STATE OF WASHINGTON

DEPARTMENT OF HEALTH

Olympia, Washington 98504

February 21, 2023

Sommer Kleweno-Walley, CEO
Harborview Medical Center
e-mail: skleweno@uw.edu

RE: Certificate of Need Application #22-41A Harborview Medical Center Project

Dear Ms. Kleweno-Walley:

We have completed review of the Certificate of Need application submitted by Harborview Medical Center. Enclosed is a written evaluation of the application.

For the reasons stated in this evaluation, the application proposing to add 127 acute cre beds to Harborview Medical Center is consistent with applicable criteria of the Certificate of Need Program, provided the applicant agrees to the following in its entirety.

Project Description

This Certificate of Need approves the addition of 127 acute care beds to Harborview Medical Center located at 325 Ninth Avenue in Seattle [98104], within King County. The 127 acute care beds will be added in two phases, as described below.

- Phase one is the addition of 87 acute care beds. These 87 beds will be used for general medical surgical acute care services. At the completion of phase one, Harborview Medical Center will be licensed and operating 500 acute care beds.

- Phase two is the addition of the remaining 40 acute care beds. These 40 beds will be used for general medical surgical acute care services. At the completion of phase two, Harborview Medical Center will be licensed and operating a total of 540 acute care beds.

The department's table below shows a breakdown of the number of beds by phase and service.

Department/Unit	Current # of Beds	Phase 1	Phase 2	Total # of Beds
Medical/Surgical	321	87	40	448
Rehabilitation	24	0	0	24
Psychiatric	68	0	0	68
Total	**413**	**87**	**40**	**540**

Conditions

1. Harborview Medical Center agrees with the project description as stated above. Harborview Medical Center further agree that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Harborview Medical Center will fund the project as described in the application.
3. Harborview Medical Center will use reasonable efforts to provide charity care consistent with the amounts identified in the application materials. Harborview Medical Center will maintain records of charity care applications received and the dollar amount of charity care discounts granted. The department requires that these records be available upon request.

Approved Costs

The approved capital expenditure associated with this project is $93,750,000.

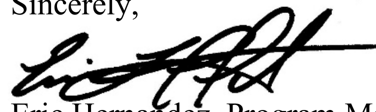
Please notify the Department of Health within 20 days of the date of this letter whether you accept the above project description, conditions, and capital costs for your project. If you accept these in their entirety, your application will be approved, and a Certificate of Need sent to you.

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.

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

Enclosure

Jody Carona, Health Facilities Planning and Development
e-mail: healthfac@healthfacilitiesplanning.com

EVALUATION DATED FEBRUARY 21, 2023, FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY HARBORVIEW MEDICAL CENTER PROPOSING TO ADD 127 ACUTE CARE BEDS TO THE HOSPITAL LOCATED IN CENTRAL KING COUNTY

APPLICANT DESCRIPTION

The applicant provided the following discussion of Harborview Medical Center, its organizational structure, and its range of services. [source: Amendment Application, pdf 5]

"The legal name of the applicant is Harborview Medical Center (Harborview). King County owns Harborview; it is operated by the University of Washington (UW) under a Hospital Services Agreement. Under the agreement, UW is responsible for management and operation of the hospital, including obtaining and maintaining necessary and appropriate licensure. Section 3.1.3 of the agreement states, in part:

> ***'Licenses, Permits, Registrations and Certificates.*** *UW Medicine shall obtain and maintain without restriction during the term of this Agreement all appropriate licenses, permits, registrations and certificates under Applicable Law for the provision of the services under this Agreement, including authorization for participation in Medicare and Medicaid. UW Medicine shall require University Personnel, including all its independent contractors, who are to perform services under this Agreement, to possess and maintain in effect during the term of their services under this Agreement, all licenses, permits, registrations and certificates required by Applicable Law which are required for their performance hereunder.'*

Harborview is the only designated Level I adult and pediatric trauma and verified burn center in the state of Washington and serves as the regional trauma and burn referral center for Wyoming Alaska, Montana, and Idaho (the WWAMI region). Harborview is also the disaster preparedness and disaster control hospital for Seattle and King County.

Harborview's mission is to provide care for a broad spectrum of patients from throughout the region, including the most vulnerable residents of King County; to provide and teach exemplary patient care; and to develop and maintain leading-edge centers of emphasis."

Harborview is owned by King County, governed by a county-appointed board of trustees and managed under Agreement by the UW, through UW Medicine.

UW Medicine also owns and/or operates University of Washington Medical Center, Valley Medical Center, the UW School of Medicine, UW Physicians, UW Neighborhood Clinics, and Airlift Northwest. Harborview's UBI number is: 578037394."

Based on this information, the department concludes that, while the hospital is operated by UW Medicine, the applicant is Harborview Medical Center. In this evaluation the applicant and hospital need not be distinguished from one another and are collectively referenced as 'Harborview Medical Center' or 'Harborview.'

PROJECT DESCRIPTION

Harborview is a licensed acute care hospital located at 325 Ninth Avenue in Seattle [98104] within King County. For Certificate of Need purposes, the hospital is located in the central King hospital planning area. Harborview is currently licensed for 413 acute care beds. [source: Amendment Application, pdf 9]

This project proposes to add 127 acute care beds to the hospital, resulting in a facility total of 540 acute care beds. Harborview provided the table on the following page to show the current and projected breakdown of the acute care beds. [source: Amendment Application, pdfs 9 & 11-12]

Applicant's Table
Current and Proposed Licensed Bed Configuration by Type and Phase

Department/ Unit	Current Licensed Beds	Phase 1- +87 beds Proposed Beds	Phase 2- +40 beds Proposed Beds	Total +127 Beds Total Beds
Med/Surg (Acute)	321	87	40	425
Rehab	24	0	0	24
Psych	68	0	0	68
Total	**413**	**87**	**40**	**540**

The table above shows the current number of general acute care beds at Harborview to be 321. When 127 beds are added in two phases, the number increases to 448, rather than 425 as shown in the table.[1] It is noted that facility total of 540 shown in the table is correct. Harborview proposes to add the beds in two phases and provided the description of each phase below. [source: Amendment Application, pdfs 11-13]

"As noted above, Harborview already has beds set-up and operational beyond our 413-bed license. These beds are being operated under the Governor's Proclamation #20-36; and based on guidance from the Department of Health's off-boarding guidance, these beds will remain operational as this application is processed. The 87 Phase 1 beds are currently dispersed throughout the hospital in various locations. Forty-one (41) of those beds are located in spaces that allow for immediate occupancy. While providing a superior care environment over the ED and hallways, the remaining forty-six (46) of those Phase 1 beds are in locations that will not fully meet the code requirements, consequently, Harborview has received a licensing exemption for the 46 beds. Per the CRS approved exemption, Harborview will cease use of 23 of the 46 beds (a 23-bed post anesthesia care unit) as a 24-hour inpatient care space when another Harborview renovation project (CRS #6126100) is complete.

The 40 Phase 2 beds will be built to current code requirements as part of a renovation project of the Maleng building and are expected to be occupied in late 2024.

The 127 additional beds at Harborview will improve access for our mission patients, will assure access to our unique tertiary and quaternary services and programming and will reduce overcrowding. Even with 425 acute care beds, and no further increase in acute days beyond actual 2021, Harborview's occupancy will average nearly 77% at midnight; above the State Health Plan's target occupancy of 75%."

Harborview is fully licensed and certified as shown in the table below. [source: Amendment Application, pdf 7]

Washington State License	Medicare Number	Medicaid Number
HAC.FS.00000029	50-0064	100127700

Harborview also clarified that the hospital will maintain the current accreditations and designations described below. [source: Amendment Application, pdfs 5 & 7]

"Harborview is the only designated Level I adult and pediatric trauma and verified burn center in the state of Washington and serves as the regional trauma and burn referral center for Wyoming Alaska, Montana and Idaho (the WWAMI region). Harborview is also the disaster preparedness and disaster control hospital for Seattle and King County.

Harborview is, and will continue to be, accredited by the Joint Commission. The current accreditation is in place until September 2023. Harborview is also accredited as a Comprehensive Stroke Center by the Joint

[1] The addition error was not raised in the screening of the application.

Commission (accreditation being maintained until the Joint Commission can re-survey, which is past due). Harborview has CARF accreditation for acute rehabilitation and behavioral health (expiration December 2023).”[2]

Harborview provided the following timeline for the two-phased project. [source: Amendment Application, pdf 14]

Applicant’s Table

Event	Phase 1 (87 beds) Anticipated Month/Year	Phase 2 (40 beds) Anticipated Month/Year
Anticipated CN Approval	April 2023	April 2023
Design Complete	NA	September 2022
Construction Commenced	NA	November 2023
Construction Completed	NA	November 2024
Facility Prepared for Survey	NA	December 2024
Facility Licensed – Project Complete WAC 246-310-010(47)	September 2022	December 2024

The timeline above shows that the addition of the 87 phase one beds will be complete upon CN approval. In the table above, that is projected to be April 2023. Harborview clarifies that the 87 beds were made operational under the governor’s Proclamation 20-36, dated March 30, 2020. [source: Amendment Application, pdf 10] Phase two adds the remaining 40 beds to the hospital. This second phase requires construction and is expected to be complete in December 2024. Based on the timeline above, Harborview provided projections through full year 2027.

The estimated capital expenditure for this project is $93,750,000 and all costs are expended in phase two. The costs will be funded by Harborview reserves. [source: Amendment Application, pdf 27]

APPLICABILITY OF CERTIFICATE OF NEED LAW

This application is subject to review as the change in bed capacity of a health care facility under the provisions of Revised Code of Washington (RCW) 70.38.105(4)(e) and Washington Administrative Code (WAC) 246-310-020(1)(c).

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. To obtain Certificate of Need approval, the applicant must demonstrate compliance with the applicable 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). For this project, the applicant must also demonstrate compliance with applicable portions of the hospital bed need forecasting method contained in the 1987 Washington State Health Plan (SHP).

TYPE OF REVIEW

This project was reviewed under the regular timeline outlined in WAC 246-310-160, which is summarized below.

[2] The applicant references CARF accreditation. CARF is the acronym for ‘Commission on Accreditation of Rehabilitation Facilities.’

APPLICATION CHRONOLOGY

Action	Harborview Medical Center
Letter of Intent Submitted	January 28, 2022
Initial Application Submitted	April 1, 2022
Department's 1st Screening Letter[3]	April 22, 2022
Amendment Application Submitted[4]	October 19, 2022
Beginning of Review	November 16, 2022
End of Public Comment/No Public Hearing Conducted Public comments accepted through end of public comment	December 21, 2022
Rebuttal Comments Due[5]	January 6, 2023
Department's Evaluation Due	February 21, 2023
Department's Evaluation Released	February 21, 2023

As noted in the chronology above, the department received an initial application and an amendment application. Since the amendment application replaces the initial application, only the amendment application is reviewed, referenced, and discussed in this evaluation.

AFFECTED PERSONS

"Affected persons" are defined under WAC 246-310-010(2). To qualify as an affected person an entity must first qualify as an "interested person" as defined under WAC 246-310-010(34). For this project, two entities requested affected person status. They are described below.

MultiCare Health System

MultiCare Health System (MultiCare) is the parent corporation for a variety of hospitals and other healthcare facilities in Washington State. MultiCare requested interested person status on March 23, 2022. None of the MultiCare hospitals are located in the central King County planning area. As a result, MultiCare does not meet the definition of an "interested person" under WAC 246-310-010(34)(b). Further, no public comments were submitted by MultiCare or any of its healthcare facilities. Therefore, MultiCare does not qualify as an "affected person" for this Harborview Medical Center project.

Providence Health & Services

Providence Health & Services (Providence) is the parent corporation for a variety of hospitals and other healthcare facilities in Washington State. Providence requested interested person status on behalf of Swedish Health Services, which operates two acute care hospitals in central King County. As a result, Providence meets the definition of an "interested person" under WAC 246-310-010(34)(b). No public comments were submitted by either Providence or Swedish Health Services. Therefore, neither Providence nor Swedish Health Services qualifies as an "affected person" for this Harborview Medical Center project.

[3] The applicant requested, and was granted, four separate extensions to respond to the department's first screening of the initial application. The applicant's first screening response was submission of the amendment application on October 19, 2022.

[4] Within the amendment application, the applicant provided responses to the department's first screening of the initial application. This approach by the applicant resulted in no further screening questions for the project.

[5] During the review of this project, the department received four letters of support for the project and no letters of opposition. For that reason, the applicant did not provide rebuttal comments.

SOURCE INFORMATION REVIEWED

- Harborview Medical Center amendment application received on October 19, 2022
- Public comments received on or before December 21, 2022
- Harborview Medical Center DOH financial review dated February 15, 2023, using data obtained from the Hospital/Finance Charity Care Program
- Quality Certification and Oversight Reports (QCOR) data website: https://qcor.cms.gov
- DOH Provider Credential Search website: www.doh.wa.gov/pcs

CONCLUSION

For the reasons stated in this evaluation, the application submitted by King County on behalf of Harborview Medical Center proposing to add 127 acute care beds to the hospital in Seattle, within King County is consistent with the applicable criteria of the Certificate of Need Program, provided the applicant agrees to the following in its entirety.

Project Description:

This Certificate of Need approves the addition of 127 acute care beds to Harborview Medical Center located at 325 Ninth Avenue in Seattle [98104], within King County. The 127 acute care beds will be added in two phases, as described below.

- Phase one is the addition of 87 acute care beds. These 87 beds will be used for general medical surgical acute care services. At the completion of phase one, Harborview Medical Center will be licensed and operating 500 acute care beds.

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The department's table below shows a breakdown of the number of beds by phase and service.

Department/Unit	Current # of Beds	Phase 1	Phase 2	Total # of Beds
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Rehabilitation	24	0	0	24
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Total	**413**	**87**	**40**	**540**

Conditions:

1. Harborview Medical Center agrees with the project description as stated above. Harborview Medical Center further agree that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Harborview Medical Center will fund the project as described in the application.
3. Harborview Medical Center will use reasonable efforts to provide charity care consistent with the amounts identified in the application materials. Harborview Medical Center will maintain records of charity care applications received and the dollar amount of charity care discounts granted. The department requires that these records be available upon request.

Approved Costs:

The approved capital expenditure associated with this project is $93,750, 000. Harborview Medical Center will fund the capital costs with existing reserves.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210)

Based on the source information reviewed, the department determines that the Harborview Medical Center project meets the applicable need criteria in WAC 246-310-210.

(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.

Chapter 246-310 WAC does not contain an acute care bed need forecasting method. The determination of numeric need for acute care hospital beds is performed using the Hospital Bed Need Forecasting method contained in the 1987 Washington State Health Plan (SHP). Though the SHP was "sunset" in 1989, the department has concluded that this methodology remains a reliable tool for predicting baseline need for acute care beds.[6]

The numeric methodology is a twelve-step process of information gathering and mathematical computation. This forecasting method is designed to evaluate need for additional capacity in general, rather than identify need for a specific project.

Harborview Medical Center

Before providing its numeric methodology, Harborview provided the following information regarding acute care bed capacity in the central King County planning area. [source: Amendment Application, pdf 17]

"Harborview is physically located in the Central King Hospital Planning Area. The other hospitals in the Planning Area include:

- *Virginia Mason*
- *Swedish First Hill (the license of which includes Swedish Ballard, which is located in the North King Hospital Planning Area)*
- *Swedish Cherry Hill, and*
- *Kindred Hospital*

Because Kindred is a Long-Term Acute Care Hospital (LTACH), the CN Program has confirmed that they are not considered in the supply of general acute care beds. In addition, while the main address for Seattle Cancer Care Alliance is located in Central King, its hospital beds are located within the UWMC, which is located in the North King Hospital Planning Area (North King), and the CN Program has also confirmed that their volumes and beds are to be assigned to North King. Accordingly, the days and discharges for both Seattle Cancer Care Alliance and Kindred are excluded from the projection of future bed need.

In terms of Swedish Ballard, we have conservatively included their licensed beds and discharges within the Central King Planning Area as we are unable to separate discharges between the two campuses."

Harborview calculated the acute care bed methodology and included a copy of each of the steps within the application (Exhibit 4). Harborview provided the following discussion of the results of the numeric methodology. [source: Amendment Application, pdfs 17-18]

"The numeric methodology is included as Exhibit 4. As discussed with the CN Program, 2019 was used as the baseline year, as 2020 and 2021 for most hospitals are atypical. However, as requested by the CN Program during our February 2022 TA, Harborview is also including the bed need methodology using

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[6] The acute care bed methodology in the 1987 SHP divides Washington State into four separate Health Service Areas (HSAs) that are established geographic regions appropriate for effective health planning. Each HSA is further subdivided into smaller planning areas specific to various types of project. The Central King planning area is located in HSA #1 and is a subset of King County. Based on the State Health Plan, the Central King planning area includes the following 18 Seattle ZIP codes: 98101, 98102, 98104, 98108, 98109, 98111, 98112, 98114, 98118, 98119, 98121, 98122, 98124, 98134, 98144, 98154, 98178, 98199.

2020 as the baseline; it too is included in Exhibit 4. While Central King resident patient days were down about 2% between 2019 and 2020, need for the project, based on set up and available beds, is still demonstrated under the 2020 baseline methodology.

As show in Table 7, there is a total of 1,679 licensed beds and 1,387 set-up beds in the Planning Area. Historically, the CN Program has used set-up beds when calculating bed need. When setup beds are used the methodology identifies the need for more than the beds being requested by Harborview by 2024, or five years beyond the baseline. This is true whether the baseline is 2019 or 2020. Step 10 of the methodology, with 2019 as the baseline, is included in Table 9, below. The 2020 data is included in Exhibit 4.

Applicant's Table 7
Step 10 of the Acute Care Bed Projection Methodology-2019 Baseline Data

	2019	2020	2021	2022	2023	2024	2025	2026
Licensed Beds	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679
Gross Bed Need (Licensed)	1,339	1,379	1,421	1,457	1,494	1,533	1,573	1,614
Set-Up and Available Beds	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436
Gross Bed Need (Set-Up and Available)[2]	1,384	1,426	1,469	1,506	1,544	1,584	1,626	1,668
Net Bed Need/Surplus Assuming Licensed Beds (negative is a surplus)	**-340**	**-300**	**-258**	**-222**	**-185**	**-146**	**-106**	**-65**
Net Bed Need/Surplus Assuming Set-Up Beds	**-3**	**39**	**82**	**119**	**157**	**197**	**239**	**281**

Applicant's Acute Care Bed Methodology:
As noted above, Harborview provided two separate acute care bed methodology calculations. One calculation relied on historical years 2010 through 2019; the second relied on historical years 2011 through 2020. Generally, the department requires applicants to use the most recent CHARS[7] data available – for this project, that data would be years 2011 – 2020. Part of Harborview's rationale for including the 2010 – 2019 methodology is the disruption of typical healthcare utilization patterns resulting from the COVID pandemic in year 2020. One could reason that a methodology using 10 years of data with only one outlier year would not substantially affect the outcome, however, the calculations within the numeric methodology include a linear regression slope line that is then applied to each of the projection years. As a result, depending on the magnitude of the deviation from typical trends, a significant outlier year could reduce the reliability of projections.

Below are the assumptions and factors used in the numeric methodologies prepared by the applicant. For this evaluation, the methodology ending with year 2019 data is referenced as the '*2019 Methodology*;' the methodology ending with the 2020 data is referenced as the '*2020 Methodology*.' [source: Amendment Application, Exhibit 4]

2019 Methodology
- Hospital Planning Area – Central King County planning area
- CHARS Data – Historical years 2010 through 2019
- Excluded Data – MDC 19 and MDC 15, rehabilitation service line[8]

[7] Comprehensive Hospital Abstract Reporting System = CHARS.
[8] Major Diagnostic Category = MDC.

- Use Rate – The slope of the statewide ten-year use rate trend was the smallest in overall magnitude, therefore, as directed in the SHP [step 7A], the statewide slope was applied to the forecasted population. The table below shows the use rates applied.

4-C. 2010-2019 Total Use Rate Slopes

HSA#1	1.88
Statewide Total	1.72

- Projected Population – Population broken down by age groups: 0 64 and 65+ and older based on Office of Financial Management medium series data for central King County planning area, and statewide figures. Both historical and projected intercensal and postcensal estimates were calculated.
- Planning Horizon – Because this project proposes additional acute care beds to an existing hospital, Harborview projected from nine years, including the base year (2019) to 2027.
- Weighted Occupancy – Calculated consistent with the State Health Plan, across all hospitals in the planning area, as the sum of each hospital's occupancy rate times that hospital's percentage of total beds in the area. Harborview's methodology applied a weighted occupancy standard of 72.56%.

The results of 2019 Methodology are shown in the applicant's table below.

Applicant's Table

Central King

	2019	2020	2021	2022	2023	2024	2025	2026	2027
Population 0-64	299,142	302,130	305,148	308,196	311,274	314,383	317,523	320,695	323,898
0-64 Use Rate	219.69	221.41	223.13	224.85	226.58	228.30	230.02	231.74	233.47
Population 65+	48,090	50,073	52,137	54,287	56,525	58,855	61,281	63,808	66,439
65+ Use Rate	990.87	992.59	994.32	996.04	997.76	999.48	1,001.20	1,002.93	1,004.65
Total Population	347,232	352,203	357,285	362,482	367,799	373,238	378,805	384,503	390,336
Total Area Resident Days	113,369	116,597	119,929	123,371	126,926	130,598	134,392	138,314	142,366
Total Days in Area Hospitals	366,513	377,548	389,023	398,841	409,016	419,565	430,506	441,860	451,622
Planning Area Available Beds - SET UP BEDS									
Group Health Central	0	0	0	0	0	0	0	0	0
UW/Harborview Medical Center	321	321	321	321	321	321	321	321	321
Kindred	0	0	0	0	0	0	0	0	0
Swedish Cherry Hill	197	197	197	197	197	197	197	197	197
Seattle Cancer Allian.	0	0	0	0	0	0	0	0	0
Swedish First Hill/Ballard	586	586	586	586	586	586	586	586	586
Virginia Mason Medical Center	283	283	283	283	283	283	283	283	283
TOTAL	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387
Weighted Occupancy Standard	72.56%	72.56%	72.56%	72.56%	72.56%	72.56%	72.56%	72.56%	72.56%
Gross Bed Need	1,384	1,426	1,469	1,506	1,544	1,584	1,626	1,668	1,705
Net Bed Need / Surplus	-3	39	82	119	157	197	239	281	318

2020 Methodology

- Hospital Planning Area – Central King County planning area
- CHARS Data – Historical years 2011 through 2020
- Excluded Data – MDC 19 and MDC 15, rehabilitation service line

- Use Rate – The slope of the HSA #1 ten-year use rate trend was the smallest in overall magnitude, therefore, as directed in the SHP [step 7A] the HSA slope was applied to the forecasted population. The table below shows the use rates applied.

4-C. 2010-2019 Total Use Rate Slopes

HSA#1	1.85
Statewide Total	1.88

- Projected Population – Population broken down by age groups: 0 64 and 65+ and older based on Office of Financial Management medium series data for central King County planning area, and statewide figures. Both historical and projected intercensal and postcensal estimates were calculated.
- Planning Horizon – Because this project proposes additional acute care beds to an existing hospital, Harborview projected from eight years, including the base year (2020) to 2027.
- Weighted Occupancy – Calculated consistent with the State Health Plan, across all hospitals in the planning area, as the sum of each hospital's occupancy rate times that hospital's percentage of total beds in the area. Harborview's methodology applied a weighted occupancy standard of 72.56%.

The results of 2020 Methodology are shown in the applicant's table below.

Applicant's Table

Central King

	2020	2021	2022	2023	2024	2025	2026	2027
Population 0-64	307,467	310,537	313,639	316,771	319,934	323,129	326,356	329,615
0-64 Use Rate	211.81	213.66	215.50	217.35	219.20	221.05	222.90	224.74
Population 65+	50,124	52,082	54,116	56,229	58,425	60,707	63,078	65,541
65+ Use Rate	940.21	942.06	943.90	945.75	947.60	949.45	951.30	953.14
Total Population	357,591	362,619	367,754	373,000	378,359	383,836	389,434	395,156
Total Area Resident Days	112,251	115,412	118,670	122,030	125,493	129,065	132,749	136,549
Total Days in Area Hospitals	338,274	348,546	359,218	368,405	377,915	387,764	397,969	408,546
Planning Area Available Beds - SET UP BEDS								
Group Health Central	0	0	0	0	0	0	0	0
UW/Harborview Medical Center	321	321	321	321	321	321	321	321
Kindred	0	0	0	0	0	0	0	0
Swedish Cherry Hill	197	197	197	197	197	197	197	197
Seattle Cancer Allian.	0	0	0	0	0	0	0	0
Swedish First Hill/Ballard	586	586	586	586	586	586	586	586
Virginia Mason Medical Center	283	283	283	283	283	283	283	283
TOTAL	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387
Weighted Occupancy Standard	72.56%	72.56%	72.56%	72.56%	72.56%	72.56%	72.56%	72.56%
Gross Bed Need	1,277	1,316	1,356	1,391	1,427	1,464	1,503	1,543
Net Bed Need / Surplus	-110	-71	-31	4	40	77	116	156

Below is Harborview's discussion regarding the results of its two methodologies. [source: Amendment Application, pdfs 18-19]

"Even if the CN Program were to use licensed beds or a different baseline and calculate a surplus of beds, the authors of the State Health Plan's Acute Care Bed Need Projection Methodology contemplated that there would be situations wherein no numeric need existed within the Planning Area, but an individual hospital within that Planning Area could justify more beds. Specifically, the State Health Plan's Criterion 2 identifies other scenarios under which providers can be awarded new beds, especially in Planning Areas

where one or more hospitals are operating above capacity, but another may not be. The Hospital Bed Need Forecasting Method contained in Volume II of the 1987 State Health Plan states:

'CRITERION 2: Need for Multiple Criteria
Hospital bed need forecasts are only one aspect of planning hospital services for specific groups of people. Bed need forecasts by themselves should not be the only criterion used to decide whether a specific group of people or a specific institution should develop additional beds, services or facilities. Even where the total bed supply serving a group of people or planning area is adequate, it may be appropriate to allow an individual institution to expand.

Standards:

b. Under certain conditions, institutions may be allowed to expand even though the bed need forecasts indicate that there are underutilized facilities in the area. The conditions might include the following:
    - *the proposed development would significantly improve the accessibility or acceptability of services for underserved groups; or*
    - *the proposed development would allow expansion or maintenance of an institution which has staff who have greater training or skill, or which has wider-range of important services, or whose programs have evidence of better results than do neighboring and comparable institutions; or*
    - *the proposed development would allow expansion of a crowded institution which has good cost, efficiency or productivity measures of its performance while underutilized services are located in neighboring and comparable institutions with higher costs, less efficient operations or lower productivity.*

In such cases, the benefits of expansion are judged to outweigh the potential costs of possible additional surplus.'

In the unlikely event that the CN Program's interpretation of the methodology finds no need, Harborview's request for beds warrants the strongest possible consideration under Criterion 2 related to access for the underserved and training and a wider range of services."

In addition to the numeric methodologies identified above, Harborview provided the following information regarding any factors in the planning area that currently restrict patient access to services. [source: Amendment Application, pdf 22]
"Harborview operates at or above capacity regularly, and the Harborview mission population is a fundamentally different, and often more challenging population than that typically served by other hospitals, which at times makes it difficult to secure services. A lack of available beds at Harborview compromises access for the mission population. As delineated in Table 8 above, Harborview provides the highest percentage of inpatient care to Medicaid and Self-Pay individuals of any provider in King County. Care to this population will be compromised without adequate bed capacity at Harborview."

Harborview also provided the following information describing how the hospital is available to underserved groups. [source: Amendment Application, pdf 22]
"Admission is based on clinical need and Harborview's services are made available to all persons regardless of race, color, creed, sex, national origin, income, or disability. Copies of Harborview's admission and non-discrimination policies are included as in Exhibit 6."

Public Comments

During the review of this project, the department received four letters of support for this project and no letters in opposition. Each of the four letters of support provide a different perspective of need for additional acute care beds to be located at Harborview. Excerpts from each of the letters of support are restated below.

Keri Nasenbeny, MHA, BSN, RN, Chief Nursing Officer at Harborview Medical Center
Kellie Hurley, MN, RN, Assistant Administrator, Associate Chief Nursing Officer, and Nursing Workforce and Operations at Harborview Medical Center
"Harborview Medical Center has a unique role in both King County's and Washington State's health care delivery system. In addition to our mission population of King County's most vulnerable, including the non-English speaking poor; the uninsured or underinsured, victims of domestic violence or sexual assault, and people with mental illness or substance abuse problems. Harborview also serves as the WAMI region's only Level 1 trauma provider. Over the past several years, the increases in our acuity/case mix, coupled with an increased census of difficult to discharge/complex patients, has meant that Harborview has been challenged daily in our efforts to care for the community and region in a way that only we are staffed and equipped to do. The 127 acute care beds that are currently operational have been a life saver.

Unlike many other hospitals, Harborview does not turn away trauma or mission patients. We are fully staffed; and while financials are challenged by the costs of this staffing, Harborview has been exemplary in assuring the resources are in place to support the timely transfer, admission and care of trauma and mission patients. Even with the 127 beds extra beds, Harborview currently operates at levels well beyond the State Health Plan's target occupancy for hospitals of our size; and most days we still at are at or above 100% of capacity.

It is fair to say that it would be an unmitigated disaster for King County and the region if Harborview were not approved to add the 127 beds to our license permanently. Without these beds, delays in critical transfers from outlying communities would occur and further throughput delays that would impact Harborview, Medic 1, and pre-hospital EMS providers that rely on Harborview to timely accept transfer of the sickest and highest-level trauma patients. It would also force Harborview to discharge the difficult to discharge patients to settings that are not equipped to fully support their needs; further compromising their health."

Ricard Goss, MD, MPH, FACP, Profession, University of Washington Department of Medicine, Associate Dean, UW School of Medicine, Medical Director, Harborview Medical Center, and Director, Quality of Metrics Reporting, UW Medicine
As the long-standing Chief Medical Officer at Harborview, I am writing to express my strongest endorsement of the Hospital's certificate of need (CN) proposal to permanently add 127 acute care beds to its license. While a number of these beds were regularly operational as surge beds pre-pandemic, the majority, by necessity, became operational during COVID.

As noted in Harborview's CN application, it is licensed for 413 beds, of which 68 are inpatient psychiatric and 24 are acute rehabilitation, leaving 321 beds available for acute care. Our inpatient census has regularly been at or above 500, and has exceeded 550 a number of days in the past six months. This due in part to increasing demand as well as to increasing numbers of difficult to discharge patients.

Harborview is the only designated Level I adult and pediatric trauma and verified burn center in the State and also serves as the regional trauma and burn referral center for Wyoming Alaska, Montana and Idaho. In this role, Harborview is the final and last resort for the sickest and most critically ill from this multi-state region. Regardless of census, or bed availability, we never close, delay or divert admission for trauma referrals, as the entire trauma system relies on us to be immediately available.

In addition, Harborview's mission population is King County's most vulnerable residents. This includes the non-English speaking poor; the uninsured or underinsured, victims of domestic violence or sexual assault; people incarcerated in King County's jails; people with mental illness or substance abuse problems, particularly those treated involuntarily and people with sexually transmitted diseases. Because of limited alternatives, we give this vulnerable population priority admission.

As specified in our CN application, Harborview is not proposing any change to admissions or patient days as a result of the increased licensed bed capacity. Rather, the increase simply provides much needed internal relief in terms of a reduced occupancy level: with only 413 licensed beds our midnight occupancy is over 100% daily. With the 127 beds currently set up being made permanent, we have a relief valve to manage patient demand and to support our workforce.

This project is vitally important to the delivery of efficient regional trauma care and care to King County's vulnerable mission population. It is an imperative that the 127 beds be made permanent. I respectfully urge the CN Program's earliest approval."

Tim Fredrickson, BSN, Director Emergency Services at Harborview Medical Center
"As Harborview's Director of Emergency Services, I am responsible for the day-to-day operations of the Emergency Department (ED), which includes interacting with each inpatient and outpatient department that supports the ED. I have worked in Harborview's ED for more than 17 years, and during this tenure, I have never experienced the unrelenting pressures on the ED that we now experience daily. The pressure comes directly from an inability to timely move ED patients to inpatient units because of a lack of bed capacity.

The acute care beds requested by Harborview in its current CN application are already in operation. It would be detrimental to care delivery and to the larger EMS system if these beds are not made permanent.

Harborview sees about 160-180 ED patients per day. About 25% of these patients need admission . Approximately 30% of our ED patients are currently cared for in the waiting room, and initial work ups now regularly occur in the hallways because the ED beds are full.

Harborview's ED is staffed and has the resources to care for the current volume, but getting the patients into acute beds is the issue; even with the temporary 127 beds operational, there are too many days when there are not enough inpatient beds. Our high occupancy is also placing pressure on the EMS system as medic staff are delayed in returning to their home communities to respond to the next 911 call.

Harborview's mission is twofold: trauma and vulnerable patients. Harborview is also the key training hospital for Washington State. Today, beds are a bottleneck to care. I respectfully request the CN Programs full consideration and approval of the Harborview CN."

Steve Mitchell, MD, FACEP, Associate Professor, Department of Emergency Medicine University of Washington, Medical Director, Harborview Medical Center Emergency Department
"I have been the Medical Director of Harborview's Emergency Department (ED) for the past decade. The purpose of this letter to ensure the CN Program is aware of the devastating impact on trauma and overall emergency care delivery that would ripple throughout the State if Harborview was not allowed to retain the 127 beds that our current CN application requests.

Harborview averages about 160-180 ED patients daily; and more than 80% of the Hospital's admissions come through the ED. Because census is so high in the acute inpatient beds right now, patients in the ED needing admission are often boarded for hours or days. Our ED beds are continually at or above capacity, and ED staff is increasingly providing clinical work ups in hallways; and the ED waiting room. One significant consequence of the high ED occupancy is that many patients wait on ambulance stretchers for long periods of time, and Medic 1 paramedics are delayed in turning over the care to hospital ED staff. This means that these Medic units are delayed in getting back into service, and that their communities are left with fewer staff and ambulances to respond to the next emergency.

While the ED will not see any immediate relief with the currently operational 127 beds being permanently added to our license, our ED, and consequently the entire EMS system in King County and adjoining counites would be hugely impacted if Harborview were required to remove the 127 beds from operation. Over the past 6-8 months, there are many times when up to 50% of our ED beds are occupied by patients awaiting admission to an inpatient unit. With the loss of 127 beds, we would find that all of our beds "off-line" to new ED patients; making it increasingly challenging to manage 160-180 new patients daily."

Rebuttal Comments
Given that all four letters were in support of this project, Harborview did not provide rebuttal comments.

Department Evaluation
As shown in the applicant's tables above, both methodologies show a net need for acute care beds in the central King County planning area. Depending on the base year used in the applicant's need projections, the net need for additional beds is 318 using 2019 as the base year, and 156 using 2020 as the base year.[9]

Below are the assumptions and factors used in the department's acute care bed need methodology. The department used the most recent CHARS data that ends with the base year of 2021. The methodology is included in this evaluation as Appendix A.

- Hospital Planning Area – central King
- CHARS Data – Historical years 2012 through 2021; base year is 2021.
- Projected Population – Claritas data was used for the planning area.[10] Historical and projected intercensal and postcensal estimates were calculated.
- Excluded Major Diagnostic Category (MDC) and Diagnosis Related Group (DRG)
  - MDC 19 – patients, patient days, and DRGs for psychiatric
  - MDC 15 – patients, patient days, and DRGs for neonates [11]
  - DRG 462/945-946 – patients, patient days, and DRGs for rehabilitation
- Weighted Occupancy – Calculated with a slight adjustment[12] from the State Health Plan as the sum, across all hospitals in the planning area, of each hospital's occupancy rate times that hospital's percentage of total beds in the area. The department's methodology calculated a weighted occupancy of 72.79%.
- Existing Acute Care Bed Capacity – Seven acute care hospitals operate in the Central King Planning Area based upon DOH bed surveys of year 2021 bed counts. Of the seven, the applicant provided its rationale for excluding the bed capacity for two: Kindred Long Term Acute Care Hospital (LTACH) and Fred Hutchinson Cancer Center (formerly Seattle Cancer Care Alliance).
  - Kindred: LTACHs have intensive care unit beds and ventilators, and employ critical care nurses, respiratory therapists, and intensivists and specialize in caring for patients with respiratory failure, especially those who require prolonged mechanical ventilation. For this reason, the 80 acute care beds located at Kindred are not counted as available capacity in the numeric methodology.

[9] It is noted that the applicant's methodology does not include base year 2021, even though year 2021 CHARS data became available in May 2022. Harborview submitted its initial application in April 2022 and the amendment application in October 2022. Harborview did not submit, nor did the department request, an updated, revised numeric methodology in the amendment application or in response to screening of the initial application.
[10] Office of Financial Management (OFM) population projections are available for whole counties only. Because Central King is a subset of King County, the department purchases zip code-level population projections from Claritas, a marketing and data analytics firm.
[11] Diagnosis Related Group = DRG.
[12] The State Health Plan occupancy standard was lowered by 5% to reflect more current standards.

- Fred Hutchinson Cancer Center: while the facility is located in central King County (zip code 98109), the 20 acute care beds are located within space at UW Medical Center in the north King County planning area zip code [98195]. As a result, the 20 beds are not counted at available capacity in the central King numeric methodology.

As a result, current capacity for the Central King planning area includes the bed capacity of the following five hospitals:

- Kaiser Permanente Central
- Harborview Medical Center (applicant)
- Swedish Medical Center – Cherry Hill
- Swedish Medical Center – First Hill
- Virginia Mason Medical Center

Also, the applicant notes that Swedish Medical Center's First Hill and Ballard campuses are both under the First Hill license. While the First Hill campus is in central King County, the Ballard campus is located in the north King planning area [ZIP code 98107]. The applicant stated that it *"conservatively included their licensed beds and discharges within the Central King Planning Area as we are unable to separate discharges between the two campuses."* For its numeric methodology, the department will also exclude the beds located at the Ballard campus.

Below is a summary of the steps in the department's numeric need methodology.

<u>Steps 1 through 4 develop trend information on historical hospital utilization.</u>
In steps 1 through 4, the department focused on historical data for years 2012 through 2021 to determine the statewide and health service area (HSA) use trends for acute care services. Central King is within HSA #1. The department computed trend lines for statewide and HSA-specific utilization of inpatient acute care services. The HSA and statewide use trend lines for both versions projected an increase in acute care use: 3.2846 and 3.1117, respectively. The SHP requires use of either the statewide or HSA trend line "*whichever has the slower change.*" The statewide trend line showed the slowest change and is considered more statistically reliable. The department applied the data derived from those calculations to the projection years in the following steps.

<u>Steps 5 through 9 calculate baseline, non-psychiatric bed need forecasts.</u>
For these steps, the department calculates base-year use rates, broken down by population ages 0-64 and ages 65 and older, determining the rates at which different populations receive inpatient non-psychiatric care. This includes calculating in-migration to Central King (for other Washington and out-of-state residents) and out-migration (to other Washington State hospital planning areas). This results in a use rate for the hospitals in Central King. The department then multiplies this use rate by the slope acquired in Step 4 to project how this use rate may change during the projection period.

The use rate identified in step 7 and used in the department's methodology is:

- 237.09/1,000 for 0-64 age cohort; and
- 1,002.98/1,000 for 65 age cohort.

This section of the evaluation generally compares the use rates used in the applicant's methodology with the department's methodology. Given that the department's methodology relies on the most recent base year CHARS data (2021) and the applicant's methodologies rely on base year 2019 and 2020, the department will not discuss a comparison of the methodologies.

When the use rates are applied to the projected population, the result is the projected number of patient days for the planning area. The numeric methodology is designed to project bed need in a specified "*target year*." For bed additions to existing hospitals, it is the practice of the department to evaluate need for

additional beds through at least seven years from the last full year of available CHARS data. Using 2021 CHARS data, seven years would be 2028.

In step 10A, the department projected the number of acute care beds needed in the planning area and subtracted the existing capacity, resulting in a net need for acute care beds. As previously stated, there are a total of seven hospitals in the central King planning area, however, only five of the seven will be counted in the numeric methodology. The five hospitals have a total capacity of 1,360 general acute care beds. In step 10B, the department adds the 127 acute care beds to Harborview using the phased timing identified this application.

The table below summarizes the department's methodology for years 2021 through 2030, with year 2028 as the target year for this project. It also shows the impact of this project by adding 87 acute care beds in year 2023 and 40 acute care beds in January of 2025 for Harborview.[13] The complete methodology is included in this evaluation as Appendix A.

Department's Tables 1
Years 2021 through 2025 Summary of the Department of Health Methodology Projection

	2021	2022	2023	2024	2025
Gross Number of Beds Needed*	1,539	1,584	1,634	1,679	1,722
Minus Existing Capacity (including the project)	1,358	1,358	1,445	1,445	1,485
Net Bed Need/(Surplus) with project	**181**	**226**	**189**	**234**	**237**

Years 2026 through 2030 Summary of the Department of Health Methodology Projection

	2026	2027	2028	2029	2030
Gross Number of Beds Needed*	1,763	1,813	1,859	1,905	1,946
Minus Existing Capacity (including the project)	1,485	1,485	1,485	1,485	1,485
Net Bed Need/(Surplus) with project	**278**	**328**	**374**	**420**	**461**

* Gross number of beds rounded

Step 11 of the methodology projects need for short-stay psychiatric beds. Step 12 is the adjustment phase where any necessary changes are made to the calculations in the prior steps to reflect conditions which might cause the application of the methodology to over or understate the need for acute care beds. This application did not request short-stay psychiatric beds, nor are there any circumstances known to the department (or suggested by the applicant) to suggest that adjustments are necessary to any prior steps. Therefore, the department excluded steps 11 or 12 and will not be further discussed.

The department's need projections show a net need for 181 beds in historical year 2021, which increases to 226 in current year 2022. In projection year 2023, Harborview adds 87 beds in phase one, which reduces the numeric need to 189. In 2025, when the department assumes the addition of the remaining 40 beds (phase two of this project), the need has increased to 237. The methodology shows a steady increase in need for additional acute care beds in central King County based on projected population growth and other factors as described above. The net need continues regardless of whether Harborview adds the 127 beds requested in this project.

The department also considers information submitted in support and opposition of a project. For this project, the department received four letters of support and no letters of opposition. Each of the letters

[13] The applicant's projected date for adding the remaining 40 acute care beds is December 2024; as a result, the beds would be licensed and operational beginning January 2025.

provided a different perspective and rationale for adding 127 acute care beds to Harborview Medical Center.

Two of the letters focused on the emergency department and its consistent high use. The letters also noted the impact to the larger emergency medical services system, and the importance of available acute care beds for trauma patients.

Another letter focused on the hospital's high use by the vulnerable population, including '*the non-English speaking poor; the uninsured or underinsured, victims of domestic violence or sexual assault, and people with mental illness or substance abuse problems*.' This letter also noted that the hospital's patient acuity/case mix has increased, resulting in challenges for patient placement. The additional 127 acute care beds will relieve the placement difficulties.

The remaining letter focused on the hospital's specialized designations, such as level 1 adult and pediatric trauma and burn center. The letter also notes that Harborview Medical Center is a regional trauma and burn center for the WWAMI region (Washington, Wyoming, Alaska, Montana, and Idaho). The additional acute care beds will help ensure acute care bed availability for not just Washington, but the entire WWAMI region.

Based on the numeric methodology, the letters of support, and the data provided in the application, **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 age 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 underinsured.

Harborview Medical Center

As previously stated, Harborview is currently operational and this project proposes to add 127 acute care beds, for a facility total of 540 acute care beds. Harborview provided copies of the following policies that are currently used, and will continue to be used, at the hospital. [source: Amendment Application, Exhibit 6]

Access to Care: UW Medicine Policy

"UW Medicine is an integrated health system that includes three hospitals: Harborview Medical Center, UW Medical Center and Valley Medical Center. Through various delivery methods each hospital provides guidance to our healthcare professionals concerning admissions, nondiscrimination, end of life care and

reproductive healthcare. The purpose of this policy is to provide our patients with a clear summary of the commitments and expectations in these subject areas.

***Admission**. Each hospital admits patients to the hospital as in-patients when the patient's diagnosis warrants admission, based on medical necessity and upon the orders of a physician.*

- *When one of our hospitals does not have an appropriate in-patient bed available, we will work within our system, and with area hospitals as needed, to transfer the patient to an in-patient facility with capacity.*
- *When one of our hospitals lacks the expertise required to treat the medical condition, we will work within our system, and with area hospitals as needed, to transfer the patient to an appropriate facility."*

The policy also includes the following non-discrimination language.
***"Non-Discrimination**. Each hospital is committed to ensuring that patients are treated with equality, in a welcoming, nondiscriminatory manner, consistent with state and federal law.*

- *Each hospital provides an environment for patients that is free from discrimination based on age, race, color, creed, ethnicity, religion, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, veteran or military status or any other basis prohibited by federal, state, or local law.*
- *Patients have a right to choose the family members and/or other individuals close to them who may participate in their healthcare decisions and have access to protected health information about them. We will respect patient choice.*
- *We will not condition a patient's access to emergency treatment and labor and delivery care on an ability to pay for such treatment.*
- *Within the limits of the resources available to Harborview, admission to Harborview is not conditioned on the patient's ability to pay. Please see our charity care policies (also referred to as Financial Assistance) at the following link: DOH Policy Link*
- *We will not discriminate in the provision of charity care to needy patients. Please see our charity care policies (also referred to as Financial Assistance) at the following link: DOH Policy Link*
- *If you believe there has been behavior inconsistent with these standards, you may file a complaint. For more information on filing a complaint, please click on the link below for the appropriate hospital."*

The policy also includes the following end of life care language:
"Each hospital will honor patient choice in end of life decisions.

- *We will talk with our patients and their family about advance directives that guide the healthcare team on your wishes for medical care. If a patient does not have an advance directive, we will provide them with information on how to do so.*
- *We will provide our patients with information on their rights to accept or refuse medical care and any limitation in our ability to implement their wishes.*
- *Each of the hospitals provides the full range of comfort and palliative care for the end of life.*
- *Each of the three hospitals complies with the state law known as the Death with Dignity Act."*

<u>UW Medicine Financial Assistance/Charity Care Policy</u>
This policy includes the following language:
"This Financial Assistance Policy is intended to ensure that residents of Washington State who are at or near the federal poverty level receive Appropriate Hospital-Based Medical Services and Appropriate Non-Hospital-Based Medical Services at a cost that is based on their ability to pay for services up to and including care without charge.

Financial Assistance will be granted to all eligible persons regardless of age, race, color, religion, sex, sexual orientation or national origin in accordance with WAC Chapter 246-453 and RCW 70.170.

UW Medicine is required to provide notice of its Financial Assistance program and will make a good faith effort to provide every patient with information regarding its availability. UW Medicine hospitals (inpatient and hospital-based outpatient clinics/facilities) will post signs in Admitting, Financial Counseling, Emergency Department and Outpatient Registration that will notify the public of the Financial Assistance Policy. POS 11 settings will not be required to post such notice. Eligibility for Financial Assistance requires that patients must fulfill all requirements and expectations as outlined in the Financial Assistance Policy.: This Financial Assistance Policy and applications for Financial Assistance are available in any language spoken by the lesser of five percent of the population or 1,000 individuals in the applicable hospital's service area. Additionally, interpreter services will be made available for other non-English speaking or limited-English speaking or other patients who cannot read or understand the written application materials."

The policy includes specific definitions, guidelines, and eligibility criteria for financial assistance. The policy also provides the process one would use to access financial assistance and the procedures to be used by the hospital to determine eligibility.

Harborview provided the following information regarding its charity care practices. [source: Amendment Application, pdfs 19-20]
*"**Accessibility to the underserved**. Harborview's mission is laser focused on accessibility to the underserved. Our charity care averaged more than $81million* [sic] *annually (2017-2019), and as detailed in Table 8, Harborview provides the highest percentage of inpatient care to Medicaid and self-pay patients of any hospital serving primarily adults in either the Central King area or in King County in total. Care to this typically underserved population will be compromised without adequate bed capacity.*

Applicant's Table 8
King County Hospitals, Discharges by Payer, 2019

Payer	Harborview	Other Central King Planning Area Hospitals, less Kindred	King County Provider Range (excluding Harborview)
Commercial & HMO	23.8%	40.3%	19.9% - 64.5%
Medicaid, Self-Pay & Charity	38.5%	17.7%	6.3% - 34.8%
Medicare	37.7%	42.0%	27.2% - 58.0%
Total	**100.0%**	**100.0%**	

Source: WA State CHARS Database, 2019, excludes all newborns, dedicated psychiatric hospitals, MDC 19, and Seattle Children's Hospital.

For hospital charity care reporting purposes, the Department divides Washington State into five regions. Harborview is located in the King County Region. According to 2017-2019 charity care data produced by the Department (the latest data available), the three-year charity care average for the Region, excluding Harborview, was 1.05% of gross revenue and 2.34% of adjusted revenue. During the same time frame, Harborview's charity care was 3.38% of gross revenue and 9.06%, respectively, more than three times the average of the gross revenue and four times the average of adjusted revenue."

<u>Reproductive Healthcare Services</u>
This policy includes the following language:
"As an integrated health system, the three hospitals work together to provide access to a full range of reproductive healthcare services to meet a patient's clinical needs and a patient's choice, although not every procedure is available in all three hospitals. This policy focuses on services provided in hospital facilities only.

- *Through the primary care settings in hospital facilities, patients have access to a full array of preventative healthcare services including all forms of contraception prevention, and the prevention and treatment of sexually transmitted diseases.*
- *Through two of the three hospitals, patients have access to dedicated birth services. Harborview Medical Center provides pre-natal care services with planned deliveries at UW Medical Center.*
- *Our hospitals which routinely deliver babies offer a full scope of services related to prenatal care, birth, maternal fetal medicine consultations and referrals, and genetic counseling.*
- *Within the UW Medicine integrated health system, we offer both elective and medically indicated terminations of pregnancy in addition to actively referring patients to community providers.*
- *Patients who wish to explore services related to fertility can find a full array of such services at UW Medical Center.*

Note: *The above hospitals permit their healthcare professionals to opt-out of participating in services that violate their conscience or values. In such circumstances, the hospitals arrange for other healthcare professionals to deliver the care for the patient."*

Additionally, Harborview provided a copy of the Management Services Agreement between '*King County by and through its Executive and its Board of Trustees for Harborview Medical Center and The Regents of the University of Washington*.' The agreement has been in place since 1969. The most recent agreement that is provided in this application was signed and dated in February 2016. [source: Amendment Application, Exhibit 12, Attachment 4]

Exhibit 6 of this Management Services Agreement includes a copy of the Medical Center Admissions Policy that provides the following language:
"Within the resources available to the Medical Center, admission of patients to it shall not be dependent upon their ability to pay."

Harborview also provided a table with its current and projected payer mix showing percentages by revenue and by patient. The table is recreated below. [source: Amendment Application, pdf 27]

Department's Table 2
Harborview Medical Center
Current and Projected Payer Mix

	Percentage By Revenue	Percentage By Patient
Medicare	32.0%	30.0%
Medicaid	33.0%	29.0%
Commercial	25.0%	31.0%
Worker's Compensation	3.0%	2.0%
Tri-Care	1.0%	0.0%
Self Pay	4.0%	7.0%
Other*	2.0%	1.0%
Total Percentages	**100.0%**	**100.0%**

For the table above, 'Other' includes TriWest Healthcare Alliance, VA, King County Jail, and other correctional facilities, hospice facilities, and rehabilitation facilities. [source: Amendment Application, pdf 27]

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

As stated in the project description, Harborview has been providing healthcare services for many years in King County. Healthcare services have historically been available to low-income, racial and ethnic

minorities, handicapped, and other underserved groups. Healthcare services for Medicare and Medicaid eligible patients have also been available at the hospital. Harborview will continue to provide the services currently in place.

All policies provided by Harborview are currently in use and will continue to be used if this project is approved. There is no documentation to suggest that the addition of 127 beds to the hospital would negatively affect the community's access to healthcare services at the hospital. In fact, letters of support suggest that the additional beds would improve access to patient care at Harborview Medical Center.

Charity Care Percentage Requirement

For charity care reporting purposes, Washington State is divided into five regions: King County, Puget Sound (less King County), Southwest, Central, and Eastern. Harborview Medical Center is one of 22 hospitals currently operating in the King County region. Of the 22 hospitals, Harborview Medical Center provides the highest charity care dollars and percentages.

The table below compares the three-year historical average of charity care provided by the hospitals currently operating in the King County Region, Harborview Medical Center's historical charity care percentages, and Harborview Medical Center's projected charity care percentages for full year three (2027). [source: Amendment Application, Exhibit 12, Attachment 1 and HFCCP 2019-2021 charity care summaries]

Department's Table 3
Charity Care Percentage Comparisons

	Percentage of Total Revenue	Percentage of Adjusted Revenue
King County Region Historical 3-Year Average	1.22%	2.74%
Harborview Medical Center Historical 3-Year Average	3.44%	9.31%
Harborview Medical Center Projected Average	3.12%	8.93%

As noted in the table above, Harborview has historically provided charity care above the King County three-year average. Within this application, Harborview proposes to continue providing charity care above the average, yet slightly below its own historical average.

For hospital projects, it is standard for the department to condition approval of a project on the hospital to providing charity care at an amount consistent with either:

- the charity care percentages identified in the application; or
- the charity care percentages consistent with the acute care hospital's operating in the planning area.

Given that Harborview Medical Center's historical charity care percentages are above the regional averages, if this project is approved, the department will attach a condition requiring Harborview Medical Center to provide charity care at the percentages identified in the application. Based on the information provided in the application and the applicant's agreement to a charity condition, the department concludes **this sub-criterion is met.**

(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.*

Harborview Medical Center
Within the application, Harborview provided the following information regarding its compliance with this sub-criterion. [source: Amendment Application, pdf 5 and Exhibit 12]
"Harborview's mission is to provide care for a broad spectrum of patients from throughout the region, including the most vulnerable residents of King County; to provide and teach exemplary patient care; and to develop and maintain leading-edge centers of emphasis.

The residency and training at Harborview is through the University of Washington School of Medicine which sponsors over 120 Accreditation Council for Graduation Medical Education (ACGME) and 4 Commission on Dental Accreditation (CODA) residency and fellowship programs. The School of Medicine relies on Harborview to train trauma, ED and surgical fellows, and a number of fellowships are in fact, located primarily at Harborview; such as the Department of Surgery Division of Trauma, Burn and Critical Care Surgery fellowships.

The overall goals of those located at Harborview are to make sure the trainee can optimize their proficiency in critical care decision-making, outcome assessment, and leadership of multidisciplinary care teams. This goal is achieved by ensuring fellows demonstrate the intellectual and practical means to care for critically ill patients with a depth of understanding in core critical care practices of physiology, monitoring, resuscitation, hemodynamic monitoring, shock, resuscitation, respiratory management, nutrition, infection, organ failure, perioperative/injury care, and end-of-life decision making. These fellowships are necessary for the trauma system, both in Washington State and beyond to experience the best outcomes.

Harborview-based faculty obtain over $240 million in research and training funding per year, performing translational and basic research as well as clinical studies and treatment trials, epidemiology and health services research. Lab-based research includes cell biology, neurosciences, vascular biology, inflammation, infectious diseases, lung biology and microbial pathogenesis. Research laboratories are located in the Research & Training Building and the Ninth & Jefferson Building. These buildings, operated though the joint efforts of the University of Washington School of Medicine and Harborview Medical Center, provide laboratory facilities and research offices for HMC-based faculty. Other clinical and outcomes research programs occupy space across the Harborview Medical Center campus.

Programs where Harborview provides lab space or otherwise houses the research include the Northwest Biotrust/Biospecimen, a collaborative resource dedicated to increasing the availability of high quality annotated human biospecimens; the Department of Global Health, the Center for AIDS & STD, the Kidney Research Institute, the Eye Institute, WISH (WWAMI Institute for Simulation Healthcare), the Memory and Wellness Research Center and the Neurosciences Program.

In addition, the Harborview Injury Prevention and Research Center (HIPRC) is a nationally recognized program that takes a collaborative, multidisciplinary approach to research, education, training and outreach on injury prevention and control. The center's research focus areas include traumatic brain injury, safe and active transportation, violence prevention, injury care, and global injury."

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

Harborview Medical Center is a well-known research, training, and trauma hospital serving the WWAMI region (Washington, Wyoming, Alaska, Montana, and Idaho). Harborview provided information to support its continued operations for research, training, and trauma services. The training services are available to UW medical students to have access to a variety of settings for clinical training, including the level I adult and pediatric trauma center at this hospital. This section of the evaluation also takes into consideration information provided in previous sub-criteria.

For those reasons, the department concludes that approval of an additional 127 acute care beds at Harborview Medical Center would promote the continued training and research of the hospital, benefiting the WWAMI region as a whole. **This sub-criterion is met.**

(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(5) does not apply to this project.

B. Financial Feasibility (WAC 246-310-220)

Based on the source information reviewed, the department determines that the Harborview Medical Center project 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 direct 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.[14]

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 hospital would be operated under the parent.

Harborview Medical Center

If this project is approved, Harborview proposed the project would be complete and the hospital would be operating a total of 540 acute care beds by the end of December 2024. Based on that timeline, full year one is 2025 and year three is 2027. [source: Amendment Application, pdf 14]

Harborview provided the following assumptions and clarifications used to project the utilization of the hospital in the projection years. [source: Amendment Application, pdfs 20-24 and Exhibit 12, pdfs 155-160]
"For the assumptions, Harborview conservatively assumed no growth in volumes beyond actual FY2021. Harborview also assumed no increase in revenue or expenses (except for the additional depreciation expense related to the Phase 2, beginning in FY 2024).

The projected revenues and expenses will not decrease because we have assumed that our patient days will be the same regardless of whether we operate 104 or 127 additional beds. Occupancy will vary, but census will not.

The key underlying assumptions are based on patient days, not licensed beds, and include:
1) *Admissions, length of stay and patient days from FYI 2021 held constant through the projection period.*
2) *Actual FY2021 FTEs held constant through the projection period as are wages, benefits and all other operating expenses.*
3) *Charity care held at FY2021 actuals and meets the new charity care requirements."*

The Other operating revenue line item includes:
- *Grant Revenues – Federal, State, Local and Private*
- *Contract & Specialty Pharmacy Revenue*
- *Space Rental Revenue*
- *Capitated Behavioral Health Revenue*
- *Cafeteria and Catering Revenue*
- *Salary and Benefit Recoveries*

The other expense line item include:
- *Purchased Services: miscellaneous purchased services, UW shared services related*
- *purchased services, repairs & maintenance*
- *Professional Fees: UW School of Medicine departmental support agreements.*
- *Other Misc. Expenses: other expenses related to administrative expenses,*

[14] One purpose behind the income statement is to allow key decision makers to evaluate the company's current situation and make changes as needed. Creditors use these statements to decide on loans it might make to the company. Stock investors use these statements to determine whether the company represents a good investment.

- *rental/leases, interest, licenses, insurance, etc.*

The non-operating revenue line item includes:
- *Federal & State Disaster Relief Funding*
- *State Teaching Hospital Appropriation*
- *Investment Income*
- *Public Health Funding to King County (Expense)*
- *IGT (Intergovernmental Transfer Expense)*

There are no Management Services fees or costs with the University of Washington (UW) Management Services Agreement. Section 6.4.2 in the Management Services Agreement requires Harborview to allocate $5 million annually to fund support of Mission Population programs and services that are currently being provided by King County. This amount is reflected in the 'Non-Operating Revenue (Expense)' line item of the income statement; because it is a single line item, we are providing reference to the line item, but not a table."

Table 9 details patient days for the past three full calendar years for the type of beds (medical/surgical) that will increase with the project. Table 10 details the same information for the entire hospital.

Applicant's Table 9
Harborview Medical Center
Acute Care Patient Days and Discharges, CY 2018 - 2021

Project-Specific Only	2018	2019	2020	2021
Licensed beds	321	321	321	321
Available beds	321	321	321	321
Discharges	14,274	14,026	12,545	13,489
Patient days	102,167	102,776	99,601	120,685
% Occupancy	87.2%	87.7%	84.8%	102.4%

Source: Applicant, discharges and days from CHARS. Hospital unit is "Acute" and excludes psychiatry and rehabilitation discharges and days. 2021 days and discharges are annualized based on six months of data (January – June).

Applicant's Table 10
Harborview Medical Center
All Patient Days and Discharges, CY 2018-2021A

Entire Hospital	2018	2019	2020	2021
Licensed beds	413	413	413	413
Available beds	413	413	413	413
Discharges	16,045	15,792	14,245	15,507
Patient days	133,058	130,577	130,758	157,470
% Occupancy	88.3%	86.6%	86.5%	104.4%

Source: Applicant, discharges and days from CHARS (all units and discharges, excluding normal newborns).

Table 11 includes the intervening years of 2022-2024 in addition to the first three full years of the project.

Applicant's Table 11
Total Patient Days and Discharges, FY 2019-FY2027

Project-Specific Only	Historical			Intervening			Project			
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY26	FY27
Licensed beds	413	413	413	477	477	477	517	517	517	517
Available beds	413	413	413	477	477	477	517	517	517	517
Admissions	16,073	15,329	15,112	15,112	15,112	15,112	15,112	15,112	15,112	15,112
Patient days	147,649	140,502	151,432	151,432	151,432	151,432	151,432	151,432	151,432	151,432
Beds	413	413	413	413	500	500	540	540	540	540
Occupancy	97.9%	93.2%	100.5%	100.5%	83.0%	83.0%	76.8%	76.8%	76.8%	76.8%

Source: Applicant

Based on the assumptions above, Harborview provided its projected Revenue and Expense Statement and Balance Sheet showing historical years 2020 and 2021, budget year 2022, and projected years 2023 through 2027. The Revenue and Expense Statement summaries are shown in the tables below. [source: Amendment Application, Exhibit 12]

Department's Tables 4
Harborview Medical Center
Historical and Projected Revenue and Expense Statement Summary [in 1,000s]

	Historical 2020	Historical 2021	Budget 2022	Projected 2023
Net Revenue	$1,039,678	$1,129,249	$1,129,249	$1,129,249
Minus Expenses	$1,043,224	$1,139,670	$1,139,670	$1,139,670
Plus Non-Operating Revenue	$30,594	$16,402	$16,402	$16,402
Net Profit / (Loss)	**$27,048**	**$5,981**	**$5,981**	**$5,981**

	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Net Revenue	$1,129,249	$1,129,249	$1,129,249	$1,129,249
Minus Expenses	$1,143,370	$1,143,370	$1,143,370	$1,143,370
Plus Non-Operating Revenue	$16,402	$16,402	$16,402	$16,402
Net Profit / (Loss)	**$2,281**	**$2,281**	**$2,281**	**$2,281**

The hospital's Balance Sheet for historical years 2020 and 2021, budget year 2022, and projected years 2023 through 2027 is summarized in the tables on the following page. [source: Amendment Application, Exhibit 12]

Department's Tables 5
Harborview Medical Center
Historical and Projected Balance Sheet Statement Summary [in 1,000s]

ASSETS	Historical 2020	Historical 2021	Budget 2022	Projected 2023
Current Assets	$575,892	$581,935	$596,183	$585,925
Property and Equipment	$286,279	$268,894	$283,705	$292,704
Other Assets	$110,648	$136,060	$62,902	$81,827
Total Assets	**$972,819**	**$986,889**	**$942,790**	**$960,456**

LIABILITIES	Historical 2020	Historical 2021	Budget 2022	Projected 2023
Current Liabilities	$223,291	$192,018	$160,766	$173,815
Long-Term Debt	$18,710	$57,760	$38,931	$37,567
Equity	$730,817	$737,111	$743,093	$749,073
Total Liabilities and Equity	**$972,818**	**$986,889**	**$942,790**	**$960,455**

ASSETS	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Current Assets	$595,115	$603,167	$610,011	$616,415
Property and Equipment	$306,249	$302,146	$297,981	$293,516
Other Assets	$78,665	$95,960	$119,741	$145,403
Total Assets	**$980,029**	**$1,001,273**	**$1,027,733**	**$1,055,334**

LIABILITIES	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Current Liabilities	$192,427	$212,821	$238,506	$265,332
Long-Term Debt	$36,246	$34,814	$33,308	$31,801
Equity	$751,355	$753,637	$755,919	$758,201
Total Liabilities and Equity	**$980,028**	**$1,001,272**	**$1,027,733**	**$1,055,334**

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

To evaluate this sub-criterion, the department first reviewed the assumptions used by Harborview to determine the projected patient volumes and patient mix for the hospital. The projections are based upon the hospital's actual experience, however, no growth in volumes, revenues, and expenses beyond year 2021 is assumed. This approach is conservative and reasonable because the hospital has been operating with a high midnight occupancy. The additional 127 acute care beds would lower the hospital's midnight occupancy, rather than allow for significant growth in patient days. Other factors that are expected to remain unchanged is payer sources and payer mix. The assumptions used are reasonable.

To assist in this evaluation, department staff completes a focused financial and cost containment review (WAC 246-310-220 and WAC 246-310-240, respectively) that includes pro forma financial statements submitted in the application, including screening responses and rebuttal documents, and historical data reported to the data collection office within the Department of Health.

To determine whether Harborview would meet its immediate and long-range capital costs, the fiscal year 2022 balance sheets for the hospital were reviewed. Below is a summary of the review. [source: February 15, 2023, DOH financial review, pdf 2]

Harborview 2022			
Assets		Liabilities	
Current	518,088,476	Current	171,240,559
Board Designated	268,044,700	Long Term Debt	175,591,821
Property/Plant/Equipment	266,739,806	Other	-
Other	62,708,148	Equity	731,834,019
Total	1,115,581,130	Total	1,078,666,399
Source: FY2022 Year End Report			

After reviewing the balance sheet above, DOH staff conclude that Harborview shows Current Assets at the facility-level are sufficient to fund this project.

For hospital projects, DOH staff performs a financial ratio analysis which assesses the financial position of an applicant, both historically and prospectively. The financial ratios typically analyzed are **1)** long-term debt to equity; **2)** current assets to current liabilities; **3)** assets financed by liabilities; **4)** total operating expense to total operating revenue; and **5)** debt service coverage. Historical and projected balance sheet data is used in the analysis.

The department also reviews various ratios that can give a snapshot of the financial health of Harborview as of 2022. Also detailed are the three years following completion of the project. Statewide 2022 ratios are included as a comparison and are calculated from all community hospitals in Washington State whose fiscal year ended in that year. Following is a table showing the results. In the "Trend" column an "A" means it is better if the number is above the State number and "B" means it is better if the number is below the state number.

Focused Financial Analysis

Harborview Medical Center			2022	2023	2024	2025	2026	2027
Ratio Category	Trend	State 2021	iew 2022	CONy1	CONy1	CON2	CONy3	CONy3
Long Term Debt to Equity	B	0.426	0.240	-	-	-	-	-
Current Assets/Current Liabilities	A	3.287	3.026	3.371	3.093	2.834	2.558	2.323
Assets Funded by Liabilities	B	0.370	0.311	0.181	0.196	0.213	0.232	0.251
Operating Expense/Operating Revenue	B	0.973	1.016	1.009	1.013	1.013	1.013	1.013
Debt Service Coverage	A	6.123	N/A	N/A	N/A	N/A	N/A	N/A
Long Term Debt to Equity	Long Term Debt/Equity							
Current Assets/Current Liabilities	Current Assets/Current Liabilities							
Assets Funded by Liabilities	Current Liabilities+Long term Debt/Assets							
Operating Expense/Operating Revenue	Operating Expense/Operating Revenue							
Debt Service Coverage	Net Profit+Depr and Interest Exp/Current Mat. LTD and Interest Exp							

A portion of the focused review is restated below. [source: February 15, 2023, DOH financial review, pdfs2-3]
"Most CON year 3, (third full calendar year following addition of the beds) fiscal year end ratios for Harborview are within acceptable range of the 2021 State average. Operating expense to Operating Revenue is the only ratio that is out of the preferred range for all projection years. While this is not optimal, Harborview's unique status in the healthcare system in Washington, as well as appropriations provided

by the state to support Harborview's mission, lead to the conclusion that this ratio does not indicate instability or deficiency in the hospital's financial performance."

The department concludes that the project is financially feasible based on the information above and the immediate and long-range operating costs of the project can be met. **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 direct 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.

Harborview Medical Center

As previously stated, the total capital expenditure for this project is $93,750,000 and Harborview intends to fund the project with reserves. Harborview provided the following statements in response to this sub-criterion. [source: Amendment Application, pdf 26]

"In today's managed care and negotiated rate environment, Harborview's capital costs do not result in increases in charges or reimbursements. That said, because Harborview is using reserves, there is no interest expense, and the only real change in costs relates to depreciation expense.

Harborview's payer mix will not change as a result of adding beds to the license that have been operational for more than two years."

Harborview also provided a table with its current and projected payer mix showing percentages by revenue and by patient. The table is recreated below. [source: Amendment Application, pdf 27]

Department's Table 6
Harborview Medical Center
Current and Projected Payer Mix

	Percentage By Revenue	Percentage By Patient
Medicare	32.0%	30.0%
Medicaid	33.0%	29.0%
Commercial	25.0%	31.0%
Worker's Compensation	3.0%	2.0%
Tri-Care	1.0%	0.0%
Self Pay	4.0%	7.0%
Other*	2.0%	1.0%
Total Percentages	**100.0%**	**100.0%**

For the table above, 'Other' includes TriWest Healthcare Alliance, VA, King County Jail, and other correctional facilities, hospice facilities, and rehabilitation facilities. [source: Amendment Application, pdf 27]

Harborview provided a letter from the Director in the Facilities and Management Division of UW Medicine identifying the construction costs and attesting to the accuracy based on extensive experience. [source: Amendment Application, Exhibit 9]

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

The focused financial review also noted the following information regarding Harborview and its rates. [source: February 15, 2023, DOH financial review, pdf 4]

"Because of the unique function of Harborview compared to other hospitals in the state, an examination of Harborview's rates in comparison to statewide averages my not be illuminative. Harborview's projections are for a small positive margin for each discharge and are consistent with the 2022 actual. This criterion is satisfied."

Based on the totality of the focused review above, the department concludes this project would not result in an unreasonable impact on the costs and charges for health services. **This sub-criterion is met**.

(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 direct 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.

Harborview Medical Center

The total estimated capital expenditure for this project is $93,750,000 and all costs are expected to be expended in phase two. The table below shows a breakdown of the costs. [source: Amendment Application, pdf 25]

Department's Table 7
Harborview Medical Center
Breakdown of Estimated Capital Expenditure

Item	Phase 1	Phase 2	Total
Building Construction (tenant improvements)	$0	$54,719,590	$54,719,590
Moveable Equipment	$0	$18,750,000	$18,750,000
Architect/Engineering Fees	$0	$4,900,031	$4,900,031
Consulting Fees	$0	$7,850,000	$7,850,000
Washington Sales Tax	$0	$7,530,379	$7,530,379
Total Capital Costs	$0	**$93,750,000**	**$93,750,000**

Because the hospital is currently operational, there are no start-up costs for this project. [source: Amendment Application, pdf 26]

All costs are to be funded by Harborview Medical Center's reserves. Included in Exhibit 11 of the application is a letter of financial commitment from Harborview Medical Center's Chief Executive Officer. The letter includes references to the year 2021 audited financial statements included in the application that demonstrate the funding is available.

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

As shown in the table above, the addition of 87 acute care beds in phase one does not require any costs; phase two is the addition of the remaining 40 beds with an estimated cost of $93,750,000. To determine whether the applicant could meet the immediate and long-range capital costs, the department reviewed the funding information provided in the application. All costs are to be funded by Harborview Medical Center's reserves.

To assist in this evaluation, department staff also reviewed the capital costs under this sub-criterion and provided the following conclusions. [source: February 15, 2023, DOH financial review, pdf 4]
"*The CN project capital expenditure is $93,750,000. Harborview will use its existing reserves. This investment represents 8.4% of the total assets of Harborview as of 2022.*

The financing methods used are appropriate business practice. This criterion is satisfied."

As noted above, the funding for this project will be from Harborview Medical Center's reserves. If this project is approved, the department would attach a condition requiring the applicant to fund the project as described in the application.

C. Structure and Process (Quality) of Care (WAC 246-310-230),

Based on the source information reviewed, the department determines that the Harborview Medical Center project meets the applicable cost containment criteria in WAC 246-310-230.

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

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 direct 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 evaluates whether the staffing proposed would allow for the required coverage.

<u>Harborview Medical Center</u>

As previously stated, if this project is approved, the third full year of operation with all 127 additional beds is 2027. As a result, the projected staffing table provided in the application shows historical years 2019 through 2021; current year 2022; and projection years 2023 through 2027. Below is a summary of the staffing table provided. [source: Amendment Application, pdf 30]

Department's Table 8
Harborview Medical Center
Historical, Current, and Projected FTEs for Years 2019 through 2027

FTE Type	Year 2019	Year 2020 Increase	Year 2021 Increase	Years 2022 – 2027 Increase	Total
Management Total	280.0	4.8	1.2	0.0	**286.0**
Providers' Total	318.0	6.2	18.1	0.0	**342.3**
Registered Nurses Total	1,354.9	9.2	60.6	0.0	**1,424.7**
Nursing Assistants Total	423.0	10.8	(11.5)	0.0	**422.3**
Other Staff Total	2,078.5	(14.6)	5.0	0.0	**2,068.9**
Total FTEs	**4,454.4**	**16.4**	**73.4**	**0.0**	**4,544.2**

Harborview provided the following descriptions of the type of FTEs included in the table above. [source: Amendment Application, pdf 30]

- <u>Management includes</u> administrators, directors, managers, and program operations staff.
- <u>Providers include</u> physician and non-physician providers.
- <u>Other Staff include</u> pharmacists, dieticians, social workers, therapists, imaging technicians, lab technicians, patient service specialists, food services, and non-technical staff.

Harborview also clarified that the 87 beds identified in phase one are currently operational under the governor's Proclamation 20-36 and the staffing is based on patient days, rather than the number of operational beds. As a result, the increase in beds affects the occupancy rate of the hospital, but may not affect staffing. [source: Amendment Application, Exhibit 12, pdf 156]

Further, Harborview provided the following information regarding the assumptions used to project the staffing identified above. [source: Amendment Application, pdf 30]
"Harborview has been operating the requested number of beyond its acute care license for two years. To be conservative, we are assuming no further increases in acute patient days, beyond actual FY2021 for the period of 2022-2026."

Harborview provided the following information regarding recruitment and retention of staff for the hospital. [source: Amendment Application, pdf 31]
"In this extraordinarily challenging workforce environment, staff is already in place for this project, as the beds have been in operation for two years; and Harborview has regularly had more patients in-house than licensed beds (administrative days, observation, difficult to discharge, etc.).

Harborview employees are employees of UW Medicine, UW Medicine has been, and continues to be, well positioned to attract and retain staff. Specifically, its reputation as a nationally recognized provider of high-quality tertiary services, and its position as a research/teaching facility has historically greatly enhanced its efforts and minimized difficulty in recruiting qualified personnel. Harborview's Level I trauma status has historically been attractive to potential recruits. We also offer a competitive wage and benefit packages."

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation
This section of the evaluation focuses on the staffing of the proposed project. Given that the hospital is currently operational and has been in operation for many years, Harborview's count of its total FTEs by type is based on historical operations. The FTEs include the necessary staffing to provide acute care, psychiatric, rehabilitation, and level I trauma services, as well as maintaining its status as a training facility.

Harborview also noted that the increase of 127 acute care beds does not equate to an increase in staffing because the additional beds have been in use for two years and the number of staff is driven by the occupancy of the hospital, rather than the total number of beds. Harborview also provided its staffing and recruitment strategies which relies heavily on UW Medicine and its reputation and competitive wage and benefit packages. This approach is reasonable for the hospital.

Information provided in the application demonstrates that Harborview and its operations manager, UW Medicine, have the ability and expertise to appropriately staff the hospital and recruit and retain a sufficient supply of qualified staff if necessary. **This sub-criterion is met.**

(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.

Harborview Medical Center

Harborview provided the following information related to this sub-criterion. [source: Amendment Application, pdfs 31-33]

"The existing ancillary and support services, and an indication as to whether they are provided in house or under agreement, are provided in Table 16:

Applicant's Table

Services Provided	In House or Under Agreement
Linen service	Hybrid/Laundering contracted/ receiving and distribution HMC, EVS
Lab & Pathology	In-house
Biomedical	Same as Biomedical/Clinical Engineering?
Biomedical waste	Hybrid/EVS collection and sterilization/ Disposal contracted
PT	In-house
Dietary	In-house
Respiratory Therapy	In-house
Imaging	In-house
Health Information Management	In-house/UW Medicine
Biomedical/Clinical Engineering	In-house
Quality Management	In-house
Customer Service/Support	In-house
Security	In-house
Medical Staff Services	In-house
Facilities/Environment of Care including janitorial services	In-house
Utilization Review	In-house
Supply Chain	In-house/UW Medicine
Pharmacy	In-house
Interpretation Services	In-house
Blood Products and Services	In-house/Bloodworks Northwest

Source: Applicant

No existing ancillary or support agreements are expected to change as a result of this project.

Harborview is the WWAMI region's only designated Level 1 adult and pediatric trauma and verified burn center, as well as Seattle and King County's disaster preparedness and disaster control hospital for Seattle and King County. Our mission is to provide care for a broad spectrum of patients from throughout the region, including the most vulnerable residents of King County; to provide and teach exemplary patient care; and to develop and maintain leading-edge centers of emphasis. To assure access for trauma and burn and our mission possible, Harborview has prioritized the development and maintenance of strong working relationships with all health and social service organizations entities throughout the five States. These organizations include EMS, social services, behavioral health, hospitals, clinics and post-acute.

No existing working relationships are expected to change as a result of this project."

Harborview stated that the hospital has been operating under a Management Services Agreement with University of Washington since 1969. The agreement is between King County (owners of Harborview Medical Center) and University of Washington. A copy of the agreement was provided in the application. Harborview also stated that there are no costs associated with the agreement. [source: Amendment Application, Exhibit 12 and Attachment 4]

Harborview also stated that the medical director, J. Richard Goss, MD, is an employee and faculty member of University of Washington and no medical director agreement is used for the services. [source: Amendment Application, Exhibit 12, pdf 156]

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

Given that the hospital is currently operational, its internal ancillary and support agreements are already in place. As an existing provider of healthcare services, including psychiatric, rehabilitation, and level I trauma, the hospital has many working relationships with other healthcare entities within Washington State already in place. Harborview does not expect any of the ancillary and support agreements to change with the addition of 127 acute care beds.

As previously stated, the hospital is owned by King County and governed by a county-appointed board of trustees. It is managed under a Hospital Services Agreement with the University of Washington, through UW Medicine. A copy of the agreement was provided in the application and below is the particulars of the agreement.

Management Agreement-Executed

This agreement, known as the Hospital Services Agreement, has been in place since 1969. The agreement is between '*King County by and through its Executive and its Board of Trustees for Harborview Medical Center and The Regents of the University of Washington*.' The agreement outlines roles and responsibilities for the county, UW, and the board, and outlines any joint responsibilities. It also includes an operating budget section, reporting and accountability, and insurance and indemnification sections. The agreement is effective in perpetuity.

As an operational acute care hospital and the only level I trauma hospital in Washington State, Harborview Medical Center treats the highest acuity patients, therefore, there is no patient transfer agreement that would allow transfer of patients to a higher acuity hospital.

Based on the information reviewed in the application, the department concludes that there is reasonable assurance that the hospital will maintain the necessary relationships with ancillary and support services 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.

Harborview Medical Center

Harborview provided the following information to demonstrate compliance with this sub-criterion. [source: Amendment Application, pdf 34]

"Harborview is a critical component of the Region's health care system-including direct services, EMS, training and research. Other sections of this application have demonstrated the relationship in more detail."

The department's application form includes the following question specific to WAC 246-310-230(5):

"Identify whether any facility or practitioner associated with this application has a history of the actions listed below. If so, provide evidence that the proposed or existing facility can and will be operated in a manner that ensures safe and adequate care to the public and conforms to applicable federal and state requirements.

a. A criminal conviction which is reasonably related to the applicant's competency to exercise responsibility for the ownership or operation of a health care facility; or
b. A revocation of a license to operate a healthcare facility; or
c. A revocation of a license to practice as a health profession; or
d. Decertification as a provider of services in the Medicare or Medicaid program because of failure to comply with applicable federal conditions of participation."

Harborview provided the following response. [source: Amendment Application, pdf 34]
"No facility or practitioner associated with Harborview has any history with respect to the above."

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation
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.[15] 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 2020 through 2023.[16] The department uses this report to identify facilities that were involuntarily terminated from participation in Medicare reimbursement.

The department also reviews conformance with Medicare and Medicaid standards, with a focus on Washington State facilities. The department uses the CMS 'Survey Activity Report' to identify facilities with a history of condition level findings.

For CMS surveys, there are two levels of deficiencies: standard and condition.[17]

- 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.

As stated in the 'applicant description' section of this evaluation, Harborview is owned by King County, governed by a county-appointed board of trustees and managed under Agreement by the UW, through UW Medicine. As a result, the department's compliance history review will also include those hospitals owned/operated/managed by UW Medicine. Since the proposed project is a bed addition for an acute care hospital, the focus of this review will be historical hospital operations consistent with the type of facility reviewed in this project.

[15] WAC 246-310-230(5).
[16] Reports are all current as of January 27, 2023.
[17] Definitions of standard and condition level surveys: https://www.compass-clinical.com/deciphering-tjc-condition-level-findings/

Terminated Provider Counts Report
Focusing on years 2020 through 2023, no facilities associated with UW Medicine, including Harborview Medical Center, were involuntarily terminated from participation in Medicare reimbursement.

CMS Survey Data
Using the Center for Medicare and Medicaid Services Quality, Certification & Oversight Reports (QCOR) website, the department reviewed the available historical survey information for Harborview Medical Center and the three other hospitals associated with UW Medicine:

- University of Washington Medical Center and Northwest Hospital[18]
- UW Valley Medical Center
- Fred Hutchinson Cancer Center

The QCOR surveys focus on years 2020 through 2023.

Additionally, the program reviewed compliance and standard survey information obtained from the department's internal database known as 'Integrated Licensing & Regulatory System' and referenced as 'ILRS.' Below is a summary of both QCOR and ILRS data for each of the four hospitals reviewed.

Harborview Medical Center
- 2020 complaint survey identified no deficiencies.
- 2022 standard survey identified standard deficiencies and required two follow up visits.

University of Washington Medical Center and Northwest Hospital
- 2020 complaint survey identified no deficiencies.
- 2021 standard survey identified standard deficiencies and required one follow up visit.
- 2023 Joint Commission survey identified no deficiencies.

UW Valley Medical Center
- 2020 special health survey identified no deficiencies.
- 2021 complaint survey identified standard deficiencies and required no follow up visits.
- 2022 complaint survey identified no deficiencies.

Fred Hutchinson Cancer Center
- 2022 Joint Commission survey identified no deficiencies.

All four facilities listed above are noted to be in compliance both state and federal guidelines as of the writing of this evaluation.

In addition to the facility review above, Harborview provided the names and license numbers for Harborview's medical director, J. Richard Goss, MD, and interim chief nursing officer, Jay. E. Sandel, RN. . The compliance review for these two individuals revealed no sanctions related to the license and both licenses are currently active.

[18] CN #1736 issued on May 4, 2018, recognized consolidation of the hospital licenses for University of Washington Medical Center and Northwest Hospital. As a result, all compliance surveys completed after May 4, 2018, include both hospitals.

Based on the above information, the department concludes that Harborview demonstrated reasonable assurance that the hospital would continue to operate in compliance with state and federal guidelines if this project is approved. **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 the department 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.

Harborview Medical Center

Harborview provided the following discussion to demonstrate compliance with this sub-criterion. [source: Amendment Application, pdf 33]

"Approval of the project will promote timely access to Harborview's inpatient services in a better care environment (a patient room vs the ED or a hallway). This in turn will promote a better patient experience and continuity, especially for our mission population.

Harborview's Continuity of Care staff coordinate all aspects of care for acute care patients in an effort to support timely transition to the next level of care. Staff serve as liaisons between patients, families, medical teams, nursing staff, social services, interdisciplinary team members, consulting and referring physicians and agencies involved in the care of patients from admission through the discharge process. This department also has RN patient flow staff that exist to coordinate transitions between inpatient units and transitions between inpatient units and ancillary departments (including departments that support care transitions such as financial planning, social work services, nutrition, and medications). They also support discharges and timely transition to the next level of care. These staff also work with Harborview's Care Management team to identify milestones for discharge, working to solve barriers as needed.

Having sufficient beds spaces that are not in the ED or a hallway to timely accept patients is key. Importantly, at Harborview, a portion of that capacity is needed so that if a patient no longer qualifies for inpatient care, but a safe discharge option cannot be identified, they can still stay at Harborview under "administrative days" while an appropriate discharge option can be found, Because the lack of options for hard to discharge patients is growing, some bed capacity is needed to assure care for this population. Permanently adding the 127 beds will advantage the patient population we exist to serve."

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

As noted in the need section of this evaluation, the department concluded sufficient need for the additional 127 beds at the hospital has been demonstrated by the applicant. Further, the addition of 127 acute care beds at Harborview Medical Center would allow the hospital to operate at a lower occupancy rate per bed and maintain its existing services for the growing Washington State population. The department's need methodology confirms Harborview's identification of need for additional beds and the department concludes that the lower occupancy rate caused by adding the beds is appropriate and still within the department's occupancy standards for a hospital of this size. The letters of support for this project reinforce this conclusion by providing specific information about the benefits to the area's healthcare system expected from this bed addition.

The financial feasibility section of this evaluation concluded that the financing is reasonable and supported by information in the application materials. Factors noted in the structure and process of care section of this evaluation concluded that the hospital would be appropriately staffed and maintain its accreditations and certifications to continue to provide the high acuity services.

For those reasons, the department concludes that approval of this project is not expected to result in unwarranted fragmentation of acute care services in the central King planning area or Washington State as a whole. **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, the department determines that the Harborview Medical Center project 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, in terms of cost, efficiency, or effectiveness, the department takes a multi-step approach. First the department determines if the application has met the other criteria of WAC 246-310-210 through 230. If the project has failed to meet one or more of these criteria, the project cannot be considered to be the best alternative in terms of cost, efficiency, or effectiveness as a result the application would fail this sub-criterion.

If the project has met the applicable criteria in WAC 246-310-210 through 230 criteria, the department then 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. No competing application were submitted for review.

Harborview Medical Center
Step One
Harborview demonstrated that this application met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two below.

Step Two
Below is a discussion and table of the alternatives considered by Harborview prior to submission of this application. [source: Amendment Application, pdfs 35-36]
"Given sustained high census, Harborview concluded there was no option other than making permanent all of the beds that we have had operational during the pandemic. Once that determination was made, significant time was expended by our facilities and clinical leaders to determine how many bed spaces Harborview could identify in the existing buildings that could likely meet applicable code and be made operational quickly. The determination was made that "a home" for 127 beds could be found; 87 in existing units throughout the hospital; and 40 by converting several floors of the Maleng building into inpatient units (two floors, 20 private rooms each). The 87 beds became Phase 1, and the Maleng conversion became Phase 2.

Even prior to the pandemic, and as data in this application shows, Harborview's census was regularly above capacity. Without an expansion, patients will be housed for extended periods in a large open bay in

the ED or in hallways. This is unsatisfying to patients and families, and more importantly challenges care delivery."

Applicant's Table

Factors	Scenario 1: Return to 413 License Post-Pandemic	Scenario 2: Retain all 115 Beds Made Operational During Pandemic	Scenario 3: Retain 127 Beds (the Number we Estimate that Meet Code)
Patient access	Highly compromised; while Harborview will continue to admit all patients, they will be housed in large ED bay or hallways.	Largest positive impact on access	Nearly identical improvement in access to scenario 2.
Capital Cost	None	The capital cost to make the 11 additional beds permanent (difference between 104 and 115) would require new construction and add millions of dollars and several year delay.	$94 million for the 40 Phase 2 beds
Legal Restrictions	None identified	None identified, other than prior CN review.	None identified, other than prior CN review
Staffing	Harborview is already staffed for 115 additional beds (528 total). There would be staff reductions under this scenario, though we believe that patient days would remain near current levels, with care being delivered in ED and hallways.	Harborview is already staffed for 115 additional beds (528 total). So, this scenario is a no change from current situation.	While this is 11 beds less than Scenario 2, we have projected our patient days to be the same between the 2 scenarios. Staffing will be the same as in Scenario 2
Quality	Harborview produces superior quality outcomes for our patient population despite physical plant limitations. However, it is most challenging in this scenario due to a high volume of patients being cared for (for more than 24 hours) outside of a patient room	Harborview produces superior quality outcomes for our patient population; this scenario provides greatest opportunity for most patients to regularly be housed in dedicated inpatient bed spaces.	This scenario is identical to Scenario 2.
Operating Costs/Efficiency	This scenario is least efficient; as patients are not in rooms and are moved and shifted between spaces frequently.	This scenario produces greatest efficiency; once operational, but the additional capital costs will further increase depreciation expense. Further, the disruption during an extended building project would create short-term operating inefficiencies.	This scenario produces the greatest efficiency in the shortest timeframe.

Source: Applicant

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

The department reviewed the options identified and rejected above and found the conclusions to be reasonable. Further, the department did not identify any other alternatives that could be considered superior related to cost, efficiency, or effectiveness that is available or practicable.

The focused financial review also calculates the costs per bed. The review is below. [source: February 15, 2023, DOH financial review, pdf 5]

"The costs of the project are the cost for construction, planning and process. Harborview's projections are below.

Harborview	
Total Capital	$93,750,000
Beds/Stations/Other (Unit)	127
Total Capital per Unit	$738,188.98

The costs shown are lower than most recent construction costs reviewed by this office. Also, construction cost can vary quite a bit due to type of construction, quality of material, custom vs. standard design, building site and other factors. Harborview is reconfiguring existing space across 13 different units in four buildings. Because of this there is limited opportunity for energy conservation and other efficiencies to be obtained."

In the need section of this evaluation, Harborview demonstrated need for at least 127 additional acute care beds in central King County and specifically at the hospital. As previously noted, this project also meets the applicable criteria under financial feasibility and structure and process of care.

Based on the totality of the information above, the department concludes that the project as submitted is the best available option for the planning area. **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.

Harborview Medical Center

Harborview provided the following information in response to this sub-criterion. [source: Amendment Application, pdf 37]

"The project involves remodeling, but no new construction. As noted in responses to earlier sections, the additional 127 beds will be made operational on several different units. A total of 13 units will be impacted by this project with bed additions ranging from 2 to 27. Therefore, there is limited opportunity for energy conservation and other efficiencies to be obtained. As noted previously, Harborview's rates and charges are not determined by capital expenditures. By having a sufficient number of beds, access to health services for our patients will be improved."

There were no public comments or rebuttal comments submitted for this sub-criterion.

Department Evaluation

This project involves construction/ build out of space to house the additional 127 acute care beds at the hospital. The applicant provided information regarding the design of the facility and the standards that must be met for construction. The approach of adding the beds to various general medical surgical areas throughout the hospital is reasonable.

Further, the assumptions related to the costs and charges discussed under the Financial Feasibility section of this evaluation, the department does not anticipate an unreasonable impact on the costs and charges to

the public as a result of this bed addition project. Therefore, the department concludes **this sub-criterion is met.**

(3) *<u>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.</u>*

<u>Harborview Medical Center</u>
In response to this sub-criterion, Harborview provided the following statements. [source: Amendment Application, pdf 37]
"As noted in earlier sections of this application, at its current volumes, Harborview needs the additional 127 beds; and occupancy will never fall below the State Health Plan's target 75% midnight occupancy standard. Cost-efficiency will be realized when the facility is not regularly exceeding 100% occupancy."

There were no public comments or rebuttal comments submitted for this sub-criterion.

<u>Department Evaluation</u>
This project has the potential to improve delivery of acute care services to the residents of central King County, Washington State, and the entire WWAMI region. The department is satisfied the project is appropriate and needed. **This sub-criterion is met.**

APPENDIX A

Central King Acute Care Bed Need
Step 1

2012 to 2021 HSA TOTAL NUMBER OF RESIDENT PATIENT DAYS
Source: DOH 2021 Statewide Methodology

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-YEAR TOTAL
HSA #1	1,282,023	1,300,706	1,339,663	1,406,654	1,432,521	1,515,233	1,537,566	1,550,834	1,504,145	1,612,847	**14,482,192**
STATEWIDE TOTAL	**2,054,931**	**2,067,274**	**2,116,496**	**2,210,893**	**2,274,457**	**2,387,290**	**2,414,946**	**2,464,085**	**2,381,334**	**2,575,124**	**22,946,830**

Prepared by CN Staff, February 2023

Central King Acute Care Bed Need
Step 2

2012 to 2021 HSA TOTAL NUMBER OF RESIDENT PATIENT DAYS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-YEAR TOTAL
HSA #1	1,282,023	1,300,706	1,339,663	1,406,654	1,432,521	1,515,233	1,537,566	1,550,834	1,504,145	1,612,847	14,482,192
STATEWIDE TOTAL	2,054,931	2,067,274	2,116,496	2,210,893	2,274,457	2,387,290	2,414,946	2,464,085	2,381,334	2,575,124	22,946,830

2012 TO 2021 HSA TOTAL NUMBER OF PSYCHIATRIC PATIENT DAYS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-YEAR TOTAL
HSA #1	14,474	12,941	18,538	25,933	24,318	25,342	26,288	27,704	19,303	19,021	**213,862**
STATEWIDE TOTAL	16,983	16,105	22,239	29,898	29,562	31,607	31,577	34,071	27,964	28,943	**268,949**

HSA # 1 Psych Hospitals Include: BHC Fairfax in Kirkland, BHC Fairfax North in Everett, Fairfax Behavioral Health Monroe in Monroe, Cascade Behavioral Health in Tukwila, Navos in Seattle, and Smokey Point Behavioral Hospital in Marysville

2012 to 2021 HSA TOTAL NUMBER OF PATIENT DAYS MINUS PSYCH DAYS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-YEAR TOTAL
HSA #1	1,267,549	1,287,765	1,321,125	1,380,721	1,408,203	1,489,891	1,511,278	1,523,130	1,484,842	1,593,826	**14,268,330**
STATEWIDE TOTAL	2,037,948	2,051,169	2,094,257	2,180,995	2,244,895	2,355,683	2,383,369	2,430,014	2,353,370	2,546,181	**22,677,881**

Prepared by CN Staff, February 2023

Central King Acute Care Bed Need
Step 3

2012 to 2021 HSA TOTAL NUMBER OF PATIENT DAYS MINUS PSYCH DAYS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-YEAR TOTAL
HSA #1	1,267,549	1,287,765	1,321,125	1,380,721	1,408,203	1,489,891	1,511,278	1,523,130	1,484,842	1,593,826	**14,268,330**
STATEWIDE TOTAL	2,037,948	2,051,169	2,094,257	2,180,995	2,244,895	2,355,683	2,383,369	2,430,014	2,353,370	2,546,181	**22,677,881**

TOTAL POPULATIONS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-YEAR TOTAL
HSA #1	4,294,496	4,339,478	4,384,459	4,429,440	4,507,526	4,585,612	4,663,697	4,741,783	4,819,869	4,876,258	**45,642,618**
STATEWIDE TOTAL	6,859,288	6,926,662	6,994,036	7,061,410	7,176,813	7,292,215	7,407,618	7,523,020	7,638,423	7,727,746	**72,607,230**

RESIDENT USE RATE PER 1,000

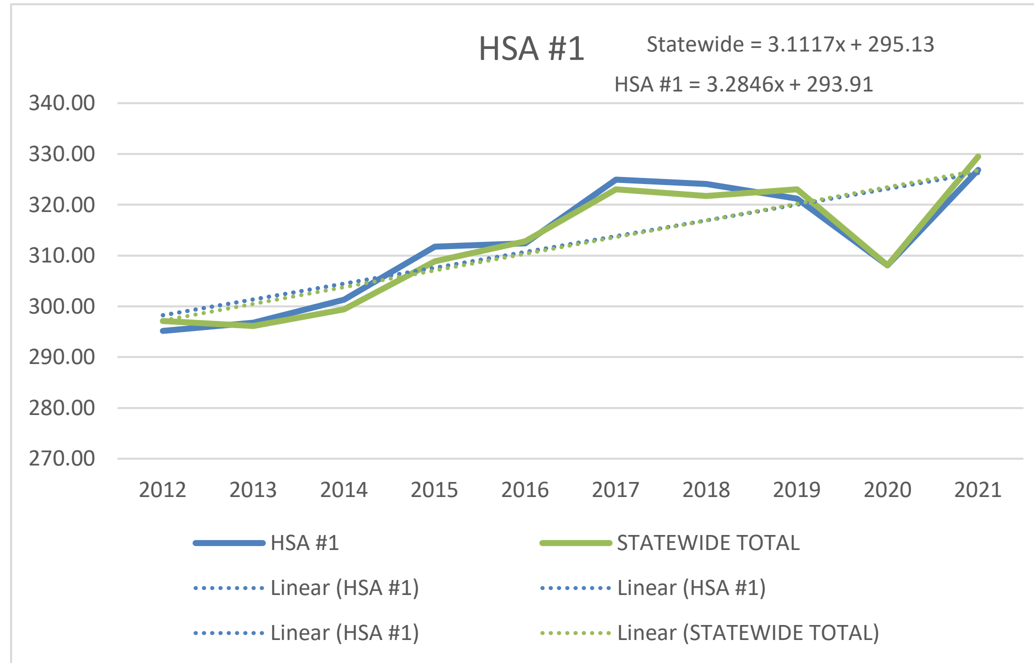
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
HSA #1	295.16	296.76	301.32	311.71	312.41	324.91	324.05	321.21	308.07	326.85
STATEWIDE TOTAL	297.11	296.13	299.43	308.86	312.80	323.04	321.75	323.01	308.10	329.49

Prepared by CN Staff, February 2023

Central King Acute Care Bed Need
Step 4

RESIDENT USE RATE PER 1,000

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TREND LINE
HSA #1	295.16	296.76	301.32	311.71	312.41	324.91	324.05	321.21	308.07	326.85	**3.1117**
STATEWIDE TOTAL	297.11	296.13	299.43	308.86	312.80	323.04	321.75	323.01	308.10	329.49	**3.2846**



Prepared by CN Staff, February 2023

Central King Acute Care Bed Need
Steps 5 & 6

STEP #5
HOSPITAL PATIENT DAYS

	Total Patient Days in Central King Hospitals	-	Out of State (OOS) Resident Patient Days in Central King Hospitals	=	Total Patient Days in Central King Hospitals, Minus OOS	%
0-64	220,010		11,969		208,041	5.44%
65+	161,384		6,635		154,749	4.11%
TOTAL	**381,394**		**18,604**		**362,790**	4.88%

	Total Patient Days in Washington State Hospitals Minus Central King	-	Out of State (OOS) Resident Patient Days in Washington State Hospitals Minus Central King	=	Total Patient Days in Washington State Hospitals, Minus OOS, Minus Central King	%
0-64	1,105,912		53,113		1,052,799	4.80%
65+	1,087,818		40,195		1,047,623	3.70%
TOTAL	**2,193,730**		**93,308**		**2,100,422**	4.25%

	Total Central King Resident Patient Days in Central King Hospitals	+	Total Central King Resident Patient Days in Other Washington State Hospitals	=	Total Central King Resident Patient Days	+	Central King Resident Patient Days Provided in Oregon	=	Total Central King Resident Patient Days - All Settings
0-64	52,734		19,840		72,574		0		72,574
65+	39,515		11,274		50,789		0		50,789
TOTAL	**92,249**		**31,114**		**123,363**		**0**		**123,363**

	Total Other Washington State Resident Patient Days in Central King Hospitals	+	Total Other Washington State Resident Patient Days in Other Washington State Hospitals	=	Total Other Washington State Resident Patient Days	+	Other Washington State Resident Patient Days Provided in Oregon	=	Total Other Washington State Resident Patient Days - All Settings
0-64	155,307		1,032,959		1,188,266		0		1,188,266
65+	115,234		1,036,349		1,151,583		0		1,151,583
TOTAL	**270,541**		**2,069,308**		**2,339,849**		**0**		**2,339,849**

** Oregon data was excluded since it has very little impact on Central King*

MARKET SHARES
PERCENTAGES OF PATIENT DAYS

Central King RESIDENT PATIENT DAYS

Central King Acute Care Bed Need
Steps 5 & 6

	In Central King Hospitals	In Other Washington State Hospitals	In Oregon Hospitals*
0-64	72.66%	27.34%	0.00%
65+	77.80%	22.20%	0.00%

OTHER WASHINGTON STATE RESIDENT PATIENT DAYS

	In Central King Hospitals	In Other Washington State Hospitals	In Oregon Hospitals*
0-64	13.07%	86.93%	0.00%
65+	10.01%	89.99%	0.00%

** Oregon data was excluded since it has very little impact on Central King*

2021 POPULATION BY PLANNING AREA

	Central King County	Other Washington State
0-64	306,099	6,091,324
65+	50,638	1,279,685
TOTAL	356,737	7,371,009

STEP #6
USE RATE BY PLANNING AREA

	Central King County	Other Washington State
0-64	237.09	195.08
65+	1,002.98	899.90

Central King Acute Care Bed Need
Step 7A

USE RATE BY PLANNING AREA	
2021	
Central King County	
0-64	237.09
65+	1,002.98

PROJECTED POPULATION - Central King COUNTY	
PROJECTION YEAR	2028
0-64	325,802
65+	63,284
TOTAL	389,086

PROJECTED USE RATE	
PROJECTION YEAR	2028
USE RATES	
0-64 Using HSA #1 Trend	258.88
0-64 Using Statewide Trend	260.09
65+ Using HSA #1 Trend	1,024.77
65+ Using Statewide Trend	1,025.98

Prepared by CN Staff, February 2023

Central King Acute Care Bed Need
Step 8

PROJECTED USE RATE	
PROJECTION YEAR	**2028**
USE RATES	
0-64	258.88
65+	1,024.77

PROJECTED POPULATION	
PROJECTION YEAR	**2028**
0-64	325,802
65+	63,284
TOTAL	**389,086**

PROJECTED NUMBER OF PATIENT DAYS	
PROJECTION YEAR	**2028**
0-64	84,342
65+	64,851
TOTAL	**149,193**

Prepared by CN Staff, February 2023

Central King Acute Care Bed Need
Step 9

PROJECTED NUMBER OF PATIENT DAYS

PROJECTION YEAR **2028**

	Central King Residents (from step 8)	All Other WA State Residents (calculated)	All WA State Residents (from Statewide Step 8)
0-64	84,342	1,519,777	1,604,119
65+	64,851	1,617,515	1,682,367
TOTAL	**149,193**	**3,137,292**	**3,286,486**

MARKET SHARE (% PATIENT DAYS FROM STEP 5)

Central King RESIDENT PATIENT DAYS

	In Central King Hospitals	In Other Washington State Hospitals	In Oregon Hospitals*
0-64	72.66%	27.34%	0.00%
65+	77.80%	22.20%	0.00%

OTHER WASHINGTON STATE RESIDENT PATIENT DAYS

	In Central King Hospitals	In Other Washington State Hospitals	In Oregon Hospitals*
0-64	13.07%	86.93%	0.00%
65+	10.01%	89.99%	0.00%

PROJECTED RESIDENT PATIENT DAYS BY LOCATION, WITH MARKET SHARE ASSIGNED

Central King RESIDENT PATIENT DAYS

	In Central King Hospitals	In Other Washington State Hospitals	In Oregon Hospitals*
0-64	61,285	23,057	0
65+	50,456	14,396	0
TOTAL	**111,741**	**37,453**	**0**

OTHER WASHINGTON STATE RESIDENT PATIENT DAYS

	In Central King Hospitals	In Other Washington State Hospitals	In Oregon Hospitals*
0-64	198,636	1,321,141	0
65+	161,858	1,455,657	0
TOTAL	**360,494**	**2,776,799**	**0**

NUMBER OF PATIENT DAYS PROJECTED IN Central King HOSPITALS

0-64	259,921
65+	212,314
TOTAL	**472,234**

NUMBER OF PATIENT DAYS PROJECTED IN ALL OTHER WASHINGTON STATE HOSPITALS

2,814,251

NUMBER OF WASHINGTON STATE PATIENT DAYS PROJECTED IN OREGON HOSPITALS*

0

** Oregon data was excluded since it has very little impact on Central King*

PERCENTAGE OF OUT OF STATE RESIDENT PATIENT DAYS IN WASHINGTON STATE HOSPITALS

Central King	
0-64	5.44%
65+	4.11%

ALL OTHER WASHINGTON STATE	
0-64	4.80%
65+	3.70%

PROJECTED NUMBER OF PATIENT DAYS IN PROJECTION YEAR, PLUS OUT OF STATE RESIDENTS

PROJECTION YEAR **2028**

PATIENT DAYS IN Central King IN PROJECTION YEAR

		Ratio - Projected Patient Days in Planning Area Hospitals over Planning Area Resident Patient Days
0-64	274,061	3.249396552
65+	221,043	3.408449581
TOTAL	**495,103**	

Central King Acute Care Bed Need
Step 10A

CENTRAL KING PLANNING AREA								Target		
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
POPULATION 0-64	306,099	310,816	315,533	317,587	319,641	321,694	323,748	325,802	327,856	329,910
0-64 USE RATE	237.09	240.21	243.32	246.43	249.54	252.65	255.76	258.88	261.99	265.10
POPULATION 65+	50,638	52,289	53,940	55,809	57,678	59,546	61,415	63,284	65,153	67,022
65+ USE RATE	1,002.98	1,006.10	1,009.21	1,012.32	1,015.43	1,018.54	1,021.66	1,024.77	1,027.88	1,030.99
TOTAL POPULATION	356,737	363,105	369,473	373,396	377,318	381,241	385,163	389,086	393,009	396,931
TOTAL PA RESIDENT DAYS	123,363	127,267	131,211	134,759	138,331	141,927	145,548	149,193	152,863	156,557
TOTAL DAYS IN PA HOSPITALS	408,933	421,909	435,015	446,871	458,807	470,825	482,923	495,103	507,365	519,707
AVAILABLE BEDS PER MOST RECENT DATA AVAILABLE - EITHER ACUTE CARE SURVEY OR YEAR-END FINANCIAL REPORT										
Kaiser Central Hospital	18	18	18	18	18	18	18	18	18	18
Swedish Cherry Hill	227	227	227	227	227	227	227	227	227	227
Swedish First Hill/Ballard	509	509	509	509	509	509	509	509	509	509
UW Harborview	321	321	321	321	321	321	321	321	321	321
Virginia Mason Medical Center	283	283	283	283	283	283	283	283	283	283
TOTAL	**1,358**	**1,358**	**1,358**	**1,358**	**1,358**	**1,358**	**1,358**	**1,358**	**1,358**	**1,358**
Market Share By Hospital										
Kaiser Central Hospital	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%
Swedish Cherry Hill	16.72%	16.72%	16.72%	16.72%	16.72%	16.72%	16.72%	16.72%	16.72%	16.72%
Swedish First Hill/Ballard	37.48%	37.48%	37.48%	37.48%	37.48%	37.48%	37.48%	37.48%	37.48%	37.48%
UW Harborview	23.64%	23.64%	23.64%	23.64%	23.64%	23.64%	23.64%	23.64%	23.64%	23.64%
Virginia Mason Medical Center	20.84%	20.84%	20.84%	20.84%	20.84%	20.84%	20.84%	20.84%	20.84%	20.84%
Occupancy Standard by Hospital										
Kaiser Central Hospital	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Swedish Cherry Hill	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Swedish First Hill/Ballard	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
UW Harborview	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Virginia Mason Medical Center	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
WEIGHTED OCCUPANCY STANDARD	72.79%	72.79%	72.79%	72.79%	72.79%	72.79%	72.79%	72.79%	72.79%	72.79%
GROSS BED NEED	**1,539.16**	**1,583.66**	**1,637.32**	**1,681.95**	**1,726.87**	**1,767.26**	**1,817.64**	**1,863.49**	**1,909.63**	**1,950.74**
		leap year				leap year				leap year
NET BED NEED/(SURPLUS)	**181**	**226**	**279**	**324**	**369**	**409**	**460**	**505**	**552**	**593**

Prepared by CN Staff, February 2023

Central King Acute Care Bed Need
Step 10B

SOUTHEAST KING PLANNING AREA								Target		
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
POPULATION 0-64	306,099	310,816	315,533	317,587	319,641	321,694	323,748	325,802	327,856	329,910
0-64 USE RATE	237.09	240.21	243.32	246.43	249.54	252.65	255.76	258.88	261.99	265.10
POPULATION 65+	50,638	52,289	53,940	55,809	57,678	59,546	61,415	63,284	65,153	67,022
65+ USE RATE	1,002.98	1,006.10	1,009.21	1,012.32	1,015.43	1,018.54	1,021.66	1,024.77	1,027.88	1,030.99
TOTAL POPULATION	356,737	363,105	369,473	373,396	377,318	381,241	385,163	389,086	393,009	396,931
TOTAL PA RESIDENT DAYS	123,363	127,267	131,211	134,759	138,331	141,927	145,548	149,193	152,863	156,557
TOTAL DAYS IN PA HOSPITALS	408,933	421,909	435,015	446,871	458,807	470,825	482,923	495,103	507,365	519,707
AVAILABLE BEDS PER MOST RECENT DATA AVAILABLE - EITHER ACUTE CARE SURVEY OR YEAR-END FINANCIAL REPORT										
Kaiser Central Hospital	18	18	18	18	18	18	18	18	18	18
Swedish Cherry Hill	227	227	227	227	227	227	227	227	227	227
Swedish First Hill/Ballard	509	509	509	509	509	509	509	509	509	509
UW Harborview	321	321	408	408	448	448	448	448	448	448
Virginia Mason Medical Center	283	283	283	283	283	283	283	283	283	283
TOTAL	**1,358**	**1,358**	**1,445**	**1,445**	**1,485**	**1,485**	**1,485**	**1,485**	**1,485**	**1,485**
Market Share By Hospital										
Kaiser Central Hospital	1.33%	1.33%	1.25%	1.25%	1.21%	1.21%	1.21%	1.21%	1.21%	1.21%
Swedish Cherry Hill	16.72%	16.72%	15.71%	15.71%	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%
Swedish First Hill/Ballard	37.48%	37.48%	35.22%	35.22%	34.28%	34.28%	34.28%	34.28%	34.28%	34.28%
UW Harborview	23.64%	23.64%	28.24%	28.24%	30.17%	30.17%	30.17%	30.17%	30.17%	30.17%
Virginia Mason Medical Center	20.84%	20.84%	19.58%	19.58%	19.06%	19.06%	19.06%	19.06%	19.06%	19.06%
Occupancy Standard by Hospital										
Kaiser Central Hospital	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Swedish Cherry Hill	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Swedish First Hill/Ballard	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
UW Harborview	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Virginia Mason Medical Center	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
WEIGHTED OCCUPANCY STANDARD	72.79%	72.79%	72.92%	72.92%	72.98%	72.98%	72.98%	72.98%	72.98%	72.98%
GROSS BED NEED	**1,539.16**	**1,583.66**	**1,634.34**	**1,678.88**	**1,722.40**	**1,762.69**	**1,812.94**	**1,858.66**	**1,904.69**	**1,945.69**
		leap year				leap year				leap year
NET BED NEED/(SURPLUS)	**181**	**226**	**189**	**234**	**237**	**278**	**328**	**374**	**420**	**461**

Prepared by CN Staff, February 2023

Central King
Acute Care Bed Need
Population Summary-2021

Central King

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
0-64	254,211	258,928	263,645	268,362	273,079	277,796	282,513	287,231	291,948	296,665	301,382	306,099	310,816	315,533	317,587	319,641	321,694	323,748	325,802	327,856	329,910
65+	32,476	34,127	35,778	37,429	39,080	40,731	42,382	44,034	45,685	47,336	48,987	50,638	52,289	53,940	55,809	57,678	59,546	61,415	63,284	65,153	67,022
TOTAL	**286,687**	**293,055**	**299,423**	**305,791**	**312,160**	**318,528**	**324,896**	**331,264**	**337,632**	**344,000**	**350,369**	**356,737**	**363,105**	**369,473**	**373,396**	**377,318**	**381,241**	**385,163**	**389,086**	**393,009**	**396,931**

HSA #1 POPULATION

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
0-64	3,710,587	3,731,464	3,752,341	3,773,218	3,794,096	3,814,973	3,861,024	3,907,076	3,953,128	3,999,179	4,045,231	4,068,561	4,091,891	4,115,222	4,138,552	4,161,882	4,186,358	4,210,834	4,235,309	4,259,785	4,284,261
65+	493,947	518,051	542,155	566,259	590,363	614,467	646,501	678,536	710,570	742,604	774,638	807,697	840,755	873,814	906,872	939,931	968,759	997,587	1,026,414	1,055,242	1,084,070
TOTAL	**4,204,534**	**4,249,515**	**4,294,496**	**4,339,478**	**4,384,459**	**4,429,440**	**4,507,526**	**4,585,612**	**4,663,697**	**4,741,783**	**4,819,869**	**4,876,258**	**4,932,647**	**4,989,035**	**5,045,424**	**5,101,813**	**5,155,117**	**5,208,420**	**5,261,724**	**5,315,027**	**5,368,331**
		44,981	44,981	44,981	44,981	44,981	78,086	78,086	78,086	78,086	78,086	56,389	56,389	56,389	56,389	56,389	53,304	53,304	53,304	53,304	53,304

WASHINGTON STATE POPULATION

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
0-64	5,896,863	5,924,242	5,951,621	5,979,000	6,006,379	6,033,758	6,098,852	6,163,946	6,229,040	6,294,134	6,359,228	6,397,423	6,435,618	6,473,813	6,512,008	6,550,203	6,590,580	6,630,956	6,671,333	6,711,709	6,752,086
65+	827,677	867,672	907,667	947,662	987,657	1,027,652	1,077,960	1,128,269	1,178,578	1,228,886	1,279,195	1,330,323	1,381,451	1,432,578	1,483,706	1,534,834	1,578,088	1,621,342	1,664,597	1,707,851	1,751,105
TOTAL	**6,724,540**	**6,791,914**	**6,859,288**	**6,926,662**	**6,994,036**	**7,061,410**	**7,176,813**	**7,292,215**	**7,407,618**	**7,523,020**	**7,638,423**	**7,727,746**	**7,817,069**	**7,906,391**	**7,995,714**	**8,085,037**	**8,168,668**	**8,252,299**	**8,335,929**	**8,419,560**	**8,503,191**
		67,374	67,374	67,374	67,374	67,374	115,403	115,403	115,403	115,403	115,403	89,323	89,323	89,323	89,323	89,323	83,631	83,631	83,631	83,631	83,631

Central King Acute Care Bed Need
Hospital Patient Day Data

HOSPITAL PATIENT DAY DATA
2021

Total Patient Days in Central King Hospitals

	Kaiser Permanente Central Hospital	Swedish Cherry Hill	Swedish First Hill/Ballard	UW Harborview Medical Center	Virginia Mason Medical Center	TOTAL
Total 0-64	556	22,622	77,171	89,786	29,875	**220,010**
Total 65+	917	32,313	49,791	42,475	35,888	**161,384**

Out of State (OOS) Resident Patient Days in Central King Hospitals

	Kaiser Permanente Central Hospital	Swedish Cherry Hill	Swedish First Hill/Ballard	UW Harborview Medical Center	Virginia Mason Medical Center	TOTAL
OOS 0-64	5	1,232	1,925	6,478	2,329	**11,969**
OOS 65+	1	1,029	859	2,577	2,169	**6,635**

Central King Resident Patient Days in Central King Hospitals

	Kaiser Permanente Central Hospital	Swedish Cherry Hill	Swedish First Hill/Ballard	UW Harborview Medical Center	Virginia Mason Medical Center	TOTAL
0-64	132	4,293	20,928	22,946	4,435	**52,734**
65+	282	7,310	16,351	10,406	5,166	**39,515**

Central King Resident Patient Days in All Other Washington State Hospitals

0-64	19,840
65+	11,274

Central King Resident Patient Days in Oregon Hospitals*

0-64	1
65+	1

** Oregon data was excluded since it has very little impact on Central King*

Total Washington State Resident Patient Days in Washington State Hospitals

0-64	1,325,922
65+	1,249,202

Total Out of State Resident Patient Days Within Washington State

0-64	65,082
65+	46,830