



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

December 1, 2017

James Roe, President and CEO
WAATU, Inc.
1105 – 27th Street
Anacortes, Washington 98221

Re: 18-04 Full Facility Closure Bed Banking-Licensee

Dear Mr. Roe:

Thank you for your Nursing Home Full Facility Closure Bed Banking Application received on September 20, 2017. The application requests full facility closure bed banking for San Juan Rehabilitation and Care Center located in Anacortes, within Skagit County. The department has granted your request to bank the 26 beds. The bed banking will expire on August 22, 2025, or until a Certificate of Need is issued.

Washington Administrative Code (WAC) 246-310-010(19) defines the “*effective date of facility closure*” as:

- (a) *The date on which the facility's license was relinquished, revoked or expired; or*
- (b) *The date the last resident leaves the facility, whichever comes first.*

According to information provided by the Department of Social and Health Services, San Juan Rehabilitation and Care Center voluntarily relinquished its license on August 22, 2017. Therefore, the effective date of San Juan Rehabilitation and Care Center’s closure is August 22, 2017.

Revised Code of Washington (RCW) 70.38.115(13)(b) requires bed banking requests to be received in the Certificate of Need Program office no later than 30 days following a facility’s closure. For San Juan Rehabilitation and Care Center, that date is September 21, 2017. Your request was received on September 20, 2017.

RCW 70.38.115(13)(b) allows the licensee or any other party who has secured an interest in the beds to bank the beds under full facility closure for eight years from the date of the original bed banking. The department has confirmed that WAATU, Inc. was the licensee of San Juan Rehabilitation and Care Center at the time of the facility’s closure. The eight-year bed banking of the 26 beds at San Juan Rehabilitation and Care Center will expire on August 22, 2025, or until a Certificate of Need is issued.

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Also (RCW) 70.38.115(13)(b) provides guidance for bringing full facility closure beds back into use. In order qualify for the need criteria to be deemed met, WAATU, Inc. must have operated the 26 nursing home beds for at least 12 months prior to the full facility closure bed banking. According to information provided by Department of Social and Health Services, San Juan Rehabilitation and Care Center underwent a change of ownership on July 1, 2017, resulting in the new owner—WAATU, Inc. As a result, under current Certificate of Need law, numeric need for the 26 beds cannot be deemed met if an application is submitted to bring the 26 full facility closure beds back into use.¹

Please call me at (360) 236-2955 if you have any questions regarding the bed banking for San Juan Rehabilitation and Care Center.

Sincerely,



Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

cc: Department of Social and Health Services

¹ RCW 70.38.115(13)(b) *“When an entire nursing home ceases operation, the licensee or any other party who has secured an interest in the beds may reserve his or her interest in the beds for eight years or until a certificate of need to replace them is issued, whichever occurs first. However, the nursing home, licensee, or any other party who has secured an interest in the beds must give notice of its intent to retain the beds to the department of health no later than thirty days after the effective date of the facility's closure. Certificate of need review shall be required for any party who has reserved the nursing home beds except that the need criteria shall be deemed met when the applicant is the licensee who had operated the beds for at least one year, who has operated the beds for at least one year immediately preceding the reservation of the beds, and who is replacing the beds in the same planning area.”*
[emphasis added]