CN 19-69

RECEIVED

APR 01 2019

CERTIFICATE OF NEED PROGRAM
DEPARTMENT OF HEALTH

APPLICATION FOR CERTIFICATE OF NEED
Health Maintenance Organization Ambulatory Surgical Facility 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 Officers Karen Schartman, VP and CFO Finance and Strategy Kaiser Foundation Health Plan of Washington	**Date:** March 29, 2019 **Contact:** Julia Yeager Director, Delivery System Strategy & Planning Phone:(206) 630-2846 Email: julia.a.yeager@kp.org
Legal Name of Applicant(s) Kaiser Foundation Health Plan of Washington **Address of Applicant(s)** Kaiser Foundation Health Plan of Washington 601 Union St Suite #3100, Seattle, WA 98101	**Type of Application:** [X] Ambulatory Surgical Facility [ ] Kidney Disease Treatment Center **Type of Project** (check all that apply) [X] New Health Care Facility [ ] Capital expenditure over expenditure minimum [ ] Pre-development Expenditure [ ] 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:** $826,000	**Intended date of undertaking project:** Upon Certificate of Need approval **Intended date for beginning to offer services or operate completed project:** September 2020 **Project Summary:** Conversion and expansion of the existing three (3) procedure room Bellevue Procedure Center performing gastroenterology, pulmonary, cardiology, and related services to a freestanding unit under ASF licensure. After approval, Bellevue Procedure Center will operate a total of four (4) procedure rooms.

Kaiser Foundation Health Plan of Washington
Kaiser Permanente Bellevue Procedure Center
Certificate of Need Application

Executive Summary

Kaiser Foundation Health Plan of Washington ("KFHPWA") is a Washington non-profit corporation, which is a wholly-owned subsidiary of Kaiser Foundation Health Plan, Inc. KFHPWA is registered as an HMO under state law, and continues to provide most of its Bellevue-area health care services to enrolled HMO members, at KFHPWA owned and operated medical facilities, and through providers who are employed directly by KFHPWA or by its affiliated medical group -- Washington Permanente Medical Group, P.C.

KFHPWA currently owns and operates Bellevue Procedure Center, a three (3) procedure room facility accredited by the Accreditation Association for Ambulatory Health Care (AAAHC). KFHPWA submits this application to fulfill its commitment to the Department of Health's ("DOH") request that KFHPWA's Bellevue Procedure Center, which is currently operating under WAC 246-919-601 requirements for Office Based Surgery ("OBS"), obtain ASF licensure and receive certificate of need approval. Further, we seek to expand the capacity of the Bellevue Procedure Center from three (3) to four (4) procedure rooms. The intent is to provide the services in an ASF service model, consistent with KFHPWA's longstanding methods of operation to deliver integrated care to its members.

Thank you for your prompt consideration of this application.

TABLE OF CONTENTS:

I. APPLICANT DESCRIPTION:..... 5

II. PROJECT DESCRIPTION: 11

III. PROJECT RATIONALE: 16

A. Need (RCW 70.38.115(3)(a)) 16

B. Cost Containment (RCW 70.38.115(3)(b)) 23

TABLE OF TABLES:

Table 1. Kaiser Permanente Bellevue Procedure Center Physician Specialties 9

Table 2. East King providers with rooms dedicated to endoscopy 10

Table 2. Kaiser Permanente Bellevue Procedure Center Utilization, 2013-2017 10

Table 3. Kaiser Permanente Bellevue Procedure Center – Capital Expenditures 11

Table 4. Kaiser Permanente Bellevue Procedure Center Utilization Forecast, 2021-2022 12

Table 5. Sources of Revenue 13

Table 6. Kaiser Permanente Bellevue Procedure Center Need Model 16

Table 7. Kaiser Permanente Bellevue Procedure Center Utilization Forecast, 2020-2025 18

Table 8. KFHPWA Enrollment of King County and Snohomish County Residents, 2015-2018 19

Table 9. Alternatives Analysis: Promoting Access to Health Care Services 25

Table 10. Alternatives Analysis: Promoting Quality of Care. 25

Table 11. Alternatives Analysis: Promoting Cost and Operating Efficiency. 26

Table 12. Alternatives Analysis: Staffing Impact. 26

Table 13. Alternatives Analysis: Legal Comparison. 26

Exhibit List

Exhibit 1. Organizational Chart

Exhibit 2. Patient Origin Table and Map by Zip Code

Exhibit 3. Office of the Insurance Commissioner's List of Active HMOs

Exhibit 4. Letter of Intent

Exhibit 5. Equipment List

Exhibit 6A. Single Line Drawing (Current)

Exhibit 6B. Single Line Drawing (Proposed)

Exhibit 7A. Property Title

Exhibit 7B. King County Department of Assessments – Property Detail

Exhibit 8A. Admission Criteria Policy

Exhibit 8B. Admission and Discharge Policy

Exhibit 9A. [Washington] Non-discrimination Policy

Exhibit 9B. [National] Non-discrimination Policy

Exhibit 10A. Consumer Rights and Responsibilities Policy

Exhibit 10B. Consumer Rights and Responsibilities Statement

Exhibit 11. KFHPWA 2017 Community Benefit Report

Exhibit 12. Charity Care Policy

Exhibit 13. Transfer Agreement

Exhibit 14. Letter of Financial Commitment

Kaiser Foundation Health Plan of Washington
Kaiser Permenente Bellevue Procedure Center
Certificate of Need Application

I. APPLICANT DESCRIPTION:

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

Kaiser Foundation Health Plan of Washington

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

Kaiser Permanente Bellevue Procedure Center ("Bellevue Procedure Center")
11511 N.E. 10th St.
Bellevue, WA 98004

c. Type of ownership

Kaiser Foundation Health Plan of Washington ("KFHPWA") is a federally tax-exempt, Washington non-profit corporation, registered as a health maintenance organization ("HMO") under state law. The sole corporate member of KFHPWA is Kaiser Foundation Health Plan, Inc., a California non-profit public benefit corporation.

KFHPWA offers comprehensive, coordinated health care to an enrolled membership for a fixed prepaid fee primarily through its owned and leased facilities, employed providers, and contracted providers. KFHPWA has a mutually exclusive relationship with its affiliated medical group -- Washington Permanente Medical Group -- which furnishes physician and related professional services to KFHPWA members within core areas of KFHPWA's delivery system.

d. Name and address of owning entity at completion of project

Kaiser Foundation Health Plan of Washington
601 Union St Suite #3100
Seattle, WA 98101

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

Please address all questions to:

Julia Yeager
Director, Delivery System Strategy & Planning
Phone:(206) 630-2846
Email: julia.a.yeager@kp.org

Physical Address
1300 SW 27th St
Renton, WA 98057

Mailing Address
PO Box 9813
Renton, WA 98057-9055

f. Corporate structure and related parties

KFHPWA is governed by a Board of Directors appointed by its parent organization, KFHP, Inc. Together with Kaiser Foundation Hospitals ("KFH"), a California non-profit public benefit corporation, and regional independent and exclusively contracted Permanente Medical Groups, KFHP and its subsidiary health plan entities operate the "Kaiser Permanente Medical Care Program" (together, "Kaiser Permanente").

- KFHPWA and the other health plan subsidiaries of KFHP are organized under state laws as non-profit corporations and are primarily licensed or registered under applicable state law as health maintenance organizations, health care service plans, or health care service contractors. All are exempt from federal income taxes as entities described under IRC Section 501(c)(3).

- KFH is organized under state law as a non-profit corporation, and it owns and operates hospitals and other health care facilities that are dedicated primarily to serving health plan enrollees. KFH is exempt from federal income taxes as an entity described under IRC Section 501(c)(3).

Please see Exhibit 1 for an organizational chart.

g. Name and address of operating entity at completion of project

Kaiser Permanente Bellevue Procedure Center
11511 N.E. 10th St.
Bellevue, WA 98004

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

Kaiser Foundation Health Plan of Washington

Medical Facilities			
Bellevue Medical Center	11511 NE 10th Street	Bellevue	98004
Bremerton Behavioral Health Services	555 Pacific Ave, Ste 202	Bremerton	98337
Burien Medical Center	140 SW 146th St	Seattle	98166-1997
Central Hospital	200 15th Ave E	Seattle	98112-5298

Capitol Hill Procedure Center	125 16th Ave E	Seattle	98112-5211
Capitol Hill Ambulatory Surgery Center	201 16th Ave E	Seattle	98112
Downtown Seattle Medical Center	1420 5th Ave Suite 375	Seattle	98101
Everett Medical Center	2930 Maple St	Everett	98201-4261
Factoria Medical Center	13451 SE 36th St	Bellevue	98006-1454
Federal Way Medical Center	301 S 320th St	Federal Way	98003-5296
Gig Harbor Medical Center	5216 Point Fosdick Drive NW #102	Gig Harbor	98335
Kendall Yards Medical Center	546 N. Jefferson Lane, Suite 200	Spokane	99201
Kent Medical Center	26004 104th Ave SE	Kent	98031
Lidgerwood Medical Center	6002 North Lidgerwood	Spokane	99207-1124
Lincoln Heights Medical Center	3010 S. Southeast Blvd., Suite A	Spokane	99223
Lynnwood Medical Center	20200 54th Ave W	Lynnwood	98036-6389
Northgate Medical Center	9800 4th Ave NE	Seattle	98115-2158
Northpointe Medical Center	9631 N. Nevada St., Suite 100	Spokane	99218
Northshore Medical Center	11913 NE 195th St	Bothell	98011-3147
Olympia Medical Center	700 Lilly Rd NE	Olympia	98506-5196
Port Orchard Medical Center	1400 Pottery Ave	Port Orchard	98366-3768
Poulsbo Medical Center	19379 7th Ave NE	Poulsbo	98370
Puyallup Medical Center	1007 39th Ave SE	Puyallup	98374-2192
Rainier Medical Center	5316 Rainier Ave S	Seattle	98118-2398
Redmond Medical Center at Riverpark	15809 Bear Creek Parkway, Suite #100 Clinic upstairs in Suite #200	Redmond	98052-4370
Renton Medical Center	275 Bronson Way NE	Renton	98056-4099
Riverfront Medical Center	322 W North River Drive	Spokane	99201-2259
Silverdale Medical Center	10452 Silverdale Way NW	Silverdale	98383-9460
South Hill Medical Center	4102 S. Regal Street, Suite 101	Spokane	99223-4733
Tacoma Medical Center	209 Martin Luther King Jr Way	Tacoma	98405-4267
Tacoma South Medical Center	9505 Steele St S	Tacoma	98444-6858
Veradale Medical Center	14402 East Sprague Ave	Spokane	99216-2167

Additional Operations

Kaiser Permanente as a whole, however, owns and directly operates 39 hospitals, 682 medical offices and other facilities in the eight geographic Regions where it provides services.[1]

[1] Kaiser Permanente 2017 Annual Report.

Additionally, by way of illustration, below is a list of clinical and administrative facilities that Kaiser Foundation Health Plan of the Northwest, a sister organization of KFHPWA, operates in the State of Washington.

Facility Name	Address	City	County	State	Postal Code
Salmon Creek Medical/Dental Offices	14406 NE 20th Ave.	Vancouver	Clark	Washington	98684
Cascade Park Medical Offices	12607 SE Mill Plain Blvd.	Vancouver	Clark	Washington	98684
Longview/Kelso Medical/Dental Offices	1230 Seventh Ave.	Longview	Cowlitz	Washington	98632
Cascade Park Dental Offices	12711 SE Mill Plain Blvd.	Vancouver	Clark	Washington	98684
Mill Plain One Specialty Care	203 SE Park Plaza Dr., Ste. 140	Vancouver	Clark	Washington	98684
Orchards Medical Offices	7101 NE 137th Ave.	Orchards	Clark	Washington	98662
Battleground Medical Offices	720 W. Main St.	Battleground	Clark	Washington	98604
Stonemill Business Park	312 SE Stonemill Dr., Ste. 180	Vancouver	Clark	Washington	98684

i. Facility licensure/accreditation status

KFHPWA currently owns and operates Bellevue Procedure Center, operating as an Office Based Surgery (OBS) provider under WAC 246-919-601 requirements and accredited by AAAHC. Bellevue Procedure Center currently operates three (3) procedure rooms. This Procedure Center is being expanded and converted to a freestanding ASF, and KFHPWA intends that the ASF will be licensed and accredited.

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

KFHPWA is reimbursed for services under Title XVIII as a Medicare Advantage Organization with enrolled beneficiaries and a participating provider under the 'original' fee-for-service Medicare program. In addition, KFHPWA is a participating provider with a Title XIX Medicaid managed care plan.

k. Geographic identification of primary service area.

Calendar year ("CY") 2017 patient origin data from the Bellevue Procedure Center has been used to define the Primary Service Area.

The attached "Patient Origin By Zip Code" maps and summary tables by zip code and region (Exhibit 2) show the Bellevue Procedure Center serves patients primarily from eastern King County and portions of both Snohomish and southern King County. Approximately 90% of patients are residents of King or Snohomish County. More specifically, King County patients come from: Bellevue; Redmond and similar communities east of Lake Washington; Seattle proper; and Renton; Kent; Burien; Des Moines; Federal Way; and other communities south of Lake Washington. Bellevue Procedure Center serves patients in Snohomish County from communities that include the near-Seattle suburbs of Mountlake Terrace and Lynnwood, as well as Everett, Marysville and Lake Stevens.

It is important to note that KFHPWA members have the option of choosing to receive endoscopic services from any KFHPWA facility or network provider offering such

services. As a result, the map showing patient origins for the Bellevue Procedure Center reflects, in part, KFHPWA members' choices as to where they prefer to receive care.

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

Table 1. Kaiser Permanente Bellevue Procedure Center Physician Specialties

Physician Specialty	Count of Physicians on Active Medical Staff
Gastroenterology	15
Pulmonology	4
Cardiology	2
General Surgery	1

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

In 2017, Group Health Cooperative became part of the Kaiser Permanente Medical Care Program, when Kaiser Permanente acquired Group Health and its subsidiaries, which have been caring for members in Washington since 1947 as a provider of prepaid health coverage and health care services through its own medical providers and facilities. KFHPWA is registered as an HMO under state law, and continues to provide most of its Seattle-area health care services to enrolled HMO members at KFHPWA owned and operated medical facilities, and through providers who are employed directly by KFHPWA or by its affiliated medical group -- Washington Permanente Medical Group.

According to Office of Insurance Commissioner records, there are currently seven (7) registered HMOs active in Washington State, including KFHPWA. (See Exhibit 3) KFHPWA has evaluated the six other active HMOs and concludes, based on publicly available information about each of these entities, that none of the other six HMOs provides services in the Primary Service Area of this project in a manner similar to KFHPWA. More specifically, none of the other six HMOs owns and operates medical facilities furnishing the majority of services to its enrollees in the Primary Service Area, and none of the other six HMOs furnishes physician and related professional services through an affiliated medical group that has a mutually exclusive relationship with the HMO.

Bellevue Procedure Center provides service to patients 15 years and older requiring gastroenterology, pulmonary, or cardiology procedures. Procedures performed at Bellevue Procedure Center include endoscopy, colonoscopy, bronchoscopy, flexible sigmoidoscopy, TEE, liver biopsy, and other similar services.

See Table 2 below for a list of East King providers with dedicated rooms to perform endoscopies, according to responses provided in the Department's 2018 Annual Operating Room Use Survey (CY2017 Utilization):

Table 2. East King providers with rooms dedicated to endoscopy

Name	Rooms Dedicated to Endoscopy
Eastside Endoscopy Center	3
Overlake Surgery Center	1
Puget Sound Gastroenterology, PS	3
Eastside Endoscopy Center, LLC - Issaquah	2
EvergreenHealth Kirkland	2
Overlake Medical Center	2
Snoqualmie Valley Hospital District	1
[UW Medicine] Eastside Specialty Center	2
Virginia Mason Bellevue	1
Virginia Mason Issaquah	1
Swedish Issaquah	6

Source: DOH 2018 AnnualOperating Room Use Survey (CY2017 Utilization)

KFHPWA provides its services in a manner unlike other community ambulatory surgery centers that perform endoscopy procedures on a fee-for-service basis. As discussed below, KFHPWA provides procedural care to its members as one part of the comprehensive, clinically-integrated health care services furnished to members primarily by employed or closely affiliated providers under prepaid health coverage arrangements.

In short, there are no "other generally similar providers" furnishing services to KFHPWA members within the Primary Service Area for this project.

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

Table 3. Kaiser Permanente Bellevue Procedure Center Utilization, 2013-2017

Year	CARDIOLOGY	GASTROENTEROLOGY	PULMONARY	Grand Total
2013	11	4,087	56	4,154
2014	-	4,280	57	4,337
2015	-	3,800	45	3,845
2016	-	4,269	88	4,357
2017	8	3,966	58	4,032

*Note: there were minor differences in the data collection process used to compile utilization for 2013-2016 and 2017. Therefore, the 2017 values presented above are conservative and represent a lower-bound estimate (approximately an additional 140 cases would be added to gastroenterology in 2017 if the same definition set was used as 2013-2016). Further, 2014-2016 likely had a small set of cardiology procedures, but were not captured due to the coding definition used for those years.
Source: Applicant

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 so state.

There have not been any such convictions or sanctions.

II. PROJECT DESCRIPTION:

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

KFHPWA is seeking to change the status of its existing Bellevue Procedure Center to that of a freestanding ambulatory surgical facility. Further, we seek to expand the capacity of the Bellevue Procedure Center from three (3) to four (4) procedure rooms. The Procedure Center performed 4,032 procedures during 2017.

b. Total estimated capital expenditures.

The estimated cost of the proposed project is $826,000.

Table 4. Kaiser Permanente Bellevue Procedure Center – Capital Expenditures

	Capital Expenditures	Total
a	Land Purchase	$0
b	Land/Building Improvement	$0
c	Building purchase	$0
d	Residual value of replaced facility	$0
e	Building Construction	$132,000
f	Fixed Equipment	$37,000
g	Moveable Equipment	$453,000
h	Architect & engineering fees	$22,000
i	Consulting fees	$8,000
j	Site work & preparation	$0
k	Supervision & inspection	$37,000
l	Costs of securing financing	$0
m	Sales tax	$63,000
n	Other project costs	$74,000
o	Total Capital Expenditures	$826,000

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

	2020	2021	2022
Operating Expenses	$ 3,914,022	$ 4,782,808	$ 4,871,109

*Fourth procedure room anticipated to become operational by September 2020
Source: Applicant

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

KFHPWA does not intend to make changes to either the types of patients cared for or the types of procedures performed.

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

The Bellevue Procedure Center provides service to patients 15 years and older requiring gastroenterology, pulmonary, or cardiology procedures. Procedures performed at Bellevue Procedure Center include endoscopy, colonoscopy, bronchoscopy, flexible sigmoidoscopy, TEE, liver biopsy, and other similar services.

The majority of procedures are prescheduled. Patients with urgent needs are accepted as appropriate. All patients are outpatients. For details concerning Bellevue Procedure Center's criteria for service, please see Exhibit 8.

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. Kaiser Permanente Bellevue Procedure Center Utilization Forecast (Procedures), 2021-2022

	2021	*2022*
Gastroenterology	6,746	7,282
Pulmonology	225	243
Cardiology	33	36
Total Procedures	**7,005**	**7,561**

Source: Applicant

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

Please see Exhibit 4.

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.

A high proportion of patients who receive services from the Bellevue Procedure Center are members of KFHPWA's health plans, just as future patients of the ASF will be. KFHPWA does not 'bill' members for services covered under these health plans, and instead receives prepaid, capitated premium revenue from members to cover these services and all other covered services furnished under the member's coverage arrangements.

The table below shows that approximately 96% of revenues related to patients of the ASF are premium revenues through commercial coverage or through the Medicare Advantage managed care program.

Table 6. Sources of Revenue

Commercial	65%
Medicare Advantage	31%
Self-pay	4%

No significant change to revenue percentages anticipated.

i. Source(s) of financing.

KFHPWA will fund this project with existing financial resources.

j. Equipment proposed:

Please see Exhibit 5 for a list of equipment associated with the proposed expansion.

k. Drawings:

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

Please see Exhibit 6A.

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

Please see Exhibit 6B.

3. **Total net and gross square feet of project.**

The facility is 6,981 gross square feet and 6,492 net square feet. There are no changes to the square footage expected from the proposed project.

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

Commencement upon receipt of Certificate of Need approval. The project is estimated to be complete (4th procedure room operational) by September 2020.

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

KFHPWA serves the needs of its members by providing health care services and coverage on a prepaid basis, principally using its own employed and closely affiliated providers and staff, and whenever possible furnishing such care in its own facilities. This 'model' of care is fundamental to KFHPWA's values and operations.

KFHPWA currently has enrollment of approximately 700,000 members with approximately 315,000 from King and Snohomish County. Further, we have experienced significant membership growth in the past five years, with King and Snohomish County membership growing at 7.2% and 5.7% annual growth from 2014 to 2018. The continued operation and expansion of the Bellevue Procedure Center is fundamental to fulfilling the promise of the patient-centered and high quality care through HMO-owned and operated facilities. KFHPWA's care for members is focused on individuals' total health, as guided by personal physicians, specialists, and care teams. Staff are supported by technology and tools to promote health, prevent disease, manage chronic illness, and deliver high-quality, affordable care.

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).

This question is not applicable. None of these potential restrictions exist concerning the proposed project.

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

This question is not applicable, KFHPWA currently operates an ASF[2] at Bellevue Medical Center, where Bellevue Procedure Center is located, and operates lawfully with respect to applicable zoning rules and regulations. Further, the Bellevue Procedure Center has been operational since 2008 and has operated as an AAAHC-accredited Office-Based Surgery provider since 2011.

[2] Kaiser Permanente Bellevue Ambulatory Surgery Center, which is separately licensed from, but located in the same facility as, the Bellevue Procedure Center.

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 five years, with options to renew for not less than a total of twenty years, in the case of a hospital, psychiatric hospital, tuberculosis hospital, or rehabilitation facility;

c. a lease for at least one year with, options to renew for not less than a total of five years, in the case of freestanding kidney dialysis units, ambulatory surgical facility, hospice, or home health agency;

d. a legally enforceable agreement to give such title or such lease in the event that a Certificate of Need is issued for the proposed project.

Please see Exhibit 7A for the legal title to the property. Further, Exhibit 7B includes the corresponding property detail from the King County Department of Assessments' eReal Property webtool with the matching legal description to the legal title to the property.

III. PROJECT RATIONALE:

A. Need (RCW 70.38.115(3)(a))

1. Identify and analyze the unmet health services needs and/or other problems toward which this project is directed.

RCW 70.38.115(3)(a) establishes the need criteria for an HMO that proposes to establish an ASC. It provides that a CN application from an HMO:

> *"shall be approved by the department if the department finds . . . [a]pproval of such application is required to meet the needs of the members of the health maintenance organization and of the new members which such organization can reasonably be expected to enroll."*

Neither the CN statute nor Department rules provide a methodology for determining whether an ASF is required in order to meet the minimum needs of HMO members, but Department rules do provide an ASF need methodology for non-HMO applicants at WAC 246-310-270(9). Consequently, we have adapted the non-HMO ASF need methodology for use in this project, as explained and applied below. The adapted need methodology projects a ***total need for 1.2 additional procedure rooms beyond the three currently operational***. Please see Table 7 below, as well as a detailed description of the methodology used following the table.

Table 7. Kaiser Permanente Bellevue Procedure Center Need Model

Existing Capacity	**Procedure Rooms**
Supply of Procedure Rooms	3
Annual Capacity per PR (68,850 min/room)	206,550
Average Minutes/Procedure in ORs	36.7
Future Demand	
3rd Year Procedure Demand (2023)	7,8427,842
Gross Demand in 3rd Year (in Minutes)	287,577
Gross PR Demand: 3rd Year Minute Demand Divided by Single PR Capacity Minutes (68,850)	4.2
Net Need (Surplus)	
Demand for Procedure Rooms	4.2
Supply of Procedure Rooms	3
Net Unmet Need	1

Existing capacity

Assume the annual capacity of one procedure room ("PR") dedicated to ambulatory surgery is 68,850 minutes and determine the total capacity minutes for all procedure rooms.

This is based upon the Department's assumption in WAC 246-310-270(9)(a)(ii). Therefore, the three (3) procedure rooms at Bellevue Procedure Center constitute a total capacity of 206,550 minutes respectively.

Determine the average minutes per outpatient procedure at the HMO facility.

This is based upon WAC 246-310-270(9)(a)(ii), using KFHPWA internal data that shows:

- an average of **35 minutes** per procedure for gastroenterology; and
- an average of **79 minutes** per procedure for pulmonology.
- An average of **37 minutes** per procedure for cardiology.

Both estimates exclude setup and cleanup time. The weighted average projected for the Bellevue Procedure Center in the third full year of operation following CN-approval (2023) is 36.7 minutes per case.

Future Demand

Project the number of outpatient procedures to be performed at the HMO in the third-year of operation.

We have used the current number of procedures performed in the PRs and have adjusted for forecasted demand as follows:

- Base projections on Bellevue Procedure Center's 2017 actual utilization.
- Project approximately 3.7% average annual growth in membership between 2017 and 2023.
- Apply a layer of internalization as members use internal providers such as Bellevue Procedure Center in place of external delivery providers.

Calculate demand for outpatient procedure minutes needed in the third year of operation using the average minutes per outpatient surgery procedure at the HMO.

We have projected a total demand for of 7,842 procedures by CY2023. We converted this CY2023 procedure count of 7,842 procedures to minutes by multiplying the total projected procedure count by 36.7 minutes per procedure to calculate total demand for 287,577 minutes.

Calculate PR Demand by dividing the amount of outpatient procedures time needed by the operating room standard of 68,850 minutes

Dividing total demand for minutes at the ASF in its third year (287,577 minutes) by the operating room standard of 68,850 minutes, yields 4.2 PRs, respectively (Table 7).

Net Need

Subtract existing PR capacity from total PR demand to calculate net need/surplus.

As demonstrated in Table 7 above, there is overall demand for 4.2 PRs projected in CY2023. KFHPWA currently operates 3 PRs at its Bellevue Procedure Center campus and proposes as part of this project to expand to a total of 4 PRs. Thus, there is **demonstrated need for the proposed project to operate 4 PRs** at Bellevue Procedure Center with no surplus in capacity.

KFHPWA has used the procedure rooms to coordinate care in a highly-efficient manner that improves outcomes and reduces health care costs. Reasonable projections for growth in HMO members and OR use rates indicate KFHPWA will need a total of at least 4 procedure rooms to satisfy its future health care obligations.

2. Define the population that is expected to be served by the project.

The ASF will continue to provide services to the population it is currently serving at its existing location. As noted above, a high proportion of patients served there are, and will continue to be, KFHPWA members. In addition, the ASF will serve patients enrolled in other Kaiser health plans who have chosen to receive care from Kaiser providers, as well as Labor and Industries patients and enrollees of certain third-party programs covering Medicaid patients. The Primary Service Area, as previously noted, includes patients primarily from eastern King County and portions of both Snohomish and southern King County. Approximately 90% of patients are residents of King or Snohomish County. More specifically, King County patients come from: Bellevue; Redmond and similar communities east of Lake Washington; Seattle proper; and Renton; Kent; Burien; Des Moines; Federal Way; and other communities south of Lake Washington. The ASF serves patients in Snohomish County from communities that include the near-Seattle suburbs of Mountlake Terrace and Lynnwood, as well as Everett, Marysville and Lake Stevens.

See specific zip codes in Exhibit 2.

3. Provide utilization forecasts for each service

a. Utilization forecasts for at least five years following project completion.

Please see Table 8 below for a utilization forecast for the five years following the project.

Table 8. Kaiser Permanente Bellevue Procedure Center Utilization Forecast, 2020-2025

	2020	*2021*	*2022*	*2023*	*2024*	*2025*
Gastroenterology	5,455	6,066	6,746	7,282	7,282	7,282
Pulmonology	131	172	225	243	243	243
Cardiology	19	25	33	36	36	36
Total Procedures	**5,605**	**6,263**	**7,005**	**7,561**	**7,561**	**7,561**

b. The complete quantitative methodology used to construct each utilization forecast.

We have used the current number of procedures performed in the PRs and have adjusted for forecasted growth as follows:

- Base projections on Bellevue Procedure Center's 2017 actual utilization.
- Project approximately 3.7% average annual growth in membership between 2017 and 2023.
- Apply a layer of internalization as members use internal providers such as Bellevue Procedure Center in place of external delivery providers.
- 2023-2025 held at 7,282 gastroenetrology, 243 pulmonary, and 36 cardiology procedures as the combined minutes equal 275,400 minutes (68,850 minute per room standard multiplied by 4 procedure rooms).

c. Identify and justify all assumptions related to changes in use rate, market share, intensity of service, and others.

As shown in Table 9 below, KFHPWA has experienced significant year-over-year membership growth in the service area over the past five years (7.2% in King Conty and 5.7% in Snohomish County). Further, the base utilization is driven off of Bellevue Procedure Center's 2017 actual utilization and the use-rate is held constant throughout the forecast. In addition to membership growth, there is a layer of internalization of members' utilization from external delivery providers to internal providers such as Bellevue Procedure Center. This is consistent with KFHPWA's integrated delivery model furnishing clinically integrated managed care services.

d. Evidence of the number of persons now using the service(s) who will continue to use the service(s).

Please see Table 3 above for the previous five years of utilization at the ASF. It is expected this utilization will continue. Further, KFHPWA currently has approximately 260,000 residents from King County and 57,000 from Snohomish County enrolled in its health plans. Table 9 below features enrollment from 2014 to 2018.

Table 9. KFHPWA Enrollment of King County and Snohomish County Residents, 2014-2018

	2014	2015	2016	2017	2018	2014-2018 Average Annual Growth
King County	196,548	196,557	224,943	240,745	259,814	7.2%
Snohomish County	45,596	46,569	54,603	56,216	56,977	5.7%

Source: Applicant

e. Evidence of the Number of Persons Who Will Begin to Use the Services

The question is not applicable as the proposed project is an existing facility that is operational. See Table 3 above for utilization over 2013-2017.

4. a. Provide information on the availability and accessibility of similar existing services to the defined population expected to be served.

KFHPWA believes that there are no "similar existing services" available and accessible to its current or anticipated future enrolled members within the service area for the Bellevue Procedure Center. There are two ways in which KFHPWA services furnished by KFHPWA providers to KFHPWA members in KFHPWA facilities are unique. First, KFHPWA's model of furnishing clinically integrated managed care services through its providers and in its facilities is not available from any of the other HMOs that provide health coverage in this service area. Second, the surgical/procedure services that might be purchased from fee-for-service providers in the community are dissimilar in significant respects from the services available to KFHPWA members at its current and proposed owned-and-operated outpatient procedure facilities, making it impossible to identify and provide information on "similar existing services" that are comparable to KFHPWA's own.

Specifically, with respect to the six other HMOs identified as 'active' by the Washington State Office of Insurance Commissioner (OIC), each of these HMOs operates primarily, if not exclusively, on a "network provider" model in which services are furnished by community providers who have contracts with the HMO to care for the HMO's patients, along with all of the provider's other patients. Unlike KFHPWA, these 'competing' HMOs do not own and operate medical facilities in this area where most services -- including outpatient procedure services -- are furnished to the HMO's members. Nor are the many contracted community providers in the typical HMO's 'networks' linked together into any unified medical group, furnished with a common electronic health record (EHR) platform with which to share clinical information, or provided other clinical support tools to enhance the clinical integration of care to patients. In other words, the other HMOs in the service area may use a managed care approach to health care financing but do not attempt to manage patient care in the highly integrated manner KFHPWA is able to achieve using its own facilities, EHR platform and exclusive multi-specialty provider arrangements.

Further, Table 2 above provides a list of of East King providers with dedicated rooms to perform endoscopies, based on responses to the Department's 2018 Annual Operating Room Use Survey (CY2017 Utilization). KFHPWA believes that the related procedures available for purchase in the fee-for-service provider community do not constitute "similar existing services" to those furnished through KFHPWA's procedure centers. Procedures purchased on a fee-for-service basis *a la carte* from a variety of unrelated providers are fundamentally different from procedures furnished on a prepaid basis by an integrated delivery system using a single, closely-affiliated multispecialty medical group. KFHPWA strives to provide procedure services to its members through a model of employed staff and closely affiliated providers -- specialists, anesthesiologists and others -- working in KFHPWA facilities, sharing common clinical practice guidelines and EHR systems, and

sharing common incentives to provide the best and most appropriate care to members in the most efficient manner possible.

KFHPWA *does not* compete with fee-for-service ASCs or procedure centers in providing procedural services to the broader community. Instead, KFHPWA is legally responsible as an HMO for providing comprehensive health care services to its members, and focuses on accomplishing this in the most effective and efficient ways possible. But KFHPWA does not seek to 'sell' or promote its procedure center services to the public, or to compete with community ASCs or procedure groups to provide these services to non-members of KFHPWA.

In short, there are no "similar existing services" in the Bellevue area to what KFHPWA furnishes to its HMO members who require ambulatory procedures. This is evident by the fact that no 'competing' HMO in the service area furnishes these services in the same manner as KFHPWA, and in the fact that KFHPWA does not 'compete' with the fee-for-service providers of ambulatory procedure services in the community. KFHPWA provides ambulatory procedural services directly where it can effectively and efficiently do so, and purchases some specialized ASC services when necessary to care for its members.

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.

Not applicable. See above.

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.

Not applicable. See above.

iii. <u>If existing services are available and accessible to the defined population, justify why the proposed project does not constitute an unnecessary duplication of services.</u>

Not applicable. See above.

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

i. <u>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.</u>

KFHPWA participates directly in government-supported health benefit programs, including Medicare and Affordable Care Act (Exchange) plans, and enrolls members from across the spectrum of income level, racial, ethnic and gender identity, and other status through these programs. In addition, KFHPWA provides health care services to Medicaid (Apple Health) clients as part of the delivery system for Molina Healthcare of Washington and its Medicaid plans. KFHPWA providers also participate in Project Access NW (furnishing specialty physician services to under-served populations). In addition, KFHPWA participates in the Kaiser Permanente national Medical Financial Assistance ("MFA") program, which provides extensive financial assistance to low-income indviduals, without regard to whether they are KP members.

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.**
Not applicable.

Applicants should include the following:

- **Copy of admissions policy:**

  See Exhibit 8. See Exhibit 9 for the non-descrimination policy and Exhibit 10 for the consumer rights and responsibilities statement and policy.

- **Copy of community service policy:**

  See Exhibit 11 for KFHPWA's 2017 Community Benefit Report.

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

  See Exhibit 12.

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

  Without expansion, as requested at the Bellevue Procedure Center, KFHPWA members and patients will be denied future access to procedure rooms in the Primary Service Area. Reasonable projections demonatrate need for increased outpatient procedure room capacity at the Bellevue Procedure Center.

  Separate from the policies identified above, please see Exhibit 13 for a transfer agreement with Overlake Medical Center.

5. Special needs: Not applicable

B. Cost Containment (RCW 70.38.115(3)(b))

Overview and Background

RCW 70.38.115(3)(b) establishes the cost containment criteria for an HMO that proposes to establish an ambulatory surgical facility. It provides the Program shall approve an HMO application if it finds that without approval:

> [t]he health maintenance organization is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its health services in a reasonable and cost-effective manner which is consistent with the basic method of operation of the organization and which makes such services available on a long-term basis through physicians and other health professionals associated with it

Neither the CN statute nor Department rules provide more detailed criteria for determining whether an HMO would be unable, without approval, to provide its health services in a reasonable and cost-effective manner, consistent with its basic method of operation and which makes such services available on a long-term basis through physicians and other health professionals associated with it. In the absence of Department rules or clarifying application information requests, KFHPWA has adopted the statutory standard for use in this application, as explained and applied below.

KFHPWA's Basic Method of Operations

KFHPWA serves the needs of its members by providing health care services and coverage on a prepaid basis, using its own employed and closely affiliated providers and staff, and whenever possible furnishing such care in its own facilities. This 'model' of care is fundamental to KFHPWA's values and current operations. Any description of the "basic method of operation" of KFHPWA must focus on these key elements of clinical and operational integration that make KFHPWA unique in this service area.

KFHPWA Makes Its Services Available on a Long-Term Basis Through Physicians and Other Health Care Professionals Associated With It

The Bellevue Procedure Center is one example of how KFHPWA's 'basic method of operation' has been carried out 'on a long term basis through physicians and other health care professionals associated with it.' [RCW 70.38.115(3)(b).] KFHPWA's proposed conversion of the Procedure Center to a freestanding ASF, and its planned ongoing provision of procedural services in the same clinical space, by its same providers, and to its members, is a continuation of this 'basic method of operation' of KFHPWA.

KFHPWA Is Unable to Provide, Through Services of Facilities Which Can Reasonably Be Expected to Be Available to KFHPWA, Its Health Services in a Reasonable and Cost-Effective Manner

KFHPWA's clinical approach has no direct comparison in the Bellevue service area, or across Washington state. Even if KFHPWA could find providers of fee-for-service endoscopy services in the community that had excess capacity to care for KFHPWA members, such services would not be comparable to those furnished within the KFHPWA

integrated delivery system, and would not be “reasonable and cost-effective” and also “consistent with the basic method of operation of the organization.”

Alternative services or facilities are not available in a ‘reasonable and cost-effective’ manner which is consistent with the ‘basic method of operation’ of the health maintenance organization.

- The provision of coordinated care across the continuum is a key element of the high quality care provided to KFHPWA consumers. Reliance on other providers of fee-for-service endoscopy services would diminish our ability to provide coordinated care and achieve quality goals.
- Our ability to control costs, and manage quality and safety, would diminish if services are provided outside KFHPWA facilities.
- Scheduling and coordinating care between KFHPWA providers and facilities, and a variety of non-KFHPWA surgery centers would add needless complexity to systems and processes. The added complexity would diminish our ability to coordinate care, and would raise risks related to service quality and patient safety.
- Our ability to use our integrated electronic health record system for the seamless coordination of care for members would be diminished, compromising our ability to coordinate care, achieve our high quality standards, and provide KFHPWA members access to key portions of the members’ electronic health records.
- KFHPWA members are accustomed to receiving outpatient surgical care at KFHPWA owned and operated facilities. Referring members to other community endoscopy providers would significantly diminish the customer experience at KFHPWA.

Alternatives Analysis

As presented below, alternatives were evaluated in terms of access; quality; cost/efficiency; staffing impacts; and legal comparisons.

The proposed project requests approval to continue operating KFHPWA’s Bellevue Procedure Center under an ambulatory surgical facility (“ASF”) license and expand it from three (3) to four (4) procedure rooms. The following three options for this project were evaluated:

1. KFHPWA would seek CN to continue operation of the existing procedure center at 3-procedure rooms.
2. KFHPWA would seek CN approval to continue operation of Bellevue Procedure Center and expand to four (4) procedure rooms. (The Project).

3. KFHPWA would seek CN approval to continue operation of Bellevue Procedure Center and expand to five (5) procedure rooms.

Table 10. Alternatives Analysis: Promoting Access to Health Care Services.

Option:	Advantages/Disadvantages:
Option One: KFHPWA seek CN to continue operation of the existing 3-PR procedure center	• Would continue KFHPWA members' current access to ambulatory procedural services. (Advantages "A") • Provides the preferred delivery model for KFHPWA, i.e., owning and operating health care services. (A) • The existing 3-PR has limited capacity to meet the projected future health demand anticipated by our members, as demonstrated in our need model. (D)
Option Two: KFHPWA seek CN approval to continue operation of procedure center and expand to four (4) procedure rooms. (the proposed project)	• Similar advantages to Option One. (A) • The expansion will allow KFHPWA to effectively address the projected demand for Bellevue Procedure Center services, as demonstrated in our need model. (A)
Option Three: KFHPWA seek CN approval to continue operation of procedure center and expand to five (5) procedure rooms.	• Similar advantages to Option One. (A) • Would fully address the projected demand for Bellevue Procedure Center services, as demonstrated in our need model. (A)

Table 11. Alternatives Analysis: Promoting Quality of Care.

Option:	Advantages/Disadvantages:
Option One: KFHPWA seek CN to continue operation of the existing 3-PR procedure center	• Would maintain the current quality of care of services that KFHPWA members are currently receiving. (A) • Limited capacity to meet project demand growth which will have members increasingly rely on external providers. (D)
Option Two: KFHPWA seek CN approval to continue operation of procedure center and expand to four (4)	• Would ensure adequate service capacity to meet much of the future demand, thereby ensuring ability for members to receive care by internal providers which will improve care coordination. (A)

procedure rooms. (the proposed project)	
Option Three: KFHPWA seek CN approval to continue operation of procedure center and expand to five (5) procedure rooms.	• Similar advanatages to Option Two. Most effectively addresses future demand. (A)

Table 12. Alternatives Analysis: Promoting Cost and Operating Efficiency.

Option:	**Advantages/Disadvantages:**
Option One: KFHPWA seek CN to continue operation of the existing 3-PR procedure center	• No capital expenditures required. (A)
Option Two: KFHPWA seek CN approval to continue operation of procedure center and expand to four (4) procedure rooms. (the proposed project)	• Limited capital expenditures required for expansion. (D) • Expanded service capacity will increase economies of scale and ensure sufficient capacity to address future demand under KFHPWA's preferred clinical delivery model which it has found to be operationally most efficient. (A)
Option Three: KFHPWA seek CN approval to continue operation of procedure center and expand to five (5) procedure rooms.	• Would require greater capital expenditures to acocomodate the fifth procedure room. (D)

Table 13. Alternatives Analysis: Staffing Impact.

Option:	**Advantages/Disadvantages:**
Option One: KFHPWA seek CN to continue operation of the existing 3-PR procedure center	• No change in current staffing. (N)
Option Two: KFHPWA seek CN approval to continue operation of procedure center and expand to four (4) procedure rooms. (the proposed project)	• Increases in staffing will be required. However, we do not foresee any issues with recruitment. (N)
Option Three: KFHPWA seek CN approval to continue operation of procedure center and expand to five (5) procedure rooms.	• Increases in staffing would be required. However, we do not foresee any issues with recruitment. (N)

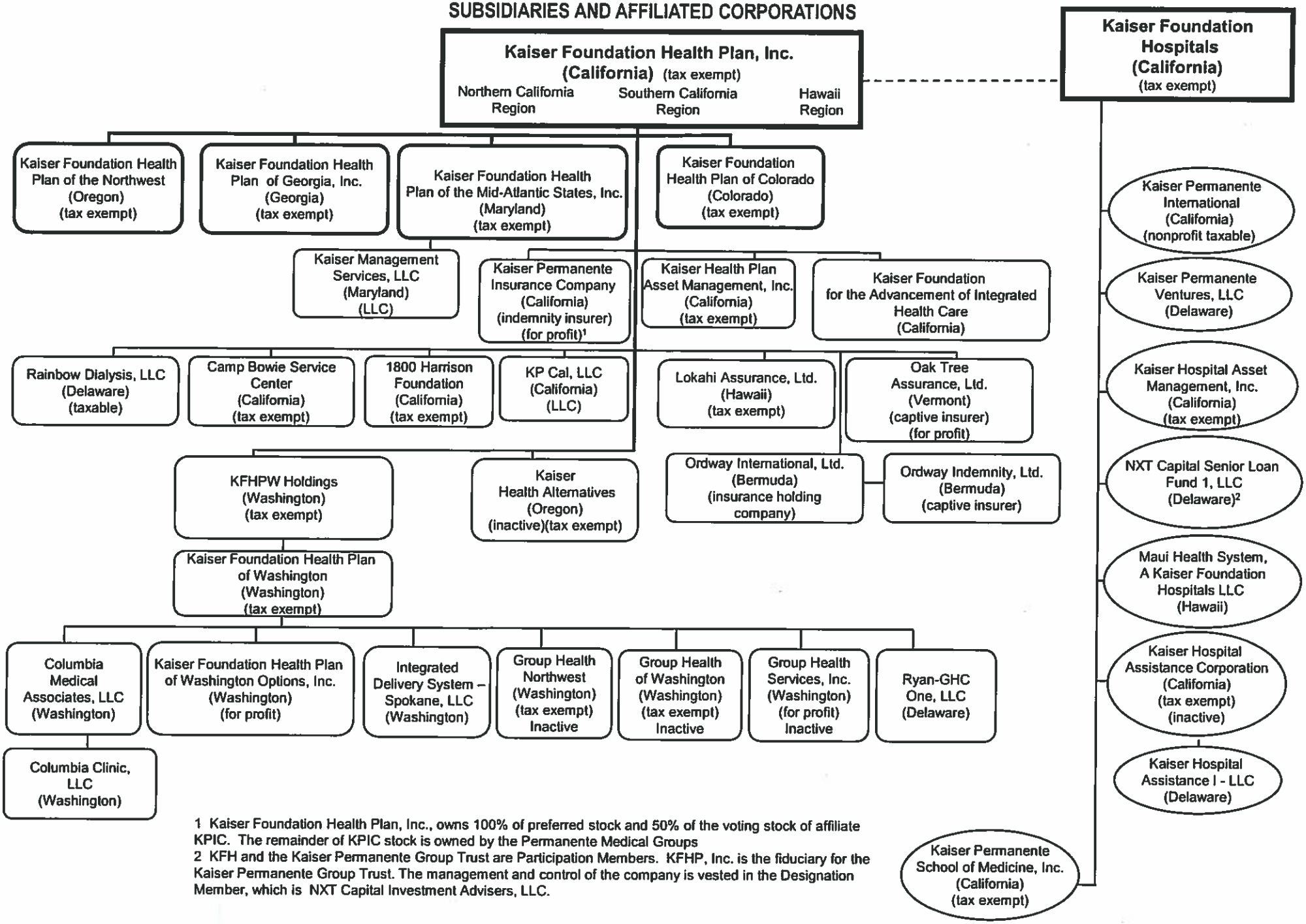
Table 14. Alternatives Analysis: Legal Comparison.

Option:	Advantages/Disadvantages:
Option One: KFHPWA seek CN to continue operation of the existing 3-PR procedure center	• Requires certificate of need (D)
Option Two: KFHPWA seek CN approval to continue operation of procedure center and expand to four (4) procedure rooms. (the proposed project)	• Requires certificate of need (D)
Option Three: KFHPWA seek CN approval to continue operation of procedure center and expand to five (5) procedure rooms.	• Requires certificate of need (D)

Exhibit 1.

Organizational Chart

KAISER FOUNDATION HEALTH PLAN, INC. AND KAISER FOUNDATION HOSPITALS
SUBSIDIARIES AND AFFILIATED CORPORATIONS



1 Kaiser Foundation Health Plan, Inc., owns 100% of preferred stock and 50% of the voting stock of affiliate KPIC. The remainder of KPIC stock is owned by the Permanente Medical Groups

2 KFH and the Kaiser Permanente Group Trust are Participation Members. KFHP, Inc. is the fiduciary for the Kaiser Permanente Group Trust. The management and control of the company is vested in the Designation Member, which is NXT Capital Investment Advisers, LLC.

Exhibit 2.

Patient Origin Table and Map by Zip Code

Kaiser Permanente Bellevue Procedure Center Patient Origin Analysis by Zip Code and Region - CY2017

Region	Patient Total	% of Total
E King	1,886	45.26%
Snohomish	844	20.25%
S King	659	15.81%
Seattle	397	9.53%
Out of Service Area	194	4.66%
Tahoma	98	2.35%
Thurston	31	0.74%
Kitsap	24	0.58%
Skagit	21	0.50%
Whatcom	8	0.19%
Spokane	5	0.12%

Zip Code	Patient Total	% of Total	Cumulative %
98034	161	3.86%	3.86%
98052	152	3.65%	7.51%
98006	149	3.58%	11.09%
98012	121	2.90%	13.99%
98033	119	2.86%	16.85%
98059	115	2.76%	19.61%
98058	106	2.54%	22.15%
98008	104	2.50%	24.65%
98056	89	2.14%	26.78%
98011	82	1.97%	28.75%
98208	81	1.94%	30.69%
98042	81	1.94%	32.64%
98036	79	1.90%	34.53%
98004	77	1.85%	36.38%
98072	76	1.82%	38.20%
98031	75	1.80%	40.00%
98053	72	1.73%	41.73%
98040	71	1.70%	43.44%
98021	71	1.70%	45.14%
98007	69	1.66%	46.80%
98026	66	1.58%	48.38%
98029	65	1.56%	49.94%
98005	65	1.56%	51.50%
98027	63	1.51%	53.01%
98296	58	1.39%	54.40%
98258	57	1.37%	55.77%
98204	57	1.37%	57.14%
98290	55	1.32%	58.46%
98087	55	1.32%	59.78%
98055	55	1.32%	61.10%
98272	54	1.30%	62.40%
98038	54	1.30%	63.69%
98028	53	1.27%	64.96%
98203	51	1.22%	66.19%
98275	50	1.20%	67.39%
All Other Zip Codes <50 Cases	1,359	32.61%	100.00%

Source: Applicant

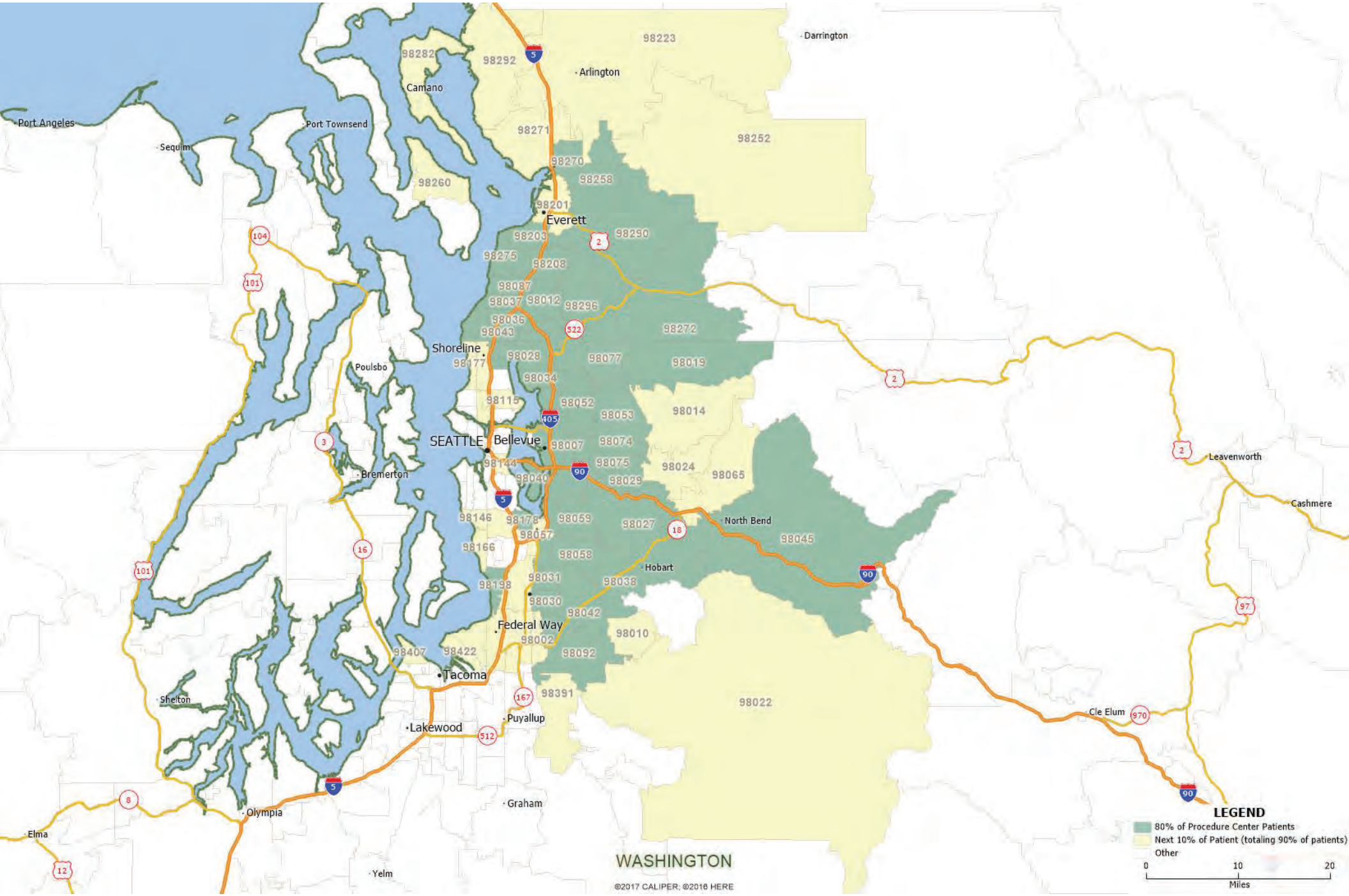

98223
Darrington
98282
98292
Arlington
Camano
Port Angeles
Port Townsend
98271
98252
Sequim
98270
98258
98260
98201
Everett
98203
98290
98275
98208
98087
98037
98012
98296
98036
98043
98272
Shoreline
98028
98077
98019
98177
Poulsbo
98034
98115
98052
98053
98014
SEATTLE
Bellevue
98007
98074
98144
98075
98024
98065
Bremerton
98040
98029
Leavenworth
Cashmere
98146
98178
98059
98027
North Bend
98057
98045
98166
98058
Hobart
98031
98038
98198
98030
98042
Federal Way
98010
98002
98407
98422
98092
Tacoma
98391
98022
Shelton
Puyallup
Cle Elum
Lakewood
Graham
Olympia
Elma
Yelm
WASHINGTON
©2017 CALIPER; ©2016 HERE
LEGEND
80% of Procedure Center Patients
Next 10% of Patient (totaling 90% of patients)
Other
0
10
20
Miles

Exhibit 3.

Office of the Insurance Commissioner's List of Active HMOs

Consumer tools

Agent and Company Lookup | Orders | Independent Review Decisions

Look up an agent, agency or company

Agent Search | Agency Search | Company Search

Search **All** companies | Search companies with **Active** lines of business only

Search for company by name, coverage, license number, or organization type

Name

Coverage type: Health

Organization type: Health Maintenance Organization

Washington state license number (WAOIC)

NAIC number

Doing business as (DBA)

Washington state domestic companies only

Search -> | Clear all fields | Need help searching?

Showing 1-22 of 22 Results

Search Results - To sort, select a column heading.

Name	WAOIC	Status
COORDINATED CARE CORPORATION	500635	ACTIVE
ESSENCE HEALTHCARE, INC.	251346	ACTIVE
HUMANA HEALTH PLAN OF TEXAS INC	501276	ACTIVE
MOLINA HEALTHCARE OF WASHINGTON INC	136	ACTIVE
HUMANA HEALTH PLAN, INC.	500398	ACTIVE
KAISER FOUNDATION HEALTH PLAN OF WASHINGTON	554	ACTIVE
REGENCE HEALTH MAINTENANCE OF OREGON	69137	ACTIVE
REGENCECARE	594	INACTIVE
MAXICARE WASHINGTON INC	587	INACTIVE
PACC DBA PACC HEALTH PLANS OF WASHINGTON	85229	INACTIVE
PACIFIC HEALTH PLANS	1032	INACTIVE
PACIFICARE OF WASHINGTON INC	1041	INACTIVE
PERSONAL HEALTH OF PUGET SOUND	1068	INACTIVE
PREMERA HEALTHPLUS	586	INACTIVE
HUMANA HEALTH PLAN OF WASHINGTON INC	611	INACTIVE
AETNA HEALTH INC	979	INACTIVE
BESTCARE INC	198	INACTIVE
CENTRAL WASHINGTON HEALTH PLAN	121870	INACTIVE
GOOD HEALTH PLAN OF WASHINGTON THE	53419	INACTIVE
GROUP HEALTH NORTHWEST	555	INACTIVE
GROUP HEALTH OF WASHINGTON	556	INACTIVE
HEALTH MAINTENANCE PLAN OF SNOHOMISH CO PHYSICIANS CORP	589	INACTIVE

Exhibit 4.

Letter of Intent

KAISER PERMANENTE®

Kaiser Foundation Health Plan of Washington
601 Union St., Suite 3100, Seattle WA 98101

February 28, 2019

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

Re: *Letter of Intent—Kaiser Foundation Health Plan of Washington—HMO Ambulatory Surgical Facility—**Bellevue Procedure Center (Endoscopy Unit)**—Bellevue, Washington.*

Dear Ms. Sigman:

In accordance with RCW 70.38.115(3) and WAC 246-310-080, Kaiser Foundation Health Plan of Washington ("KFHPWA"), a federally tax-exempt, Washington nonprofit corporation, and a wholly-owned subsidiary of Kaiser Foundation Health Plan, Inc., a California non-profit public benefit corporation, submits this letter of intent requesting certificate of need ("CN") approval to operate its existing Kaiser Permanente Bellevue Procedure Center ("Bellevue Procedure Center") as a CN-approved ambulatory surgical facility ("ASF").[1] The Bellevue Procedure Center is located at 11511 N.E. 10th Street, Bellevue, WA., 98004.

KFHP-WA currently owns and operates the Bellevue Procedure Center, operating under Office Based Surgery ("OBS") requirements, and accredited by the Accreditation Association for Ambulatory Health Care (AAAHC).

1. Description of proposed services:

Certificate of Need approval to operate the current three procedure rooms, and add a fourth, such that when approved, Bellevue Procedure Center will operate as a four procedure room, CN-approved ASF.

---

[1] Kaiser Foundation Health Plan of Washington ("KFHPWA") is a federally tax-exempt, Washington nonprofit corporation, registered as a health maintenance organization ("HMO") under state law. KFHPWA offers comprehensive, coordinated health care to an enrolled membership for a fixed prepaid fee primarily through its owned and leased facilities, employed providers, and contracted providers. KFHPWA has a mutually exclusive relationship with its affiliated medical group -- Washington Permanente Medical Group -- which furnishes physician and related professional services to KFHPWA members within core areas of KFHPWA's delivery system.

2. **Estimated cost of proposed project:**

The estimated cost of the proposed project is $826,000.

3. **Identification of the service area:**

For purposes of certificate of need review under the HMO criteria set forth in RCW 70.38.115, the service area is considered to be those portions of King and Snohomish counties from which the Bellevue Procedure Center currently draws the majority of its patients requiring endoscopic and related outpatient procedures. If the ASF were not owned and controlled by a health maintenance organization, the service area designated by WAC 246-310-270(2) and (3) would be the East King Secondary Health Service Planning Area.

Thank you for your attention to this matter. If you have any questions, please contact me or Julia Yeager, Director, Delivery System Strategy & Planning, 206.630.2846, julia.a.yeager@kp.org.

Sincerely,

Karen Schartman
VP and CFO, Finance and Strategy
Kaiser Foundation Health Plan of Washington
601 Union St., Suite 3100
Seattle WA 98101

cc. David Glazer, KP Legal
Frank Fox, Ph.D.

Exhibit 5.

Equipment List

Olympus America Inc.
3500 Corporate Parkway
P.O. BOX 610
Center Valley, PA 18034-0610

TEL: (800) 848-9024
FAX: (800) 228-4963

timothy.stack@olympus.com
www.olympusamerica.com

Quote Number: Q-00677195

Please refer to this number on all correspondence
Effective Date: February 19, 2019

Expiration Date: March 29, 2019

Customer Information

Contact Name: Marilyn Moorhouse

Contact Email: marilyn.a.moorhouse@kp.org

Account Name: KAISER FOUNDATION HEALTH PLAN OF WASHINGTON

Customer Address: 11511 NE 10TH ST
BELLEVUE, Washington
98004
Customer Number: 20040581
(Sold To)

Payment Terms: Net 30 subject to Olympus credit approval
F.O.B.: Shipping point, unless otherwise mutually agreed upon in writing
Tax: Applicable taxes are not included in this quote and are the responsibility of the customer

Olympus Information

Representative: Timothy Stack
Phone: (206) 300-9123
Email: timothy.stack@olympus.com

Cage code: 32212
DUNS#: 017018859
Tax ID: 11-2416961

Comments

There is an optional OER-Pro Biomedical Repair Service School Course available. The cost for OER-Pro Biomedical Repair Service School is $8,000 for each attendee. The cost for the OER-Pro Tool Kit which is a requirement for attendance is $2,000 and the training is $6,000.

To ensure proper shipping, please provide the following information on your Purchase Order at the time of purchase:

1) Can your facility accommodate a 53 semi truck? _____
   A. If not, what size can be accepted? _____
2) Does your facility have a loading dock? _____
   A. If not, will a lift gate be needed? _____
3) Does your facility require inside delivery? _____
   A. If yes, what is the floor number? _____
   B. Does your facility have a freight elevator? _____
   C. How many doors will the equipment need to go through? _____
4) Receiving/ Delivery dock Contact Name: _____
5) Receiving/ Delivery dock Contact Phone #: _____

Please be sure to inspect thoroughly before signing the delivery documents.

Olympus America Inc.
3500 Corporate Parkway
P.O. BOX 610
Center Valley, PA 18034-0610

TEL: (800) 848-9024
FAX: (800) 228-4963

timothy.stack@olympus.com
www.olympusamerica.com

Quote Number: Q-00677195

Please refer to this number on all correspondence
Effective Date: February 19, 2019

Expiration Date: March 29, 2019

#	Item Type	Model And Description	Kit Component(s)	Qty	List Price	Contract Price	Unit Price	Total Price
			Electronics					
1	New	**CV-190** : CV-190 EVIS EXERA III VIDEO PROCESSOR		1	$30,100.00	$22,508.59	$22,508.59	$22,508.59
2	New	**CLV-190** : CLV-190 EVIS EXERA III LIGHT SOURCE		1	$17,400.00	$12,985.72	$12,985.72	$12,985.72
3	New	**OEV-262H** : OEV-262H HIGH DEFINITION LED L CD MONITO		2	$8,850.00	$7,080.00	$7,080.00	$14,160.00
4 *	New	**ISM-1006539** : "nCare, Rec, Single, Dir SDI"		1	$31,675.00	Not Available	$25,340.00	$25,340.00
11	New	**UPDR-80MD** : UPDR-80MD SONY DYE SUB. LETR W/ 12' USB		1	$2,540.00	$2,017.20	$2,017.20	$2,017.20
							Sub Total	**$77,011.51**
			Accessories & Cables					
5	New	**MAJ-1951** : MAJ-1951 SDI CABLE 2.5M		2	$68.00	$50.20	$50.20	$100.40
6	New	**MAJ-1918** : MAJ-1918 REMOTE CABLE PERIPH DEVICE 1.8M		1	$24.50	$17.82	$17.82	$17.82
7	New	**MAJ-1916** : MAJ-1916 CV-190 INTERFACE CONVERT DEVICE		1	$890.00	$660.29	$660.29	$660.29
8	New	**IS50060** : IS50060 Accutouch 19 Inch White ELO		1	$1,534.70	$1,221.80	$1,221.80	$1,221.80
9	New	**MAJ-438** : MAJ-438 VCR REMOTE CONTROL CAB LE FOR OT		1	$87.50	$53.30	$53.30	$53.30
10	New	**MAJ-854** : MAJ-854 REMOTE CABLE CV-160 FOR SVR PRIN		1	$197.00	$146.85	$146.85	$146.85
							Sub Total	**$2,200.46**
			Scopes					
12	New	**GIF-H190** : GIF-H190 EVIS EXERA III HDTV GASTROSCOPE		2	$48,500.00	$36,360.03	$36,360.03	$72,720.06
13	New	**CF-HQ190L** : CF-HQ190L EVIS EXERA III HD COLONOSCOPE		1	$53,100.00	$39,822.89	$39,822.89	$39,822.89
14	New	**PCF-H190DL** : PCF-H190DL W/ SCOPEGUIDE		4	$53,100.00	$38,851.60	$38,851.60	$155,406.40
							Sub Total	**$267,949.35**
			OER-Pro with Knowledge Exchange					
15	New	**OER-PRO** : OER-PRO OLYMPUS REPROCESSOR		1	$35,400.00	$29,842.00	$29,842.00	$29,842.00
16	New	**MAJ-865** : MAJ-865 OER-PRO ENDOSCOPE HANGER		1	$151.00	$127.28	$127.28	$127.28

Olympus America Inc.
3500 Corporate Parkway
P.O. BOX 610
Center Valley, PA 18034-0610

TEL: (800) 848-9024
FAX: (800) 228-4963

timothy.stack@olympus.com
www.olympusamerica.com

Quote Number: Q-00677195

Please refer to this number on all correspondence
Effective Date: February 19, 2019

Expiration Date: March 29, 2019

#	Item Type	Model And Description	Kit Component(s)	Qty	List Price	Contract Price	Unit Price	Total Price
17	New	**MF01-0033PL** : MF01-0033PL EXTERNAL PRE-FILTRATION SYST		1	$1,140.00	$946.00	$946.00	$946.00
18 *	New	**INTROKERMM** : INTRO KE RMM PACK (SINGLE SITE)		1	$13,823.00	Not Available	$9,250.00	$9,250.00
18			: CBL-00001 RS232 CABLE-20'	4				
18			: IN-HW-00006 IN10A PROTOCOL CONVERTER	1				
18			: KE V2 BASE SINGLE SITE LIC	1				
18			: KE V2 RMM SINGLE SITE LIC	1				
19 *	New	**KE-INSTL-BASE** : KE-INSTL-BASE KE BASE SOFTWARE INSTALL		1	$3,090.00	Not Available	$3,090.00	$3,090.00
							Sub Total	**$43,255.28**

* DENOTES OPEN MARKET ITEM
Pricing may be based on a local agreement or the following contract(s):
Premier PP-OR-1457 GI Tier 4
Premier PP-OR-1458 Surg/Vid Tier 3
Premier PP-OR-1438 INT Tier 1
Premier PP-MM-507 AER Tier 1

KAISER FOUNDATION HEALTH PLAN OF WASHINGTON

Signature: _____

Name: _____

Title: _____

Effective Date: _____

Purchase Order #: _____

Total List Price: (Before Trade-Ins)	$518,388.70
Total Net Price: (Before Trade-Ins)	$390,416.60
Total Trade-In Value:	$0.00
Sub Total:	$390,416.60
Freight:	$732.14
Grand Total:	**$391,148.74**

I. Olympus Standard Terms and Conditions apply to this quote, unless otherwise mutually agreed upon in writing
II. Errors & Omissions Excepted. Price quotes and the total package prices are for the quoted items only.
III. Changes and additions to, or deletions from this quote may cause pricing adjustments.
IV. Service manuals and additional operator manuals are not included and may be ordered by contacting the Customer Care Center at (800) 848 9024.
V. If freight charge is included, the freight charge may not necessarily reflect the exact charge paid by Olympus to the carrier due to the volume incentive discount agreements entered into between Olympus and carrier, unless otherwise mutually agreed upon in writing.

Based on the products purchased, the following terms may apply:

Olympus America Inc.
3500 Corporate Parkway
P.O. BOX 610
Center Valley, PA 18034-0610

TEL: (800) 848-9024
FAX: (800) 228-4963

timothy.stack@olympus.com
www.olympusamerica.com

Quote Number: Q-00677195

Please refer to this number on all correspondence
Effective Date: February 19, 2019

Expiration Date: March 29, 2019

I. ET1457 promotional kit: This package pricing is contingent upon product availability and on customer's purchase of all items included in the package. Return of any products under the promotion package pricing may increase the price for the other items purchased under the promotion package pricing. Promotion is subject to termination at any time.

II. Certified Pre Owned promotional MP1752 This promotional package must be purchased in conjunction with the BTTF5 promotional package. Return of any items within this promotional package may trigger pricing changes to the remaining items. Promotion is subject to termination at any time.

III. Quotes containing the following item numbers or promotional discount codes are eligible for the 160 Service Contract Upgrade Promotion (GIF-H180J-160SVCT, GIF-H180-160SVCT, GIF-Q180-160SVCT, CF-H180AL-160SVCT, CF-Q180AL-160SVCT, PCF-H180AL-160SVCT, PCF-Q180AL-160SVCT, and 160 to 190 Customer Loyalty). In order to receive the benefit of this promotion, customers must have an active service agreement which covers a corresponding like-type 160 generation endoscope. By accepting this promotional offer, Customer acknowledges and agrees that any applicable trade-in 160 scopes will be removed from their service agreement and replaced with a corresponding like-type promotional 180 or 190 generation endoscope ("Replacement Scope"). Once the Replacement Scope is shipped, Olympus will send Customer notification of the updated service agreement. Except as specifically modified by the above, the terms and conditions of the service agreement remain in full force and effect.

IV. ScopeLocker storage product: Please take note of the ScopeLocker's specifications and dimensions and carefully measured the space where the ScopeLocker will be installed to ensure a good and proper fit. By submitting payment and/or a purchase order for any ScopeLocker, customer acknowledges and agrees that Olympus' standard return goods policy does not apply. ScopeLockers may only be returned if they have been delivered to the customer damaged. Customer is responsible for noting and reporting any external shipping damage prior to signing the carrier's receipt form for the ScopeLocker. Once customer signs the carrier's receipt form for the ScopeLocker, it is understood that the customer has inspected the shipment and has found no evidence of external shipping damage. Customer has seven (7) days after customer's receipt of the ScopeLocker to notify Olympus of any internal shipping damage which was undetectable at time of product receipt. Only returns with a valid Return Merchandise Authorization (\"RMA\") number issued by Olympus will be accepted and eligible for return. All authorized returns must be sent prepaid to Olympus or its designee and the RMA number must be prominently displayed on the shipping carton and all paperwork. Merchandise returned with proper RMA identification, with all accompanying items and manuals (as shipped to customer), shall be credited at the original customer's purchase price. No returns will be accepted more than 14 days from date of invoice. Credits will be given against customer's account; no cash refunds will be issued.

V. Used Products: All used products carry a 90 day limited warranty, supplied with your order. These products are designated as 'Used' as the item type.

Exhibit 6A.

Single Line Drawing (Current)


Procedure3
Procedure2
Procedure1
Soiled Scope
Clean
Clean
Not in use
5
6
7
8
4
3
2
1
ISO9
10
11
12
13

Exhibit 6B.

Single Line Drawing (Proposed)


Procedure3
Procedure2
Procedure1
Soiled Scope
Clean
Clean
Procedure4
ISO9
5
6
7
8
10
11
12
13
4
3
2
1

Exhibit 7A.

Property Title

AMERICAN LAND TITLE ASSOCIATION
OWNER'S POLICY
(10-17-92)

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

In Witness Whereof, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

Issued by:
CHICAGO TITLE INSURANCE COMPANY
701 FIFTH AVENUE
SUITE 3400
SEATTLE, WA 98104
(206) 628-5666

CHICAGO TITLE INSURANCE COMPANY

By: _____ President

ATTEST: _____ Secretary

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. **(a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.**

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. **Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.**

3. **Defects, liens, encumbrances, adverse claims or other matters:**

   (a) created, suffered, assumed or agreed to by the insured claimant;

   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

   (c) resulting in no loss or damage to the insured claimant;

   (d) attaching or created subsequent to Date of Policy; or

   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

4. **Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:**

   (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or

   (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:

      (a) to timely record the instrument of transfer; or

      (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CHICAGO TITLE INSURANCE COMPANY
701 FIFTH AVENUE, #3400, SEATTLE, WA 98104

EXTENDED OWNER POLICY
SCHEDULE A

Policy No.: 1167010

Date of Policy: AUGUST 25, 2005 at 12:17 PM

Amount of Insurance: $7,283,320.00

1. Name of Insured:

   GROUP HEALTH COOPERATIVE, A WASHINGTON NON-PROFIT CORPORATION

2. The estate or interest in the land which is covered by this policy is:

   FEE SIMPLE

3. Title to the estate or interest in the land is vested in:

   GROUP HEALTH COOPERATIVE, A WASHINGTON NON-PROFIT CORPORATION

4. The land referred to in this policy is described as follows:

   TRACTS M AND 991, OVERLAKE HOSPITAL MEDICAL CENTER, BINDING SITE PLAN II, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 228 OF PLATS, PAGE(S) 77 THROUGH 84, INCLUSIVE, IN KING COUNTY, WASHINGTON.

CHICAGO TITLE INSURANCE COMPANY

EXTENDED OWNER POLICY

SCHEDULE B

Policy No.: 001167010

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys; fees or expenses) which arise by reason of:

GENERAL EXCEPTIONS:

BC 1. NONE.

SPECIAL EXCEPTIONS:

CONTINUED ON NEXT PAGE

EXTENDED OWNER POLICY

SCHEDULE B

(Continued) Policy No.: 1167010

SPECIAL EXCEPTIONS

B 1. UNDERGROUND UTILITY EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE:	PUGET SOUND POWER & LIGHT COMPANY AND PACIFIC NORTHWEST BELL TELEPHONE COMPANY, BOTH WASHINGTON CORPORATIONS
PURPOSE:	ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM TOGETHER WITH ALL NECESSARY OR CONVENIENT APPURTENANCES
AREA AFFECTED:	PORTIONS OF TRACT M OF SAID PREMISES
RECORDED:	OCTOBER 9, 1973
RECORDING NUMBER:	7310090499

CONTAINS COVENANT PROHIBITING STRUCTURES OVER SAID EASEMENT OR OTHER ACTIVITIES WHICH MIGHT ENDANGER THE UNDERGROUND SYSTEM.

D 2. UNDERGROUND UTILITY EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE:	PUGET SOUND POWER & LIGHT COMPANY, A WASHINGTON CORPORATION
PURPOSE:	ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM TOGETHER WITH ALL NECESSARY OR CONVENIENT APPURTENANCES
AREA AFFECTED:	A STRIP OF LAND 8 FEET IN WIDTH HAVING 4 FEET OF SUCH WIDTH ON EACH SIDE OF THE CENTERLINE OF GRANTEE'S FACILITIES AS CONSTRUCTED OR TO BE CONSTRUCTED, LYING WITHIN PORTIONS OF TRACT M OF SAID PREMISES
RECORDED:	MAY 23, 1978
RECORDING NUMBER:	7805230737

CONTAINS COVENANT PROHIBITING STRUCTURES OVER SAID EASEMENT OR OTHER ACTIVITIES WHICH MIGHT ENDANGER THE UNDERGROUND SYSTEM.

F 3. UNDERGROUND UTILITY EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE:	PUGET SOUND POWER & LIGHT COMPANY, A WASHINGTON CORPORATION
PURPOSE:	ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM TOGETHER WITH ALL NECESSARY OR CONVENIENT APPURTENANCES
AREA AFFECTED:	PORTION OF TRACT M OF SAID PREMISES LYING WITHIN A STRIP OF LAND 10 FEET IN WIDTH HAVING 5 FEET OF SUCH WIDTH ON EACH SIDE OF THE CENTERLINE OF GRANTEE'S

EXTENDED OWNER POLICY
SCHEDULE B

(Continued) Policy No.: 1167010

SPECIAL EXCEPTIONS

	FACILITIES AS CONSTRUCTED OR TO BE CONSTRUCTED, EXTENDED OR RELOCATED
RECORDED:	MARCH 14, 1988
RECORDING NUMBER:	8803140287

CONTAINS COVENANT PROHIBITING STRUCTURES OVER SAID EASEMENT OR OTHER ACTIVITIES WHICH MIGHT ENDANGER THE UNDERGROUND SYSTEM.

G 4. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE:	CITY OF BELLEVUE, A MUNICIPAL CORPORATION
PURPOSE:	CONSTRUCTING, INSTALLING, RECONSTRUCTING, REPLACING, REPAIRING, MAINTAINING AND OPERATING A WATER PIPELINE AND ALL NECESSARY CONNECTIONS AND APPURTENANCES THERETO
AREA AFFECTED:	WESTERLY PORTION OF SAID PREMISES AND OTHER PROPERTY
RECORDED:	NOVEMBER 17, 1999
RECORDING NUMBER:	19991117000913

H 5. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

RESERVED BY:	CITY OF BELLEVUE, A MUNICIPAL CORPORATION
PURPOSE:	SIDEWALK, LIGHTING, LANDSCAPE AND UTILITIES
AREA AFFECTED:	AN EASTERLY PORTION OF TRACT M OF SAID PREMISES
RECORDED:	JULY 11, 2005
RECORDING NUMBER:	20050711001267

I 6. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE:	CITY OF BELLEVUE, A MUNICIPAL CORPORATION
PURPOSE:	SIDEWALK, LANDSCAPING, LIGHTING AND UTILITIES
AREA AFFECTED:	AN EASTERLY PORTION OF TRACT M OF SAID PREMISES
RECORDED:	JULY 11, 2005
RECORDING NUMBER:	20050711001268

SPECIAL EXCEPTIONS

J 7. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE:	CITY OF BELLEVUE, A MUNICIPAL CORPORATION
PURPOSE:	SIDEWALK, LANDSCAPING, LIGHTING AND UTILITIES
AREA AFFECTED:	AN EASTERLY PORTION OF TRACT M OF SAID PREMISES
RECORDED:	JULY 11, 2005
RECORDING NUMBER:	20050711001270

K 8. TERMS AND CONDITIONS OF ACCESS AND PARKING EASEMENT (AGREEMENT), ESTABLISHED FOR THE BENEFIT OF SAID PREMISES AND OTHER PROPERTY BY INSTRUMENT:

RECORDED:	JULY 11, 2005
RECORDING NUMBER:	20050711001277

N 9. COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, NOTES, DEDICATIONS AND SETBACKS, IF ANY, SET FORTH IN OR DELINEATED ON SAID PLAT OF OVERLAKE HOSITAL MEDICAL CENTER, BINDING SITE PLAN II, RECORDED UNDER RECORDING NUMBER 20050706000936.

O SAID BINDING SITE PLAN SUPERSEDES THE BINDING SITE PLAN RECORDED UNDER RECORDING NUMBER 9904011437.

P 10. CONDEMNATION OF ACCESS TO STATE HIGHWAY NUMBER 1 AND OF LIGHT, VIEW AND AIR BY KING COUNTY DECREES TO THE STATE OF WASHINGTON:

SUPERIOR COURT CAUSE NUMBERS: 462646, 525636 AND 672706

Z 11. TERMS AND CONDITIONS OF NOTICE OF CHARGES BY WATER, SEWER, AND/OR STORM AND SURFACE WATER UTILITIES, RECORDED UNDER RECORDING NUMBER 9612200938.

BQ ALL AMOUNTS PAID CURRENT.

BP 12. MATTERS DISCLOSED BY SURVEY BY TRIAD ASSOCIATES DATED DECEMBER 20, 2004, LAST REVISED AUGUST 8, 2005, AS JOB NO. 04-150, AS FOLLOWS:

A) EXISTING ASPHALT AND CONCRETE CURBING EXTEND INTO THE RIGHT OF WAY FOR SR 405 ADJOINING TO THE WEST;

B) EXISTING CHAINLINK FENCE APPURTENANT TO THE PROPERTY ADJOINING TO THE

EXTENDED OWNER POLICY

SCHEDULE B

(Continued) Policy No.: 1167010

SPECIAL EXCEPTIONS

WEST (SR 405) EXTENDS 1.8 FEET ONTO A WESTERLY PORTION OF THE SUBJECT PROPERTY;

C) EXISTING ROCKERY, CONCRETE CURBING, ASPHALT, AND CONCRETE WALL EXTEND INTO THE RIGHT OF WAY FOR 116TH AVENUE N.E.; AND

D) ROCKERY, ASPHALT AND CONCRETE CURBING EXTEND ACROSS THE NORTHERLY PROPERTY LINE.

BR 13. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND THE TERMS AND CONDITIONS THEREOF:

RECORDED:	AUGUST 25, 2005
RECORDING NUMBER:	20050825001306

** END OF SCHEDULE B **

AUTHORIZED SIGNATORY

Loan Policy Endorsements: N/A

Owner's Policy Endorsements: ALTA 9.1, 103.7, 116.4, 116.7, TAX PARCEL (MODIFIED), 123.1, DELETION OF CREDITORS RIGHTS, WAIVER OF ARBITRATION

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

ALTA ENDORSEMENT - FORM 9.1
(Owners - Unimproved Land)

The Company insures the insured against loss or damage sustained by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:

   (a) Present violations on the land of any enforceable covenants, conditions or restrictions.

   (b) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land which, in addition, (i) establishes an easement on the land; (ii) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant; or (iii) provides a right of reentry, possibility of reverter or right of forfeiture because of violations on the land of any enforceable covenants, conditions or restrictions.

   (c) Any encroachment onto the land of existing improvements located on adjoining land.

   (d) Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.

2. Damage to buildings constructed on the land after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraph 1(a), the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions and restrictions relating to environmental protection.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

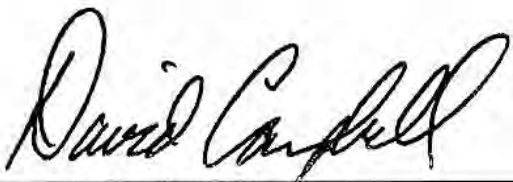
ENDORSEMENT 103.7

The Company hereby insures the Insured against loss or damage which the Insured shall sustain by reason of the failure of the land to abut upon a physically open street known as:

116th Avenue N.E.

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of this policy and is subject to the Schedules and the Conditions and Stipulations therein, except as modified by the provisions hereof.



Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

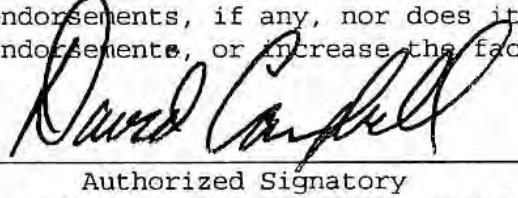
Dated: August 25, 2005

CONTIGUITY ENDORSEMENT (116.4)

The Company hereby assures the Insured that the land described as Tracts M and 991 in Schedule A are contiguous to each other without strips, overlaps, gaps, or gores;

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurances herein shall prove to be incorrect.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and prior endorsements, or increase the face amount thereof.



Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

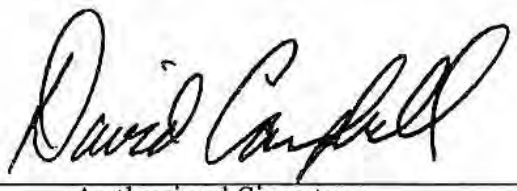
Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

SUBDIVISION ENDORSEMENT
ALTA POLICY
ENDORSEMENT 116.7

Notwithstanding the provisions of Paragraph 1 of the Exclusions from Coverage of the Policy, the Company insures the Insured against loss or damage sustained by reason of all of the land described in Schedule A being, as of Date of Policy, in violation of the provisions of RCW 58.17, et seq., or local laws or ordinances pursuant thereto.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.



Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

Tax Parcel Endorsement (Modified)

The Company hereby assures the Insured that the land described in Schedule A is currently entitled to be taxed as separate tax parcels, which tax parcels do not include any land not described in Schedule A.

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurances herein shall prove to be incorrect.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and prior endorsements or increase the face amount thereof.

Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

ALTA ENDORSEMENT 3
CLTA FORM 123.1

The Company hereby insures the Insured against loss or damage sustained in the event that, at Date of Policy:

(1) According to applicable zoning ordinances and amendments thereto, the land is not classified Zone OLB;

(2) The following use or uses are not allowed under that classification:

Office and Limited Business

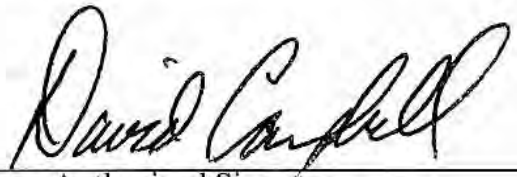
There shall be no liability under this endorsement based on:

(a) Lack of compliance with any conditions, restrictions or requirements contained in the zoning ordinances and amendments thereto mentioned above including, but not limited to, the failure to secure necessary consents or authorizations as a prerequisite to the use or uses.

(b) The invalidity of the ordinances and amendments thereto mentioned above until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit such use or uses.

(c) The refusal of any person to purchase, lease or lend money on the estate or interest covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.



Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

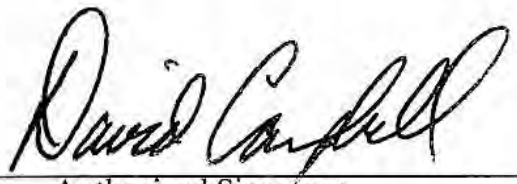
Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

Endorsement 110.1a
Delete Creditors' Rights Exclusion
ALTA Owners or Loan Policy

Said policy is hereby amended by deleting Paragraph 4 if an ALTA Owner's or Leasehold Owner's Policy or Paragraph 7 if an ALTA Loan or Leasehold Loan Policy of the Exclusions from Coverage.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.



Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

Waiver of Arbitration Endorsement

Said policy is hereby amended by deleting Paragraph 13 of the Conditions and Stipulations if an ALTA Loan Policy (10-17-92) or Paragraph 14 of the Conditions and Stipulations if an ALTA Owner's Policy (10-17-92) to which this endorsement is attached.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsements, if any, nor does it extend the effective date of the policy and prior endorsements, or increase the face amount thereof.

David Campbell

Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

Your reference: OVERLAKE/GROUP HEALTH

ENDORSEMENT

Attached to and forming a part of
Policy No. 1167010
Issued By
CHICAGO TITLE INSURANCE COMPANY

Dated: August 25, 2005

CLTA FORM 116.1

The Company hereby insures the Insured against loss or damage which the Insured shall sustain by reason of the failure of the land to be the same as that delineated on the plat of a survey

Made By:	Triad Associates
On:	December 20, 2004, last revised August 22, 2005
Designated Job No.:	04-150

The total liability of the Company under said Policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said Policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of said Policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at the issuing office or to:

Chicago Title Insurance Company
Claims Department
171 North Clark Street
Chicago, Illinois 60601-3294

Exhibit 7B.

King County Department of Assessments – Property Detail

Department of Assessments

500 Fourth Avenue, Suite ADM-AS-0708, Seattle, WA 98104

Office Hours: Mon - Fri 8:30 a.m. to 4:30 p.m.

TEL: 206-296-7300
FAX: 206-296-5107
TTY: 206-296-7888

Send us mail

- New Search
- Property Tax Bill
- Map This Property
- Glossary of Terms
- Area Report
- Print Property Detail

PARCEL DATA

Parcel	644811-0150
Name	KAISER PERMANENTE OF WA
Site Address	11511 NE 10TH ST
Geo Area	80-70
Spec Area	
Property Name	KAISER

Jurisdiction	BELLEVUE
Levy Code	0330
Property Type	C
Plat Block / Building Number	
Plat Lot / Unit Number	TR M
Quarter-Section-Township-Range	SE-29-25-5

Legal Description

OVERLAKE HOSPITAL MED CNTR BSP II
PLat Block:
Plat Lot: TR M

LAND DATA

Highest & Best Use As If Vacant	COMMERCIAL SERVICE
Highest & Best Use As Improved	PRESENT USE
Present Use	Hospital
Land SqFt	179,585
Acres	4.12

Percentage Unusable	
Unbuildable	NO
Restrictive Size Shape	NO
Zoning	MI
Water	WATER DISTRICT
Sewer/Septic	PUBLIC
Road Access	PUBLIC
Parking	ADEQUATE
Street Surface	PAVED

Views

Rainier	
Territorial	
Olympics	
Cascades	
Seattle Skyline	
Puget Sound	
Lake Washington	
Lake Sammamish	
Lake/River/Creek	
Other View	

Waterfront

Waterfront Location	
Waterfront Footage	0
Lot Depth Factor	0
Waterfront Bank	
Tide/Shore	
Waterfront Restricted Access	
Waterfront Access Rights	NO
Poor Quality	NO
Proximity Influence	NO

Designations

Historic Site	
Current Use	(none)
Nbr Bldg Sites	
Adjacent to Golf Fairway	NO
Adjacent to Greenbelt	NO
Other Designation	NO
Deed Restrictions	NO
Development Rights Purchased	NO
Easements	NO
Native Growth Protection Easement	NO
DNR Lease	NO

Nuisances

Topography	
Traffic Noise	
Airport Noise	
Power Lines	NO
Other Nuisances	NO

Problems

Water Problems	NO
Transportation Concurrency	NO
Other Problems	NO

Environmental

Environmental	NO

BUILDING

Building Number	1
Building Description	BELLEVUE MOB & PARKING
Number Of Buildings Aggregated	1
Predominant Use	HOSPITAL (331)
Shape	Very Irreg
Construction Class	REINFORCED CONCRETE
Building Quality	AVERAGE/GOOD
Stories	4
Building Gross Sq Ft	456,242
Building Net Sq Ft	174,799
Year Built	2006

Picture of Building 1

Floor plan of Building 1

Reference Links:

- King County Tax Links
- Property Tax Advisor
- Washington State Department of Revenue (External link)
- Washington State Board of Tax Appeals (External link)
- Board of Appeals/Equalization
- Districts Report
- iMap
- Recorder's Office

Scanned images of surveys and other map documents

Scanned images of plats

Eff. Year	2006
Percentage Complete	100
Heating System	PACKAGE UNIT
Sprinklers	Yes
Elevators	Yes

Section(s) Of Building Number: 1

Section Number	Section Use	Description	Stories	Height	Floor Number	Gross Sq Ft	Net Sq Ft
2	BASEMENT, PARKING (706)		4	9	0	281,443	0
1	HOSPITAL (331)		4	12	0	174,799	174,799

TAX ROLL HISTORY

Account	Valued Year	Tax Year	Omit Year	Levy Code	Appraised Land Value ($)	Appraised Imps Value ($)	Appraised Total Value ($)	New Dollars ($)	Taxable Land Value ($)	Taxable Imps Value ($)	Taxable Total Value ($)	Tax Value Reason
644811015002	2018	2019		0330	14,366,800	70,222,800	84,589,600	0	14,366,800	70,222,800	84,589,600	
644811015002	2017	2018		0330	14,366,800	67,254,400	81,621,200	0	14,366,800	67,254,400	81,621,200	
644811015002	2016	2017		0330	14,366,800	56,434,700	70,801,500	0	14,366,800	56,434,700	70,801,500	
644811015002	2015	2016		0330	14,366,800	55,423,300	69,790,100	0	14,366,800	55,423,300	69,790,100	
644811015002	2014	2015		0330	11,673,000	52,301,200	63,974,200	0	11,673,000	52,301,200	63,974,200	
644811015002	2013	2014		0330	11,673,000	52,301,200	63,974,200	0	11,673,000	52,301,200	63,974,200	
644811015002	2012	2013		0330	11,673,000	53,228,400	64,901,400	0	11,673,000	53,228,400	64,901,400	
644811015002	2011	2012		0330	11,673,000	64,626,000	76,299,000	0	11,673,000	64,626,000	76,299,000	
644811015002	2010	2011		0330	11,673,000	60,577,700	72,250,700	0	11,673,000	60,577,700	72,250,700	
644811015002	2009	2010		0330	11,673,000	64,745,400	76,418,400	0	11,673,000	64,745,400	76,418,400	
644811015002	2008	2009		0330	11,673,000	59,446,600	71,119,600	38,973,600	11,673,000	59,446,600	71,119,600	
644811015002	2007	2008		0330	8,979,200	20,473,000	29,452,200	0	8,979,200	20,473,000	29,452,200	
644811015002	2006	2007		0330	6,285,400	5,602,000	11,887,400	11,887,400	6,285,400	5,602,000	11,887,400	

SALES HISTORY

Excise Number	Recording Number	Document Date	Sale Price	Seller Name	Buyer Name	Instrument	Sale Reason
2496938	20110621001314	4/21/2011	$0.00	GROUP HEALTH COOPERATIVE	WASHINGTON STATE DOT	Warranty Deed	Other
2149423	20050825001305	8/24/2005	$7,283,320.00	OVERLAKE HOSPITAL ASSOCIATION	GROUP HEALTH COOPERATIVE	Statutory Warranty Deed	None

REVIEW HISTORY

Tax Year	Review Number	Review Type	Appealed Value	Hearing Date	Settlement Value	Decision	Status
2019	1802072	Local Appeal	$84,589,600	1/1/1900	$0		Active
2010	0901047	Local Appeal	$76,418,400	1/1/1900	$0		Completed

PERMIT HISTORY

Permit Number	Permit Description	Type	Issue Date	Permit Value	Issuing Jurisdiction	Reviewed Date
18 116799 BZ	Non-structural tenant improvements with minor demolition and new construction, with new finishes throughout.,	Remodel	7/31/2018	$1,200,000	BELLEVUE	
11130490	Minor interior modifications. Offices relocating. Relocate door and wall.,	Remodel	1/31/2012	$485,689	BELLEVUE	8/15/2012
11130489	Repurpose existing treatment rooms, minor interior modifications only. Finish materials and refresh.,	Remodel	1/31/2012	$1,400,465	BELLEVUE	8/15/2012
06121883	Construction of a four-story medical tower.	Building, New	1/17/2007	$16,304,578	BELLEVUE	5/2/2008

HOME IMPROVEMENT EXEMPTION

- New Search
- Property Tax Bill
- Map This Property
- Glossary of Terms
- Area Report
- Print Property Detail

Updated: Jan. 29, 2019

Exhibit 8A.

Admission Criteria Policy

KAISER PERMANENTE

Department & Location	Policy	Section
Procedure Center	Admission Criteria for Procedure Center	Admission, D/C, Transfer Page 1 of 4

ADOPTED: 6/2015

REVISION/REVIEW DATE:	DESCRIPTION OF SUBSTANTIVE REVISION:
	For prior revision descriptions, contact Procedure Center admin specialist
6/2015, Reviewed 10/17	New policy

POLICY:
Only those procedures that meet patient conditions and eligibility criteria may be performed in the Procedure Center.

PURPOSE:
To establish the circumstances and procedures that can be safely done as an outpatient procedure.

SPECIAL INSTRUCTIONS:
1. The following criteria must be met for patients to receive care in the Procedure Center:
   - The physical condition of the patient, as determined by the proceduralist must be such that inpatient hospitalization from the procedure is not anticipated.
   - Procedure consists of cases where patients are discharged on average within 40 minutes of the end of the procedure. .
   - Procedures are performed only at the designated hours when appropriate resources are available.
   - The majority of the procedures are prescheduled. Consumers with urgent needs are accepted as appropriate but all patients are considered outpatients.
   - All physicians providing Procedure Center services for their patients must be credentialed and privileged in the Procedure Center.

2. The Procedure Center provides service to adults requiring gastroenterology procedures with and without moderate sedation for symptomatic as well as for colon cancer screening. In addition, Bronchoscopy, EBUS and TEEs are performed under moderate sedation. See Addendum A for a complete list of procedures.

3. Additional services without sedation include flexible sigmoidoscopy for colon cancer screening, PillCam, PH and manometry services.

4. Patients that do not meet the Procedure Center criteria for service include:
   a. Uncontrolled hypertension :BP sys > 200 and/or BP diastolic > 120
   b. Unstable angina
   c. Recent MI < 6 weeks
   d. Active CHF
   e. Unstable dysrhythmias
   f. Severe pulmonary disease
   g. Severe unstable diabetes

h. Unstable renal failure K+ > 6.0mEq/L
i. Recent CVA; < 14 days ago
j. Pediatric Cases
k. Confused/Mentally challenged
l. BMI >50

5. Procedures eligible to be performed in the Procedure Center shall be identified and approved by the medical staff.

6. The procedure list is reviewed and approved by the Procedure Center Oversight Committees on an annual basis. Additionally, new procedures and/or changes to a procedure that have significant impact to the team (competency, proctoring, equipment etc.) shall be reviewed and approved by the Oversight Committees. Physicians pursuing performance of new or significant changes to procedures are asked to contact the Procedure Center Chief or Clinic Operations Manager (COM)

7. The medical staff approved list of procedures is maintained and available in the Procedure Center.

8. It is the responsibility of the proceduralist to evaluate the patient and the procedure preoperatively for suitability for outpatient surgery.

9. For planned procedures, a "Pre procedure assessment" is completed by the proceduralist immediately prior to the procedure.

10. Prior to day of surgery by an RN or ARNP to identify potential risks for appropriateness for the procedure.

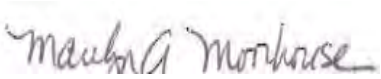
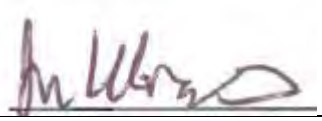
11. All patients admitted to the Procedure Center shall be under the direct care of a member of the medical staff. The medical staff member shall ensure the continuity of care for each patient including pre-procedure, intra-procedure, and post-procedure care. Each patient shall be provided prior to admission all necessary instruction and education for pre and post- procedure care including patient bill of rights and responsibilities.

POLICY RESPONSIBILITY: Procedures Center Chief and Clinic Operations Manager

Written by: Elizabeth Rosen, RN, Director Quality & Regulatory Compliance

Reviewed by: Barbara Wiesenbach, RN, Clinic Operations Manager
Marilyn Moorhouse, RN, Clinic Operations Manager
Ron Yeh MD
Vaew Wongsurawat MD

Approval:

	9/28/15		9/24/15
Barb Wiesenbach RN, Clinic Operations Manager, Capitol Hill Procedure Center	Date	Ron Yeh, MD, Chief, Capitol Hill Procedure Center	Date
	9/28/15		9/24/15
Marilyn Moorhouse, RN, Clinic Operations Manager, Bellevue Procedure Center	Date	Vaew Wongsurawat, MD, Chief, Bellevue Procedure Center	Date

Addendum A

Procedures performed in the Procedure Center

- Colonoscopy
- EGD for biopsies, dilation, esophageal stents, food impaction, etc.
- Flexible sigmoidoscopy
- Bronchoscopy
- TEE
- PillCam
- Fecal transplant
- EBUS (CH only)
- ERCP (CH only)
- pH and Manometry (CH only)

Exhibit 8B.

Admission and Discharge Policy

KAISER PERMANENTE

Department & Location	Policy	Section/Number
Procedure Center	Admission and Discharge Process	Admission, Discharge, Transfer Page 1 of 3

ADOPTED: 4/97

REVISION/REVIEW DATE:	DESCRIPTION OF SUBSTANTIVE REVISION:
3/03, 11/08, 11/10, 2/14, 10/17	For prior revision descriptions, contact Procedure Center admin specialist
7/15	Policy changed from ASC policy to Procedure Center policy

PURPOSE:
To detail the process for admitting and discharging patients.

NOTES:
Patients will arrive 30 minutes to 1 hour prior to scheduled procedure time unless they are advised otherwise. Patients receiving IV medication will arrive 1 ½ hour early.

Patient Care Representative (PCR):
1. Greet patient.
2. Check patient in EPIC system and send labels to printer.
3. Direct patient to be seated in waiting area.

RN/LPN:
1. Receive labels in admitting area.
2. Escort patient to the Admitting Room or procedure room where being admitted, after verifying with the daily schedule.
3. Instruct patient and escort verbally as to the anticipated length of stay, and how escort can check in regarding the status of patient. Obtain telephone number of escort and document.
4. Receive approval from patient on the escort receiving discharge instructions and document in the discharge page of the flow sheet.
5. Verify patient with two (2) identifiers. Place ID band on patient's wrist.
6. Instruct patient to change into gown with the privacy curtains drawn.
7. Store patient's personal belongings in patient care belonging bags. Coats may be hung on coat hooks in Observation Room with patient labels.
8. Initiate the Nursing flow sheet from the visit encounter.
9. Complete the pre-procedure check list.
10. Initiate IV therapy and document in IV section.
11. Administer any pre-procedure medication and document. Use Syringe pump for antibiotics.
12. Order and pick up antibiotics from inpatient pharmacy.
13. Verify INR and PT for patients on warfarin and Blood sugar for diabetic patients.
14. Notify cardiology RNs and/or Reps for pacer and Implanted defibrillator
15. Complete the Pre-Procedure section of the flow sheet.
16. Follow conscious sedation guidelines for monitoring and documentation during procedure.

17. "Time Out" before procedure starts.
18. Follow nursing flow sheet for complete documentation.
19. Specimen information verified by Recovery and Procedure RN and placed for lab pick up.

Observation Care:

1. Patient brought to Recovery room from Procedure room by RN per stretcher
2. Patients will be observed for a minimum of ½ hour beyond the last dose of sedation.
3. VS will be taken upon arrival and q 15 minutes until stable and ready for discharge. VS will include BP, HR, RR, and Oxygen Saturation on all patients receiving sedation.
4. Aldrette scoring system will be used to assess the patient discharge. Baseline aldrette score obtained in procedure room. A score of 10 or a return to the baseline score is required before discharge. Patients who do not reach the baseline score must be discharged by physician order.
5. Patient will have cardiac monitoring in Observation if deemed prudent by MD or Observation Room staff.
6. IV Access will be maintained until discharge criteria are met.
7. A swallow reflex should be checked with a sip of water for patients after upper endoscopy. Patients who have had no local anesthesia may have water/juice as soon as they are awake.

Discharge Care:

1. Complete all required documentation
2. Discontinue IV, inspecting site for abnormality and catheter for intactness and document.
3. Provide AVS to patient and escort if permission given for escort to receive the information
4. Hand off patient to escort
5. GI patient follow-up plan includes:
   a. CB: sent to GI PCR for scheduling.
   b. TCB: sent to GI PCR for scheduling
   c. Surveillance- entered in EPIC by discharging RN. If patient had biopsy, the clinic staff will enter surveillance after MD review of path results
   d. If patients require external referral, ensure MD completion of referral request. Give the request to clinic staff to place the request
   e. If patient requires repeat procedure or procedure under anesthesia, follow the requirements
6. Bronchoscopy and TEE patients will be discharged from the Observation Room unless specifically instructed otherwise.
7. Chest X-Rays ordered post-bronchoscopy will be done on the third floor satellite after patient is fully recovered. Patient will return to the Pulmonologist's office will be discharged from the office.
8. Complete all charting and exit the chart. MD to close the chart encounter in EPIC

Observation Room Maintenance:

1. Wipe down stretcher, pillow and BP cuff between each patient use with theracide wipes.
2. Check linen par stock, and order linen PRN.
3. Shut down hemodynamic monitors and EPIC monitors at the end of the day.
4. Turn on all monitors in the morning
5. Stock bedside supplies

6. Procedure follow up call in the morning to all who had procedures the day before and document in EPIC

Reviewed by: Procedure Center Staff, Marilyn Moorhouse COM, Barb Wiesenbach, COM

Approval:

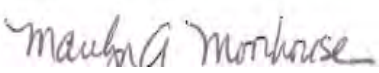
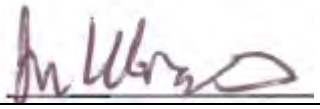
	9/28/15		9/25/15
Barb Wiesenbach RN, Clinic Operations Manager, Capitol Hill Procedure Center	Date	Ron Yeh, MD, Chief, Capitol Hill Procedure Center	Date
	9/28/15		9/25/15
Marilyn Moorhouse, RN, Clinic Operations Manager, Bellevue Procedure Center	Date	Vaew Wongsurawat, MD, Chief, Bellevue Procedure Center	Date

Exhibit 9A.

[Washington] Non-discrimination Policy

KAISER PERMANENTE®

Washington Regional Policy Implementation

Non-Discrimination: Patients, Members, and Visitors	**Implementation Provisions for:**	F-04-020
	Adopted:	08/13/1980
	Last Revised:	12/14/2018
	Last Reviewed:	

IMPLEMENTATION

***Note** : The following provisions support Policy F-04-020 , but are administered by the authorized Vice President for that policy.*
The authorized Vice President retains discretion in implementing these provisions and can change them at any time, with or without notice.

EXPLANATION:

This policy supports NATL.HPHO.007 Nondiscrimination in the Provision of Healthcare. Kaiser Foundation Health Plan of Washington (KPWA) operates in a manner that does not unlawfully discriminate against patients, members, or visitors. KPWA does not exclude people or treat them differently because of race, color, national origin, age, disability, sex, sexual orientation, or gender identity.

KPWA strives to make its services and facilities accessible to all patients, members, and visitors and complies with Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Patient Protection and Affordable Care Act, and other laws and regulations. To these ends, KPWA:

- Provides auxiliary aids and services as necessary to ensure effective communication with patients, members, and visitors who have speech, hearing or sight impairments;
- Permits persons with disabilities who use service animals to be accompanied by their service animals on KPWA premises to the maximum extent reasonably possible;
- Addresses accessibility for those with mobility impairments; and
- Provides free language assistance services to individuals with limited English proficiency.

APPLICABILITY:

This policy applies to all persons who use or who seek to use KPWA's services, programs, or activities, or visit its facilities.

SCOPE:

This policy applies to all services, programs, activities or facilities operated, offered or maintained by KPWA, except those related to recruitment or employment of staff members, which are covered by other policies.

RESPONSIBILITIES:

The Quality Department is responsible for this policy.

DEFINITIONS:

Auxiliary aids and services includes qualified sign language interpreters, written information in other formats (large print, audio, and accessible electronic formats), and assistive devices (magnifiers, Pocket Talkers, and other aids).

Disability means a physical or mental impairment which substantially limits one or more major life activities including, without limitation, functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, learning and working.

Limited English Proficient (LEP) Individuals can be those who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English.

Relay service is a free service provided by the telephone industry that enables persons who have text telephones to carry on telephone conversations with persons who do not, through use of an intermediary person--the relay operator. The relay operator reads the TDD message to the person without the TDD and types that person's spoken message back to the TDD user. Relay services are available 7 days a week, 24 hours a day.

Service animal: A service animal is an animal trained to assist a person who has a disability. Service animals guide people with vision impairments, alert individuals with hearing impairments, pull wheelchairs, alert and protect people who are having a seizure, and perform other special tasks.

Text telephone, TTY, TDD: "Text telephone" is a generic term for devices (also referred to as TTYs (teletypewriters) or TDDs (telecommunications devices for deaf persons) that provide access to real-time telephone communications for persons with hearing or speech impairments. Text telephones provide some form of keyboard input and visual display output to callers and receiving parties connected over standard telephone lines and networks. A call from one text telephone can only be received by another (compatible) text telephone. The term "text telephone" or the acronym TTY, rather than TDD, is the preferred usage.

OPERATIONAL REQUIREMENTS:

1. Health care is provided in a non-discriminatory manner.
2. All patients, members, and visitors are treated in a non-discriminatory manner.
3. For patients, members, or visitors with disabilities and/or limited English proficiency (LEP), the following accommodations are available to make services and facilities accessible and facilitate effective communication:

    a. **Visually-impaired Persons**
        i. **Physical Assistance**
        If visually impaired persons arrive unattended at a KPWA facility, staff should ask them whether they need assistance or directions to their destination.

        NOTE: An individual's visual impairment may not be obvious. Seventy-five percent (75%) of visually impaired persons have some field of vision, and many function independently. Staff should be observant and alert for clues that an individual needs assistance in reading directional signs, etc.
        ii. **Auxiliary Aids and Services**
            I. **Written Information**
                A. Certain print materials are available to visually impaired persons on audio tape upon request.
                B. Health information is uploaded to the electronic medical record and the Kaiser Permanente member portal in a format that is compatible with text to speech devices.
                C. Patient requests for clinical documents containing patient-specific information related to the patient's care that are in a format that cannot be converted to text to speech are fulfilled by transcribing the patient-specific information into a templated form and saving it into a PDF that converts the information to a text to speech format. The resulting document is sent via secure e-mail to the patient within 2 business days of the patient request.
                D. Braille translations of certain print materials are provided upon request
                E. Consent forms are read aloud by staff and/or relayed through professional interpreters to patients as needed.
            II. **Prescription Bottle Labels**
                A. Script Talk, which uses an RFID tag on prescription bottles that is read aloud by the patient's personal Script Talk device. This is available at several KPWA pharmacies and through Mail Order/Centralized Refill Pharmacy.
                B. Braille prescription labels are available through Mail Order/Centralized Refill Pharmacy orders.
                C. Large font prescription labels are available at all KPWA pharmacies.
            III. **Assistive Devices Program**
            Assistive Devices are available at every clinical facility at centrally located areas and Pharmacy. Patients and their companions are able to access items during their visit.

A. Patients are asked upon appointing annually about sensory impairments that may limit their ability to communicate and are informed about the availability of assistive devices and how to access them.
B. The Assistive Devices program will be reviewed annually at minimum, and will include evaluation of device offerings.

b. **Hearing- or Speech-impaired Persons**
   i. **Interpreters**
   KPWA provides free professional sign language interpreters, including but not limited to American Sign Language, Tactile, Close Visual, and Certified Deaf Interpreters for those with speech and hearing impairments. See regional policy F-04-052, Interpretive Services.
   ii. **Relay Service**
      I. Calls to and from TTY users are supported through State Relay Services.
      II. Local managers of the facility (or designee) are responsible for ensuring that staff who interact with patients, members, and visitors are familiar with the use of the Relay Service.
   iii. **Assistive Devices Program**
   Assistive Devices are available at every clinical facility at centrally located areas and Pharmacy. Patients and their companions are able to access items during their visit.
      I. Patients are asked upon appointing annually about sensory impairments that may limit their ability to communicate and are informed about the availability of assistive devices and how to access them.
      II. The Assistive Devices program will be reviewed annually at minimum, and will include evaluation of device offerings.

c. **Persons Accompanied by Service Animals**
A service animal may accompany a person in the normal use of KPWA facilities except when the animal is out of control and the animal's owner does not take effective action to control it, the animal poses a direct threat to health and safety of others, or both.

d. **Persons with Mobility Impairments**
Actions to address accessibility for those with mobility impairments include:
   i. Removing architectural barriers from its facilities, where it is readily achievable to do so.
   ii. Ensuring that all newly constructed medical centers, hospitals and other facilities are accessible to persons with disabilities.
   iii. Providing accessible parking.

e. **Persons with Limited English Proficiency**
KPWA provides timely language assistance services free of charge to individuals with limited English proficiency through in-person, phone, or video interpretation services.

4. **Grievance Procedure**
If any patient, member or visitor feels that s/he has been discriminated against by KPWA, s/he may file a grievance in accordance with regional policy F-04-064, Civil Rights Grievance. KPWA reviews and responds to all civil rights grievances.

KPWA prohibits retaliation against any patient, member, or visitor because he or she opposed or complained about discrimination in good faith, filed a grievance, or participated in a discrimination charge or other proceeding under federal, state, or local antidiscrimination law.

Related Policies:

- Operational Policy F-04-064, Civil Rights Grievance
- Operational Policy D-07-020, Animals in Group Health Facilities
- Operational Policy F-04-027, Accessible Parking at GHC Facilities
- Operational Policy F-04-052, Interpretive Services

Applicable Laws and Regulations
Washington Law Against Discrimination, Ch. 49.60 RCW
Washington State Human Rights Commission regulations, Ch. 162-26 WAC
Americans with Disabilities Act of 1990 ("ADA"), 42 USC §§ 12101 et seq.
Patient Protection and Affordable Care Act
ADA Title III regulations, 28 CFR §§36.301 et seq.
Rehabilitation Act of 1973, §504, 29 USC §794

Related Policies, Documents and References:

Animals in Group Health Facilities	Referenced Documents
Ch. 49.60 RCW	Referenced Documents
Ch. 162-26 WAC	Referenced Documents
900-201, Nondiscrimination	Referenced Documents
Washington State Relay Service	Referenced Documents
Americans with Disabilities Act of 1990 ("ADA"), 42 USC ?? 12101 et seq.	Referenced Documents
ADA Title III regulations, 28 CFR ??36.301 et seq.	Referenced Documents
Rehabilitation Act of 1973, ?504, 29 USC ?794	Referenced Documents
F-04-027, Accessible Parking at GHC Facilities	Referenced Documents
F-04-052, Interpretive Services	Referenced Documents
F-04-064, Civil Rights Grievance	Referenced Documents

Documents which refer to this document:

MA Nondiscrimination	Referenced Documents

Authorized Vice President: Graves, Jennifer

Designated Content Expert: Obena, Barbara

Exhibit 9B.

[National] Non-discrimination Policy

Policy Title: Nondiscrimination in the Provision of Healthcare	Policy Number: NATL.HPHO.007
Owner Department: Health Plan and Hospital Operations	Effective Date: October 1, 2018
Custodian: Vice President, National Diversity and Inclusion Operations, Performance, and Compliance	Page: 1 of 9

1.0 Policy Statement

Kaiser Permanente ("KP") is committed to providing access to its healthcare services, programs, and activities free from discrimination on the basis of disability, race, color, national origin, sex, or age, as well as any other basis protected by applicable federal, state, or local law.

2.0 Purpose

The purpose of this policy is to describe the requirements and applicable standards that facilitate equal access to KP services, programs, and activities for all individuals, in compliance with section 1557 of the Patient Protection and Affordable Care Act (42 U.S.C. 18116) ("Section 1557"), the Americans with Disabilities Act of 1990 ("ADA"), Section 504 of the Rehabilitation Act of 1973 ("Section 504"), and any other applicable federal, state, and local laws and regulations.

3.0 Scope/Coverage

3.1 This policy applies to all employees and physicians who are employed by or partners of the following entities (collectively referred to as "Kaiser Permanente" or "KP"):

- 3.1.1 Kaiser Foundation Hospitals (KFH);
- 3.1.2 Kaiser Foundation Health Plan, Inc. (KFHP);
- 3.1.3 KFH/KFHP subsidiaries;
- 3.1.4 Permanente Medical Groups

3.2 This policy does not apply to physicians employed by The Southeast Permanente Medical Group (TSPMG).

4.0 Definitions

See Glossary of Policy Terms in Appendix A.

5.0 Provisions

5.1 Prohibition of Discrimination: KP prohibits discrimination against all individuals, including patients, members or visitors based on race, color, national origin, sex, age, and disability, or any other basis protected by federal, state, or local law. KP does not exclude people or treat them differently because of their membership in any protected class.

5.2 Civil Rights Coordinators: KP designates Civil Rights Coordinators to facilitate its compliance with KP's policies and these laws. They are responsible for

coordinating existing grievance procedures and engaging appropriate personnel, including but not limited to regional Member Service organizations, to ensure that all complaints of discrimination are received, investigated, and appropriately resolved in compliance with in the ADA, Section 504, Section 1557, and any other applicable federal and state laws. (Refer to Member Services for Coordinator contact information).

5.3 Aids and Services: KP provides free aids and services to people with disabilities to ensure effective communication, including, but not limited to: qualified sign language interpreters and written information in other formats (large print, audio, accessible electronic formats, other formats). KP also provides free language services to people whose primary language is not English, such as qualified interpreters and information written in other languages. These aids and services are provided according to regional and local procedures.

5.4 Notices and Postings: KP posts Notices of Nondiscrimination and Language Assistance, including its grievance procedure in conspicuous locations in KP facilities, on its website, and in certain patient communications.

5.5 Grievances

5.5.1 Grievance Procedure: KP follows a grievance procedure that provides for the prompt and equitable resolution of complaints alleging any action prohibited by this policy. Persons who believe that KP has discriminated against them in violation of this policy or failed to provide the services described in Section 5.3 of this policy can file a grievance by phone, by mail, or in person.

5.5.2 Accessible Grievance Procedures: KP makes appropriate arrangements to ensure that disabled and/or Limited English Proficient (LEP) individuals are provided accommodations and services, if needed, to participate in its grievance process. Such arrangements may include, but are not limited to, providing qualified interpreters and written information in other formats (large print, audio, accessible electronic formats, other formats), and other languages.

5.5.3 Complaints Directly to Federal Agency: Individuals can also file a civil rights complaint directly with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue SW., Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019, 800-537-7697 (TDD). Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

6.0 References/Appendices

6.1 Appendix A: Glossary of Policy Terms

6.2 Appendix B: State Addenda

6.3 Equal Access to Facilities and Services Policy Number NATL.HPHO.008

7.0 Approval

This policy was approved by the following representatives of Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, and the Permanente Medical Groups.

Gregory A. Adams, Executive Vice President and Group President

Signature: _____ Date: 9/11/18

Name	Title	Organization	Date of Approval
Margaret Ferguson, MD	President and Executive Medical Director	Colorado Permanente Medical Group, P.C.	May 11, 2018
Geoffrey Sewell, MD	President and Executive Medical Director	Hawaii Permanente Medical Group, Inc.	March 8, 2018
Richard S. Issacs, MD, FACS	President and Chief Executive Officer	Mid-Atlantic States Medical Group, P.C.	May 9, 2018
Imelda Dacones, MD	Chief Officer and Executive Medical Director	Northwest Permanente, P.C.	March 13, 2018
Edward Ellison, MD	Executive Medical Director and Chairman of the Board	Southern California Permanente Medical Group	August 3, 2018
Barry Scurran, DPM	Chief Compliance, Ethics, and Integrity Officer	The Permanente Medical Group, Inc.	March 5, 2018

Policy Revision History

Original Approval	Revision Approvals	Update Approvals
Approval Date:	**Approval Date(s):**	**Approval Date(s):**
Effective Date:	**Effective Date(s):**	**Effective Date(s):**
Communication Date:	**Communication Date(s):**	

Appendix A

Glossary of Policy Terms

1. Disability: A physical or mental impairment which substantially limits one or more major life activities, including, but not limited to: caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating, working, and the operation of major bodily functions.
2. KP Facilities: All buildings or space owned or leased by Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, and their subsidiaries (collectively KFHP/H or KP), such as hospitals, medical office buildings, administrative buildings, parking facilities, and/or labs.

Appendix B

State-Specific Addenda

These addenda contain state specific extensions to KP's Nondiscrimination in the Provision of Healthcare policy that apply individually within the states of California, Hawaii, Maryland, Colorado, Washington, and Oregon.

California Addendum

In California, as required by California's Unruh Act, KP prohibits discrimination against all individuals, including patients, members or visitors on the bases of the following protected categories:

- Sex;
- Race;
- Color;
- Religion,
- National origin;
- Ancestry;
- Citizenship;
- Immigration status;
- Primary language;
- Gender (including gender identity and gender expression);
- Sexual orientation;
- Marital status;
- Age;
- Genetic information;
- Medical condition; or
- Disability.

Hawaii Addendum

In Hawaii, as required by Hawaii Revised Statutes 489-1 *et seq.*, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected classes:

- Sex (including gender identity or expression);

- Sexual orientation;
- Color;
- Religion;
- Ancestry; or
- Disability.

Maryland Addendum

In Maryland, as required by Md. Code Ann. § 20-304, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected classes:

- Race;
- Sex;
- Age;
- Color;
- Creed;
- National origin;
- Marital status;
- Sexual orientation;
- Gender identity; or
- Disability.

Colorado Addendum

In Colorado, as required by Colo. Rev. Stat. §24-34-601, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected categories:

- Disability;
- Race;
- Creed;
- Color;
- Sex;

- Sexual orientation;
- Gender identity;
- Marital status;
- National origin; or
- Ancestry.

Washington Addendum

In Washington, as required by Wash. Rev. Code §49.60.040, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected categories:

- Race;
- Creed;
- Color;
- National origin;
- Sexual orientation;
- Sex;
- Honorably discharged veteran or military status;
- Status as a mother breastfeeding her child;
- Gender identity; or
- Disability.

Oregon Addendum

In Oregon, as required by Or. Rev. Stat. §659A.403 & Or. Rev. Stat. §174.100, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected categories:

- Race,
- Color;
- Religion;
- Sex;
- Sexual orientation;
- Gender identity;

- National origin;
- Marital status; or
- Age (50 years or older).

Virginia Addendum

In Virginia, as required by Va. Code §2.2-3900, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected categories:

- Race;
- Color;
- Religion;
- National origin;
- Sex;
- Pregnancy;
- Childbirth;
- Age;
- Marital Status; or
- Disability.

Maryland Addendum

In Maryland, as required by Md. Code, State Gov't §20-304, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected categories:

- Race;
- Sex;
- Age;
- Color;
- Creed;
- National origin;
- Marital status;
- Sexual orientation;

- Gender identity; or
- Disability.

District of Columbia (DC) Addendum

In DC, as required by D.C. Code §2-1402.31, KP prohibits discrimination against all individuals, including patients, members or visitors on the basis of the following protected categories:

- Race;
- Color;
- Religion;
- National Origin;
- Sex;
- Age;
- Marital Status;
- Personal appearance;
- Sexual orientation;
- Gender identity or expression;
- Familial status;
- Family responsibilities;
- Genetic information;
- Disability;
- Matriculation;
- Political affiliation;
- Source of income; or
- Place of business or residence.

Exhibit 10A.

Consumer Rights and Responsibilities Policy

Policy Title: Member and Patient Rights and Responsibilities	Policy Number: 900-205
Owner Department: Office of Board and Corporate Governance Services	Effective Date: 09/12/2017
Custodian: Director, Office of Board and Corporate Governance Services	Page: 1 of 2

SUBJECT: Member and Patient Rights and Responsibilities

POLICY: Each member and patient of Kaiser Foundation Health Plan of Washington is entitled to an explanation of his/her rights and responsibilities as a consumer.

The Member and Patient Rights and Responsibilities Statement is distributed or made available to consumers in the following ways:

- In the materials sent upon enrollment;
- In notification provided annually to subscribers by mail or e-mail, according to their preferences;
- Available upon the request of any consumer; and
- On the Kaiser Foundation Health Plan of Washington Web site.

Members and patients who believe that any right has been violated or that any responsibility has been misinterpreted may avail themselves of the service recovery process including the right to an appeal, when applicable.

The Member and Patient Rights and Responsibilities Statement is available in the languages of the major population groups served by the Cooperative.

EXPLANATION:

Meeting or exceeding the expectations of consumers is a fundamental goal of Kaiser Foundation Health Plan of Washington. Describing the rights and responsibilities of consumers assists both parties in meeting that goal.

The Member and Patient Rights and Responsibilities Statement is in Appendix A900-205 and is incorporated herein by reference.

RESPONSIBILITIES:

I. Board of Directors

It is the responsibility of the Board of Directors to approve and to periodically review the Member and Patient Rights and Responsibilities Statement.

II. Management, Washington Permanente Medical Group, or Consumer Advisory Group

Management, Washington Permanente Medical Group, or any consumer advisory group may recommend changes or updates to the Member and Patient Rights and Responsibilities Statement. Management may convene a task force with representation from management, Washington Permanente Medical Group, and/or consumers, to make recommendations for changes or updates to the Board of Directors.

Policy Title: Member and Patient Rights and Responsibilities	Policy Number: 900-205
Owner Department: Office of Board and Corporate Governance Services	Effective Date: 09/12/2017
Custodian: Director, Office of Board and Corporate Governance Services	Page: 2 of 2

It is the responsibility of management and Washington Permanente Medical Group to orient their employees to the Member and Patient Rights and Responsibilities Statement. The statement will be available to all staff and affiliated practitioners on the internal website.

APPROVAL:

This policy was approved by the Board of Directors of Kaiser Foundation Health Plan of Washington on September 12, 2017.

Related Document:
Appendix A900-205, Member and Patient Rights and Responsibilities Statement

Previous Revisions 2/9/00, 6/9/03, 9/30/09, 6/26/14

Exhibit 10B.

Consumer Rights and Responsibilities Statement

KAISER PERMANENTE®

All plans offered and underwritten by Kaiser Foundation Health Plan of Washington/Kaiser Foundation Health Plan of Washington Options, Inc.

Member and patient rights and responsibilities

At Kaiser Permanente, we believe maintaining good health is a very important part of your well-being. Providing the quality health care necessary to maintain your good health requires a partnership between you and your health care professionals. You need information to make appropriate decisions about your care and lifestyle choices. Your health care professionals need your involvement to ensure you receive appropriate and effective health care. Mutual respect and cooperation are essential to this partnership.

It's important to know what you can expect and what we need from you when you receive care from us.

You have the right to:

- Be notified of your rights and responsibilities as a patient and member and be able to suggest changes to them and/or related policies.
- Be treated fairly, with respect and dignity without regard to your race, color, national origin, age, disability, sex, sexual orientation, gender identity or financial status.
- Be supported in choosing and changing providers and seeking a second opinion within your plan.
- Expect your personal physician to provide, arrange, and/or coordinate your care.
- Be involved in your health care decisions including refusing or agreeing to care and treatment; be provided information about your care, including unanticipated outcomes; the benefits and risks of, and alternatives to recommended treatments or procedures regardless of cost or coverage; and realistic alternatives when hospital care is no longer appropriate.
- Participate in decisions to receive, or not receive, life-sustaining treatment including care at the end of life.
- Get information about our policies, services, facilities, and your benefits and care, in a way you can understand. Be provided an interpreter if you need one. Receive written information in an alternative format or language (in prevalent non-English languages as defined by the state).
- Confidentiality, privacy, security, complaint resolution, spiritual care, and communication. If communication restrictions are necessary for your care and safety, we will document and explain the restrictions to you and your family.
- Receive timely access to quality care and services in a safe setting.
- Be able to access information about Kaiser Permanente, our practitioners and providers, and how to use our services, including information about the qualifications of the professionals caring for you.
- Create and update your advance directives such as a living will or durable power of attorney for healthcare and have your wishes honored to the extent permitted by state and federal laws.
- Donate organs and other tissues according to state law.
- Have your family provide input to care decisions consistent with your advance directives or with court orders.
- Appeal a decision and receive a response within a reasonable amount of time.
- Be free from any form of restraint or seclusion unless

medically necessary for your well-being.
- Be protected from all forms of abuse, neglect, harassment, or discrimination and have access to protective services, if needed.
- Receive visitors (in a hospital setting) that you or your support person designates, including, but not limited to: a spouse, domestic partner, significant other, family member or friend. Visitors are restricted from most treatment and procedure areas and may be limited based on your medical condition. You have the right to withdraw or deny your consent at any time.
- Be free from discrimination, reprisal, or any other negative action when exercising your rights.
- Request and receive a copy of your medical records, and request amendment or correction to such documents, in accordance with applicable state and federal laws.
- Voice opinions, concerns, positive comments, complaints or grievances about your care, treatment or other services without fear of retribution or denial of care and receive timely resolution of your complaint, generally within seven business days.

Member Services can provide you with information about complaint and appeal procedures and the resources to assist you. You can reach Member Services toll-free at 1-888-901-4636. For more information about member rights, visit kp.org/wa.

You may also contact the following agencies:

Washington State Department of Health
Health Systems Quality Assurance Complaint Intake
P.O. Box 47857
Olympia, WA 98504-7857
Phone: 360-236-4700
1-800-633-6828
(toll-free)
Fax: 360-236-2626
Email:
HSQAComplaintIntake@doh.wa.gov

Idaho Department of Health and Welfare
405 W State St.
Boise, ID 83702
Phone: 208-334-5500

Center for Medicare and Medicaid Services (CMS)
Office of the Medicare Beneficiary Ombudsman Website:
http://www.medicare.gov/claims-and-appeals/medicare-rights/get-help/ombudsman.html
Phone: 1-800-MEDICARE (Medicare Help and Support)

You have the responsibility to:

- Participate in the development of your treatment plan, follow it, and let your health care provider know if changes need to be made.
- Improve the quality and safety of your care by fully informing health professionals serving you about your medical history, medications, and any changes in your condition.
- Use practitioners and providers affiliated with your health plan for health care benefits and services, except where services are authorized or allowed by your health plan, or in the event of emergencies.
- Be active, informed, and involved in your care, and ask questions when you do not understand your care, what you are expected to do, or the payment for the care.
- Be considerate of other members, patients, and your health care team. This includes arriving on time for appointments, and notifying staff if you cannot make it on time or if you need to cancel.
- If you are having surgery, ensure a responsible adult is with you throughout the surgical procedure and for the first 24 hours after your surgical procedure.
- Be familiar with your health care benefits.
- Pay your bills on time and pay your office visit charges when you come in for care.

Exhibit 11.

KFHPWA 2017 Community Benefit Report

2017 KAISER PERMANENTE

COMMUNITY HEALTH SNAPSHOT

WASHINGTON

KAISER PERMANENTE®

EXECUTIVE LETTER

In partnership with each person we serve, we are unwavering in our focus to help people and their communities thrive.

Our first year as Kaiser Permanente Washington, the eighth and newest region in one of the nation's leading not-for-profit health care organizations, was one of listening, learning, and discovery.

While we have focused on expanding access to high-quality, coordinated care through the doctors and care teams our members know and trust, we have also been clear that our commitment to creating better health for more people extends well beyond what takes place in the care setting.

We have spent significant time learning from our partners and communities about the incredible work already under way to meaningfully improve people's lives. Through these conversations we have renewed relationships, created new ones, and looked at where – together – we can have the greatest impact.

It's clear that our shared focus needs to address those factors that contribute to health, ensuring everyone has the opportunity to have more healthy years. This includes understanding barriers to health in the places where we interact every day, and co-creating approaches to address distinct community needs.

Our Community Health Snapshot gives a quick glimpse of some of our work on this front in 2017. Focus areas include mental health support – particularly for youth, safe places to exercise and play, economic opportunity, and access to care.

This is just the beginning, and we couldn't be more excited about the work ahead. In partnership with each person we serve, we are unwavering in our focus to ensure they and their communities thrive.

Susan Mullaney
President

Kaiser Foundation Health Plan of Washington

Stephen Tarnoff, MD
President and Executive Medical Director

Washington Permanente Medical Group

On the cover: Students participate in a ropes course designed to help build trust and resiliency. The program is offered through one of Kaiser Permanente's school-based health centers.

COMMUNITY INVESTMENT

MENTAL HEALTH

Our Educational Theatre Program focused on topics that included bullying and conflict resolution during the 2017–2018 school year. The program was offered in collaboration with Seattle Children's Theatre and reached more than 20,000 students in King, Pierce, Kitsap, Snohomish, Spokane, and Whitman counties.

Mental health and wellness in K-12 schools in Washington state was the topic of an environmental scan we commissioned in 2017 and have shared widely. The report is helping us engage with communities and organizations on how to respond to the greatest needs.

ACTIVE LIVING

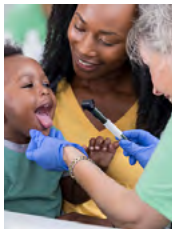
Georgetown Playfield's outdoor fitness center is one example of our work with cities, community groups, and The Trust for Public Land to create public spaces that encourage physical activity. At Georgetown Playfield we supported installation of outdoor cardio and strength equipment. A total of 10 safe places to play are being created in Seattle, Lynnwood, Tacoma, Wenatchee, and Spokane.

We also collaborated on the Skykomish-Snohomish Rivers Trail development, which encourages physical activity and connects communities. Facilitated by Forterra, the project fosters a resilient environment and broad-based economic prosperity. It involves outreach and engagement with Native American and Latino populations.

ECONOMIC OPPORTUNITY

The Little Brook Youth Corps is digging in to help restore open space and grow green-job and leadership skills. We're supporting their efforts through the Lake City Neighborhood Alliance, which represents 26 local groups. This is a fresh approach to engaging a community through their children, and rallying neighbors around long-term restoration of their surroundings. This area has many immigrant, low-income, and traditionally marginalized residents.

We're also working with other communities to explore how we can support learning that helps residents seeking living-wage careers. We are partnering with technical and community colleges, and apprenticeship programs, in these efforts.



ACCESS TO CARE

Our medical financial assistance and charity care programs in Washington state increased to $4.7 million, and we approved more than 4,000 applications in 2017. Fewer restrictions on patient eligibility and system enhancements enabled quicker turnaround, and support for those on Medicare substantially improved.

At YouthCare's Orion Center in Seattle, we provided health care through our family practice residency. We also worked with 8 school-based health centers, reaching more than 7,000 students. And we helped fund a full-time resource at the Washington School-Based Health Alliance to provide guidance for communities interested in bringing clinics into their schools.

Financials

Medicaid & Other Government Programs	$34,368,716
Philanthropy	$5,236,645
Charitable Coverage & Care	$4,653,714
Research	$8,114,866
Health Professions Education	$7,773,966
Other	$2,986,992
	$63,134,899

Kaiser Permanente Washington Community Health Governance Council

Susan Mullaney
President
Kaiser Permanente Foundation Health Plan of Washington

Stephen Tarnoff, MD
President and Executive Medical Director
Washington Permanente Medical Group

Janet O'Hollaren
Vice President and Chief Operating Officer
Care Delivery

David Grossman, MD
Senior Associate Medical Director
Market Strategy and Public Policy
Washington Permanente Medical Group

Open
Vice President and Chief Operating Officer
Care Delivery
Washington Permanente Medical Group

Eric Larson, MD
Vice President
Research and Health Care Innovation

Karen Schartman
Vice President and CFO
Finance and Strategy

Joe Smith
Vice President
Marketing, Sales and Business Development

Kim Sullivan
Vice President
Human Resources

Kris Greco Thompson
Vice President
Public Relations, Communications, & Brand Management

Sally Yates
Vice President
Legal, Community Health, and Risk Management

To find out more about how we are shaping the future of health, visit **kp.org/wa/community**

AM0001311-50-18

KAISER PERMANENTE®

Exhibit 12.

Charity Care Policy

Policy Title: Medical Financial Assistance	Policy Number: NATL.CB.307
Owner Department: National Community Benefit	Effective Date: February 1, 2017
Custodian: Director, Medical Financial Assistance	Page: 1 of 16

1.0 Policy Statement

Kaiser Foundation Hospitals (KFH) and Kaiser Foundation Health Plans (KFHP) are committed to providing programs that facilitate access to care for vulnerable populations. This commitment includes providing financial assistance to qualified low income uninsured and underinsured patients when the ability to pay for services is a barrier to accessing emergency and medically necessary care.

2.0 Purpose

This policy describes the requirements for qualifying for and receiving financial assistance for emergency and medically necessary services through the Medical Financial Assistance (MFA) program. The requirements are compliant with Section 501(r) of the United States Internal Revenue Code and applicable state regulations addressing eligible services, how to obtain access, program eligibility criteria, the structure of MFA awards, the basis for calculating award amounts, and the allowable actions in the event of nonpayment of medical bills.

3.0 Scope

This policy applies to employees who are employed by the following entities and their subsidiaries (collectively referred to as "KFH/HP"):

3.1 Kaiser Foundation Hospitals,

3.2 Kaiser Foundation Health Plan, Inc., and

3.3 KFH/HP's subsidiaries.

3.4 This policy applies to the Kaiser Foundation Hospitals listed in the attached ADDENDUM, *Section I, Kaiser Foundation Hospitals*, and incorporated herein by reference.

4.0 Definitions

Refer to Appendix A – Glossary of Policy Terms.

5.0 Provisions

KFH/HP maintains a means-tested MFA program to mitigate financial barriers to receiving emergency and medically necessary care for eligible patients regardless of a patient's age, disability, gender, race, religious affiliation, social or immigrant status, sexual orientation, national origin, and whether or not the patient has health coverage.

5.1 Services that are Eligible and Not Eligible under the MFA Policy. Unless otherwise noted in the attached ADDENDUM, *Section II, Additional Services Eligible and Not Eligible under the MFA Policy*.

5.1.1 Eligible Services. MFA may be applied to emergency and medically necessary health care services, pharmacy services and products, and medical supplies provided at KP facilities (e.g. hospitals, medical centers, and medical office buildings), at KFH/HP outpatient pharmacies, or by Kaiser Permanente (KP) providers. MFA may be applied to services and products as described below:

5.1.1.1 Medically Necessary Services. Care, treatment, or services ordered or provided by a KP provider that are needed for the prevention, evaluation, diagnosis or treatment of a medical condition and are not mainly for the convenience of the patient or medical care provider.

5.1.1.2 Prescriptions and Pharmacy Supplies. Prescriptions presented at a KFH/HP outpatient pharmacy and written by KP providers, non-KP Emergency Department providers, non-KP Urgent Care providers, and KP contracted providers.

5.1.1.2.1 Generic Medications. The preferred use of generic medications, whenever possible.

5.1.1.2.2 Brand Medications. Brand name medications when a KP provider prescribes the brand name medication and notes “Dispense as Written” (DAW), or there is no generic equivalent available.

5.1.1.2.3 Medicare Beneficiaries. Applied to Medicare beneficiaries for prescription drugs covered under Medicare Part D in the form of a pharmacy waiver.

5.1.1.3 Additional Eligible Services Available. Additional services that are eligible under the MFA policy are identified in the attached ADDENDUM, *Section II, Additional Services Eligible and Not Eligible under the MFA Policy*.

5.1.2 Non-Eligible Services. MFA may not be applied to:

5.1.2.1 Services that are Not Considered Emergent or Medically Necessary as Determined by a KP Provider. (1) Cosmetic surgery or services, (2) infertility treatments, (3) retail medical supplies, (4) surrogacy services, and (5) services related to third party liability, or workers’ compensation cases.

5.1.2.2 Prescriptions and Pharmacy Supplies. Prescriptions and supplies not considered emergent or medically necessary include, but are not limited to, (1) over-the-counter drugs or supplies and (2) specifically excluded drugs (e.g., fertility, cosmetic, sexual dysfunction).

5.1.2.3 Prescriptions for Medicare Part D Enrollees Eligible for or Enrolled in Low Income Subsidy (LIS) Program. The remaining cost share for prescription drugs for Medicare Advantage Part D enrollees who are either eligible for or enrolled in the LIS program, in accordance with Centers for Medicare & Medicaid Services (CMS) guidelines.

5.1.2.4 Services Provided Outside of KP Facilities. The MFA policy applies only to services provided at KP facilities, by KP providers. Even upon referral from a KP provider, all other services are ineligible for MFA. Services provided at non-KP medical offices, urgent care facilities and emergency departments, as well as home health, hospice, recuperative care, and custodial care services, are excluded.

5.1.2.5 Health Plan Premiums. The MFA program does not help patients pay the expenses associated with health insurance premiums.

5.1.2.6 Additional Non-Eligible Services. Additional services that are not eligible under the MFA policy are identified in the attached ADDENDUM, *Section II, Additional Services Eligible and Not Eligible under the MFA Policy*.

5.2 Providers. MFA is applied only to eligible services delivered by medical care providers to whom the MFA policy applies, as noted in the attached ADDENDUM, *Section III, Providers Subject To and Not Subject to the MFA Policy*.

5.3 Program Information Sources and How to Apply for MFA. Additional information about the MFA program and how to apply is summarized in the attached ADDENDUM, *Section IV, Program Information and Applying for MFA.*

5.3.1 Program Information. Copies of the MFA policy, application forms, instructions, and plain language summaries (i.e., policy summaries or program brochures) are available to the general public, without charge, from KFH/HP's website, by email, in person, or by US postal mail.

5.3.2 Applying for MFA. A patient can apply for the MFA program, during or following the care received from KFH/HP, in several ways including in person, by telephone, or by paper application.

5.3.2.1 Screening Patients for Public and Private Program Eligibility. KFH/HP provides financial counseling to patients applying for the MFA program to identify potential public and private health coverage programs that may help with health care access needs. A patient who is presumed eligible for any public or private health coverage programs is required to apply for those programs.

5.4 Information Needed to Apply for MFA. Complete personal, financial, and other information is required to verify a patient's financial status to determine eligibility for the MFA program, as well as for public and private health coverage programs. MFA may be denied due to incomplete information. Information can be provided in writing, in person, or over the telephone.

5.4.1 Verifying Financial Status. A patient's financial status is verified each time he or she applies for assistance. If a patient's financial status can be verified using external data sources, he or she may not be required to provide financial documentation.

5.4.2 Providing Financial and Other Information. If a patient's financial status cannot be verified using external data sources or the patient applies by mail, he or she may submit the information described in the MFA program application to verify his or her financial status.

5.4.2.1 Complete Information. MFA program eligibility is determined once all requested personal, financial, and other information is received.

5.4.2.2 Incomplete Information. A patient is notified in person, by mail, or by telephone if required information received is incomplete. The patient may submit the missing information within 30 days from the date the notice was mailed, the in-person conversation took place, or the telephone conversation occurred.

5.4.2.3 Requested Information Not Available. A patient who does not have the requested information described in the program application may contact KFH/HP to discuss other available evidence that may demonstrate eligibility.

5.4.2.4 No Financial Information Available. A patient is required to provide basic financial information (e.g. income, if any, and source) and attest to its validity when (1) his or her financial status cannot be verified using external data sources, (2) requested financial information is not available and (3) no other evidence exists that may demonstrate eligibility. Basic financial information and attestation is required from the patient when he or she:

5.4.2.4.1 Is homeless, or

5.4.2.4.2 Has no income, does not receive a formal pay stub from his or her employer (excluding those who are self-employed), receives monetary gifts, or was not required to file a federal or state income tax return in the previous tax year, or

5.4.2.4.3 Has been affected by a well-known national or regional event that has been qualified as a disaster by the state or federal government, or by a personal event that caused loss of, or inability to inhabit, his or her residence leaving the individual without health care, insurance, or financial documentation.

5.4.3 Prequalified Patients. A patient is presumed to meet the program eligibility criteria and is not required to provide personal, financial and other information to verify financial status when he or she:

5.4.3.1 Is enrolled in a Community MFA (CMFA) program to which patients have been referred and prequalified through (1) federal, state or local government, (2) a partnering community-based organization, or (3) at a KFH/HP sponsored community health event, or

5.4.3.2 Is enrolled in a KP Community Benefit program designed to support access to care for low-income patients and prequalified by designated KFH/HP personnel, or

5.4.3.3 Is enrolled in a credible means-tested health coverage program (e.g., Medicare Low Income Subsidy Program), or

5.4.3.4 Was granted a prior MFA award within the last 30 days.

5.4.4 Patient Cooperation. A patient is required to make a reasonable effort to provide all requested information. If all requested information is not provided, the circumstances are considered and may be taken into account when determining eligibility.

5.5 Presumptive Eligibility Determination. A patient who has not applied may be identified as eligible for the MFA program if his or her financial status can be validated through the use of external data sources. If determined to be eligible, he or she may automatically be assigned an MFA award and sent a notification letter with an option to decline medical financial assistance. A patient may be identified without applying when he or she:

5.5.1 Is uninsured and (1) has a scheduled appointment for eligible services at a KP facility, (2) has not indicated that he or she has health coverage, and (3) is presumed not eligible for Medicaid.

5.5.2 Has received care at a KP facility and there are indications of financial hardship (e.g., past due or outstanding balances).

5.6 Program Eligibility Criteria. As summarized in the attached ADDENDUM, *Section V, Eligibility Criteria*, a patient applying for MFA may qualify for financial assistance based on means-tested, or high medical expense criteria.

5.6.1 Means-Testing Criteria. A patient is evaluated to determine if he or she meets means-testing eligibility criteria.

5.6.1.1 Eligibility Based on Income Level. A patient of a household income less than or equal to KFH/HP's means testing criteria as a percentage of the Federal Poverty Guidelines (FPG) is eligible for financial assistance.

5.6.1.2 Household Income. Income requirements apply to the family members of the household. A family is a group of two or more persons related by birth, marriage, or adoption who live together. Family members can include spouses, qualified domestic partners, children, caretaker relatives, and the children of caretaker relatives that reside in the household.

5.6.2 High Medical Expense Criteria. A patient is evaluated to determine whether he or she meets high medical expense eligibility criteria.

5.6.2.1 Eligibility Based on High Medical Expenses. A patient of any household income level with incurred out-of-pocket medical and pharmacy expenses for eligible services over a 12 month period greater than or equal to KFH/HP's high medical expense criteria as a percentage of annual household income is eligible for financial assistance.

5.6.2.1.1 KFH/HP Out-of-Pocket Expenses. Medical and pharmacy expenses incurred at KP facilities include copayments, deposits, coinsurance, and deductibles related to eligible services.

5.6.2.1.2 Non-KFH/HP Out-of-Pocket Expenses. Medical, pharmacy, and dental expenses provided at non-KP facilities, related to eligible services, and incurred by the patient (excluding any discounts or write offs) are included. The patient is required to provide documentation of the medical expenses for the services received from non-KP facilities.

5.6.2.1.3 Health Plan Premiums. Out-of-pocket expenses do not include the cost associated with health insurance (i.e., premiums).

5.7 Denials and Appeals

5.7.1 Denials. A patient who applies for the MFA program and does not meet the eligibility criteria is informed either in writing or verbally that his or her request for MFA is denied.

5.7.2 How to Appeal an MFA Denial. A patient who believes that his or her application or information was not properly considered may appeal the decision. Instructions for completing the appeal process are included in the MFA denial letter. Appeals are reviewed by the designated KFH/HP staff.

5.8 Award Structure. MFA awards commence from the date of approval, or the date services were provided or the date medications were dispensed. MFA awards are applied to past due or outstanding balances only.

5.8.1 Basis of Award. The expenses paid by an MFA award are determined based on whether or not the patient has health care coverage.

5.8.1.1 MFA Eligible Patient without Health Care Coverage (Uninsured). An eligible uninsured patient receives a 100% discount on all eligible services.

5.8.1.2 MFA Eligible Patient with Health Care Coverage (Insured). An eligible insured patient receives 100% discount on that portion of a bill for all eligible services (1) for which he or she is personally responsible and (2) which is not paid by his or her insurance carrier. The patient is required to provide documentation, such as an Explanation of Benefits (EOB), to determine the portion of the bill not covered by insurance.

5.8.1.2.1 Payments Received from Insurance Carrier. An eligible insured patient is required to sign over to KFH/HP any payments for services provided by KFH/HP which the patient receives from his or her insurance carrier.

5.8.1.3 Reimbursements from Settlements. KFH/HP pursues reimbursement from third party liability settlements, payers, or other legally responsible parties, as applicable.

5.8.2 Award Duration. As summarized in the attached ADDENDUM, *Section VI, Award Duration,* the duration of an MFA award for an eligible patient is determined in various ways, including:

5.8.2.1 Specific Period of Time.

5.8.2.2 Course of Treatment or Episode of Care. For a particular course of treatment and/or episode of care as determined by a KP provider.

5.8.2.3 Patients Who Are Potentially Eligible for Public and Private Health Coverage Programs. An interim MFA award may be granted to assist a patient while he or she applies for public and private health coverage programs.

5.8.2.4 One-Time Pharmacy Award. Prior to applying to the MFA program, a patient is eligible for a one-time pharmacy award if he or she (1) does not have an MFA award, (2) fills a prescription written by a KP provider at a KFH/HP pharmacy, and (3) expresses an inability to pay for the prescription. The one-time award includes a reasonable supply of medication as determined medically appropriate by a KP provider.

5.8.2.5 Request for Award Extension. A patient may request extension of an MFA award as long as he or she continues to meet the MFA eligibility requirements. Extension requests are evaluated on a case-by-case basis.

5.8.3 Award Revoked, Rescinded, or Amended. KFH/HP may revoke, rescind, or amend an MFA award, in certain situations, at its discretion. Situations include:

5.8.3.1 Fraud, Theft, or Financial Changes. A case of fraud, misrepresentation, theft, changes in a patient's financial situation, or other circumstance which undermines the integrity of the MFA program.

5.8.3.2 Eligible for Public and Private Health Coverage Programs. A patient screened for public and private health coverage programs is presumed to be eligible but does not cooperate with the application process for those programs.

5.8.3.3 Other Payment Sources Identified. Health coverage or other payment sources identified after a patient receives an MFA award causes the charges for eligible services to be re-billed retroactively. If this occurs, the patient is not billed for that portion of a bill (1) for which he or she is personally responsible and (2) which is not paid by his or her health coverage or other payment source.

5.9 Limitation on Charges. Charging MFA eligible patients the full dollar amounts (i.e., gross charges) for eligible hospital services rendered at a Kaiser Foundation Hospital is prohibited. A patient who has received eligible hospital services at a Kaiser Foundation Hospital and is qualified for the MFA program, but has not received an MFA award or has declined an MFA award, is not charged more than the amounts generally billed (AGB) for those services.

5.9.1 Amounts Generally Billed. The amounts generally billed (AGB) for emergency or other medically necessary care to individuals who have insurance covering such care are determined for KP facilities as described in the attached ADDENDUM, *Section VII, Basis for Calculating Amounts Generally Billed (AGB)*.

5.10 Collection Actions.

5.10.1 Reasonable Notification Efforts. KFH/HP or a collection agency acting on its behalf makes reasonable efforts to notify patients with past due or outstanding balances about the MFA program. Reasonable notification efforts include:

5.10.1.1 Providing one written notice within 120 days of first post-discharge statement informing account holder that MFA is available for those who qualify.

5.10.1.2 Providing written notice with the list of extraordinary collection actions (ECAs) that KFH/HP or a collection agency intends to initiate for payment of balance, and the deadline for such actions, which is no earlier than 30 days from written notice.

5.10.1.3 Providing a plain language summary of the MFA policy with the first hospital patient statement.

5.10.1.4 Attempting to notify the account holder verbally about the MFA policy and how to obtain assistance through the MFA application process.

5.10.2 Extraordinary Collection Actions Suspended. KFH/HP does not conduct or permit collection agencies to conduct on its behalf, extraordinary collection actions (ECAs) against a patient if he or she:

5.10.2.1 Has an active MFA award, or

5.10.2.2 Has initiated an MFA application after ECAs have begun. ECAs are suspended until a final eligibility determination is made.

5.10.3 Allowable Extraordinary Collection Actions.

5.10.3.1 Final Determination of Reasonable Efforts. Prior to initiating any ECAs, the regional Revenue Cycle Patient Financial Services Leader ensures the following:

5.10.3.1.1 Completion of reasonable efforts to notify the patient of the MFA program, and

5.10.3.1.2 The patient has been provided at least 240 days from the first billing statement to apply for MFA.

5.10.3.2 Reporting to Consumer Credit Agencies or Credit Bureaus. KFH/HP or a collection agency acting on its behalf may report adverse information to consumer credit reporting agencies or credit bureaus.

5.10.3.3 Judicial or Civil Actions. Prior to pursuing any judicial or civil actions, KFH/HP validates the patient's financial status through the use of external data sources to determine if he or she is eligible for the MFA program.

5.10.3.3.1 Eligible for MFA. No additional actions are pursued against patients that are eligible for the MFA program. Accounts that qualify for MFA are cancelled and returned on a retrospective basis.

5.10.3.3.2 Not Eligible for MFA. In very limited cases, the following actions may be conducted with prior approval from the regional Chief Financial Officer or Controller:

5.10.3.3.2.1 Garnishment of wages

5.10.3.3.2.2 Lawsuits/civil actions. Legal action is not pursued against an individual who is unemployed and without other significant income.

5.10.3.3.2.3 Liens on residences.

5.10.4 Prohibited Extraordinary Collection Actions. KFH/HP does not perform, allow, or allow collection agencies to perform, the following actions under any circumstance:

5.10.4.1 Defer, deny, or require payment, due to an account holder's nonpayment of a previous balance, before providing emergency or medically necessary care.

5.10.4.2 Sell an account holder's debt to a third party.

5.10.4.3 Foreclosure on property or seizure of accounts.

5.10.4.4 Request warrants for arrest.

5.10.4.5 Request writs of body attachment.

6.0 References / Appendices

6.1 Appendix A – Glossary of Policy Terms

6.2 Laws, Regulations, and Resources

6.2.1 Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010))

6.2.2 Federal Register and the Annual Federal Poverty Guidelines

6.2.3 Internal Revenue Service Publication, 2014 Instructions for Schedule H (Form 990)

6.2.4 Internal Revenue Service Notice 2010-39

6.2.5 Internal Revenue Service Code, 26 CFR Parts 1, 53, and 602, RIN 1545-BK57; RIN 1545-BL30; RIN 1545-BL58 – Additional Requirements for Charitable Hospitals

6.2.6 California Hospital Association – Hospital Financial Assistance Policies & Community Benefit Laws, 2015 Edition

6.2.7 Catholic Health Association of the United States – A Guide for Planning & Reporting Community Benefit, 2012 Edition

6.3 Provider Lists

6.3.1 Provider lists are available at the KFH/HP websites for:

6.3.1.1 Kaiser Permanente of Hawaii

6.3.1.2 Kaiser Permanente of Northwest

6.3.1.3 Kaiser Permanente of Northern California

6.3.1.4 Kaiser Permanente of Southern California

Appendix A

Glossary of Policy Terms

Charity Care is medical or health services, products, or medication provided at reduced or no cost to patients who do not have the ability to pay and/or are not covered by health care insurance.

Community MFA (CMFA) refers to planned charity care programs that collaborate with community based and safety net organizations to provide charity care services to low income uninsured and underinsured patients at KP facilities.

Durable Medical Equipment (DME) includes, but is not limited to, standard canes, crutches, nebulizers, intended benefitted supplies, over the door traction units for use in the home, wheelchairs, walkers, hospital beds, and oxygen for use in the home as specified by DME criteria. DME does not include orthotics, prosthetics (e.g., dynamic splints/orthoses, and artificial larynx and supplies) and over-the-counter supplies and soft goods (e.g., urological supplies and wound supplies).

Eligible Patient is an individual who meets the eligibility criteria described in this policy, whether he or she is (1) uninsured; (2) receives coverage through a public program (e.g., Medicare, Medicaid, or subsidized health care coverage purchased through a health information exchange); (3) is insured by a health plan other than KFHP; or (4) is insured by KFHP.

External Data Sources are third-party vendors, credit reporting agencies, etc., that provide financial status information used by KP to validate or confirm a patient's financial status when assessing eligibility for the MFA program.

Federal Poverty Guidelines (FPG) establishes the levels of annual income for poverty as determined by the United States Department of Health and Human Services and are updated annually in the Federal Register.

Financial Counseling is the process used to assist patients to explore the various financing and health coverage options available to pay for services rendered in KP facilities. Patients who may seek financial counseling include, but are not limited to, self-pay, uninsured, underinsured, and those who have expressed an inability to pay the full patient liability.

Homeless describes the status of a person who resides in one of the places or is in a situation described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street); or
- In an emergency shelter; or
- In transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters.
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution.

- Is being evicted within a week from a private dwelling unit or is fleeing a domestic violence situation with no subsequent residence identified and the person lacks the resources and support networks needed to obtain housing.
- Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the financial resources and social support networks needed to obtain housing.

KP includes Kaiser Foundation Hospitals, Kaiser Foundation Health Plans, Permanente Medical Groups, and their respective subsidiaries, except Kaiser Permanente Insurance Company (KPIC).

KP Facilities include any physical premises, including the interior and exterior of a building, owned or leased by KP in the conduct of KP business functions, including patient care delivery (e.g., a building, or a KP floor, unit, or other interior or exterior area of a non-KP building).

Means-Tested is the method by which external data sources or information provided by the patient are used to determine eligibility for a public coverage program or MFA based on whether the individual's income is greater than a specified percentage of the Federal Poverty Guidelines.

Medical Financial Assistance (MFA) provides monetary awards to pay medical costs to eligible patients who are unable to pay for all or part of medically necessary services, and who have exhausted public and private payer sources. Individuals are required to meet program criteria for assistance to pay some or all of the cost of care.

Medical Supplies refer to non-reusable medical materials such as splints, slings, wound dressings, and bandages that are applied by a licensed health care provider while providing a medically necessary service, and excluding those materials purchased or obtained by a patient from another source.

Pharmacy Waiver provides financial assistance to low-income KP Senior Advantage Medicare Part D members who are unable to afford their cost share for outpatient prescription drugs covered under Medicare Part D.

Safety Net refers to a system of nonprofit organizations and/or government agencies that provide direct medical care services to the uninsured in a community setting such as a public hospital, community clinic, church, homeless shelter, mobile health unit, school, etc.

Underinsured is an individual who, despite having health care coverage, finds that the obligation to pay insurance premiums, copayments, coinsurance, and deductibles is such a significant financial burden that he or she delays or does not receive necessary health care services due to the out-of-pocket costs.

Uninsured is an individual who does not have health care insurance or federal- or state-sponsored financial assistance to help pay for the health care services.

Vulnerable Populations include demographic groups whose health and well-being are considered to be more at-risk than the general population due to socioeconomic status, illness, ethnicity, age, or other disabling factors.

Writ(s) of Body Attachment is a process initiated by a court directing the authorities to bring a person found to be in civil contempt before the court, similar to an arrest warrant.

ADDENDUM: Kaiser Permanente Washington / Group Health

I. Kaiser Foundation Hospitals Facilities. This policy applies to the following Kaiser Foundation Hospitals in the Washington Region:

Capitol Hill Medical Center

II. Additional Services Eligible and Not Eligible Under the MFA Policy.

a. Additional Eligible Services

i. Hearing aids determined to be medically necessary and ordered by a KP provider and purchased through a KP Audiology/Hear Center

ii. Optical supplies and hardware determined to be medically necessary and ordered by a KP provider and purchased through KP Eye Care

b. Additional Non-Eligible Services

i. Fee-for-service podiatry

ii. Emergency and non-emergency transportation

iii. Non-medically necessary dermatology services and supplies

III. Providers Subject To and Not Subject to the MFA Policy. The list of providers in KFH facilities that are and are not subject to the MFA policy is available to the general public, without charge, on the KFH/HP MFA website at www.kp.org/mfa/wa.

IV. Program Information and Applying for MFA. MFA program information, including copies of the MFA policy, application forms, instructions, and plain language summaries (i.e., program brochures), is available to the general public, without charge, in electronic format or hard copy. A patient can apply for the MFA program, during or following the care received from KFH/HP, in several ways including in person, by telephone, or by paper application. (Refer to Sections 5.3 and 5.4 above.)

a. Download Program Information from the KFH/HP Website. Electronic copies of program information are available on the MFA website at www.kp.org/mfa/wa.

b. Request Program Information Electronically. Electronic copies of program information are available by email upon request.

c. Obtain Program Information or Apply In Person. Program information is available at the Admitting and Emergency Departments in the Kaiser Foundation Hospitals listed in Section I, *Kaiser Foundation Hospitals*. Staff are also available at the Business Office in each KP urgent care facility. Staff are available at the following facilities:

Capitol Hill Medical Center	Olympia Medical Center
Tacoma Medical Center	Bellevue Medical Center
Silverdale Medical Center	

d. Request Program Information or Apply by Telephone. Staff are available by telephone to provide information, determine MFA eligibility, and assist a patient to apply for MFA. Staff can be reached from Monday through Friday, 8:00 a.m. to 5:00 p.m. PST at:

Telephone Number(s): 206-901-6089, or

1-800-442-4014, option 4, option 7, or

TTY: 1-800-833-6388 or 711

e. Request Program Information or Apply by Mail. A patient can request program information and apply for MFA by submitting a complete MFA program application by mail. Information requests and applications can be mailed to:

Patient Financial Services

Attention: Medical Financial Assistance

PO Box 34584

Seattle, Washington 98124-1581

f. Personally Deliver Completed Application. Completed applications can be delivered in person to any check-in desk or business office at any KP facility.

V. Eligibility Criteria. A patient's household income and medical expenses are considered when determining MFA eligibility. (Refer to Sections 5.6.1. and 5.6.2 above.)

a. Means Testing Criteria: Up to 300% of the Federal Poverty Guidelines

b. High Medical Expense Criteria: 10% or more of annual household income

VI. Award Duration. MFA awards commence from the date of approval, or the date services were provided, or the date medications were dispensed. An MFA award is in effect for a limited period of time. (Refer to Sections 5.8.2 above.)

a. Maximum duration based on specific time period:

i. Standard award for eligible services: Up to 180 days

ii. Presumptive eligibility award for uninsured patients: 30 days

b. Maximum duration for course of treatment / episode of care: Up to 180 days

c. Maximum duration for uninsured patients who are potentially eligible for public and private health coverage programs: Up to 30 days

d. Maximum duration for one-time pharmacy award: Minimum amount of days required to fill the authorized medication

VII. Basis for Calculating Amounts Generally Billed (AGB). KFH/HP determines AGB for any emergency or other medically necessary care using the look back method by multiplying the gross charges for the care by the AGB rate. Information regarding the AGB rate and calculation is available on the KFH/HP MFA website at www.kp.org/mfa/wa.

Exhibit 13.

Transfer Agreement

OVERLAKE Hospital Medical Center
Medical excellence every day™

Group Health Procedure Center Patient Transfer Agreement

Between, *Group Health Procedure Center*, Bellevue, Washington and *Overlake Hospital Medical Center*, Bellevue, Washington.

In consideration of the requirements of the residents of the area served by both of the parties herein named, this agreement is entered into with Group Health Procedure Center, hereinafter called the "Center," and Overlake Hospital Medical Center, hereinafter called the "Hospital" (the "Agreement").

Witnesseth:

1. The governing body of the Hospital and the governing body of the Center shall have exclusive control of the management, assets and affairs of their respective institutions. Neither party by virtue of this agreement assumes any liability for any debts or obligations of either a financial or a legal nature incurred by the other party to this agreement.

2. When a patient's need for *emergent* transfer from Center to Hospital has been determined by the patient's physician, Hospital agrees to admit the patient as promptly as possible, provided that Hospital has the available capacity and available qualified personnel to treat the patient; all conditions of medical eligibility for admission have been met; a physician who has admitting privileges at Hospital and who will accept the patient transfer, admit and attend to the patient while hospitalized at Hospital is identified; acceptance of the patient transfer has been arranged by the physician responsible for the patient's care at the Center; and a suitable hospital bed is available. Emergent transfer patients are those patients that have an emergency medical condition as defined in 42 U.S.C. § 1395dd(e). The emergency medical condition arises out of an unforeseen complication from services provided by the Center to the patients.

3. When a patient's need for *unplanned necessary or urgent* transfer from the Center to the Hospital has been determined by the patient's physician, the Hospital agrees to admit the patient as promptly as possible, provided that the Hospital has the available capacity and qualified personnel to treat the patient; all conditions of medical eligibility for admission have been met; a physician who has admitting privileges at the Hospital is identified and has agreed to admit and accept the patient transfer; and a suitable hospital bed is available. The Center agrees to provide advance arrangements and/or notification to the Hospital in these instances. Center will use its best efforts to avoid such unplanned necessary or urgent transfers.

4. Center shall be responsible for and shall make all the necessary arrangements for the appropriate, safe transportation of all patients from the Center to Hospital, which shall include, but not be limited to, all necessary lifesaving and/or stabilization measures. Furthermore, Center shall bear sole responsibility for the patient's care during transport. In those instances where *emergent* transfer is required, the Center agrees to proceed with this transfer utilizing the regional EMS system. Any and all costs associated with

patient transfers from Center to Hospital, including helicopter or ambulance expenses shall be the sole responsibility of the Center.

5. Upon transfer of a patient from Center to Hospital, Hospital agrees to comply with its obligations under this Agreement and applicable law, including but not limited to the Emergency Medical Treatment and Active Labor Act of 1985 ("EMTALA"), 42 C.F.R. §1395dd.

6. The parties acknowledge and agree that Hospital reserves the right to accept or reject patients according to Hospital's admission policies and other applicable state and federal legal obligations, including EMTALA. The parties further acknowledge and agree that Hospital does not schedule or provide *preplanned* elective post procedure care following a completed procedure that is performed in a physician's office or free standing clinic facility, including the Center, and that neither this Agreement nor anything contained herein obligates Hospital to do so. This Agreement covers only those patients with emergency medical conditions occurring as a result of unforeseen circumstances and unplanned necessary or urgent transfers.

7. The Center agrees that any physician seeking to transfer a patient from the Center to the Hospital shall be a member of the medical staff of the Hospital. If the Center's physician does not have admitting privileges at the Hospital, the physician shall identify a physician who has admitting privileges at the Hospital and who will accept the patient transfer and admit and attend to the patient while hospitalized at the Hospital.

8. The Center agrees to send with each patient, at the time of transfer, or in the case of an emergency as promptly after the transfer as possible, a summary of medical and other information necessary to continue the patient's treatment without interruption, a copy of the patient's medical record, together with essential, identifying and administrative data. All patient information transferred by the Center to Hospital shall be in accordance with federal and state privacy mandates.

9. Prior to the transfer of a patient to the Hospital, the Center shall make a written inventory of all valuables of the patient which shall accompany the patient in his or her transfer to Hospital. This written inventory shall be provided to Hospital upon admission of the patient. The Center shall be responsible for the transfer of the patient's valuables and, in accordance with Hospital's current policy, Hospital shall not be liable for the loss of or damage to any personal valuables including but not limited to money, jewelry, glasses, dentures, documents, clothing, or other article of unusual value unless deposited with the Hospital for safekeeping.

10. The parties agree that the services rendered by the Hospital or the Center shall be charged to the patient (or his/her respective third party payer) and that the Hospital shall not be held responsible for payment of services rendered to a patient by the Center, and that Center shall not be held responsible for payment of services rendered to a patient by the Hospital.

11. This Agreement shall be effective and shall commence as of May 15, 2012, and shall continue in force and effect for a period of one (1) year, unless earlier terminated by the parties herein. Thereafter, this Agreement shall automatically renew for successive one (1) year terms, unless either party shall give written notice of non-renewal to the other party at least thirty (30) days in advance of the end of the then-current term.

Notwithstanding the above, this Agreement may be terminated at any time, with or without cause, by either party by giving thirty (30) days written notice of its intention to terminate this Agreement to the other party and by providing for the continuity of care to patients for whom Center has begun the Agreement's transfer process in good faith. However, this Agreement shall be immediately terminated should either party fail to maintain its license or certification status. The Agreement shall be reviewed annually, or earlier at the request of either party, to assure it continues to be an effective document for both parties.

12. Neither party shall use the name of the other party in any promotional or advertising material unless review and specific written approval of the material and intended use is first obtained from the party whose name is to be used.

13. Nothing in this Agreement shall be construed as limiting the right of either party to affiliate or contract with any other party, on either a limited or general basis, while the agreement is in effect. Nothing in this Agreement shall be construed as limiting either party's exclusive control of their separate identity and integrity. This Agreement contains no implication of responsibility or warranty for quality of patient care or legal responsibility on the part of either party for the other.

14. During the term of this Agreement, both parties shall maintain in force and effect, through self-insurance or otherwise, comprehensive general liability and professional liability insurance each with levels of coverage of no less than five million dollars ($5,000,000) per occurrence.

15. Each party agrees to indemnify, defend and hold harmless the other and its respective agents and employees from and against any and all loss, damage, injury, cause of action, claim, or liability of an kind whatsoever, including reasonable defense costs and legal fees, arising out of or resulting from the acts or omissions of the indemnifying party, its agents and employees related to this Agreement.

16. This Agreement is the final expression of and constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede all prior understandings or agreement with respect thereto. There are no understandings, agreements or representations, oral or written, not specified herein regarding this agreement. This Agreement may be modified or amended by the mutual written agreement of the parties; however, any such modification or amendment shall be attached to and become a part of this Agreement

[Remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be signed in duplicate each executed copy hereof to be considered an original on the day and year last written below.

For Center:

Robert E. Lee MSN, RN, NEA-BC — 6-25-2012

By: Robert Lee — Date

Its: Executive Director, Periop. Servs.

For Hospital:

6-25-2012

By: Richard A. Bryan — Date

Its: ~~Vice President, System Change Management~~
Chief Compliance Officer

Exhibit 14.

Letter of Financial Commitment

March 27, 2019

Janis Sigman, Manager
Certificate of Need Program
Community Health Systems
Department of Health
111 Israel Road SE
Tumwater, WA 98501

Re: Statement of Financial Commitment;
Certificate of Need Application for
Kaiser Permanente Bellevue Procedure Center

Dear Ms. Sigman:

I am Vice President and Chief Financial Officer for Kaiser Foundation Health Plan of Washington (KFHPWA).

KFHPWA has committed to fund from its retained earnings a minimum of $826,000 to obtain Certificate of Need approval to expand the Kaiser Permanente Bellevue Procedure Center (endoscopy unit) located in Bellevue, Washington, and to license the unit as an ambulatory surgical facility (ASF), consistent with the above-referenced Certificate of Need application.

The expansion and ASF licensure of the Bellevue Procedure Center is one important component of KFHPWA's overall capital planning and service delivery changes, and is well within KFHPWA's financial capabilities to complete.

Sincerely,

Karen L. Schartman
CFO and VP Strategy
Kaiser Foundation Health Plan of Washington