



**Certificate of Need Private Psychiatric Hospital
One-Time Bed Addition Exemption
Private Psychiatric Hospitals Licensed Under RCW 71.12
Proposing to Add Up to Thirty Beds
Determination of Reviewability Packet**

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To request this document in another format, call 1-800-525-0127.

Deaf or hard of hearing customers, please call 711 (Washington Relay) or email civil.rights@doh.wa.gov.

Submission Instructions:

- One electronic (pdf) version, including any applicable attachments.
- Applications for this exemption will be accepted until June 30, 2023 only. Any application received after June 30, 2023 will be returned unless the exemption statute is extended.
- A check or money order for the exemption review fee of \$1,925, payable to Department of Health.

Include copy of the signed cover sheet with the fee if you submit the application and fee separately. This allows us to connect your application to your fee. We also strongly encourage sending payment with a tracking number.

Mail or deliver the exemption and review fee to:

Mailing Address:

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

Physical Address:

Department of Health
Certificate of Need Program
111 Israel Road S.E.
Tumwater, Washington 98501

Contact Us:

Certificate of Need Program Office 360-236-2955 or FSLCON@doh.wa.gov.



Official Use Only
Date Received:

21 February 2023
1255 *[Signature]*

Certificate of Need Private Psychiatric Hospital One-Time Bed Addition Facilities Licensed Under RCW 71.12 Proposing to Add Beds Exemption Under Authority of RCW 70.38.260(3) (Do Not Use this form for any other type of hospital project)	
To be accepted Certificate of Need applications must include the appropriate fee (WAC 246-310-990.)	
Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW 70.38 and WAC 246-310 , rules and regulations adopted by the Washington State Department of Health. I attest that the statements made in this application are correct to the best of my knowledge and belief.	
Applicant(s)	
Owner:	Operator (If different than Owner):
Legal Name of Owner: Vest Thurston, LLC	Legal Name of Operator:
Address of Owner: 605 Woodland Square Loop SE Lacey, WA 98503	Address of Operator:
Name and Title of Responsible Officer: (Print) Martina Sze Chief Development Officer	Name and Title of Responsible Officer: (Print)
Signature of Responsible Officer: <i>[Signature]</i>	Signature of Responsible Officer:
Date: 2/16/2023	Date:
Telephone and Email: 212-243-5565 / msze@ushealthvest.com	Telephone and Email:

Facility Information

1. Name of Facility: South Sound Behavioral Hospital
2. Facility Address: 605 Woodland Square Loop SE
Lacey, WA 98503
3. Facility's credential number: HPSY.FS. 60951342
4. Provide a breakdown of the current number of licensed beds in the table below.

Bed Designation	Current
Dedicated Psychiatric	108
Dedicated Chemical Dependency	
Dedicated Adolescent	
Dedicated Adult	
Dedicated Geriatric	
Other (define other)	
Total Licensed Beds (sum of above)	108

Project Information

1. Provide a breakdown of the proposed number of beds requested in this exemption application.

Bed Designation	Proposed
Psychiatric beds devoted solely for 90-day civil commitment services	
Psychiatric beds devoted solely for 180-day civil commitment services	
Total exempt beds, maximum of 30 allowable (sum of above)	

Bed Designation	Proposed
Voluntary or involuntary psychiatric beds for patients on a 120 hour detention civil commitment order	30
Voluntary or involuntary psychiatric beds for patients on a 14-day civil commitment order	
Total exempt beds, maximum of 30 allowable (sum of above)	30

2. Provide a breakdown of the total number of licensed beds if this exemption is approved. The table below should include both current and proposed beds.

Bed Designation	Total
Dedicated Psychiatric	
Psychiatric beds devoted solely for 90-day civil commitment services	
Psychiatric beds devoted solely for 180-day civil commitment services	
Voluntary or involuntary psychiatric beds for patients on a 120 hour detention civil commitment order	30
Voluntary or involuntary psychiatric beds for patients on a 14-day civil commitment order	
Dedicated Adolescent	10
Dedicated Adult	98
Dedicated Geriatric	
Dedicated Chemical Dependency	
Total Licensed Beds (sum of above)	138

3. Has this facility ever been granted exemption from Certificate of Need review for the addition of psychiatric beds? Yes ☐ No ☒

If yes, provide the Certificate of Need number: _____

4. Provide the most recent two years of publicly available fiscal year-end report data as required under [RCW 43.70.050](#) reported to the department. To qualify for exemption these reports must show a payer mix with a minimum of fifty percent Medicare and Medicaid based on a calculation using patient days.

5. Maintaining specific payer mix

I attest that by initialing below, the facility is making a commitment to maintain at least a fifty percent Medicare and Medicaid payer mix for at least five years after the project's completion.

Acknowledgement, initial here: MS.

6. Project's anticipated timeline

Event	Month/Day/Year
Assumed Project Exemption Granted Date	3/17/2023
Anticipated Project Commencement Date	7/15/2023
Anticipated Project Completion Date	2/15/2024

Note: If this exemption is approved, the project must commence within two years of the exemption issue date.

Commencement is defined in WAC 246-310-010(13):

"Commencement of the project" means whichever of the following occurs first: In the case of a construction project, giving notice to proceed with construction to a contractor for a construction project provided applicable permits have been applied for or obtained within sixty days of the notice; beginning site preparation or development; excavating or starting the foundation for a construction project; or beginning alterations, modification, improvement, extension, or expansion of an existing building. In the case of other projects, initiating a health service.

Project Completion is defined in WAC 246-310-010(47):

"Project Completion" for projects requiring construction, means the date the facility is licensed. For projects not requiring construction, project completion means initiating the health service.

7. Change in use of exempt psychiatric beds

I attest that by initialing below, the licensee understands that beds added under this exemption must remain psychiatric beds unless a Certificate of Need is granted to change their use or the psychiatric hospital voluntarily reduces its licensed capacity.

Acknowledgement, initial here: M.S.

Certificate of Need Program Revised Code of Washington (RCW) and Washington Administrative Code (WAC)

Certificate of Need Program statute [RCW 70.38](#)

Certificate of Need Program regulations [WAC 246-310](#)

References	Title/Topic
RCW 70.38.260	Certain hospitals not subject to certificate of need requirements for the addition of the number of new psychiatric beds
RCW 70.38.111	Certificate of need – Exemptions
RCW 43.70.050	Collection, use, and accessibility of health-related data
WAC 246-310-010	Certificate of Need Program definitions

Licensing Resources:

[Hospital Licensing and Regulation Statute, RCW 70.41](#)

[Hospital Licensing Regulations, WAC 246-320](#)

[Hospital Program Web Page](#)

[Private Psychiatric Hospital Licensing and Regulation Statute, RCW 71.12](#)

[Private Psychiatric Hospital Licensing Regulations, WAC 246-322](#)

[Private Psychiatric Hospital Program Web Page](#)

Construction Review Services Resources:

[Construction Review Services Program Web Page](#)

Phone: 360-236-2944

Email: CRS@doh.wa.gov

15. PAYOR UNITS OF SERVICE AND REVENUE

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Hospital Name: Vest Thurston, LLC

YE-A

FYE: 12/31/2020

HOSPITAL ONLY						
PAYOR	Units of Service			Revenue		
	Admissions	Pat. Days	OP Visits	Inpatient	Outpatient	Total
Medicare	269	4,749	80	9,498,000	40,000	9,538,000
Medicaid	667	8,035	0	16,070,000	0	16,070,000
All Other	406	3,802	670	10,180,553	336,900	10,517,453
Total	1,342	16,586	750	35,748,553	376,900	36,125,453
SNF / SWING ONLY						
PAYOR	Units of Service			Revenue		
	Admissions	Pat. Days	OP Visits	Inpatient	Outpatient	Total
Medicare	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0
All Other	0	0	0	0	0	0
Total	0	0	0	0	0	0
CHEMICAL DEPENDENCY/ATC ONLY						
PAYOR	Units of Service			Revenue		
	Admissions	Pat. Days	OP Visits	Inpatient	Outpatient	Total
Medicare	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0
All Other	0	0	0	0	0	0
Total	0	0	0	0	0	0
16. Hospital Based Physicians - Professional Component						
Revenue :		2,574,553				
Expense :		0				

Hospital Name: Vest Thurston, LLC

YE-A

FYE: 12/31/2021

HOSPITAL ONLY							
PAYOR	Units of Service			Revenue			
	Admissions	Pat. Days	OP Visits	Inpatient	Outpatient	Total	
Medicare	354	6,438	353	21,149,435	207,100	21,356,535	
Medicaid	1,148	13,505	202	44,358,544	108,000	44,466,544	
All Other	461	5,097	2,204	16,750,774	1,516,400	18,267,174	
Total	1,963	25,040	2,759	82,258,753	1,831,500	84,090,253	
SNF / SWING ONLY							
PAYOR	Units of Service			Revenue			
	Admissions	Pat. Days	OP Visits	Inpatient	Outpatient	Total	
Medicare	0	0	0	0	0	0	
Medicaid	0	0	0	0	0	0	
All Other	0	0	0	0	0	0	
Total	0	0	0	0	0	0	
CHEMICAL DEPENDENCY/ATC ONLY							
PAYOR	Units of Service			Revenue			
	Admissions	Pat. Days	OP Visits	Inpatient	Outpatient	Total	
Medicare	0	0	0	0	0	0	
Medicaid	0	0	0	0	0	0	
All Other	0	0	0	0	0	0	
Total	0	0	0	0	0	0	
16. Hospital Based Physicians - Professional Component							
Revenue :		3,382,753					
Expense :		0					