected. Each alternative should be analyzed by application of the following:**
 - **Decision making criteria (*cost limits, availability, quality of care, legal restriction, etc.*):**
 - **Advantages and disadvantages, and whether the sum of either the advantages or the disadvantages outweigh each other by application of the decision-making criteria;**
 - **Capital costs;**
 - **Staffing impact.**

Meridian considered the following four options:

- 1) Do nothing;
- 2) Establish a timeshare arrangement for the existing exempt ASC with interested and qualified surgeons;
- 3) Per the January 2018 Interpretive Guidelines, submit a CN for one OR (current capacity only); and
- 4) Submit a CN for an expansion (2 OR) ASC.

The first option, do nothing, was quickly ruled out as Meridian determined that there was a need for additional dedicated ASC capacity in East Pierce. The 2nd option, to establish a timeshare arrangement, was evaluated closely against the January 2018 interpretative guidelines. The new interpretative guidelines do not appear to allow for new timeshare arrangements, and so this option was also rejected. The 3rd option, to submit a CN for a one OR ASC, was also carefully considered. Due to the definition of an ASC in WAC 246-310-270(6), which defines an ASC as having a 'minimum of two operating rooms', and the demonstrated need for additional ORs in East Pierce, Meridian opted to submit for an expanded ASC. Meridian has demonstrated that there is need for additional OR capacity, the project is financially feasible and the additional OR can be accommodated within the existing ASC.

2. The specific ways in which the project will promote staff or system efficiency or productivity.

This project proposes to convert an existing exempt ASC to a CN approved ASC. This conversion will be transparent to the community. As noted in earlier sections of this application, Meridian also proposes to expand service offerings. Meridian expects that its facility, with higher utilization, will improve its already strong operating efficiencies.

3. In the case of construction, renovation, or expansion, capital cost reductions achieved by architectural planning and engineering methods and methods of building design and construction. Include an inventory of net and gross square feet for each service and estimated capital cost for each proposed service. Reference appropriate recognized space planning guidelines you have employed in your space allocation activities.

As noted in earlier sections of this application, Meridian is proposing to add an additional OR. Given that this is an expansion, there were limited opportunities to achieve capital costs reductions through design. That said, Meridian is committed to assuring that the expansion cost is reasonable and efficient.

4. In the case of construction, renovation or expansion, an analysis of the capital and operating costs of alternative methods of energy consumption, including the rationale for choosing any method other than the least costly. For energy-related projects, document any efforts to obtain a grant under the National Energy Conservation Act.

The additional OR will be incorporated within the existing ASC infrastructure. As such, there are minimal opportunities to achieve additional energy efficiencies. However, Meridian will, to the extent possible, use energy efficient lighting.

Exhibit 1: Organizational Chart

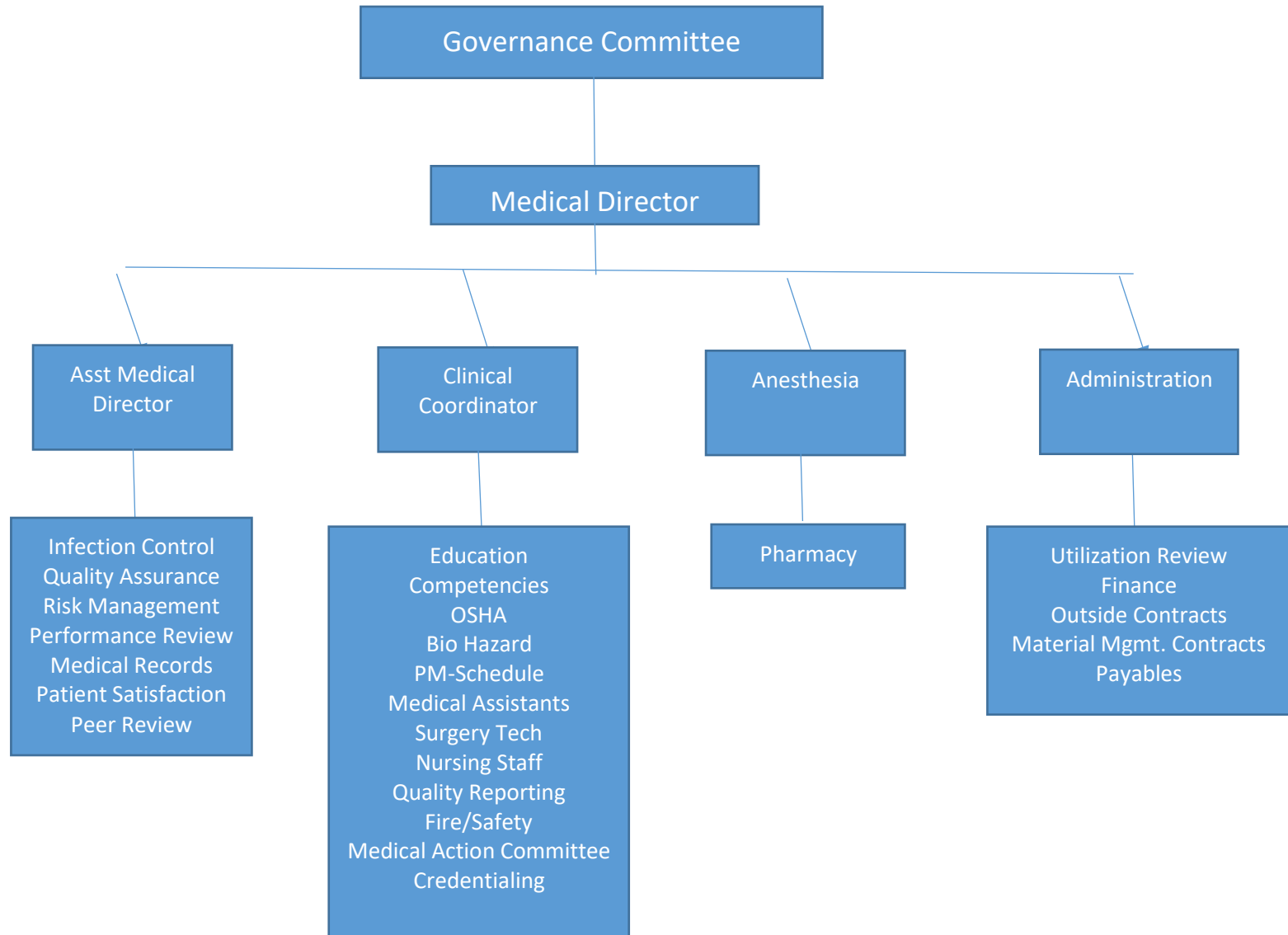


Exhibit 2: Letter of Intent

August 13, 2018

Janis Sigman, Manager
Certificate of Need Program
Department of Health
P.O. Box 47852
Olympia, WA 98504-7852

Dear Ms. Sigman:

In accordance with WAC 246-310-080, Meridian Surgery Center hereby submits this Letter of Intent to convert its Certificate of Need (CN) exempt ASC to a CN approved ASC. In conformance with WAC, the following information is provided:

1. A Description of the Extent of Services Proposed:

Meridian Surgery Center (Meridian) is a CN exempt ASC located in the East Pierce Secondary Health Services Planning Area (East Pierce). Meridian proposes to convert the single room ASC to a two-room CN approved facility.

2. Estimated Cost of the Proposed Project:

The estimated capital expenditure is \$252,000

3. Description of the Service Area:

Meridian serves patients from throughout the Southern Puget Sound, but is physically located in Puyallup, which is within East Pierce. For purposes of this proposed CN, the service area is East Pierce.

Thank you for your interest in this matter. Please contact me directly with any questions.

Sincerely,



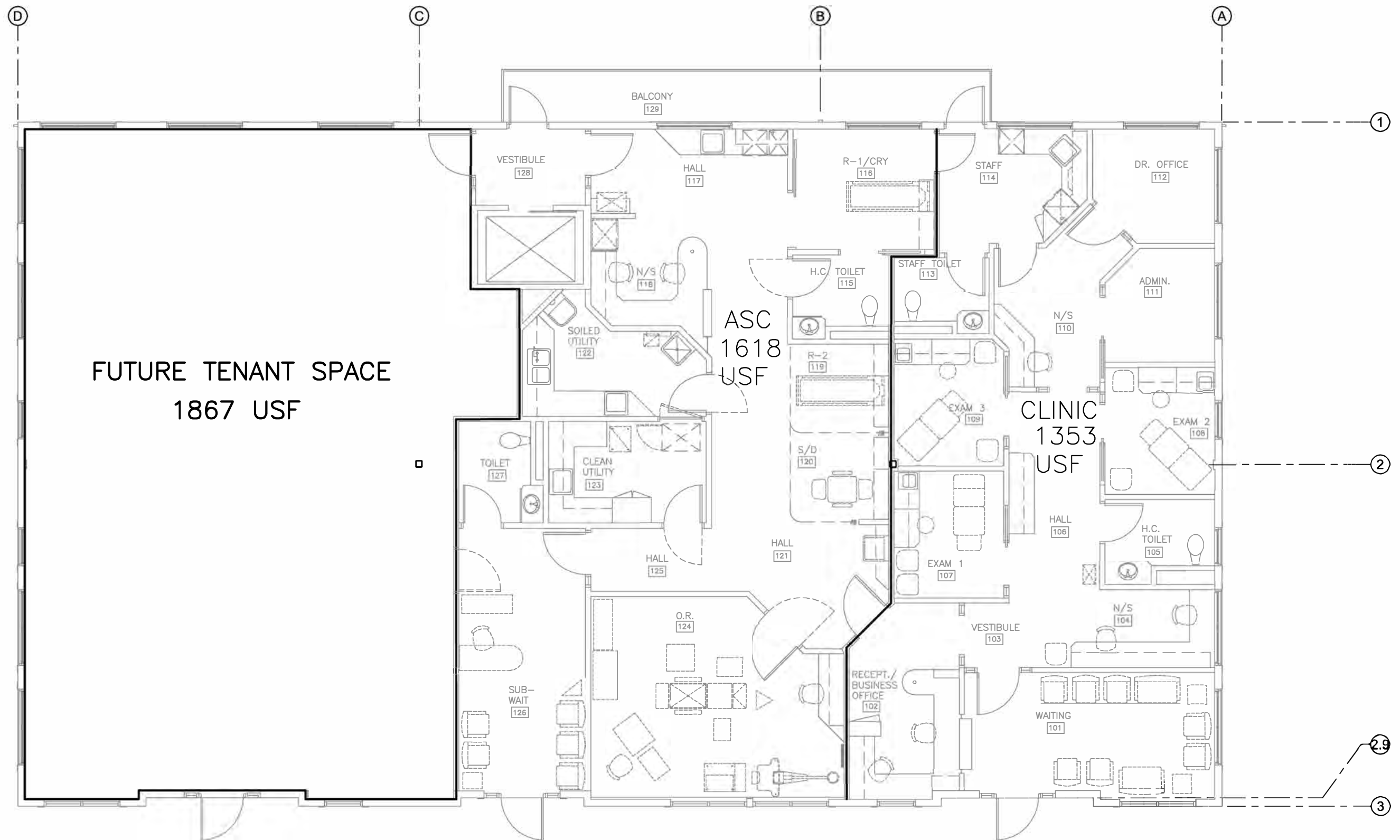
Robert C. Wright MD, FACS, PS

Exhibit 3: Equipment List

<u>Equipment: Needed for 2nd Of</u>	<u>Estimated cost</u>
OR Lights (2)	\$ 500.00
Anesthesia Cart	\$ 150.00
Recovery Gurney (2)	\$ 2,400.00
Bar Hugger	\$ 375.00
SCD Machine (2)	\$ 700.00
Mayo Stand	\$ 50.00
Garbage Stand	\$ 180.00
Back Table	\$ 450.00
Sharps Container (2)	\$ 40.00
Sklar GYN Instrument Set	\$ 7,800.00
Olympus Hysteroscopy Set	\$ 1,500.00
Sklar GYN Biopsy Set	\$ 2,500.00
Podiatry	\$ 2,439.00
ENT Instrument Set	\$ 4,140.00
	\$ 23,224.00

Exhibit 4: Single Line Drawings of Existing and Proposed ORs

Existing Drawings



FUTURE TENANT SPACE
1867 USF

ASC
1618
USF

CLINIC
1353
USF

MERIDIAN SURGERY CENTER

FIRST FLOOR PLAN

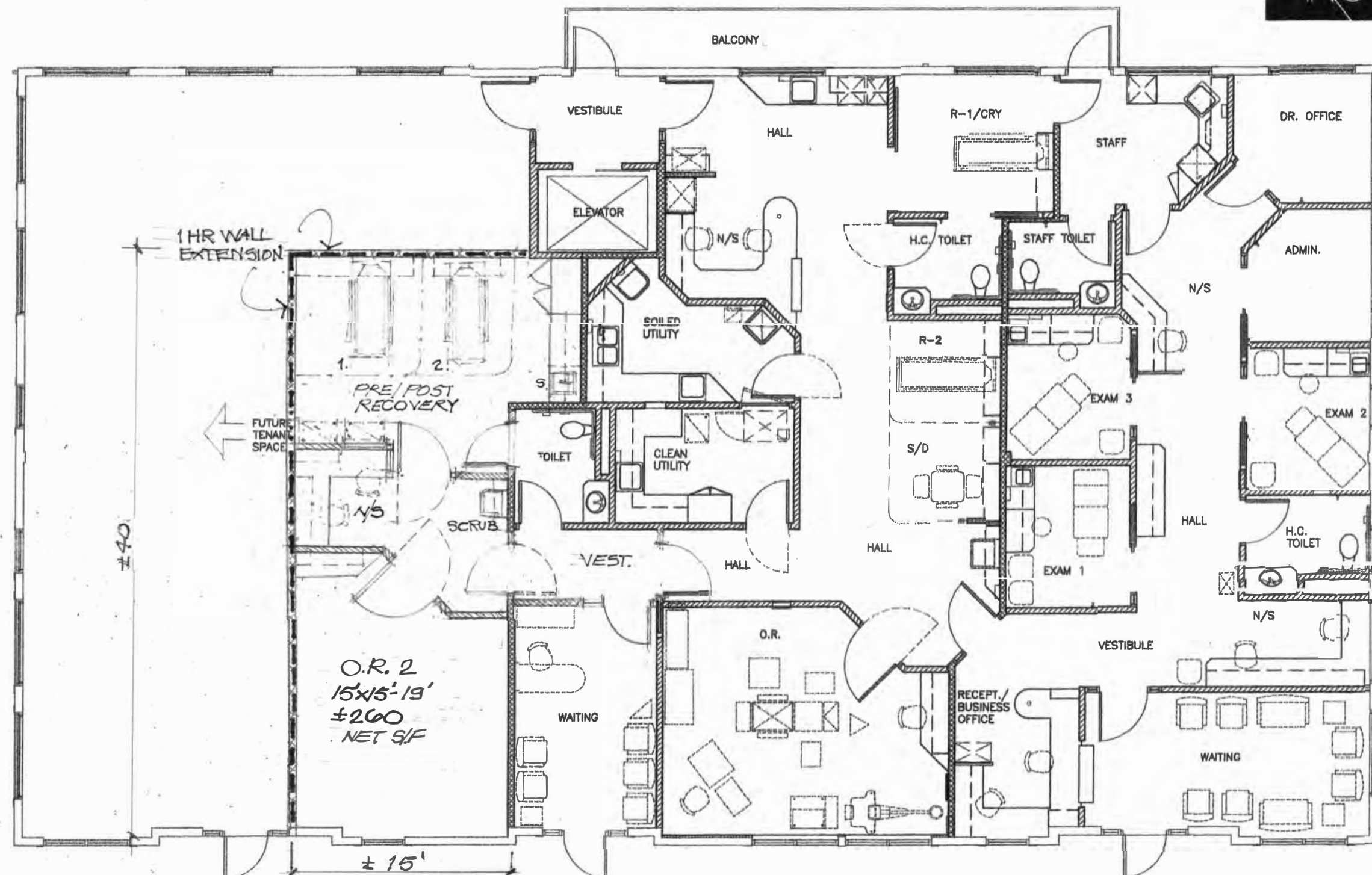
Scale: 1/8" = 1'-0" First Floor (5114 CSF)



Proposed Drawings

MERIDIAN SURGERY CENTER

ARCHITECTURE
MEDICAL FACILITY PLANNING
INTERIOR ARCHITECTURE



O.R. 2 ADDITION

± 650 S.F.

FIRST FLOOR PLAN

Scale: 1/8" = 1'-0"

8/13/2018



North

Exhibit 5: Pierce County Assessor's Office Report

Assessor-Treasurer Electronic Property Information Profile

Parcel Summary for 7790000130

10/08/2018 08:50 PM



Property Details Parcel Number: 7790000130 Site Address: 208 17TH AV SE Account Type: Real Property Category: Land and Improvements Use Code: 6511-MEDICAL OFFICES SERVICES		Taxpayer Details Taxpayer Name: EVERGREEN RENTALS LLC Mailing Address: 208 17TH AVE SE PUYALLUP WA 98372-4515	
Appraisal Details Value Area: PI3 Appr Acct Type: Commercial Business Name: MERIDIAN SURGERY CENTER Last Inspection: 05/05/2016 - Physical Inspection		Assessment Details 2018 Values for 2019 Tax Taxable Value: 1,602,500 Assessed Value: 1,602,500	
Related Parcels Group Account Number: n/a Mobile/MFG Home and Personal Property <u>2620004610</u> parcel(s) located on this parcel: Real parcel on which this parcel is located: n/a			
Tax Description Section 34 Township 20 Range 04 Quarter 32 SOUTH SIDE ADD TO PUYALLUP: SOUTH SIDE ADD TO PUYALLUP W 180 FT OF E 300 FT OF S 135 FT OF L 2 B 1 ITEM 6			

I acknowledge and agree to the prohibitions listed in RCW 42.56.070(9) against releasing and/or using lists of individuals for commercial purposes. Neither Pierce County nor the Assessor-Treasurer warrants the accuracy, reliability or timeliness of any information in this system, and shall not be held liable for losses caused by using this information. Portions of this information may not be current or accurate. Any person or entity who relies on any information obtained from this system does so at their own risk. **All critical information should be independently verified.**

40
 Pierce County Assessor-Treasurer
 Mike Lonergan

Pierce County Assessor-Treasurer ePIP
2401 South 35th St Room 142
Tacoma, Washington 98409
(253)798-6111 or Fax (253)798-3142
www.piercecountywa.org/atr

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WEBSITE INFORMATION

[Privacy Policy](#)
[Copyright Notices](#)

Exhibit 6: Secretary of State Website Showing Evergreen as Meridian



EVERGREEN RENTALS, LLC

UBI #	602 360 675
Status	ACTIVE
Expiration Date	1/31/2019
Period of Duration	12/31/2054
Business Type	WA LIMITED LIABILITY COMPANY
Date of Incorporation	1/28/2004
State of Incorporation	WASHINGTON
Registered Agent	SALLY DEVINE WRIGHT 2511 43RD ST SE PUYALLUP, WA 98374
Governing Persons	ROBERT WRIGHT — GOVERNOR SALLY DEVINE WRIGHT — GOVERNOR

Current as of:
10/2/2018 4:25 PM



[http://chat-corps.sos.wa.gov/newchat/chat.aspx?
domain=www.sos.wa.gov×tamp=1538522741704&session=413-1535931464482\)](http://chat-corps.sos.wa.gov/newchat/chat.aspx?domain=www.sos.wa.gov×tamp=1538522741704&session=413-1535931464482)

Exhibit 7: ASC Methodology Per WAC 246-310-270(9)

	East Pierce Operating Room Capacity by Facility								
CN Issue Date	Facility	Address	City	Zip Code	Source of OR Data	Dedicated IP	Dedicated OP	Mixed Use	Endo Only
	Hospitals								
	Good Samaritan	401 15th Avenue SE	Puyallup	98372	DOH 2018 Survey	0	0	10	3
	Subtotal					0	0	10	3
	CN Approved ASCs								
	Hillside Medical Surgery Center	104 SE 27th Avenue	Puyallup	98374	DOH 2018 Survey		1		
	Meridian Surgery Center	208 17th Avenue Se	Puyallup	98372	Meridian Internal Data		1		
2005	Neospine Puyallup Spine Center	1519 3rd St SE, Suite 102	Puyallup	98372	DOH 2018 Survey		3		
	Puyallup Ambulatory Surgicenter (Philip C. Kierney MD)	105 27th Avenue SE	Puyallup	98374	DOH 2018 Survey		2		
	Proliance dba Puyallup Ambulatory Surgery Center	1519 3rd St SE, #240	Puyallup	98372	DOH 2018 Survey		1		1
2001	The Surgery Center at Rainier	3801 5th St SE, Suite 210	Puyallup	98374	DOH 2018 Survey		2		
	Cascade Eye and Skin Centers	1707 S Meridian, Suite 100	Puyallup	98371	ILERS 2018		4		
	Subtotal					0	14	0	1
	Exempt ASCs								
	Peninsula Endoscopy Center	2727 Hollycroft St #480	Gig Harbor	98338	DOH 2018 Survey				1
	Sunrise Endoscopy Center				ILERS 2018				3
	Puyallup Endoscopy Center	1703 S Meridian, Suite 203	Puyallup	98371	ILERS 2018		2		
	Subtotal					0	2	0	4
	Total					0	14	10	8
	Good Samaritan surgery Center Closed, license expired 1/31/2013								

					Utilization Data				
CN Issue Date	Facility	Pain Only	Endo or Pain	Total	Inpt	Inpt Min	Outpt	Outpt Min	Notes
	Hospitals								
	Good Samaritan	1	1	15	8352	763,252			
	Subtotal	1	1	15	8,352	763,252	0	0	
				0					
	CN Approved ASCs			0					
	Hillside Medical Surgery Center			1			999	60000	
	Meridian Surgery Center			1			488	24,400	use default minute
2005	Neospine Puyallup Spine Center			3			2,357	207,013	
	Puyallup Ambulatory Surgicenter (Philip C. Kierney MD)			2			308	36,718	
	Proliance dba Puyallup Ambulatory Surgery Center		1	3			1,110	66582	
2001	The Surgery Center at Rainier	1	1	4			1,554	101,685	
	Cascade Eye and Skin Centers						8,104	405,200	use default minute
				0					
	Subtotal	1	2	18	0	0	14,920	901,598	
				0					
	Exempt ASCs			0					
	Peninsula Endoscopy Center		1	2			3,353	100,590	
	Sunrise Endoscopy Center						9,177	458,850	
	Puyallup Endoscopy Center						4,087	204,350	use default minute
	Subtotal	0	1	7					
	Total	2	4	24	8,352	763,252	14,920	901,598	
	Good Samaritan surgery Center Closed, license expired 1/31/2015			^ doesn't include endo or pain					

Exhibit 8: Non-Discrimination Policy

Meridian Surgery Center Non-Discrimination Policy

Purpose:

To provide meaningful access to health care in the ambulatory surgery center

Policy:

It is unacceptable to discriminate against any individual on the basis of race, color, national origin, sex, age, disability or limited English proficiency.

Exhibit 9: Admissions Policy

Meridian Surgery Center **Admission Policy**

Purpose:

To identify the admitting process and appropriate candidates for surgery or procedures in Meridian Surgery Center

Policy:

1. The patient is ASA I, II or III.
2. The surgery or procedure is non-emergent/non-life threatening.
3. The ASC has the appropriate surgical/procedure equipment and medications for the surgery/procedure.
4. The transfer of the patient to another facility is not planned or anticipated.
5. All patients admitted to the ASC shall be under the direct care of a provider.
6. Each patient shall have been provided, prior to admission, all necessary instruction and education for pre surgical care.
7. Surgical procedures shall be limited to those that do not exceed twenty-three (23) hours and fifty-nine (59) minutes combined pre-operative, operative, and recovery.
8. Each patient admitted to the center shall have a visible means of identification placed and maintained on his/her person until discharge.
9. Admission Requirements:
 - a. All admissions shall be in accordance with appropriate written policies and procedures that reflect those adopted by the governing body.
 - b. Any preadmission health conditions are adequately controlled and are such that the performance of the surgery or procedure in the ASC, rather than a hospital setting, does not pose an increased risk to the patient.
 - c. If the patient is to receive sedation or anesthetic that will result in impaired mental status following the surgery or procedure, the patient must be accompanied upon discharge by a responsible adult.

Exhibit 10: Charity Care Policy

Meridian Surgery Center Charity Care Policy

Purpose:

In an effort to provide care to the indigent population, Meridian Surgery Center allows a charity care discount of up to 100% off the total visit cost.

Policy:

The charity care discount of up to 100% will be extended to eligible patients upon notification from either the patient or the physician that the patient meets the facilities criteria noted below.

Procedure:

In order to qualify for the charity care discount, patients must satisfy the following conditions:

1. If physician or clinic is an Apple/Medicaid, the patient's monthly income must be at, or below 200% of the Federal Poverty Level or
2. If physician or clinic is not an Apple/Medicaid, and the patient presents with a valid, current Apple/Medicaid coupon;
 - a. The physician elects to see the patient
 - b. The patient acknowledged financial responsibility

Responsibility:

The physician or patient account representative shall determine the discount percentage or flat fee for the service based upon the patient's ability to pay. The discount percentage and the dollar amount shall be noted on the receipt. The discount shall be posted at the same time as the payment using a specific charity care discount code.

Exhibit 11: Bank Letter

August 8, 2018

Evergreen Rentals LLC
208 17th Ave SE Suite 201
Puyallup, WA 98372

To whom this may concern,

Evergreen Rentals LLC has a line of credit with Columbia Bank and as of today, August 8th, 2018, the available balance is \$200,000.00. This line of credit renews on 09/30/2018.

Please call me at 253-770-0770 with any questions.

Sincerely,



Cally Fortin
Branch Loan Officer

Exhibit 12: Financial Statements (Pro Forma)

[illegible]

Meridian Surgery Center
(a division of Cascade Hernia and Surgical Solutions, P.S.)
Projected Income Statement for the Twelve Months ended 2020, 2021, 2022
(Tax method of Accounting)

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Income			
Facility Revenue	<u>1,574,188</u>	<u>1,731,607</u>	<u>1,904,767</u>
Total Income	<u>1,574,188</u>	<u>1,731,607</u>	<u>1,904,767</u>
Expense			
Employee and Support Staff	712,149	744,156	776,163
Medical Director	-	-	-
Medical & Surgical Supplies and Expenses	270,924	298,016	327,818
Building & Occupancy Expenses	336,912	366,912	396,912
Depreciation & Amortization	18,067	18,067	18,067
Other Expenses	<u>139,631</u>	<u>153,595</u>	<u>168,954</u>
Total Expense	<u>1,477,683</u>	<u>1,580,746</u>	<u>1,687,913</u>
Net Ordinary Income	96,505	150,861	216,854

Meridian Surgery Center
(a division of Cascade Hernia and Surgical Solutions, P.S.)
Projected Balance Sheet for the Years Ending December 31, 2020, 2021, 2022
(Tax method of Accounting)

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cash	20,000	20,000	20,000
Fixed Assets	434,989	434,989	434,989
Less Accumulated Depreciation	<u>(182,056)</u>	<u>(200,123)</u>	<u>(218,189)</u>
	252,933	234,867	216,800
Total Assets	<u><u>272,933</u></u>	<u><u>254,867</u></u>	<u><u>236,800</u></u>
Total Liabilities and Equity	<u><u>272,933</u></u>	<u><u>254,867</u></u>	<u><u>236,800</u></u>

Exhibit 13: Medical Director Job Description

JOB DESCRIPTIONS

MEDICAL DIRECTOR

ROBERT C. WRIGHT, M.D., F.A.C.S

REPORTS TO: GOVERNING BODY

DEFINITIONS OF POSITION:

Oversees medical administrative activities of the Center; works cooperatively with physicians and staff members; also functions as liaison between the staff of the Center.

PERFORMANCE REQUIREMENTS:

1. Reviews all credentialed physicians files prior to approval of the Board.
2. Participates in other working committees; Performance Improvement and Medical Advisory.
3. Is the immediate supervisor to the Assistant Administrator, Clinic Clinical Coordinator and directs his/her activities in setting policy.
4. Approves the hiring of all prospective Center personnel.
5. Evaluates the performance of the Assistant Administrator and Clinic Clinical Coordinator.
6. Approves Center's expenditures for equipment, supplies, and staffing ratios.
7. Review and analyze monthly financial statements and prepares report for Governing Body.
8. Provide effective liaison with independent consultants.
9. Assists in the development and approves policy and procedures for the Center.

ELIGIBILITY REQUIREMENTS:

Physician owner of the Center

Must meet criteria for all credentialed physicians in the Center

Exhibit 14: Transfer Agreement

**MULTICARE HEALTH SYSTEM
PATIENT TRANSFER AGREEMENT**

This Patient Transfer Agreement ("Agreement") is made by and between MultiCare Health System ("MHS"), a nonprofit corporation formed under the laws of the State of Washington and Meridian Surgery Center ("Facility"), a, to establish a coordinated program for the use of the respective skills, resources and physical plant of each Party to provide improved and continuous patient care. MHS and Facility are sometimes referred to in this Agreement individually as "Party" or, collectively, as the "Parties."

NOW, THEREFORE, MHS and Facility agree as follows:

1. Term of Agreement. This Agreement shall be effective December 21, 2017 and shall continue for a term of three (3) years unless terminated earlier as set forth below. Thereafter, unless terminated by written notice delivered at least thirty (30) days prior to the effective date of termination, this Agreement shall automatically renew for an additional three (3) year terms.

2. Purpose of Agreement. In order to provide continuous patient care to meet the needs of patients, each Party agrees to accept appropriate transfers from one Party to the other Party of patients in need of the specialized services of the type provided by the receiving Party. In the event of a transfer, the transferred patient will qualify for admission to the receiving Party on an emergency basis. If a transferred patient does not have an attending provider able to continue care at the receiving Party, the receiving Party may refer the patient to an appropriate attending provider.

3. Independent Contractor Status. Each Party is an independent contractor with respect to the other Party. Neither Party is authorized or permitted to act or to claim to be acting as an agent or employee of the other Party. Nothing in this Agreement alters in any way control of the management, assets or affairs of either Party. Neither Party by virtue of this Agreement assumes any liability for any debts or obligations of any kind incurred by the other Party to this Agreement. Nothing in this Agreement shall be construed as limiting the rights of either Party to contract with any other Facility on a limited or general basis.

4. Patient Transfer & Transport Policy. Facility shall follow the guidelines and provisions of the MultiCare Health System Patient Care Policy, entitled: Patient Transfer & Transport to Another Facility, as amended, whenever transferring or transporting an MHS patient between facilities. In addition:

- a. Patients transferred for cardiac surgery back-up must meet the requirements on Exhibit A.
- b. Patients transferred to neuro interventional radiology must meet the requirements set forth on Exhibit B
- c. Patients transferred for obstetrics must meet the requirements set forth on Exhibit C.
- d. Neonate patient transfers must meet the requirements set forth on Exhibit D.
- e. Pediatric patients transferred to Mary Bridge Children's Hospital and Medical Center must meet the requirements set forth on Exhibit E.



5. **Coordination of Transfer of Patient.** The need to transfer a patient from one Party to the other shall be determined by the patient's attending physician. When such a determination has been made, the transferring Party shall immediately notify the appropriate physician in the receiving Party's unit of the proposed transfer. The transferring physician and the receiving physician shall confer and jointly determine the patient's appropriateness for transfer. A patient with emergency medical condition within the meaning of the Emergency Medical Treatment and Active Labor Act (codified at 42 USC § 1395dd) may be transferred only if the receiving Party has agreed to accept the transfer and to provide appropriate medical treatment and has available space and qualified personnel to treat the patient. Prior to moving the patient, the transferring Party must receive confirmation from the receiving Party that it will accept the patient. To the extent applicable, the Emergency Medical Treatment and Active Labor Act of 1985 (the "Act") and its implementing regulations shall supersede any contrary provision of this Agreement.

6. **Patient Medical Records.** The transferring Party shall send with each transferred patient copies of pertinent medical and other information necessary to continue the patient's treatment without interruption including, without limitation, a discharge summary and essential identifying and administrative information. The information shall include, when appropriate, the following:

- a. Initial diagnostic impression.
- b. Patient's name, address, hospital number and age, and name, address and phone number of next of kin.
- c. History of injury or illness.
- d. Condition at admission.
- e. Vital signs (including Glasgow coma score).
- f. Pre-hospital condition and treatment.
- g. Condition and treatment during stay in emergency department and at time of transfer.
- h. Treatment rendered to patient including medications given and route of administration.
- i. Laboratory and x-ray findings, appropriate laboratory specimens (when appropriate or indicated) and all x-ray films.
- j. Fluids given by type and volume.
- k. Name, address and phone number of physician referring the patient.
- l. Name of physician at receiving Party who has been contacted about the patient.
- m. Name, address and phone number of patient's designee who is patient's attorney-in-fact under patient's healthcare power of attorney.
- n. The original or a copy of patient's healthcare power of attorney, living will and/or healthcare directives.

Additional information may be required as set forth on the applicable Exhibit.

7. **Transportation of Patient.** Unless otherwise agreed, the transferring Party shall arrange transportation of the patient to the receiving Party including selection of the mode of transportation and providing qualified personnel and transportation equipment as required including the use of necessary and medically appropriate life support measures during the transfer. The receiving Party's responsibility



for the patient's care shall begin when the patient is admitted either as an inpatient or an outpatient to the receiving Party's facility.

8. Transfer of Patient's Personal Property. The transferring Party is responsible for the transfer or the appropriate disposition of the patient's personal effects including money and valuables and information related to these items. The receiving Party's responsibility for the Patient's personal effects and belongings shall begin at such time as the receiving Party has inventoried and documented receipt of such items.

9. Patient's Consent to Transfer. The transferring Party is responsible for obtaining the patient's consent (or proper substituted or implied consent) for the transfer.

10. Patient Transfer Coordinators. Each Party shall provide the other Party with the name and title of persons authorized to initiate, confirm and accept the transfer of a patient on behalf of such Party. Each receiving Party shall inform the transferring Party of the location to which to bring patients in the facility. The Parties agree to provide each other information about the patient care services offered by such Party. The Parties agree to cooperate and jointly review cases in which either Party has questions about appropriateness of transfer.

11. Transfers Arising from Mass Casualties or Natural Disasters: Mutual Aid Pact. In the event of any cause or circumstance arising from a natural disaster or mass casualty, the Parties shall communicate with one another as soon thereafter as is practicable, in order to ascertain the relative impacts of such disaster or casualty upon one another and their respective capabilities for sending and/or receiving patients under the Agreement. In such situations:

- a. Whenever circumstances allow, each Party, as the receiving Party, further agrees to accept "block transfers" of as many patients sent from the sending Party as may be practicable, in order to free up beds in the facility of the Party most directly impacted by the event, including patients with lower acuity levels or non-emergent needs.
- b. The Parties will, in addition to their obligations under the Agreement, establish communications protocols to be triggered in the event of a natural disaster or mass casualty, including the appointment of designated patient transfer coordinators at MHS and Facility who shall act as the primary point(s) of contact during any such event or circumstance.
- c. At such time as the long-term needs of the sending Party are better understood in the context of the event, the sending Party will advise the receiving Party of its capacity to retrieve patients sent in contemplation of the need for bed space, at which time the Parties will evaluate the plan of care for each such patient and determine whether the patient's needs will best be met by returning to the sending Party or remaining at the receiving Party.

12. Nondiscrimination. Neither Party may refuse to receive a patient by reason of such patient's race, religion, gender, age, national origin, sexual orientation, marital status, handicap, disability or medical diagnosis in providing services under this Agreement.



13. Patient HIV Status. Neither Party may refuse to receive a patient because the patient is HIV positive or has AIDS. The portion of the medical records reflecting the patient's HIV or AIDS status will be transmitted in a secure and sealed envelope with the patient's medical records. The patient's HIV status may be disseminated only to those healthcare providers who have a medical need to know or as provided by law.

14. Confidentiality. Both Parties agree that the confidentiality of each patient's medical records must be maintained. To achieve that goal, the Parties agree to transport medical records in a manner designed to maintain the confidentiality of the medical record as required by applicable law, including applicable provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Parties agree to amend or modify this Agreement at such times as may be required by the terms of HIPAA with respect to the exchange of protected health information for purposes of each Party's treatment, payment or operations associated with any transfers conducted under this Agreement.

15. Financial Arrangement. Charges for services performed by either of the Parties for patients transferred pursuant to this Agreement shall be collected by the Party rendering such services and shall be collected directly from patient, from third party payors or other sources of payment. Neither Party shall have any liability to the other for the billing, collection or payment of charges for services performed by such other Party except as otherwise provided in this Agreement or to the extent that such liability would exist separate and apart from this Agreement.

16. Compliance with Laws and Regulations. Each Party is deemed an instrumentality of the Federal Government [Medicare/Medicaid Providers] and terms of this agreement will be construed in accordance with applicable Federal and State statutes.

17. Notice. Any notice given with respect to this Agreement must be in writing and shall be delivered either by hand to the Party or by certified mail, return receipt requested to the Party at the Party's address stated herein. Any Party may change its address herein by giving notice of the change in the manner described in this section.

18. Termination Without Cause. Either Party may terminate this Agreement without cause, upon thirty (30) days' advance written notice, in which event the terminating Party must complete its duties under the Agreement with respect to any patient who is being transferred at the time of termination.

19. Automatic Termination. This Agreement shall be terminated immediately upon the occurrence of any of the following:

- a. Either Party fails to maintain its licensure, certification or accreditation under local, state or federal law or is otherwise legally prohibited from providing the services described herein.
- b. Either Party is in material default under any of the terms of this Agreement.

20. Advertising and Publicity. Neither Party shall use the name of the other or the existence of this Agreement in any promotional or advertising material unless prior written approval of the material to be used and the intended use is first obtained from the other Party.



21. Liability. Each Party shall be responsible for its own acts and omissions and shall not be responsible for the acts and omissions of the other Party.

22. Claims. The Parties shall promptly notify one another in writing of any claim or demand to indemnify arising out of performance of transfer pursuant to this Agreement and shall cooperate with one another in a reasonable manner to facilitate the defense of such claim.

23. Non-waiver. The failure of either Party to exercise any of its rights under this Agreement is not a waiver of such rights or a waiver of any rights for subsequent breach.

24. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

25. Severability. If any part of this Agreement is held to be unenforceable, the remainder of this Agreement will remain in full force and effect.

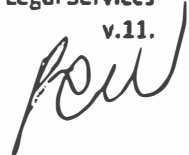
26. Amendments. This Agreement may be supplemented, amended, or revised only in writing by agreement of both Parties.

27. Headings. The heading to the various sections of this Agreement have been inserted for convenience only and shall not modify, define, limit or expand express provisions of this Agreement.

28. Authorization for Agreement. The execution and performance of this Agreement by each Party have been duly authorized by all necessary laws, resolutions or corporate actions and this Agreement constitutes the valid and enforceable obligation of each Party in accordance with its terms.

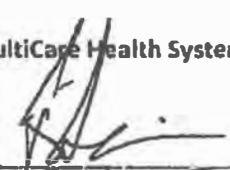
29. Entire Agreement. This Agreement sets forth the Parties' final and entire agreement and supersedes all prior and contemporaneous oral or written communications between the Parties, their agents and representatives related to this matter. There are no representations, promises, terms, conditions or obligations other than those contained herein.

Signature Page to Follow

A handwritten signature in black ink, appearing to be 'Pou', is written over the text 'v.11.' and partially over the 'MHS Legal Services' text.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed to be effective the day and year set forth above.


MultiCare Health System:

By: 
Print Name: Tim Gruber
Title: SVP
Date: 4/9/18

MultiCare's Contact Information:

Designated Representative: _____
Designated Representative Title: _____
Address: PO Box 5299
Tacoma, Washington 98415
Telephone: _____
Facsimile: _____
Email Address: _____
Copy to Email: ContractSupport@multicare.org

Facility:

MERIDIAN SURGERY CENTR.
(print Facility's name above)
By: 
Print Name: ROBERT C. WRIGHT MD
Title: MEDICAL DIRECTOR
Date: 2-16-18

Facility's Contact Information:

Designated Representative: SALLY DEVLIN-WRIGHT
Designated Representative Title: ADMINISTRATOR
Address: 208 17 AVE SE #201
PUYALLUP, WA 98372
Telephone: 253 840-1999 812
Facsimile: 253 445-4125
E-mail address: SALLY@MERIDIANSURGERY
CENTERWA.COM
Facility's EIN No. _____

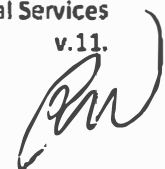


Exhibit A

Requirements for Elective PCI Patients

Purpose: This Exhibit A to the Patient Transfer Agreement (the "Agreement") between MultiCare Health System ("MHS") and MERIDIAN SURGERY CENTER ("Facility"), applies to patients transferred to MHS' Tacoma General Hospital in order to obtain cardiac surgery back-up and support due to undergoing elective percutaneous coronary interventions without on-site cardiac surgery ("PCI Patients"). MHS and Facility are sometimes referred to in this Exhibit A individually as "Party" or, collectively, as the "Parties."

1. Consent. In addition to the requirements set forth in the Agreement, the Party performing the intervention or PCI shall obtain consent from PCI Patients which explicitly communicates to such patients that the percutaneous coronary intervention ("PCI") is being performed without on-site surgery back-up and addresses risks related to transfer, the risk of urgent surgery which would require a transfer to MHS' Tacoma General Hospital for on-site surgery back-up, and refer to this Agreement.

2. Coordination. The Parties shall coordinate, to the extent possible, the availability of surgical teams and operating rooms at MHS so that for all hours that elective PCIs are being performed at Facility, there is a reasonable likelihood that MHS has the capacity to immediately accept a referral. The Parties acknowledge and agree that nothing in this Agreement imposes an obligation on MHS to maintain an available cardiac surgical suite twenty-four hours a day, seven days a week and that the only MHS Hospital that has on-site surgery back-up is MHS' Tacoma General Hospital.

3. Periods of High Occupancy. During times of high census where MHS' ability to accept a patient referral is impacted by lack of bed availability or a closed emergency department ("ED"), MHS will notify Facility and Facility's elective procedures will be rescheduled subject to the attending physician's assessment that such delay does not compromise the patient's care and condition.

4. Transportation of PCI Patients. In addition to the requirements set forth in Section 6 of the Agreement, Facility shall:

- a. Maintain a signed transportation agreement with a qualified vendor that provides for expeditious transport for any patient experiencing complications during an elective PCI that requires transfer to MHS. A qualified vendor is one whose transport staff is ACLS certified;
- b. Document and confirm that emergency transportation begins for each patient within twenty minutes of the initial identification of a complication by the attending physician;
- c. Document transportation times from the decision to transfer the patient with an elective PCI complication to arrival in the operating room of MHS and confirm transportation time is less than one hundred twenty minutes; and
- d. Participate annually in two timed emergency transportation drills with outcomes communicated to both Parties' quality assurance programs. The staff and cost of internal resources used for such drills will be the responsibility of the Party employing such staff or owning that resource. The cost of any external resources required for such drills will be the responsibility of Facility.

4.11.


MHS shall not have any financial obligation or liability whatsoever under this Section 4.

5. PCI Patient Medical Records. In addition to the information required in Section 6 of the Agreement, Facility shall send to MHS all records (or copies thereof) related to the emergency condition which the patient has presented available at the time of the transfer, along with all diagnostic imaging and videos.

6. Physician Communication. Facility will monitor all transfers to assure that the physician performing the elective PCI communicates immediately and directly with MHS' cardiac surgeon(s) about the clinical reasons for the urgent transfer and the PCI Patient's clinical condition.

7. Quality Assurance. The Parties shall schedule cardiac patient care quality assurance conferences at least twice per year that involve case reviews of a significant number of pre-operative and post-operative PCI cases at Facility including a one-hundred percent (100%) review of all transport cases.

Exhibit B

Requirements for Stroke Patients

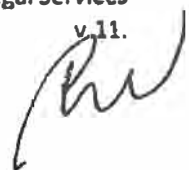
Purpose: This Exhibit B to the Patient Transfer Agreement between MultiCare Health System ("MHS") and MERIDIAN SURGERY CENTER ("Facility"), applies to stroke patients transferred to a MHS neuro-interventional radiology program ("Stroke Program"). MHS and Facility are sometimes referred to in this Exhibit B individually as "Party" or, collectively, as the "Parties."

1. Coordination. The Parties shall coordinate, to the extent possible, transfer process and communication through the MultiCare Health System Transfer and Triage Center. There is a reasonable likelihood that MHS has the capacity to immediately accept a transfer.

2. Periods of High Occupancy. During times of high census where MHS' ability to accept a patient referral is impacted by lack of bed availability or a closed emergency department ("ED"), MHS will notify Facility and Facility's elective procedures will be rescheduled subject to the attending physician's assessment that such delay does not compromise the patient's care and condition.

3. Transportation of Stroke Patients. In addition to the requirements set forth in Section 6 of the Agreement, Facility shall:

- a. Maintain a signed transportation agreement with a qualified vendor that provides for expeditious transport for any stroke patient that requires transfer to MHS. A qualified vendor is one whose transport staff is ACLS certified; critical care transport is preferred.
- b. The patient's medical condition and the ability of the transferring hospital to provide necessary stabilizing treatment and the clinical judgment of the transferring and receiving physicians is the determining factor as to when the patient should be transferred.
- c. Provide the following patient care including:
 - IV access (Preference is RAC and Left arm 18 gauge if possible)
 - Use Normal saline for all fluids
 - NPO unless patient passed a documented RN swallow screen (consider gastric tube for medications)



4. **Stroke Patient Medical Records.** In addition to the information required in Section 6 of the Agreement, Facility shall send to MHS all records (or copies thereof) related to the emergency condition which the patient has presented available at the time of the transfer, along with all diagnostic imaging and videos.

5. **Physician Communication.** Facility will monitor all transfers to assure that the receiving physician immediately is available to address the clinical reasons for the urgent transfer and patient's clinical condition.

7. **Quality Assurance.** The receiving facility shall provide hospital summary after discharge. This is handled by the MHS Transfer and Triage Center. The receiving facility reviews 100% of transfers, coordinated by the Director of Stroke Quality Management. Summary reports are provided on a quarterly basis to the sending facilities.

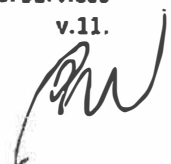
A handwritten signature in black ink, appearing to be 'P. W.', is located at the bottom right of the page.

Exhibit C

Requirements for Obstetric Patients

Purpose: This Exhibit C to the Patient Transfer Agreement between MultiCare Health System ("MHS") and MERIDIAN SURGERY CENTER ("Facility"), applies to obstetric patients transferred to a MHS location. MHS and Facility are sometimes referred to in this Exhibit E individually as "Party" or, collectively, as the "Parties."

1. Contact Numbers:

- a. Transfers to TG: (253-403-1034)
- b. Transfers to GSH: (253-697-5900)
- c. Transfers to AMC: (232-333-2522)

2. Tacoma General Hospital. Each Facility shall use the following checklist when transferring obstetric patients to Tacoma General Hospital.

- a. Contact the Birth Center Charge Nurse (253-403-1034) to coordinate transfer, to include confirmation of available obstetric bed space, confirmation of available NICU bed space (if applicable), and identification of an accepting provider.
- b. If transferring to Maternal Fetal Medicine service, the Birth Center Charge Nurse will contact the MFM Provider on call and arrange a return call to the transferring provider.
- c. If transferring a low risk patient due to unavailable obstetric services and the patient has no Obstetric provider at Tacoma General Hospital, the Birth Center Charge Nurse will facilitate contact with the MultiCare OB/GYN Associate on call to receive the patient as an obstetric "NO DOC" patient.
- d. If transferring a low risk patient requiring the level of services available at Tacoma General Hospital, but transferring provider is retaining status as attending provider, coordinate transfer with the Birth Center Charge Nurse.
- e. Proceed to Section 4 below, All MHS Obstetrics Transfers.

3. Good Samaritan Hospital and Auburn Medical Center. Each Facility shall use the following checklist when transferring obstetric patients to Good Samaritan Hospital or Auburn Medical Center.

- a. Patients must be 34 weeks or greater and deemed low risk prior to transfer. All pt less than 34 weeks or deemed high risk will be transferred to TG.
- b. Contact the Labor and Delivery Charge Nurse at Good Samaritan (253-697-4383) or Auburn Medical Center (232-333-2522) to coordinate transfer, to include confirmation of available obstetric bed space, confirmation of available SCN bed space (if applicable), and identification of an accepting provider.
- c. OBHG will be contacted to assess and accept appropriate transfers. This will be a provider to provider call.
- d. Proceed to Section 4 below, All MHS Obstetrics Transfers.

4. All MHS Obstetrics Transfers. After consultation, if the patient is accepted for transfer, follow sending Party's policies for transferring a patient to another facility. For patients whose prenatal course is not documented in EPIC, include copy of the prenatal chart with transport documents.



- a. For patients with diagnosis of preterm labor or active term labor, reassess cervical dilatation prior to transporting the patient, if last exam has been greater than 1 hour (documentation of which shall be provided under Section 4(d) below), to assure that advanced labor has not increased the risk of in transit delivery.
- b. For patients with preterm labor or active labor with fetal concerns, where risk for delivery in transit is high, contact the NICU to coordinate attendance of the Neonatal Transport Team to stabilize and transport the neonate.
- c. Prior to the patient's departure from the transferring Party, a hand off report to the Birth Center Charge Nurse will occur.
- d. In addition to the requirements of this Agreement, provide the following, if such records are not directly available at the receiving Party through EPIC or other systems maintained by MHS at the receiving Party:
 - i. Copy of the patient's hospital chart including:
 - 1. Prenatal record
 - 2. Allergies
 - 3. Past medical history, home medications
 - 4. Medications and treatment at the transferring Party
 - 5. Summary of current complaint to include onset, signs and symptoms
 - 6. Demographic face sheet
 - 7. Documentation of the (1) labor assessment, (2) last exam, (3) fetal heart rate and (4) vital signs.

Exhibit D

Requirements for Neonates

Purpose: This Exhibit D to the Patient Transfer Agreement between MultiCare Health System ("MHS") and MERIDIAN SURGERY CENTER ("Facility"), applies to neonate patients transferred to a MHS location. MHS and Facility are sometimes referred to in this Exhibit D individually as "Party" or, collectively, as the "Parties."

1. Contact Numbers:

- a. Transfers to TG: (253-403-1024)
- b. Transfers to GSH: (253-697-5900)
- c. Transfers to AMC: (253-545-2522 and request the NICU dept)

2. Tacoma General. Facility shall adhere to the following when requesting a transfer to the Tacoma General NICU:

- a. Consult with the Neonatologist on call in the MHS NICU (253-403-1024).
- b. After consultation, if the patient is accepted for transfer by the neonatologist, the TG NICU Transport Team will be dispatched to transport the infant.
- c. The Transport Team will provide the following documents and request they be completed (the transport team may assist in completing the forms or the physician at the referring hospital may do so):
 - i. Signed, dated and timed "Neonatal Transport Consent"
 - ii. Signed, dated and timed "Notice of Privacy Practices Acknowledgement Form"
 - iii. Signed, dated and timed "Authorization for MultiCare to use or disclose My Health Care Information"
- iv. Provide copies of the patient/maternal chart:
 1. All maternal documentation (i.e. Maternal History/physical; lab values; delivery notes; nurses/physician notes; etc.)
 2. All infant documentation: (i.e. Admission physical, lab values, radiology studies, nursing notes, physician notes, etc.)

3. Good Samaritan Hospital and Auburn Medical Center. Facility shall use the following checklist when transferring neonatal patients to Good Samaritan Hospital or Auburn Medical Center.

- a. Patients must be 34 weeks or greater and deemed low risk prior to transfer. Any patient less than 34 weeks or deemed high risk must be transferred to the TG NICU.
- b. Contact the Labor and Delivery Charge Nurse at Good Samaritan (253-697-4383) or Auburn Medical Center (232-333-2522) to coordinate transfer, to include confirmation of available SCN bed space and identification of an accepting provider.
- c. IPS (253-597-4626) will be contacted to assess and accept appropriate transfers. This will be a provider to provider call.
- d. After consultation, if the patient is accepted for transfer, follow sending Party's policies for transferring a patient to another facility.
- e. Prior to the patient's departure from the transferring Party, a hand off report to the Special Care Nursery Nurse must occur.
- f. In addition to the requirements of this Agreement, provide the following, if such records are not directly available at the receiving Party through EPIC or other systems maintained by MHS at the receiving location:
 - i. Copy of the patient's hospital chart including:
 1. Birth record

2. Medications and treatment at the transferring Party
3. Nursing notes
4. Summary of current complaint to include onset, signs and symptoms (H&P and progress notes)
5. Physician orders
6. Demographic face sheet

Exhibit E

Requirements for Pediatric Patients

Purpose: This Exhibit E to the Patient Transfer Agreement between MultiCare Health System ("MHS") and MERIDIAN SURGERY CENTER ("Facility"), (collectively referred to as the "Party" or "Parties") applies to pediatric patients transferred to Mary Bridge Children's Hospital.

1. Contact Numbers:

Transfer to Mary Bridge Children's Hospital:

Contact the Transfer Center (855-647-1010)

2. Transfers to Mary Bridge: Facility shall adhere to the following when requesting a transfer to Mary Bridge Children's Hospital:

- a. Contact the transfer center to get in touch with any of the following Inpatient Physician Services (IPS), Emergency Department physician or Pediatric Intensivist. (855-647-1010)
- b. The transfer center will connect the referring physician to the correct MB physician to consult and accept transfer.
- c. If the patient is accepted for transfer by the MB designated physician, the MB physician will offer the pediatric transport team (TT) to come and retrieve the patient.
- d. In the event that the TT is not available, the referral physician and the MB physician will discuss the safest alternative mode of transportation for the patient.
- e. The Transport Team will provide the following documents and request they be completed (the transport team may assist in completing the forms or the physician at the referring hospital may do so):
 1. Signed, dated and timed "Transport Consent"
 2. Signed, dated and timed "Notice of Privacy Practices Acknowledgement Form"
 3. Signed, dated and timed "Authorization for MultiCare to use or disclose My Health Care Information"
 4. Provide copies of the patient's chart:
 1. All pediatric documentation: (i.e. Admission physical, lab values, radiology studies, nursing notes, physician notes, transfer summary, etc.)
 5. Signed, dated and timed "Passenger Release of Liability"
 1. It will be at the TT discretion to allow 1 family member to accompany the patient in the ambulance. So long as the patient's status is stable and the family member will not be a hindrance to the safe transport of the patient.

Appendix 1: 2015-2017 Historical Financials

Meridian Surgery Center
(a division of Cascade Hernia and Surgical Solutions, P.S.)
Income Statement for the Twelve Months ended 2015, 2016, 2017
(Tax method of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Income			
Facility Revenue	<u>1,440,924</u>	<u>1,517,414</u>	<u>1,431,080</u>
Total Income	<u>1,440,924</u>	<u>1,517,414</u>	<u>1,431,080</u>
Expense			
Employee and Support Staff	538,950	691,197	680,143
Medical Director	-	-	-
Medical & Surgical Supplies and Expenses	309,677	278,386	246,295
Building & Occupancy Expenses	312,194	317,970	306,912
Depreciation & Amortization	18,606	3,693	3,000
Other Expenses	<u>125,089</u>	<u>144,052</u>	<u>126,938</u>
Total Expense	<u>1,304,516</u>	<u>1,435,299</u>	<u>1,363,287</u>
Net Ordinary Income	<u>136,408</u>	<u>82,115</u>	<u>67,793</u>