

February 27, 2014

Randal Brand, Director of Facilities and Support Services The Polyclinic PC 1145 Broadway Seattle, Washington 98122

DOR #14-21

Dear Mr. Brand:

The Department of Health (department) has completed its review of your exemption request regarding the establishment of an ambulatory surgery center (ASC) associated with The PolyClinic, A Professional Corporation (APC). The practice and the proposed surgery center would be located in Seattle, within King County. Below is the information considered and the facts relied upon by the department's Certificate of Need Program in reaching its conclusion regarding your project.

## INFORMATION CONSIDERED

- ASC Exemption Application submitted on February 11, 2014
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Washington State Secretary of State information obtained from its website
- Washington State Department of Revenue information obtained from its website
- Department of Health external provider look-up
- Department of Health Integrated Licensing and Regulatory System (ILRS)

# FACTS CONSIDERED

- On July 1, 1932, The PolyClinic, APC was established with the Washington Secretary of State's office. [source: Secretary of State website]
- As of January 1, 2014, The PolyClinic, APC is governed by the following seven persons.

Name	Title	
Rex Ochi, MD	President	
Peter Baciewiz, MD	Secretary	
Emily Bradley, MD	Director	

Name	Title	
Ferda [Frank] Isik, MD	Director	
Marti Liddell, MD	Director	
John Stimson, MD	Director	
Kelly White, MD	Director	



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- The PolyClinic, APC has been registered with the Washington State Department of Revenue since August 1, 1989. [source: Department of Revenue website]
- The PolyClinic, APC has a total of 15 practice sites located in Clallam (2), King (12), and Snohomish (1) counties. The 15 practice sites are listed below.

Address	City	Zip
904 – 7 <sup>th</sup> Avenue	Seattle	98104
11011 Meridian Avenue North, #200	Seattle	98133
1145 Broadway	Seattle	98122
1801 Northwest Market Street, #203 & 308	Seattle	98107
3216 Northeast 45 <sup>th</sup> Place, #200	Seattle	98105
509 Olive Way, #900	Seattle	98101
11545 – 15 <sup>th</sup> Street Northeast, #205	Seattle	98125
1229 Madison Street, #1600	Seattle	98104
10700 Meridian Avenue North, #105	Seattle	98133
1001 Broadway, #215	Seattle	98133
3400 California Avenue Southwest, #200	Seattle	98116
751 Northeast Blakely Drive, #3020	Issaquah	98029
840 North 5 <sup>th</sup> Avenue, #107 & 2400	Sequim	98382
777 North 5 <sup>th</sup> Avenue, #107	Sequim	98382
7315 – 212 <sup>th</sup> Street Southwest, #205	Edmonds	98026

- The practice at 1145 Broadway operates a Certificate of Need approved ASC at the site.<sup>1</sup>
- The PolyClinic, APC has 130 physician shareholders/owners and 48 employed physicians.
- This application proposes to establish an exempt ASC in dedicated space at the practice site of 1229 Madison Street, which is identified in bold above.
- The ASC will be operated under the practice corporation of The PolyClinic, APC.
- At this time, only six physicians intend to use the ASC. Specific physician credentialing information is below.

Name	<b>Credential Status</b>	<b>Practice Status</b>
Kevin Michael Beshlian	Active	Employed
Phillip Carl Haeck	Active	<b>Employed</b>
Ferda Frank Isik	Active	Owner
Jeffrey E. Kyllo	Active	Owner
Keith T. Paige	Active	Employed
Richard A. Welk	Active	Owner

<sup>&</sup>lt;sup>1</sup> Certificate of Need #1046 issued May 7, 1991.

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- The procedures proposed include those typically associated with cosmetic surgeries, such as facial rejuvenation, rhinoplasty, and breast augmentation. A listing of common procedures is included in the exemption application.
- The ASC will not be operated as a separate legal entity from The PolyClinic, APC practice.
- No management agreement is proposed.

## **CONCLUSION**

Based on the totality of information considered, the department concludes the proposed ASC would be exempt from Certificate of Need review. This exemption is not transferable and the conclusions reached concerning this proposed ASC are based on the facts about this facility and it should not be assumed the department would reach the same conclusion in future exemption requests for other future ASCs.

If changes are made in the operation or ownership of this proposed ASC, the ASC may no longer be eligible for this exemption. In that case, prior Certificate of Need review and approval or new exemption would be required. Examples of such changes include the following. This list is not intended to be all inclusive.

- The scope of services is expanded to include services subject to Certificate of Need review under the provisions of WAC 246-310-020.
- The provision of any procedure as identified under WAC 246-310-705(4).
- The ASC is operated under a management agreement.
- The ASC is organized as a separate legal entity from the practice.
- The ASC is moved to a different site than identified in the exemption application.
- Use of the ASC is extended to any physician who is not a member/owner or employed by The PolyClinic, APC.
- The ASC ceases operations or relinquishes its Medicare certification and then chooses to resume services as an ASC.
- The ASC or the practice is purchased or leased.
- ASC patients are routinely transferred from the ASC for observation care at one of the area's hospitals.

## **APPEAL OPTIONS**

This decision may be appealed. The two appeal options are listed below.

#### Appeal Option 1:

You or any interested or affected person may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the addresses listed on the following page.

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Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Other Than By Mail
Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

# Appeal Option 2:

You may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the addresses below.

Mailing Address:
Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Reforms

Other Than By Mail
Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

Please call me at 360-236-2957 or e-mail me at <u>karen.nidermayer@doh.wa.gov</u> if you have any questions regarding this determination.

Sincerely,

Karen Nidermayer, Analyst Certificate of Need Program Community Health Systems

cc: Department of Health, Investigations and Inspections Office [ASF60452365]
Department of Health, Construction Review Services [CRAS 60403078]