



Central Washington Hospital
1201 S. Miller St.
Wenatchee, WA 98801
509.662.1511
confluencehealth.org

September 22, 2022

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

email: fslcon@doh.wa.gov

Re: Notification of Transaction and Request for Determination of Reviewability

After informal technical assistance conversations with the Certificate of Need Program about Confluence Health's corporate merger, we are requesting a written Determination of Reviewability (DOR). Please note that this transaction is planned to be effective on July 1, 2023.

As way of background, Confluence Health is the administrative entity for two separately licensed hospitals (Central Washington Health Services Association "CWHSA", DBA Central Washington Hospital and Wenatchee Valley Hospital "WVH"). We are three separate tax IDs, however, our corporate structure is such that Confluence Health is the sole member of CWHSA and WVH and acts as the parent corporation of each hospital.

- CWHSA has a 176-bed hospital
- CWHSA has 22 banked skilled nursing facility beds (FFC Bed Banking #19-01).
- WVH is a 20-bed hospital which is leased from Wenatchee Valley Medical Group (formerly named Wenatchee Valley Medical Center) (CN #13-03)
- Nine of WVH's 20 beds are part of its inpatient rehabilitation facility (CN #15-16)
- WVH has an ambulatory surgery facility in Omak (CN #16-04)
- WVH has an ambulatory surgery facility in Moses Lake (CN #16-03).

In the proposed transaction, Confluence Health and WVH will be merged into CWHSA. CWHSA will remain the surviving tax ID and the new DBA name of the hospital will be Confluence Health Hospital ("CHH"). The proposed result of the transaction will be a single licensed hospital (CHH) with a remote location (the former WVH campus). The inpatient rehabilitation facility at the former WVH campus will remain unchanged other than it being merged under CHH.

With respect to the two ambulatory surgery facilities licensed under WVH, these will be transitioned under the CWHSA tax ID. Their DBA names will be Confluence Health Omak Ambulatory Surgery Center and Confluence Health Moses Lake Ambulatory Surgery Center.

Although the proposed transaction will involve consolidation of some operations, it will not result in an expansion of beds at either hospital, there will be no expansion of operating rooms at either ambulatory surgery facility, and it will not expand the scope of services provided at either hospital or ambulatory

surgery facility. Further, it will not involve any hospital or ambulatory surgery facility ceasing and then resuming services. There will be little to no impact to our patients or to patient care.

We believe this merger of two hospital systems owned and operated by the same entity is not reviewable by the CON office because it does not represent the sale, purchase, or lease of part or all of an existing hospital, nor does it represent the construction, development, or other establishment of a new health care facility. We view this as a change in control transaction which the Washington Supreme Court has determined is not within the authority of the DOH's CON Program. See Wash. State Hosp. Ass'n v. Wash. State Dep't of Health, 183 Wn.2d 590, 597 (2015). We would appreciate a written DOR to confirm this understanding.

Please direct any additional information needs to Sarah.Brown@confluencehealth.org or 509-433-3803. The DOR fee of \$1,925 has been sent with the paper copy of this letter.

Sincerely,



Sarah C. Brown
VP Risk & Regulatory