



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

March 28, 2017

Theresa Boyle, Senior VP
MultiCare Health System
P.O. Box 5299
MS 603-1-SBD
Tacoma, WA 98415

RE: Determination of Reviewability [DOR] 17-13

Dear Ms. Boyle:

The Department of Health has completed the review of your request for a determination of reviewability regarding the purchase of Rockwood Eye Surgery Center within Spokane County. Below is the information considered and the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- MultiCare Health System's letter requesting a determination, received January 6, 2017
- MultiCare Health System's supplemental information received February 27, 2017
- Certificate of Need #1320 issued on November 10, 2005
- Rockwood Eye Surgery Center's ambulatory surgical facility license update received November 8, 2016 for ASF #60294169
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Washington Secretary of State and Department of Revenue information obtained from the respective websites
- Department of Health Integrated Licensing and Regulatory System (ILRS)
- Charity Care reports produced by the office of Hospital and Patient Data Systems (HPDS)
- Certificate of Need historical files

FACTS CONSIDERED

- MultiCare Health System is a not-for-profit health system that serves the residents of Washington State, through four hospitals, a home health and hospice agency, and numerous physician clinics and urgent care facilities.
- MultiCare Health System is currently registered with both the Washington State Secretary of State office and the Department of Revenue. [source: Washington State Secretary of State and Washington State Department of Revenue websites]

FACTS CONSIDERED (continued)

- MultiCare Health System has proposed to acquire Deaconess Hospital, Valley Hospital, and Rockwood Health System from Community Health Systems.
- This includes the Rockwood Eye Surgery Center, a freestanding ambulatory surgery center (ASC) located at 842 S Cowley Street, Suite 3, in Spokane [99202].
- Rockwood Eye Surgery Center received Certificate of Need approval on November 10, 2005¹ to provide outpatient ophthalmic surgical services in the 2-OR ASC.
- Rockwood Eye Surgery Center has been in continuous operation since its establishment.
- Once purchased, MultiCare intends to operate Rockwood Eye Surgery Center as a freestanding ASF.
- No management agreement is proposed.
- No change in services is proposed. MultiCare intends to continue the same mix of services at the surgery center, which includes eye surgery
- MultiCare intends to operate the 2-OR surgery center at its present location in Spokane.
- No new services that require their own Certificate of Need will be offered as a result of this acquisition.

CONCLUSION

Based on the totality of information considered, the department concludes the purchase of Rockwood Eye Surgery Center by MultiCare Health System is not subject to Certificate of Need review. This determination is not transferable and the conclusions reached concerning this determination are based on its specific facts and should not be assumed the department would reach the same conclusion in future determination requests for other future ambulatory surgery center purchases.

The department would like to remind MultiCare Health System that Washington Administrative Code 246-310-270(7) requires approved ASCs to provide charity care at levels that are at least equal to or greater than the averages provided by the hospitals that would be affected by the ASC. For your convenience, the table below shows the most recent average charity care levels of the four acute care hospitals in Spokane County.

Four Spokane County Hospitals Combined	
% of Total Revenue	1.82%
% of Adjusted Revenue	5.02%

Also note, effective March 16, 2017, the addition of operating room capacity in a Certificate of Need approved ASC would require a new Certificate of Need.²

¹ CN #1320

² WAC 246-310-020(1)(a)(iii)

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APPEAL OPTION

This decision may be appealed. You or any person with standing 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 listed below.

Mailing Address:

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

Physical Address

Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

If you have any questions or would like to arrange for a meeting to discuss this decision, please call me at (360) 236-2955.

Sincerely,



Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

cc: Department of Health, Investigations and Inspections Office
Department of Health, Construction Review Services