



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*Olympia, Washington 98504*

July 7, 2022

Francis Geissler, MD, PhD, Owner  
Eye MDs of Puget Sound, PLLC  
e-mail: [mblackwell@eyemdspugetsound.com](mailto:mblackwell@eyemdspugetsound.com)

RE: Certificate of Need Application #22-29 Narrows Eye Surgery Center

Dear Dr. Geissler:

We have completed review of the Certificate of Need application submitted by Eye MDs of Puget Sound, PLLC, proposing to operate the existing Narrows Eye Surgery Center as a CN-approved, two-operating room ambulatory surgical facility within the Central Pierce Secondary Health Services Planning Area. Attached is a written evaluation of the application.

For the reasons stated in the enclosed decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided Eye MDs of Puget Sound agrees to the following in its entirety.

**Project Description**

This certificate approves the establishment of an ambulatory surgical facility in to be known as Narrows Eye Surgery Center in central Pierce County at 4707 South 19<sup>th</sup> Street, in Tacoma [98405]. The surgical facility will have two operating rooms and provide ophthalmic, ENT, and plastic surgery procedures. The surgical facility will serve patients who require surgical services, are not expected to require hospitalization, and can be served appropriately in an outpatient setting.

**Conditions**

1. Eye M.D.s of Puget Sound, PLLC agrees with the project description as stated above. Eye M.D.s of Puget Sound, PLLC further agrees that any change to the project as described in the project description above is a new project that requires a new Certificate of Need.
2. Eye M.D.s of Puget Sound, PLLC will maintain Medicare and Medicaid certification for the surgery center.
3. The surgery center will provide charity care in compliance with its charity care policy reviewed for this project. Eye M.D.s of Puget Sound, PLLC will use reasonable efforts to provide charity care in the amount consistent with the three-year average of charity care provided by the

hospitals located in central Pierce County. The three-year average for years 2018 – 2020 is 1.57% of gross revenue and 4.45% of adjusted revenue.

4. Eye M.D.s of Puget Sound, PLLC will maintain records of charity care applications received and the dollar amount of charity care discounts granted at the surgery center. The records must be available upon request.

**Approved Costs**

There is no capital expenditure associated with this project.

Please notify the Department of Health within 20 days of the date of this letter whether you accept the above project description, conditions, and capital costs for your project. If you accept these in their entirety, your application will be approved, and a Certificate of Need sent to you.

If you reject any of the above provisions, your application will be denied. The department will send you a letter denying your application and provide you information about your appeal rights.

Send your written response to the Certificate of Need Program at this e-mail address:

[FSLCON@doh.wa.gov](mailto:FSLCON@doh.wa.gov).

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

Sincerely,



Eric Hernandez, Program Manager  
Certificate of Need  
Office of Community Health Systems

Attachment

**EVALUATION DATED JULY 7, 2022, FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY EYE M.D.S OF PUGET SOUND, PLLC. PROPOSING TO ESTABLISH AN AMBULATORY SURGICAL FACILITY IN CENTRAL PIERCE COUNTY**

**APPLICANT DESCRIPTION**

**Eye M.D.s of Puget Sound, PLLC**

Eye M.D.s of Puget Sound, PLLC, is a Washington State professional limited liability company established in July 2002 that operates clinics in Tacoma and Olympia. It is owned by one physician, Francis Geissler, MD. This application was submitted by Eye M.D.s of Puget Sound, PLLC.

**PROJECT DESCRIPTION**

**Narrows Eye Surgery Center**

Narrows Eye Surgery Center (NESC) is owned and operated by Eye M.D.s of Puget Sound and operates as a Certificate of Need-exempt surgery center<sup>1</sup>. Eye M.D.s of Puget Sound has been operating NESC at its current location in Tacoma since 2012.

Within the application, Eye M.D.s of Puget Sound provided the following rationale for submission of this application. [source: Application, p7]

*“Throughout most of its 20 year history as a comprehensive Ophthalmology practice Eye MDs of Puget Sound has operated Narrows Eye Surgery Center, NESC, as a certificate of need exempt, CN-exempt, ASC, in the Central Pierce Planning area. During this time we have developed close working relationships with various Ophthalmic subspecialists in the region including Retina, Glaucoma, and Oculoplastics as well as ENT and Plastic Surgery specialists in the community. Previously, Eye MDs of Puget Sound has employed Oculoplastic subspecialists (Dr. Kristen Tarbet and Dr. Michael Warner). They treated patients in our clinics and performed surgery at NESC for many years. Recently we have added two additional full-time Ophthalmology subspecialist to our medical staff, Noel Castillo, MD and John Samples, MD. Dr. Castillo has fellowship training in Anterior Segment/Cornea while Dr. Samples completed fellowships in both Anterior Segment/Cornea and Glaucoma. Our long-range practice goals have always included growth and diversification of medical services available to our patients while maintaining quality care. We feel the best way to pursue these goals is to obtain Certificate of Need approval, CN-approval, of NESC and create a surgical center for intraocular (eye) surgery and facial plastic surgery. Historically over the last 10 years there has only been one CN-approved facility, Allenmore Hospital, available for outpatient Ophthalmic surgery in the entire Central Pierce Planning Area. (Personal observation, Applicant). Within the last 6 months Evergreen Eye Center obtained CN approval of its Tacoma facility for Ophthalmic procedures. Presently having just 2 facilities available for eye procedures in the entire planning area is not adequate especially when one considers the overall shortage of dedicated outpatient ORs currently available (see Table 2). At the time of this application people over the age of 65 represent the fastest growing segment of the population in Pierce County and it is this group which utilizes more surgical care than any other segment of the population (Table 5). Clearly this supports the need for more CN-approved ASFs. Our experience with Oculoplastics suggest that extending our surgical scope of treatment to include both ENT and Plastic Surgery makes clinical and financial sense and benefits patients. There is overlap in care provided by Oculoplastics, ENT and Plastic Surgery. Today Surgeons from all 3 of these disciplines routinely address facial trauma, congenital anomalies, benign and malignant lesions and perform aesthetic/cosmetic procedures. Based on these facts and our experience*

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<sup>1</sup> DOR 13-10, 11/09/2012

*we see great benefit to patients by providing access to facial plastics procedures performed by qualified surgeons of different backgrounds. We believe a surgery center capable of supporting intraocular surgery cases and able to staff facial plastic surgery procedures to be highly desirable for Central Pierce Planning area patients.”*

The surgery center has two operating rooms (ORs) and is currently located at 4707 South 19<sup>th</sup> Street in Tacoma [98405] within the Central Pierce secondary health services planning area. This application does not propose to relocate the surgery center or increase the number of ORs at the surgery center, but it does propose to expand the types of services provided at the surgery center. To include ENT and plastic surgery in addition to its current focus on ophthalmic surgery. [source: Application, p6]

There is no capital expenditure associated with this project. [source: Application, p18] If this project is approved, the applicant anticipates the surgery center will become operational with additional services as a Certificate of Need approved facility upon issuance of the approval. Based on an anticipated approval date of July 2022, the first full calendar year of operation is year 2023 and year three is 2025.

**APPLICABILITY OF CERTIFICATE OF NEED LAW**

This application is subject to Certificate of Need review as the construction, establishment, or other development of a health care facility under RCW 70.38.105(4)(a) and WAC 246-310-020(1)(a).

**EVALUATION CRITERIA**

WAC 246-310-200(1)(a)-(d) identifies the four determinations that the department must make for each application. WAC 246-310-200(2) provides additional direction in how the department is to make its determinations.

If Chapter 246-310 WAC does not contain service or facility standards in sufficient detail to make the required determinations, WAC 246-310-200(2)(b) identifies the types of standards the department may consider in making its required determinations.

To obtain Certificate of Need approval, an applicant must demonstrate compliance with the criteria found in WAC 246-310-210 (need); 246-310-220 (financial feasibility); 246-310-230 (structure and process of care); 246-310-240 (cost containment). Additionally, WAC 246-310-270 (ambulatory surgery) contains service or facility specific criteria for ambulatory surgical facility (ASF) projects and must be used to make the required determinations for applicable criteria in WAC 246-310-210.

**TYPE OF REVIEW**

This application was reviewed under a regular review timeline. The table below shows a summary of the timeline used for the project.

**APPLICATION CHRONOLOGY**

Action	Eye M.D.s of Puget Sound
Letter of Intent Received	November 12, 2021
Application Received	January 14, 2022
Department’s pre-review activities:	
<ul style="list-style-type: none"> <li>• DOH 1st Screening Letter</li> <li>• Applicant’s 1<sup>st</sup> Responses Received</li> </ul>	<p>February 9, 2022</p> <p>February 23, 2022</p>

Action	Eye M.D.s of Puget Sound
<ul style="list-style-type: none"> <li>• DOH 2<sup>nd</sup> Screening Letter</li> <li>• Applicant's 2<sup>nd</sup> Responses Received</li> </ul>	<p>March 16, 2022</p> <p>March 23, 2022</p>
Beginning of Review	March 30, 2022
Public Hearing Conducted	None requested or conducted
Public Comments Deadline	May 4, 2022
Rebuttal Comments Deadline <sup>2</sup>	May 18, 2022
Department's Anticipated Decision	July 5, 2022
Department's Actual Decision	July 7, 2022

**PUBLIC COMMENT AND REBUTTAL**

There was limited public comment submitted for this application, consisting of one letter of support; as a result, the applicant did not provide rebuttal comments. This fact is stated here and will not be restated throughout this evaluation.

**AFFECTED PERSONS**

“Affected persons” are defined under WAC 246-310-010(2). In order to qualify as an affected person someone must first qualify as an “interested person” defined under WAC 246-310-010(34).

For this project, only MultiCare Health System, the operator of several hospitals and surgery centers in the planning area, requested to be an interested person; however, MultiCare did not provide any comment on the project and does not, therefore, qualify as an affected person.

**SOURCE INFORMATION REVIEWED**

- Eye M.D.s of Puget Sound, PLLC Certificate of Need application received on January 14, 2022
- Eye M.D.s of Puget Sound, PLLC’s first screening response received February 23, 2022
- Eye M.D.s of Puget Sound, PLLC’s second screening response received on March 23, 2022
- Compliance history for credentialed or licensed staff from the Medical Quality Assurance Commission and Nursing Quality Assurance Commission
- Compliance history for facilities and services from the Washington State Department of Health – Office of Health Systems Oversight
- DOH Provider Credential Search website: <http://www.doh.wa.gov/pcs>
- Historical charity care data for years 2018, 2019, and 2020 obtained from the Department of Health Hospital/Finance and Charity Care.
- Years 2020 and 2021 Annual Ambulatory Surgery Provider Surveys for surgical procedures performed during calendar years 2019 and 2020 for hospitals, ambulatory surgery centers, and ambulatory surgical facilities located in central Pierce County.
- Claritas population data release 2021.
- Department of Health internal database – Integrated Licensing & Regulatory Systems (ILRS)
- Washington State Secretary of State website: <https://sos.wa.gov>
- CMS QCOR compliance website: [https://qcor.cms.gov/index\\_new.jsp](https://qcor.cms.gov/index_new.jsp)

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<sup>2</sup> Because there were no public comments opposing the project submitted, the applicant did not provide rebuttal comments.

## **CONCLUSION**

### **Eye M.D.s of Puget Sound**

For the reasons stated in this evaluation, the application submitted by Eye M.D.s of Puget Sound, PLLC proposing to establish an ambulatory surgical facility with two operating rooms in central Pierce County is consistent with applicable criteria of the Certificate of Need Program, provided Eye M.D.s of Puget Sound, PLLC agrees to the following in its entirety:

### **Project Description**

This certificate approves the establishment of an ambulatory surgical facility in to be known as Narrows Eye Surgery Center in central Pierce County at 4707 South 19<sup>th</sup> Street, in Tacoma [98405]. The surgical facility will have two operating rooms and provide ophthalmic, ENT, and plastic surgery procedures. The surgical facility will serve patients who require surgical services, are not expected to require hospitalization, and can be served appropriately in an outpatient setting.

### **Conditions**

1. Eye M.D.s of Puget Sound, PLLC agrees with the project description as stated above. Eye M.D.s of Puget Sound, PLLC further agrees that any change to the project as described in the project description above is a new project that requires a new Certificate of Need.
2. Eye M.D.s of Puget Sound, PLLC will maintain Medicare and Medicaid certification for the surgery center.
3. The surgery center will provide charity care in compliance with its charity care policy reviewed for this project. Eye M.D.s of Puget Sound, PLLC will use reasonable efforts to provide charity care in the amount consistent with the three-year average of charity care provided by the hospitals located in central Pierce County. The three-year average for years 2018 – 2020 is 1.57% of gross revenue and 4.45% of adjusted revenue.
4. Eye M.D.s of Puget Sound, PLLC will maintain records of charity care applications received and the dollar amount of charity care discounts granted at the surgery center. The records must be available upon request.

### **Approved Costs**

There is no capital expenditure associated with this project.

## **CRITERIA DETERMINATIONS**

### **A. NEED (WAC 246-310-210)**

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department concludes that the Eye M.D.s of Puget Sound, Inc., PS project met the applicable need criteria in WAC 246-310-210 and the applicable ambulatory surgery facility criteria in WAC 246-310-270.

(1) *The population served or to be served has need for the project and other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need.*

To evaluate this sub-criterion, the department uses facility-specific criteria found in WAC 246-310-270.

### **WAC 246-310-270(6)**

WAC 246-310-270(6) requires a minimum of two operating rooms (ORs) in an ASF.

### **Eye M.D.s of Puget Sound, PLLC**

The applicant stated that Narrows Eye Surgery Center will have two ORs and provided the line drawings for the facility. [source: Application p6 and March 23, 2022, second screening response, p3]

### **Department Evaluation**

The applicant provided documentation and statements to demonstrate the surgical facility will have a total of two ORs. This sub-criterion is met.

### **WAC 246-310-270(9) – Ambulatory Surgery Numeric Need Methodology**

The Department of Health’s Certificate of Need Program uses the numeric methodology outlined in WAC 246-310-270 for determining the need for additional ASFs in Washington State. The numeric methodology provides a basis of comparison of existing operating room (OR) capacity for both outpatient and inpatient ORs in a planning area using the current utilization of existing providers. The methodology separates Washington State into 54 secondary health services planning areas. Narrows Eye Surgery Center would be located in the Central Pierce planning area.

The methodology estimates OR need in a planning area using multiple steps as defined in WAC 246-310-270(9). This methodology relies on a variety of assumptions and initially determines the existing surgical capacity of dedicated outpatient and mixed-use operating rooms in the planning area, subtracts this capacity from the forecasted number of surgeries expected in the planning area in the target year, and examines the difference to determine:

- (a) Whether a surplus or shortage of ORs is anticipated to exist in the target year; and
- (b) If a shortage of ORs is predicted, the shortage of dedicated outpatient and mixed-use rooms is calculated.

Data used to make these projections specifically excludes special purpose and endoscopy rooms and procedures. Dedicated interventional pain management surgical services are also among the excluded rooms and procedures.

**Eye M.D.s of Puget Sound, PLLC**

Eye M.D.s of Puget Sound provided several tables showing the factors it used for its Central Pierce planning area numeric methodology and provided a copy of the numeric methodology as applied to this project. The applicant’s numeric methodology projected a numeric need for 11.6 outpatient ORs in the Central Pierce planning area in year 2024. [source: Application, pp8-12 and Exhibit 5B]

**Department Numeric Need Methodology and Evaluation**

The numeric portion of the methodology requires a calculation of the annual capacity of the existing providers’ inpatient and outpatient ORs in a planning area – Central Pierce. According to the department’s historical records, there are a total of 23 facilities with OR capacity in the planning area. Of the 23, six are hospitals and seventeen are ASFs, including the applicant’s exempt surgery center.

Because there is no mandatory reporting requirement for utilization of ASFs or hospital ORs, the department sends an annual utilization survey to all hospitals and known ASFs in the state. For the review of this application, the most recent utilization survey data available was collected in year 2021 and reflected year 2020 utilization. Therefore, this data will be used.

For hospitals, all known OR capacity and procedures are included in the methodology calculations for the planning area, with the exception of special procedure room ORs dedicated to endoscopy, pain management, or other specialized dedicated services. The table below shows each of the six hospitals and the OR capacity of each.

**Department’s Table 1  
Central Pierce Hospital Operating Room Capacity**

<b>Hospitals</b>	<b># of ORs</b>	<b>Type of OR</b>	<b>Department Notes</b>
CHI Franciscan Rehabilitation Hospital	0	N/A	Dedicated Rehabilitation Hospital
CHI St. Anthony Hospital	8	Mixed Use	General Acute Care Hospital
CHI St. Joseph Hospital	22	2 Dedicated Outpatient 20 Mixed Use	General Acute Care Hospital
MultiCare Mary Bridge Children’s Hospital	6	2 Dedicated Outpatient 4 Mixed Use	General Acute Care Hospital
MultiCare Allenmore Hospital (under TG license)	8	Mixed Use	General Acute Care Hospital
MultiCare Tacoma General	17	Mixed Use	General Acute Care Hospital
<b>Total Hospital ORs Counted</b>	<b>61</b>	<b>4 Dedicated Outpatient and 57 Mixed Use</b>	

As show in the table above, of the six hospitals located in the planning area, five have OR capacity. If a hospital does not have OR capacity it is not counted. The five hospitals have a combined total of 61 ORs, with four dedicated outpatient and 57 mixed use. All 61 ORs will be counted in the numeric methodology.

There are 17 ASFs operating in the Central Pierce planning area, and of those, nine are CN exempt facilities, including the applicant’s ASF, and eight are CN approved.

For the eight CN approved facilities, four are dedicated endoscopy ASFs and neither the ORs nor the cases are counted in the numeric methodology. The operating rooms at the ASF operated by Kaiser Permanente are not counted as available to the public, but the cases are counted in the numeric methodology. For the



remaining three CN approved ASFs, both the number of cases and the ORs are counted in the numeric methodology.

The remaining nine ASFs are exempt from Certificate of Need review, including the applicant. This means the ASF is located within and owned by a solo or group practice, and the use of this surgical facility is restricted to physicians that are employees or members of the clinical practices that operate the facility; so, surgical services are not the primary purpose of the facility. Therefore, these facilities do not meet the definition of an ASF.<sup>3</sup> These exempt facilities’ cases, but not ORs, are included in the methodology for the planning area.

The data points used in the department’s numeric methodology are identified in the following table. The methodology and supporting data used by the department is provided in the attached Appendix A with this evaluation.

**Department’s Table 2**  
**The Department’s Central Pierce Methodology Assumptions and Data**

Assumption	Data Used	
Planning area	Central Pierce County	
Population estimates and forecasts	Age Group: All ages Claritas Population Data –Released 2021 Year 2020 – 344,971 / Year 2025 – 364,311	
Use rate	175.644 /1,000 population	
Year 2019 total number of surgical cases in the planning area	<b>Inpatient or mixed use</b>	<b>Outpatient</b>
	36,432 cases	29,749 cases
	Total cases 66,181	
Percent of surgeries: outpatient vs. inpatient (based on survey)	60.46%	39.54%
Average minutes per case (based on survey)	119.13 minutes	66.95 minutes
OR annual capacity in minutes (per methodology in rule)	94,250 surgery minutes	68,850 surgery minutes
Existing providers/ORs (using DOH survey and ILRS database)	57 mixed-use ORs	13 dedicated outpatient ORs
<b>Department’s Methodology Results</b>	<b>Shortage of 11.60 dedicated outpatient ORs</b>	

As noted in the table, the department’s numeric methodology calculates a shortage of 11.60 dedicated outpatient ORs in the Central Pierce planning area.

When comparing the results of the applicant’s and department’s methodology, they are different. The applicant projected a shortage of 11.60 outpatient ORs in year 2024. The department projected the same shortage for year 2025 – the third full year of operation as a CN-approved facility. Both methodologies project numeric need in excess of that requested by the applicant, however, the difference in calculations is not material to the outcome of this evaluation. In summary, numeric need for outpatient ORs in Central Pierce planning area is demonstrated.

<sup>3</sup> WAC 246-310-010(5) and WAC 246-330-010(5)

### **WAC 246-310-270(4)**

WAC 246-310-270(4) gives the department some flexibility when the numeric methodology does not demonstrate numeric need for operating rooms. It states: “Outpatient operating rooms should ordinarily not be approved in planning areas where the total number of operating rooms available for both inpatient and outpatient surgery exceeds the area need.” Because the numeric need methodology projects need for more operating rooms than are proposed in the application, this sub-criterion does not apply.

### **WAC 246-310-210**

In addition to demonstrating need for services within a planning area, an applicant must also demonstrate that existing services are not sufficiently available and accessible to meet that need.

Eye M.D.s of Puget Sound provided the following statements related to this sub-criterion. [source: Application, pp11-12]

*“Historically there have been few options for eye surgeons in all of Pierce County. For the last 10 years only Allenmore Hospital has been equipped to perform any type of intraocular surgery on a regular basis. This includes cataract extraction, all retina procedures, glaucoma surgery and corneal transplantation. In mid-2021 Evergreen Eye received Certificate of Need approval for their 2 operating rooms facility in Tacoma. No other Pierce County Hospital has made the investment in equipment and staff to serve eye patients. That means at present there are two options available for intraocular surgery. Not only is this woefully inadequate to meet the needs of Central Pierce Planning area population today it does not begin to address the needs of a growing population.”*

### **Public Comment**

The department received one timely letter of support for this project, from Mark Nelson, MD, co-owner of Sound Retina. That comment directly addressed this sub criterion [source: May 4, 2022, letter of support]

*“I wholeheartedly support Dr. Geissler’s efforts to obtain a Certificate of Need for an ambulatory surgery center. This would be a significant benefit to patients that need retina surgery, as there are no viable ambulatory surgery center options for us in the south Puget Sound area, and this would be a great opportunity for patients and for us to have this available. Some patients have no insurance or poor insurance, and costs for retina surgery in a hospital can be so high as to make it unaffordable for those patients to have surgery. Sometimes I have to send those patients all the way to Seattle to get surgery at an ASC where they can afford it, but I would love to have the ability to do surgery in an ASC with the significant lower costs to patients. This does not in any way take away the significant need to do retina surgery in the hospital. Nonetheless, during the pandemic, there have been times where the hospitals have had to stop doing non-emergency surgeries for significant periods of time due to being overwhelmed by COVID patients. An ASC would allow us to continue doing important but non-emergent surgeries even when the hospital is not able to support us doing those surgeries because of COVID cases.”*

### **Department Evaluation**

Eye M.D.s of Puget Sound provided statements related to the availability and accessibility of other providers in the planning area which was supported by the only public comment received for this project.

Further, the department did not receive any public comment to suggest that other area providers opposed the addition of ophthalmic, ENT, and plastic surgery outpatient surgery capacity in the planning area.

In summary, the department previously concluded that the numeric methodology supports the addition of ORs in the Central Pierce planning area. The department concludes **this sub-criterion is met.**

(2) All residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly are likely to have adequate access to the proposed health service or services.

To evaluate this sub-criterion, the department evaluates an applicant's admission policies, willingness to serve Medicare and Medicaid patients, and to serve patients that cannot afford to pay for services. The admission policy provides the overall guiding principles of the facility as to the types of patients that are appropriate candidates to use the facility and assurances regarding access to treatment.

The admission policy must also include language to ensure all residents of the planning area would have access to the proposed services. This is accomplished by providing an admission policy that states patients would be admitted without regard to race, ethnicity, national origin, age, sex, pre-existing condition, physical, or mental status.

Medicare certification is a measure of an applicant's willingness to serve the elderly. With limited exceptions, Medicare is coverage for individuals aged 65 and over.

Medicaid certification is a measure of an applicant's willingness to serve low income persons and may include individuals with disabilities.

Charity care shows a willingness of a provider to provide services to individuals who do not have private insurance, do not qualify for Medicare, do not qualify for Medicaid, or are under insured. With the passage of the Affordable Care Act, the amount of charity care is expected to decrease, but not disappear. Specific to ASFs, WAC 246-310-270(7) requires that ASFs shall implement policies to provide access to individuals unable to pay consistent with charity care levels reported by the hospitals affected by the proposed project.

### **Narrows Eye Surgery Center**

NESC provided the following statements directly related to this sub-criterion:

*"NESC is committed to providing quality care and meeting the needs of the community we are members of. We pledge to provide Charity Care to those in need as outlined in our Charity Care Policy presented in Exhibit 7, at the same rate as all local hospital do. Our financial proforma provided in Exhibit 10 allocates 1.2% of revenues to be provided for charity care."* [source: Application, p15]

The applicant provided copies of the following policies currently in use, and will continue to be used, at the surgery center. [source: Application, Exhibit, 6, Exhibit 7, Exhibit 8, and Exhibit 9]

- Admissions Policy
- Charity Care Policy
- Patient Rights and Responsibilities Policy
- Non-Discrimination Policy

Within the application, NESC provided the following clarification regarding the age range of patients to be served at the surgery center. [source: February 3, 2022, screening response, p2]

*“The most common eye problems requiring surgical treatment in the pediatric population include: 1) Ocular misalignment or strabismus. 2) Childhood glaucoma including Primary Congenital Glaucoma and Juvenile Open Angle Glaucoma. Both conditions occur in children aged 4 years old and younger. 3) Congenital Cataracts. 4) Congenital Ptosis or drooping of the upper eye lids. 5) Retinopathy of prematurity, or ROP. All of these conditions occur in extremely young patients with age ranges from days old in the case of congenital cataracts up to the age of 7 years old. Virtually all these patients require general anesthesia for surgical treatments and highly experienced pediatric support staff for effective and safe care. Such patients are not appropriate for ASC procedures. Historically Narrows Eye Surgery Center has not treated patients under the age of 18 years old and have no intention of doing so in the future.”*

In addition to the policies and statements above, NESC provided its current and projected sources of revenue by payer and patient. The information is summarized in the table below. [source: March 23, 2022, supplemental screening response, p2]

**Department’s Table 3  
Eye M.D.s of Puget Sound Projected Payer Mix**

<b>Payer</b>	<b>Percent by Revenue</b>	<b>Percent by Patient</b>
Medicare	49.6%	53%
Medicaid	3.2%	13%
All Other Payers*	47.2%	34.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* All other payers include commercial, HMO, self-pay, and other government payers

Given that the surgery center is operational, NESC provided the following information regarding the basis and assumptions for the payer mix above. [source: February 23, 2022, screening response, p3]

*“As stated in our response to question 7 the basis for this projection is twofold. First there has been a doubling of physicians employed at Eye MDs of Puget Sound since late 2021. Surgical volume rises when more surgeons are utilizing the facility. Secondly, we are confident outside physicians will utilize NESC when it becomes available. A 5% annual growth rate is used for Ophthalmic procedures from 2022 to 2025. This is a reasonable estimate particularly when you consider that both new physicians added to Eye MDs of Puget Sound recently are subspecialists. Dr. Samples becomes only the 2nd full time Glaucoma specialist in Pierce County. His services will be highly sought after. Moreover Dr. Castillo is a Cornea Specialist making him one of the three Cornea trained Ophthalmologists in Pierce County. Again, a surgical specialist that is in demand. Plastic Surgery and ENT are projected to grow to 60-120 cases/year within 3 years, or 1-2 surgical days per month assuming 5-8 cases per day. These are fairly conservative estimates. Per Becker’s ASC Electronic Journal there is a predicted seismic shift in healthcare delivery to the outpatient setting after the COVID pandemic (6/4/2021). ASCs will experience a 25% growth in patient volumes from 2019 to 2029 compared to 19% growth in hospital outpatient department..”*

**Department Evaluation**

As previously stated, NESC is currently operational, and all policies are currently in use. Each of the policies provides the necessary information specific to the purpose of the policy.

The surgery center is both Medicare and Medicaid certified and holds an active Washington State license. The information is below.

<b>Medicare Certification</b>	<b>Medicaid Certification</b>	<b>Washington State License</b>
G8808497	7132640	ASF.FS.61002680

NESC also provided its projected percentages of revenue by payer for the surgical facility based on its current payer mix. The Medicaid and Medicare payer mixes are in range of what is typically seen in CN applications for ASFs.

To ensure the surgical facility would be available to all residents of the service area, if this project is approved, the department would condition the approval requiring the applicant to maintain both Medicare and Medicaid certification.

Based on this information, the department concludes that approval of this project has the potential to increase, or maintain, the availability and accessibility of outpatient ophthalmic, ENT, and plastic surgical services to the Medicare and Medicaid populations of central Pierce County.

Based on the information reviewed and with NESC’s agreement to the conditions identified above, the department concludes **this sub-criterion is met.**

**WAC 246-310-270(7) – Charity Care Requirement**

WAC 246-310-270(7) requires that ASFs shall implement policies to provide access to individuals unable to pay consistent with charity care levels reported by the hospitals affected by the proposed ASFs.

**Eye M.D.s of Puget Sound, PLLC**

Regarding historical and projected charity care dollars and percentages provided at the surgery center, Eye M.D.s of Puget Sound provided the following responses. [source: Application, p15]

*“NESC is committed to providing quality care and meeting the needs of the community we are members of. We pledge to provide Charity Care to those in need as outlined in our Charity Care Policy presented in Exhibit 7, at the same rate as all local hospital do. Our financial proforma provided in Exhibit 10 allocates 1.2% of revenues to be provided for charity care”*

The projected amounts of charity care are shown in the table below. [source: February 23, 2022, screening response, p3]

**Department’s Table 4  
Narrows Eye Surgery Center Projected Charity Care Dollars and Percentages**

	Year 2023	Year 2024	Year 2025
Dollar Amounts	\$23,304	\$24,888	\$27,696
Percentage of Total Revenue	1.20%	1.20%	1.20%
Percentage of Adjusted Revenue	2.54%	2.54%	2.54%

**Department Evaluation – Charity Care Requirement**

For charity care reporting purposes, Washington State is divided into five regions: King County, Puget Sound (less King County), Southwest, Central, and Eastern. Pierce County is included in the Puget Sound

Region. For this review, the department focuses on years 2018, 2019, and 2020 charity care data reported by the hospitals in the region.

Currently there are 25 hospitals operating within the Puget Sound Region. Of the 25 hospitals, two were established in year 2019 and did not have charity care data to report; and one hospital did not report in year 2018.<sup>4</sup> Of the 25 hospitals, four hospitals located in the Central Pierce planning area may be affected by this proposed project. The four hospitals are:

- CHI Franciscan St. Joseph Medical Center,
- CHI Franciscan St. Anthony Hospital,
- MHS Mary Bridge Children’s Hospital,
- The combined MHS Tacoma General Hospital and Allenmore Hospital.<sup>5</sup>

The following table compares the three-year historical average of charity care provided by the hospitals operating in the Puget Sound Region<sup>6</sup>, the four licensed hospitals in the Central Pierce area, and the applicants’ projected charity care percentages.

**Department’s Table 5  
Charity Care – Three Year Average**

	% of Total Revenue	% of Adjusted Revenue
Puget Sound Region Total	1.49%	4.41%
Four Hospitals Combined	1.57%	4.45%
Narrows Eye Surgery Center Projected	1.20%	2.54%

[source: Department of Health’s charity care reports for years 2018, 2019, and 2020 and March 23, 2022, screening response, pp2-6]

As shown above, the projected percentage of charity care proposed by the applicant is lower than both the regional average and the average of the four hospitals combined.

The 2020 Report of Charity Care in Washington Hospitals offers the following analysis of charity care costs across Washington State Hospitals as impacted by the Affordable Care Act (ACA):

*“Following a decline in charity care after implementation of the Affordable Care Act in 2013, charity care has been rising again since 2016. The rate of increase has slowed since 2018. As a percent of total hospital patient services revenue, charity care charges dropped from 2.9 percent to 1.5 percent from 2013 to 2020”* [source: 2020 Washington State Charity Care in Washington Hospitals]

NESC’s historical and projected charity care percentages of total and adjusted revenue are less than that of the planning area’s hospitals. Because of this, the department recalculated the charity care dollars to be provided at NESC to be consistent with the charity care percentage of adjusted revenues for the other hospitals in the Central Pierce planning area.

<sup>4</sup> The two new hospitals are MultiCare’s Wellfound Behavioral Health and CHI Franciscan’s Rehabilitation Hospital. Fairfax Behavioral Health did not report data in 2018.

<sup>5</sup> Given that MultiCare Health System operates Tacoma General Hospital and Allenmore hospital under the same hospital license, charity care data is reported to DOH for the combined hospitals.

<sup>6</sup> With the exception of the hospitals previously identified that did not report.

**Department's Table 6  
Charity Care – Three Year Average Comparison**

	<b>Narrows Eye Surgery Center Proposed = 1.20%</b>	<b>Four Hospitals Combined Average = 1.57%</b>
Year 1 - 2023	\$24,890	\$32,562
Year 2 - 2024	\$26,545	\$34,728
Year 3 - 2025	\$27,695	\$36,236

When comparing the applicant's projected charity care dollars with the regional and planning area projections shown above, the increased amounts would affect the net profits of the surgery center. Taking this into account, the department will also apply the increased charity care dollar amounts to the financial feasibility criteria in WAC 246-310-220(1) of this evaluation.

Approval of this project would require Eye M.D.s of Puget Sound to acknowledge the requirement under WAC 246-310-270(7) to provide charity care. **With agreement to a charity care condition, this sub-criterion is met.** The financial implications of this will be discussed under WAC 246-310-220(1).

(3) The applicant has substantiated any of the following special needs and circumstances the proposed project is to serve.

- (a) The special needs and circumstances of entities such as medical and other health professions schools, multidisciplinary clinics and specialty centers providing a substantial portion of their services or resources, or both, to individuals not residing in the health service areas in which the entities are located or in adjacent health service areas.
- (b) The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.
- (c) The special needs and circumstances of osteopathic hospitals and non-allopathic services.

(4) The project will not have an adverse effect on health professional schools and training programs. The assessment of the conformance of a project with this criterion shall include consideration of:

- (a) The effect of the means proposed for the delivery of health services on the clinical needs of health professional training programs in the area in which the services are to be provided.
- (b) If proposed health services are to be available in a limited number of facilities, the extent to which the health professions schools serving the area will have access to the services for training purposes.

(5) The project is needed to meet the special needs and circumstances of enrolled members or reasonably anticipated new members of a health maintenance organization or proposed health maintenance organization and the services proposed are not available from nonhealth maintenance organization providers or other health maintenance organizations in a reasonable and cost-effective manner consistent with the basic method of operation of the health maintenance organization or proposed health maintenance organization.

**Department Evaluation**

WAC 246-310-210(3), (4), and (5) do not apply to this project under review.

## **B. FINANCIAL FEASIBILITY (WAC 246-310-220)**

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department concludes that Narrows Eye Surgery Center meets the applicable financial feasibility criteria in WAC 246-310-220.

### *(1) The immediate and long-range capital and operating costs of the project can be met.*

Chapter 246-310 WAC does not contain specific WAC 246-310-220(1) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what the operating revenues and expenses should be for a project of this type and size. Therefore, using its experience and expertise the department evaluates if the applicant's pro forma income statements reasonably project the proposed project is meeting its immediate and long-range capital and operating costs by the end of the third complete year of operation.

To evaluate this sub-criterion, the department reviews the assumptions provided by an applicant, projected revenue and expense (income) statements, and projected balance sheets. The assumptions are the foundation for the projected statements. The income statement is a financial statement that reports a company's financial performance over a specific period—either historical or projected. Projected financial performance is assessed by giving a summary of how the business expects its revenues to cover its expenses for both operating and non-operating activities. It also projects the net profit or loss incurred over a specific accounting period.

The purpose of the balance sheet is to review the financial status of company at a specific point in time. The balance sheet shows what the company owns (assets) and how much it owes (liabilities), as well as the amount invested in the business (equity). This information is more valuable when the balance sheets for several consecutive periods are grouped together, so that trends in the different line items can be viewed.

As a part of its review, the department must determine that a project is financially feasible – not just as a stand-alone entity, but also as an addition to its own existing operations, if applicable. To complete its review, the department may request an applicant to provide projected financial information for the parent corporation if the proposed agency would be operated under the parent.

### **Eye M.D.s of Puget Sound, PLLC**

As explained in the project description section of this evaluation, while the surgery center is currently operational under a CN exemption. Based on the CN Program's rules, this project is reviewed as the establishment of a new healthcare facility. Given that the surgery center is operational and has been for many years, this portion of the evaluation will rely on historical data in specific sections. [source: Application, pp13-15]

*“The projected surgical volume of NESC for the years 2022-2024 is based on two factors: 1) The number of surgeons utilizing NESC and 2) The annual growth rate of surgical procedures performed at NESC. Eye MDs of Puget Sound, which operates NESC, has hired two additional full time Ophthalmic Surgeons in the last quarter of 2021.. Noel Castillo, MD and John Samples, MD join Clark Deem, MD and Francis Geissler, MD and will utilize NESC for virtually all their surgical cases. Additionally, it is expected that other community Ophthalmic surgeons, ENT and Plastic surgeons will seek privileges and perform surgery at our facility as well. The annual growth rate for eye procedures is conservatively projected at*



5%. We anticipate a fairly rapid increase in the rates of Plastics and ENT cases from modest beginnings starting in 2022. These projections are supported by the fact that an aging population requires more surgical care. National center for health Statistics survey results show that the surgical utilization rates for persons aged 65 yrs. and older are roughly 2.5 times greater than the average for the overall population (See Table 5).

*Applicant's Table*

**Table 5: ASC Utilization Rates per Age vs Population**

Age	Utilization Rate per 10,000
Total	1560.0
Under 15 yrs.	476.5
15 yrs-44 yrs.	832.41
45 yrs-64 yrs.	2297.0
Over 64 yrs.	3974.0

Source: National Health Statistics Reports, No. 102, Feb 28, 2017, Table 2: Number and percent distribution of ambulatory surgery procedures by age and sex.

The projected annual population growth rate for Central Pierce Planning area is greatest for that segment of the population aged 65 years and older, for the next several years (Source Claritas). This means more citizens will be entering the age group historically requiring increased surgical care. As a result, there will be a greater need for facilities to provide outpatient surgical treatment. The trend within the U.S. has been toward ASCs for outpatient surgery. In 2005 60% of all outpatient surgeries were performed in hospitals and 40% in lower cost ASCs. By 2020 60% of all outpatient procedures were performed in ASCs and only 40% in hospitals (Source: Advisory Board Daily Briefing, March 5, 2019) The primary reasons for this change are economics and convenience. ASCs are cheaper for patients to use than community hospital outpatient departments and more convenient for both patients and doctors. The savings are exemplified by reviewing both the Medicare and individual patient cost of the most commonly reimbursed Medicare outpatient surgical procedure in the United States, cataract surgery. Currently cataract surgery accounts for 18.6% of all outpatient surgeries covered by Medicare.

*Applicant's Table*

**Table 6: Cataract Surgery National Average Cost**

ASC		Hospital Outpatient	
<b>Total Cost</b>	<b>1789.00</b>	<b>Total Cost</b>	<b>\$2829.00</b>
Professional Fee	\$750.00	Professional Fee	\$750.00
Facility Fee	\$1,039.00	Facility Fee	\$2079.00
Medicare Pays	\$1431.00	Medicare Pays	\$2263.00
<b>Patient Pays</b>	<b>\$357.00</b>	<b>Patient Pays</b>	<b>\$565.00</b>

Source: Medicare.gov website

“Additionally, the greater demand and need for ASCs has been created by the current COVID 19 pandemic and the Delta/Omicron variant resurgences. The Covid outbreak forced hospital to rapidly focus and allocate resources to treating sick patients. Non-essential surgeries and other services have been largely curtailed by many hospitals in order to attend to this long running challenge. The return to “normalcy” such as providing support for elective services may be years away. This is also adding to the pressure of providing options for outpatient surgical procedures.”

Given that the surgery center is currently operational, Eye M.D.s of Puget Sound provided the following information regarding the basis and assumptions for the historical and projected payer mix provided in the tables below. [source: February 23, 2022, screening response, p4; March 23, 2022, supplemental screening responses, p2]

*“The projected payor mix will be slightly changed due to the increase in Medicare patients projected in the coming years as we treat the growing number of patients in the age demographic 65+ most commonly suffering from surgically correctable ophthalmic conditions. The majority of our patients will be treated for ophthalmic conditions”*

**Department’s Table 7  
Eye M.D.s of Puget Sound-Tacoma Historical Payer Mix**

<b>Payer</b>	<b>Percent by Revenue</b>	<b>Percent by Patient</b>
Medicare	52%	48%
Medicaid	4%	10%
All Other Payers*	44%	42%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* All other payers include commercial, HMO, self-pay, and other government payers

**Department’s Table 8  
Eye M.D.s of Puget Sound-Tacoma Projected Payer Mix**

<b>Payer</b>	<b>Percent by Revenue</b>	<b>Percent by Patient</b>
Medicare	49.6%	53%
Medicaid	3.2%	13%
All Other Payers*	47.2%	34%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* All other payers include commercial, HMO, self-pay, and other government payers

Eye M.D.s of Puget Sound provided its projected Revenue and Expense Statement for Narrows Eye Surgery Center, and also provided the following description of the assumptions used to develop them. [source: February 23, 2022, screening responses, p3]

*“Gross Revenue is based on projected surgical volume in Table 4 at an average collected billable rate of \$1,200-\$2,000 per procedure. Commonly referred to as the facility fee. These projection numbers are based on the current surgical volume and the assumption that volumes will increase with the addition of added providers and these numbers have been estimated in Table 4 (also see answer in questions 7).*

*“Expenses are based on the actual costs of operating the current ASC Division of the company with projected increases for the additional anticipated surgical volume. The estimates for staffing expenses are also based on the number of FTE projections in Table 8.*

*“Both revenue and expenses are anticipated to increase between 3% and 6% per year over the base year as presented in the proforma.”*

*Applicant's Table – Revised Pro Forma*

Eye MDs of Puget Sound, PLLC - ASC Division  
 dba Narrows Eye Surgery Center  
 Proforma Revenue and Expense Projections - Cash Basis  
 For the Years Ending 2022, 2023, 2024 and 2025

	2022	2023	2024	2025	Assumptions
Gross Revenue	\$ 1,942,000	\$ 2,074,000	\$ 2,212,000	\$ 2,308,000	1
Cost of Goods Sold	388,400	407,820	428,210	449,622	
Gross Profit	1,553,600	1,666,180	1,783,790	1,858,378	
Expense					
Wages, Taxes and Benefits	368,980	405,880	426,176	447,488	2
Medical Expenses	427,240	448,605	471,034	489,876	
Charity Care	23,305	24,890	26,545	27,695	
Building & Occupancy	97,100	100,015	103,017	106,108	
Repairs and Maintenance	14,500	15,225	15,985	16,785	
Business Taxes and Licenses	38,840	40,785	42,824	44,967	
Equipment Lease	30,000	31,500	33,075	34,730	
Dues and Subscriptions	2,400	2,520	2,645	2,775	
Merchant and Bank Fees	13,595	14,273	14,986	15,739	
Professional Services	5,000	5,250	5,510	5,895	
Computer and Internet Expenses	2,500	2,625	2,755	2,920	
Insurance Expenses	8,000	8,400	8,820	9,260	
Marketing Expenses	4,000	4,120	4,245	4,370	
Office Expenses	11,655	12,006	12,367	12,863	
Operating Expenses	7,770	8,161	8,570	9,002	
Overhead Allocation	39,950	41,149	42,384	44,081	3
Total Expense	1,094,835	1,165,402	1,220,938	1,274,556	
Net Ordinary Income	\$ 458,765	\$ 500,777	\$ 562,852	\$ 583,823	

1 - Gross Revenue is based on projected surgical volume in Table 4 at an average billable rate of \$1,200 - \$2,000 per procedure

2 - Wages, Taxes and Benefits are based on FTE projections in Table 8 at pay rate ranging from \$20 to \$35 per hour

3- Overhead Allocations consists of office staff including scheduling, billing, and accounting services provided for ASC.

Within the application, NESC provided a copy of the executed lease agreement for the site at 4707 South 19<sup>th</sup> Street, Suite 210, in Tacoma [98405] to demonstrate site control. [source: Application, Exhibit 11]. The lease was executed February 7, 2012, for an initial term of ten years. Attached to the lease was an executed amendment extending the lease through August 31, 2027, Since NESC will continue leasing the site, lease costs were included in pro forma revenue and expense statement.

Given that the medical director is an employee/owner of NESC and is not separately compensated for the services, no medical director cost is included in financial statements. However, NESC provided the job description for the medical director. [source: Application, p22 and Exhibit 12]

NESC also provided its projected balance sheets for partial year 2022 and full calendar years 2023 through 2025. The information is summarized in the table below. [source: February 23, 2022, screening response, p11]

**Department’s Table 9  
Narrows Eye Surgery Center  
Projected Balance Sheets for Years 2022 through 2025\***

Assets	Year 2022	Year 2023	Year 2024	Year 2025
Current Assets	\$264,500	\$277,070	\$290,325	\$290,492
Property & Equipment	\$0	\$0	\$0	\$0
Other Assets	\$0	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$264,500</b>	<b>\$277,070</b>	<b>\$290,325</b>	<b>\$290,492</b>
Liabilities	Year 2022	Year 2023	Year 2024	Year 2025
Current Liabilities	\$3,000	\$3,150	\$3,310	\$3,477
Long Term Liabilities	\$0	\$0	\$0	\$0
Total Equity	\$261,500	\$273,920	\$287,015	\$287,015
<b>Total Liabilities &amp; Equity</b>	<b>\$264,500</b>	<b>\$277,070</b>	<b>\$290,325</b>	<b>\$290,492</b>

*“Note: The balance sheet includes only assets of the ASC. All equipment transferred to the ASC from Eye MDs of Puget Sound is fully depreciated. Additional ASC equipment will be leased. Member's equity assumes an initial cash contribution of \$50,000 and profits are distributed in the following year to members based on cash availability.”*

**Department Evaluation**

To evaluate this sub-criterion, the department first reviewed the assumptions used by Eye M.D.s of Puget Sound to determine the projected number of procedures and utilization of the proposed ASF. The utilization assumptions are based on the historical number of procedures performed in the existing ASF owned by the applicant, as well as anticipated volume based on additional physicians hired in the last quarter of 2021.

Eye M.D.s of Puget Sound based its revenue and expense assumptions on historical figures or contracts currently in place at its clinical operations. Some categories were held constant, and others were estimated as a percent of anticipated revenue, this approach is reasonable.

The pro forma financial statements show revenues would cover expenses beginning in partial year one (2022) through full calendar year three (2025). It is noted that the net profit margin is decreasing in each of the projection years.

As discussed in WAC 246-310-210(2), the department recalculated the proposed surgery center’s projected charity care dollars to be consistent with the Puget Sound Region and the four hospitals operating in the planning area. Those calculations increased the charity care dollars for all three projection years. The table below is a recalculation of the Revenue and Expense Statement Summary with the projected increase in charity care dollars equal to the total amount provided by the four hospitals that may be affected

by approval of this project. This approach is used because it allows for review of the larger dollar amount for charity care and by showing the most impact to the net profit / (loss) line item.

**Department’s Table 10  
Eye M.D.s of Puget Sound-Tacoma  
Revenue and Expense Statement Summary Recalculated**

	Partial Year-2022	Year 1-2023	Year 2-2024	Year 3-2025
Total Net Revenue (net of Cost of Goods Sold)	\$1,547,191	\$1,658,508	\$1,776,118	\$1,850,706
Total Expenses	\$1,094,835	\$1,165,402	\$1,220,938	\$1,274,556
<b>Net Profit / (Loss)</b>	<b>\$452,356</b>	<b>\$493,106</b>	<b>\$555,180</b>	<b>\$576,150</b>

With the increase of charity care in partial year 2022 and full years 2023 through 2025, Table 10 shows a smaller net profit than projected by the applicant in its projected revenue and expense table above.

Based on the information submitted, the department concludes that the immediate and long-range operating costs of the project can be met. If this project is approved, the department would attach a charity care condition consistent with past surgical center projects. **This sub-criterion is met.**

*(2) The costs of the project, including any construction costs, will probably not result in an unreasonable impact on the costs and charges for health services.*

Chapter 246-310 WAC does not contain specific WAC 246-310-220(2) financial feasibility criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what an unreasonable impact on costs and charges would be for a project of this type and size. Therefore, using its experience and expertise the department compared the proposed project’s costs with those previously considered by the department.

**Department Evaluation**

There is no capital expenditure associated with this project. This sub-criterion does not apply.

*(3) The project can be appropriately financed.*

Chapter 246-310 WAC does not contain specific source of financing criteria as identified in WAC 246-310- 200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs how a project of this type and size should be financed. Therefore, using its experience and expertise the department compared the proposed project’s source of financing to those previously considered by the department.

**Department Evaluation**

There is no capital expenditure associated with this project. This sub-criterion does not apply.

**C. STRUCTURE AND PROCESS (QUALITY) OF CARE (WAC 246-310-230)**

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department concludes that Narrows Eye Surgery Center meets the applicable structure and process (quality) of care criteria in WAC 246-310-230.

(1) A sufficient supply of qualified staff for the project, including both health personnel and management personnel, are available or can be recruited.

Chapter 246-310 WAC does not contain specific WAC 246-310-230(1) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what specific staffing patterns or numbers of FTEs [full time equivalents] that should be employed for projects of this type or size. Therefore, using its experience and expertise the department concludes that the planning would allow for the required coverage.

**Eye M.D.s of Puget Sound, PLLC**

Eye M.D.s of Puget Sound provided the following information related to this sub-criterion. [source: Application, p24]

*“The above FTE’s, by classification, are based on Eye MDs historical staffing. With the addition of 2 surgeons’ surgical volume is projected to double from 2019 values in 2022.*

Based on the assumptions described above, the applicant provided its projected number of full-time equivalents (FTEs) for the surgery center. A summary of the information is shown in the table below. [source: February 23, 2002, screening responses, p4]

**Department’s Table 11  
Narrows Eye Surgery Center  
Projected FTEs for Partial Year One and Full Calendar Years 2022 through 2024**

<b>FTE Type</b>	<b>Partial Year 1 2022</b>	<b>Full Year 1 2023 Increase</b>	<b>Full Year 2 2024 Increase</b>	<b>Full Year 3 2025 Increase</b>	<b>Total</b>
Administrator	1.00	0.00	0.00	0.00	1.00
Registered Nurses	1.00	0.50	0.00	0.00	1.50
CRNAs	1.00	0.50	0.00	0.00	1.50
Scrub Technicians	1.20	0.30	0.00	0.00	1.50
Medical Assistant	1.00	0.00	0.00	0.00	1.00
<b>Total FTEs</b>	<b>5.20</b>	<b>1.30</b>	<b>0.00</b>	<b>0.00</b>	<b>6.50</b>

Focusing on recruitment and retention of staff, NESC provided the following information. [source: Application, p23]

*“For 20 years Eye MDs of Puget Sound, which operates NESC, has been providing quality comprehensive Ophthalmology services in South Puget Sound. During that time, we have built a reputation for outstanding care with excellent surgical outcomes. This has helped us compete for quality nursing and support staff in our clinics and ASC. We use all forms of advertisement to attract quality employees. We believe in cross training of staff to enhance their sense of challenge and job satisfaction. Historically we have never had a problem with staffing our ASC or clinics using this approach.”*

The physician owner, Francis Geissler, MD, is the current medical director and will continue providing these services if this project is approved. A copy of the medical director job description was provided in the application. [source: Application, p22 and Exhibit 12]

**Department Evaluation**

As previously stated, the surgery center is currently operational. While NESC provided information regarding recruitment and retention of staff, as shown in the table above the surgery center is currently fully staffed with 5.20 FTEs. NESC projects an increase of only 1.30 FTEs through 2025. The increases are projected to occur in projection year 2023. The department concludes that NESC’s proposed staffing is reasonable.

Given that the medical director of the facility is the physician owner the medical director is already in place.

Information provided in the application demonstrates the applicant has the ability to staff the surgery center. Based on the information above, the department concludes that the NESC project **meets this sub-criterion**.

*(2) The proposed service(s) will have an appropriate relationship, including organizational relationship, to ancillary and support services, and ancillary and support services will be sufficient to support any health services included in the proposed project.*

Chapter 246-310 WAC does not contain specific WAC 246-310-230(2) as identified in WAC 246- 310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that directs what relationships, ancillary and support services should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials contained in the application.

**Eye M.D.s of Puget Sound, PLLC**

Given that the surgery center has been operational for many years, NESC provided a listing of ancillary and support services that have been established for the surgery center. [source: Application, p23]

*Applicant’s Table*

- Image First
- McKesson
- Precision Lens
- Johnson and Johnson
- Bausch and Lomb
- Waste Management
- Airgas

The transfer agreement provided in the application is between Eye M.D.s of Puget Sound and Allenmore Hospital. The agreement was executed on June 1, 2019, for an initial term of three years, and identifies roles and responsibilities for both entities. There are no costs associated with the agreement and the agreement includes provision for successive three year extensions. [source: Application, Exhibit 13]

**Department Evaluation**

NESC provided appropriate documentation to demonstrate compliance with this sub-criterion. A patient transfer agreement is an integral part of operating a freestanding surgery center and is a required agreement for Certificate of Need approval. NESC’s agreement with MultiCare Allenmore Hospital includes all information necessary and demonstrates compliance with this sub-criterion.

NESC also provided information to demonstrate its ancillary and support agreements are appropriate for its surgery center.

Based on the information reviewed in the application, the department concludes that there is reasonable assurance that NESC will maintain the necessary relationships with ancillary and support services for the surgery center if this project is approved. **This sub-criterion is met.**

*(3) There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and, if the applicant is or plans to be certified under the Medicaid or Medicare program, with the applicable conditions of participation related to those programs.*

Chapter 246-310 WAC does not contain specific WAC 246-310-230(3) criteria as identified in WAC 246-310-200(2)(a)(i). There are known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that a facility must meet when it is to be Medicare certified and Medicaid eligible. Therefore, using its experience and expertise the department assessed the applicant's history in meeting these standards at other facilities owned or operated by the applicant.

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.<sup>7</sup> For surgery centers, the department reviews two different areas when evaluating this sub-criterion. One is a review of the Centers for Medicare and Medicaid Services (CMS) "Terminated Provider Counts Report" covering years 2019 through 2022. The department uses this report to identify surgery centers that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews an applicant's conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS 'Survey Activity Report' to identify Washington State facilities with a history of condition level findings. For CMS surveys, there are two levels of deficiencies: standard and condition.<sup>8</sup>

- Standard Level

A deficiency is at the Standard level when there is noncompliance with any single requirement (or several requirements) within a particular standard that is not of such character as to substantially limit a facility's capacity to furnish adequate care, or which would not jeopardize or adversely affect the health or safety of patients if the deficient practice recurred.

- Condition Level

Deficiency at the Condition level may be due to noncompliance with requirements in a single standard that, collectively, represent a severe or critical health or safety breach, or it may be the result of noncompliance with several standards within the condition. Even a seemingly small breach in critical actions, or at critical times, can kill or severely injure a patient, and such breaches would represent a serious or severe health or safety threat.

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<sup>7</sup> WAC 246-310-230(5)

<sup>8</sup> Definitions of standard and condition level surveys: <https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/>



## **Eye M.D.s of Puget Sound, PLLC**

The applicant provided the following statements related to this sub-criterion. [source: Application, 25]

*“No practitioner associated with Eye MDs of Puget Sound or NESC has any history of criminal convictions related to ownership of, or operation of, a healthcare facility. Nor is there any history of license revocation or any other sanctions described in WAC 244 310 230 (3) and (5) involving any physician associated with this medical practice.”*

### **Department Evaluation**

Below is a summary of the two areas reviewed for Eye M.D.s of Puget Sound and Narrows Eye Surgery Center.

#### **Terminated Provider Counts Report**

Focusing on years 2019 through 2022, NESC was not involuntarily terminated from participation in Medicare reimbursement.

#### **Conformance with Medicare and Medicaid Standards**

Focusing on years 2019 through 2022, NESC was surveyed once in 2020. NESC is in conformance with CMS standards at this time.

Although outside of the three-year quality review typically done for CN review NESC provided the following discussion of a 2018 survey [source: February 23, 2022, screening responses, pp4-5]

*“The DOH survey on July 2019<sup>9</sup> was performed by an inexperienced nurse who reported multiple significant ASC deficiencies that were later proven unsubstantiated. The surveyor erroneously classified NESC as a Level 1 facility while in fact NESC is a Level 4 facility as defined by the DOH. This serious error was brought to our attention by Mr. Steve Pennington, DOH Technical Review Office. We had worked with Mr. Pennington when our ASC was relocated to its current location in 2012. He was instrumental in conveying these details to Mr. Frank Schitoski who was the director of the DOH survey service at the time of the 2019 visit.*

*“After submitting our POC following the initial site review of NESC, July 2019, the DOH surveyor missed several deadlines with us. The nurse surveyor did not return our phone calls or emails. This was brought to Mr. Schitoski’s attention. Having worked with the DOH survey crews for over a decade we found this activity to be highly irregular. As a result, we contacted CMS directly. Several conversations and email communications involved the administrator and owner of NESC with Mr. Julius Bunch and Ms. Renea Hill, from CMS management. Shortly after these discussions a second survey was performed by Mr. Schitoski himself after he was contacted directly by CMS. Following the repeat survey, we received an email from Mr. Schitoski stating our survey findings no longer included any condition level findings and only 2 standard level findings. These issues had already been addressed in our original POC.*

*“Following this email by Mr. Schitoski we waited for a formal letter and official notification from the DOH that we had completed our survey and that NESC was in CMS compliance and in good standing. Several times we contacted the DOH and requested such documentation which is needed for proof of compliance*

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<sup>9</sup> Department’s note: While the applicant repeatedly refers to 2019 in this quoted section, the record indicates the events discussed occurred in 2018

*with insurance companies. We were assured that a letter was on its way. We never received any subsequent written documentation from the DOH concerning our July 2019 survey, presumably due to the growing COVID pandemic. We therefore elected to obtain CMS accreditation from an outside organization. Last summer HFAP surveyed NESC and found no significant issues. We were awarded a letter of certification within 2 weeks.”*

Eye M.D.s of Puget Sound identified its physician owner, Francis Geissler, MD, to provide medical director services. Using data from the Medical Quality Assurance Commission, the department confirmed that Dr. Geisler holds an active medical license with no enforcement actions.

Eye M.D.s of Puget Sound also provided a listing of 12 physicians or employees for the practice and surgery center. Using data from the DOH Office of Customer Service, the department found all staff are in full compliance with state requirements, hold active state licenses, and have no conditions or limits on their license.

In review of this sub-criterion, the department considered the total compliance history of NESC the applicant’s only facility. The department also considered the compliance history of the medical director and current physician partners or employees of the practice and the surgery center. Based on the information reviewed, the department concludes that NESC has been in compliance with applicable state and federal licensing and certification requirements. The department also concludes there is reasonable assurance that this project would not have a negative effect on NESC’s compliance.

The department concludes that Eye M.D.s of Puget Sound has demonstrated reasonable assurance that NESC would continue to operate in compliance with state and federal requirements. **This sub-criterion is met.**

*(4) The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the service area's existing health care system.*

Chapter 246-310 WAC does not contain specific WAC 246-310-230(4) criteria as identified in WAC 246-310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b) that direct how to measure unwarranted fragmentation of services or what types of relationships with a services area’s existing health care system should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials in the application.

### **Eye M.D.s of Puget Sound, PLLC**

Eye M.D.s of Puget Sound provided the following statements in response to a question about how the proposed project will promote continuity in the provision of health care services in the planning area. [source: Application p24]

*“As a CN-approved ASF NESC will provide continuity of care by supplying a facility where most types of eye surgery can be performed. Currently only two CN-approved facilities exist in the Central Pierce area equipped for ophthalmic surgery. One is Allenmore Hospital. Patients and their surgeons are aware of the additional costs to patients and prefer ASFs. With the continued rise of Covid-19 Delta/Omicron variants hospital capacity across the U.S. has been taxed to almost full occupancy. The pressure on inpatient facilities has clarified the vital role of ASFs in healthcare delivery by providing an alternative site for necessary procedures.*

*Demands of outpatient surgery will continue to grow because of the rapidly expanding elderly population of the Central Pierce Planning area. Without further increase in supply of outpatient ASFs patients in search of eye surgical services will need to go outside of the planning area, thereby creating significant fragmentation of services in the future.”*

### **Department Evaluation**

As an existing provider, NESC is already part of the healthcare infrastructure for the Central Pierce planning area. As a result, much of the impact this surgery center would have on the existing providers has already occurred. This is further evidenced by the lack of public comment submitted for this project.

The department also considers the conclusions reached in this evaluation regarding need for the surgery center and whether the facility would be available and accessible to residents of the Central Pierce area. The department also considers the conclusions reached in the financial review of the project. NESC provided information within the application materials to demonstrate it meets the review criteria in WAC 246-310-210 and 220.

Based on the information provided in the application, the department concludes there is reasonable assurance that approval of this project would promote continuity in the provision of health care services in the community. **This sub-criterion is met.**

*(5) There is reasonable assurance that the services to be provided through the proposed project will be provided in a manner that ensures safe and adequate care to the public to be served and in accord with applicable federal and state laws, rules, and regulations.*

This sub-criterion is addressed in sub-section (3) above and is met.

### **D. COST CONTAINMENT (WAC 246-310-240)**

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department concludes that Narrows Eye Surgery Center meets the applicable cost containment criteria in WAC 246-310-240.

*(1) Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or practicable.*

To determine if a proposed project is the best alternative, the department takes a multi-step approach. Step one determines if the application has met the other criteria of WAC 246-310-210 thru 230. If it has failed to meet one or more of these criteria, then the project is determined not to be the best alternative and would fail this sub-criterion.

If the project has met the applicable criteria in WAC 246-310-210 through 230 criteria, in step two, the department assesses the other options considered by the applicant. If the department determines the proposed project is better or equal to other options considered by the applicant and the department has not identified any other better options, this criterion is determined to be met unless there are multiple applications.

If there are multiple applications, the department’s assessment is to apply any service or facility superiority criteria contained throughout Chapter 246-310 WAC related to the specific project type in step three. Narrows Eye Surgery Center’s application is the only application under review to add OR capacity in central Snohomish County. Therefore, step three is not applicable to this project.

Narrows Eye Surgery Center met the applicable review criteria under WAC 246-310-210 through 230. Its application will be evaluated further under this sub-criterion.

### **Narrows Eye Surgery Center**

The applicant provided the following statements in response to this sub-criterion. [source: Application, p26-27]

*“Eye MDs of Puget Sound, which operates NESC, wishes to covert its current CN-exempt ASC in Central Pierce County to a CN approved facility with expanded certification to provide Ophthalmology, ENT and Plastic Surgery services. The decision to seek CN approval is consistent with the long-term goals of the medical practice which include growth and diversification of treatment and surgical services available to our patients. We have recently added 2 Ophthalmologists to our practice and see further physician recruitment in the future. We are confident we can create an environment for Ophthalmology, ENT and Plastic Surgery specialists not available anywhere in the planning area except Allenmore Hospital.*

*Prior to submitting this completed application we evaluated our options for practice growth with diversification. We identified three different paths to proceed down as listed below:*

- A) Maintain our current CN exempt status and do not change. The do-nothing option.*
- B) Consider a time share or condominium arrangement with outside community surgeons.*
- C) Pursue CN-approval for NESC and attract outside surgeons to join our medical staff and utilize our established and experienced ASC.*

*The do-nothing option was quickly eliminated since we have an interest in growth and diversification and helping meet the needs of the Central Pierce County Planning area.*

*The second option, calling for the creation of a time share, or condominium arrangement was reviewed with knowledgeable counsel and found to be too restrictive, costly and not capable of maximizing our ASC utilization. This option was also rejected.*

*The last option, CN approval, is the only avenue which will allow the maximization of the ASC utilization. With this status change NESC will be open to all surgeons in the community who are credentialed and privileged as a member of NESC medical staff. This ultimately will lead to improved access of care for residents of the planning area in need of surgical procedures across the additional surgical specialties we have requested in this application.*

*CN approval of NESC will result in the following:*

- i) Improved patient access to healthcare services in the planning area by creating an additional outpatient facility for elective surgery. Currently there is a significant shortage of CN-approved outpatient ORs available. Moreover, we will provide a venue for the specific surgical services involving Eye, ENT, and Plastic Surgery care currently only available at one community hospital in all of Central Pierce County.*
- ii) NESC conversion to a CN-approved facility will not require an additional cost beside an application fee. The facility is currently up and running with a full and experience staff.*
- iii) Obtaining CN approval will allow NESC to expand its medical staff and therefore its surgical services offered to patients. This should reduce the replication of surgery center build outs by surgeons in the area. It should also maximize the offering of varied surgical procedures available at NESC.*

*iv) CN approval will also mean a greater number of similar types of surgical procedures performed at one ASC. With any surgical procedure increased frequency leads to greater efficiency by the surgeon and staff, usually measured in surgical time and room turnover. One can argue increased efficiency by staff and surgeons leads to better outcomes for patients.*

*v) To summarize obtaining CN approval for NESC will help improve patient access to healthcare services, likely improve the quality of surgical care, have no legal restrictions or significant capital costs to patients or ASC owners, nor affect current staff or reduce ASC operational efficiency.”*

### **Department Evaluation**

The applicant identified sufficient unmet need for OR capacity in the planning area and the department also did not identify any other alternatives that would be considered superior based on quality, efficiency, and costs that are available or practicable for NESC. Further, this project met the review criteria under need, financial feasibility, and structure and process of care. Based on the above information, the department concludes that **this sub-criterion is met.**

#### (2) In the case of a project involving construction:

*(a) The costs, scope, and methods of construction and energy conservation are reasonable;*

*(b) The project will not have an unreasonable impact on the costs and charges to the public of providing health services by other persons.*

*(3) The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment, and which promote quality assurance and cost effectiveness.*

### **Department Evaluation**

Given that there is no construction or alternations associated with this project, these two sub-criteria do not apply to this project.

# APPENDIX A



**APPENDIX A  
ASC Need Methodology  
Central Pierce County**

Service Area Population: 2025	364,311	Claritas											
Surgeries @ 175.644/1,000:	63,989												
a.i.	94,250	minutes/year/mixed-use OR											
a.ii.	68,850	minutes/year/dedicated outpatient OR											
a.iii.	13	dedicated outpatient OR's x 68,850 minutes =			895,050	minutes dedicated OR capacity	13,369	Outpatient surgeries					
a.iv.	57	mixed-use OR's x 94,250 minutes =			5,372,250	minutes mixed-use OR capacity	45,095	Mixed-use surgeries					
b.i.		projected inpatient surgeries =	38,689	=	4,609,062	minutes inpatient surgeries							
		projected outpatient surgeries =	25,300	=	1,693,863	minutes outpatient surgeries							
b.ii.		Forecast # of outpatient surgeries - capacity of dedicated outpatient OR's											
		25,300	-		13,369	=	11,931	outpatient surgeries					
b.iii.		average time of inpatient surgeries		=	119.13	minutes							
		average time of outpatient surgeries		=	66.95	minutes							
b.iv.		inpatient surgeries*average time		=	4,609,062	minutes							
		remaining outpatient surgeries(b.ii.)*ave time		=	798,813	minutes							
					5,407,875	minutes							
c.i.		if b.iv. < a.iv. , divide (a.iv.-b.iv.) by 94,250 to determine surplus of mixed-use OR's											
		<b>Not Applicable - Go to c.11. and ignore any value here.</b>											
		5,372,250											
		- 5,407,875											
		-35,625	/	94,250	=	-0.38							
c.ii.		if b.iv. > a.iv., divide (inpatient part of b.iv - a.iv.) by 94,250 to determine shortage of inpatient OR's											
		<b>USE THESE VALUES</b>											
		4,609,062											
		- 5,372,250											
		(763,188)	/	94,250	=	-8.10							
		<b>divide outpatient part of b.iv. By 68,850 to determine shortage of dedicated outpatient OR's</b>											
		798,813	/	68,850	=	11.60							

Facility	CN Status	Special Procedure Rooms	Dedicated Inpatient ORs	Dedicated Outpatient ORs	Mixed Use ORs	Mixed Use min/case	2011 Inpatient Cases in Mixed Use	Inpatient Mins. In Mixed Use ORs	Outpatient Min/Case	Outpatient Cases	Outpatient Mins.	Data Source	
CHI & Kindred Rehabilitation Hospital	Rehab Hospital	0	0	0	0	0.0	0	0	0.0	0	0	Not an acute care hospital & no ORs.	
CHI St. Anthony Hospital	Acute Care Hospital	1	0	0	8	82.3	5,734	472,189	0.0	0	0	2021 survey collecting 2020 data.	
CHI St. Joseph Hospital	Acute Care Hospital	4	0	2	20	129.3	11,285	1,459,495	82.9	508	42,126	2021 survey collecting 2020 data.	
MultiCare Mary Bridge Childrens Hospital	Acute Care Hospital	0	0	2	4	72.1	6,146	443,162	59.4	5,215	309,784	2021 survey collecting 2020 data.	
Multicare Allenmore Hospital (under TG license)	Acute Care Hospital	0	0	0	8	121.3	6,123	742,680	0.0	0	0	2021 survey collecting 2020 data.	
MultiCare Tacoma General	Acute Care Hospital	0	0	0	17	169.7	7,347	1,246,857	0.0	0	0	2021 survey collecting 2020 data.	
Aesthetic Physicians / Sono Bello	CN Exempt	0	0	2	0	0.0	0	0	111.4	729	81,211	2020 survey collecting 2019 data.	
Artistic Plastic Surgery	CN Exempt	0	0	1	0	0.0	0	0	90.5	243	22,000	2020 survey collecting 2019 data.	
Aesthetica Clinique, LLC	CN Exempt	0	0	1	0	0.0	0	0	171.4	229	39,255	2021 survey collecting 2020 data.	
Baker Day Surgery of Tacoma (under MHS TG/Allenmore hospital license)	CN Approved	0	0	3	0	0.0	0	0	92.7	1,533	142,158	2021 survey collecting 2020 data.	
Cedar Laser and Surgery Center	CN Exempt	0	0	2	0	0.0	0	0	50.0	2,436	121,800	ILRS database; total minutes calculated using default in rule.	
Evergreen Eye Center.	CN Approved	0	0	2	0	0.0	0	0	50.0	31	1,550	2021 survey collecting 2020 data.	
Eye MDs of Puget Sound (Narrows Eye Surgery)	CN Exempt	0	0	1	0	0.0	0	0	50.0	574	28,700	Application volume, default minutes	
Gig Harbor Surgery Center (under MHS TG/Allenmore hospital license)	CN Approved	0	0	4	0	0.0	0	0	105.0	957	100,515	2021 survey collecting 2020 data.	
Franciscan Endoscopy Center-Gig Harbor	CN Approved	Endoscopy Center - Not Counted in Methodology					0	0	0	0.0	0	0	Licensed under St. Francis Hospital
Franciscan Endoscopy Center-Tacoma	CN Approved	Endoscopy Center - Not Counted in Methodology					0	0	0	0.0	0	0	Licensed under St. Francis Hospital
Harbor Plastic Surgery Center	CN Exempt	0	0	1	0	0.0	0	0	0.7	591	430	2021 survey collecting 2020 data.	
Kaiser Permanente Tacoma ASC (HMO) Excluded	CN Approved	1	0	5	0	0.0	0	0	81.7	5,059	413,511	2021 survey collecting 2020 data.	
Pacific Cataract and Laster Institute	CN Exempt	0	0	2	0	0.0	0	0	50.0	2,686	134,300	2021 survey collecting 2020 data. Total minutes calculated using default in rule.	
Pacific Northwest Eye Surgery Center	CN Exempt	0	0	4	0	0.0	0	0	50.0	2,832	141,600	Total minutes calculated using default in rule.	
Peninsula Endoscopy Center	CN Approved	Endoscopy Center - Not Counted in Methodology					0	0	0.0	0	0	0	ILRS database
Soundview Ambulatory Surgery Center	CN Exempt	0	0	1	0	0.0	0	0	74.9	334	25,002	ILRS database; total minutes calculated using default in rule.	
Waldron Endoscopy Center	CN Approved	Endoscopy Center - Not Counted in Methodology					0	0	0.0	0	0	0	ILRS database
<b>Totals</b>		<b>0</b>	<b>0</b>	<b>33</b>	<b>57</b>	<b>574.8</b>	<b>36,635</b>	<b>4,364,383</b>	<b>1,120.8</b>	<b>23,957</b>	<b>1,603,942</b>		
							Avg min/case inpatient	<b>119.13</b>	Avg min/case outpatient		<b>66.95</b>		
<b>ORs counted in numeric methodology</b>				<b>13</b>	<b>57</b>								
ILRS: Integrated Licensing & Regulatory System													
Population data source: Claritas 2021 data													
Total Surgeries		60,592											
Area population 2020 [0 - 85+] Claritas		344,971											
Use Rate		175.644											
Planning Area projected population Year: 2025		364,311											
% Outpatient of total surgeries		39.54%											
% Inpatient of total surgeries		60.46%											