



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

June 17, 2019

CERTIFIED MAIL # 7017 3380 0000 0863 8758

Chris Johnston, Chief Administrative Officer
PeaceHealth United General Medical Center
2000 Hospital Drive
Sedro Woolley, Washington 98284

RE: Certificate of Need Application #18-30

Dear Mr. Johnston:

We have completed review of the Certificate of Need application submitted by PeaceHealth. The application proposes to reallocate ten acute care beds to swing bed use at United General Medical Center in Sedro Woolley, within east Skagit County. Enclosed is a written evaluation of the application.

For the reasons stated in the enclosed decision, the application is consistent with the applicable criteria of the Certificate of Need Program, provided Peace Health agrees to the following in its entirety.

Project Description

This certificate approves the conversion of ten acute care beds at the critical access hospital known as United General Medical Center to swing beds. At project completion, United General Medical Center will be operating 15 swing beds. A breakdown of the number of beds following completion of this project is below.

Bed Type	Total # of Beds
Medical Surgical with 15 swing beds	25
Level II Rehabilitation	10
Total	35

Conditions:

1. Approval of the project description as stated above. PeaceHealth further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. PeaceHealth will provide charity care in compliance with its charity care policy. PeaceHealth will use reasonable efforts to provide charity care consistent with the regional average or the amount identified in the application – whichever is higher. The regional charity care average from 2015-2017 was 1.00% of gross revenue and 2.97% of adjusted revenue. PeaceHealth will

maintain records of charity care applications received and the dollar amount of charity care discounts granted United General Medical Center. The records must be available upon request.

Approved Costs:

There is no capital expenditure associated with this project.

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 one of the following addresses.

Mailing Address:

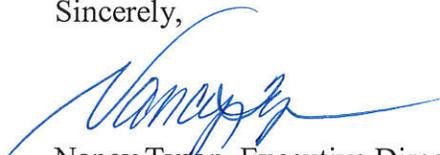
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:

Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

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,



Nancy Tyson, Executive Director
Health Facilities and Certificate of Need

Enclosure

EVALUATION DATED JUNE 17, 2019, FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY PEACEHEALTH PROPOSING TO ADD TEN SWING BEDS TO UNITED GENERAL MEDICAL CENR LOCATED IN EAST SKAGIT COUNTY

APPLICANT DESCRIPTION

PeaceHealth

The applicant is PeaceHealth, a Vancouver Washington based not-for-profit Catholic health system offering care to communities in Washington, Oregon, and Alaska. PeaceHealth operates, either under ownership or a lease, 10 hospitals in the three states. [source: Application, p1] A listing of the 10 hospitals is shown below. [source: Application, Exhibit 1]

**Department’s Table 1
PeaceHealth Hospitals**

Hospital	City / State Location	Owned/Operated/Leased
Cottage Grove Community Hospital	Cottage Grove/Oregon	Owned/Operated
Ketchikan Medical Center	Ketchikan/Alaska	Leased/Operated
Peace Harbor Hospital	Florence/Oregon	Owned/Operated
Sacred Heart Medical Center at Riverbend	Springfield/Oregon	Owned/Operated
Sacred Heart Medical Center University District	Eugene/Oregon	Owned/Operated
Peace Island Medical Center	Friday Harbor/Washington	Owned/Operated
Southwest Washington Medical Center	Vancouver/Washington	Owned/Operated
St. John Medical Center	Longview/Washington	Owned/Operated
St. Joseph Medical Center	Bellingham/Washington	Owned/Operated
United General Medical Center	Sedro Woolley/Washington	Leased/Operated

PROJECT DESCRIPTION

PeaceHealth

This project focuses on United General Medical Center (UGMC) located in Skagit County and shown in bold in the table above. UGMC is a critical access hospital¹ located at 2000 Hospital Drive in Sedro Woolley [98284], within east Skagit County. [source: Application, p3]

UGMC holds a four year accreditation from DNV GL through April 30, 2021.² [source: DNV GL website and Application, p1] UGMC also holds a level IV adult trauma designation with the Washington State Department of Health. [source: Washington State Emergency Medical Systems Trauma Designation website]

¹ A Critical Access Hospital (CAH) is a federal designation under the Rural Hospital Flexibility Program that is administered by the federal Office of Rural Health Policy. A CAH is a small hospital located in rural areas of the state. CAHs are often the central hub of health services in their communities, providing primary care, long-term care, physical and occupational therapy, cardiac rehabilitation and other services in addition to emergency and acute care. Hospital staff provides these services either directly or in partnership with other community providers.

² “DNV GL Healthcare is a part of DNV GL - Business Assurance, all of which is a part of the global DNV GL Group. Our mission in Business Assurance is to help complex organizations achieve sustainable business performance. Our services help simplify organizational processes and validate your commitment to excellence. Within healthcare, we help our customers achieve excellence by improving quality and patient safety through hospital accreditation, managing infection risk, management system certification, and training.” [source: DNV GL website]

On April 11, 2019, Certificate of Need #1770 was issued to PeaceHealth approving the addition of ten rehabilitation beds to UGMC. While the ten rehabilitation beds are not yet operational, UGMC is approved to operate 35 acute care beds, with ten dedicated to rehabilitation services.³

This project proposes to convert ten of the 25 acute care beds (not rehabilitation beds) at UGMC to "swing beds." The term "swing bed" refers to a general acute care hospital bed that can "swing" from acute care to long-term care and back again to meet patient needs. When a patient's condition is no longer considered acute, they can "swing" to a lower level of medical and nursing supervision in swing bed. The Centers for Medicare & Medicaid Services (CMS) website provides the following description of swing beds.

"The Social Security Act permits certain small, rural hospitals to enter into a swing bed agreement, under which the hospital can use its beds, as needed, to provide either acute or skilled nursing facility (SNF) care. As defined in the regulations, a swing bed hospital is a hospital or critical access hospital (CAH) participating in Medicare that has CMS approval to provide post-hospital SNF care and meets certain requirements."

For this project, UGMC does not propose to increase its number of licensed beds, rather, it would designate ten additional beds to swing bed use, for a total of 15 swing beds at UGMC. At project completion, UGMC would be licensed and operating a total of 35 acute care beds, and of those, 10 would be dedicated level II rehabilitation beds and 15 would be used as 'swing beds.'

Within the application, PeaceHealth provided the following description of its project. [source: Application, p7]

"PHUGMC currently operates a 5-bed swing bed unit that has experienced a significant increase in patient days over the last two years, and specifically over the course of the past months, such that on many days the unit is operating at or near capacity and with a waiting list. With this application, PHUGMC requests certificate of need approval to add 10 additional swing beds to the existing program, bringing our total number of swing beds to 15.

Per the Center for Medicare and Medicaid Services (CMS), certain small, rural hospitals are allowed to enter into a swing bed agreement, under which the hospital can use its beds, as needed, to provide either acute or Skilled Nursing care. CMS approves CAHs, and other hospitals, to furnish swing beds, which gives the facility flexibility to meet unpredictable demands for acute care and SNF care.

PHUGMC's Medicare approved swing bed program has been receiving and accepting an increasing number of referrals for patients with complex co-morbidities that are frequently complicated by the social determinants of health (conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.). Social determinants are typically measured in terms of factors including education levels, employment and working conditions, early childhood development, food insecurity, and housing.

Unlike most swing bed programs in the State, which care for a population that is predominantly over the age of 65 (74%), the majority of patients (54%) admitted to PHUGMC's swing bed program are under the age of 65, and Medicare is the payer for only 32% of PHUGMC's patients compared to 84%

³ Under the critical access hospital designation, hospitals can have no more than 25 acute care beds in operation. A critical access hospital may also operate a distinct part rehabilitation and/or psychiatric unit, each with up to 10 beds. [source: Department of Health and Human Services Centers for Medicare and Medicaid Services]

statewide. The average length of stay in PHUGMC’s swing bed program is 17 days, with 65% of patients being discharged to home. Typical patient conditions treated in the swing bed program include endocarditis due to IVDU (IV drug use), septicemia, septic emboli, deconditioning requiring extensive OT/PT (homelessness/placement issues), abscesses secondary to IVDU, end of life care, and osteomyelitis.

The additional swing beds will be made available immediately after certificate of need approval. The rooms to be used for the swing bed program are already certified acute care beds. Existing family spaces and other specific facility requirements are already in place in the existing space as well.”

Table 1 is a breakdown, by type, of UGMC’s currently licensed 25 acute care beds, and the recently approved 10 level II rehabilitation beds, and this proposed swing bed project.

**Department’s Table 2
United General Medical Center
Current and Proposed Licensed Beds**

Type	Current # of Beds w/ Rehabilitation Addition	Total # of Beds
Medical Surgical	*25	**25
Level II Rehabilitation	10	10
Total	35	35

*includes 5 swing beds

**includes 15 swing beds

PeaceHealth states that the swing beds will be available immediately after CN approval because there is no equipment to purchase and no construction involved. PeaceHealth provided its single line drawings to show which 15 beds will be converted to swing bed use. Two of the rooms will be private rooms with one bed each, and the remaining 8 beds will be located in semi-private rooms. [source: Application, p26, and August 24, 2018, screening response, p2, p6, and Attachment 2]

APPLICABILITY OF CERTIFICATE OF NEED LAW

RCW 70.38.105(4)(e) provides the following guidance for a critical access hospital (CAH) proposing to increase swing beds beyond five. It states that if there is a licensed nursing home within 27 miles of the CAH, any increase in swing beds beyond five requires prior CN review and approval.⁴

PeaceHealth’s application is subject to review as the change in bed capacity of a health care facility by redistributing beds among acute care or nursing home care under Revised Code of Washington (RCW) 70.38.105(4)(e) and Washington Administrative Code (WAC) 246-310-020(1)(c).

⁴ RCW 70.38.105(4)(e) A change in bed capacity of a health care facility which increases the total number of licensed beds or redistributes beds among acute care, nursing home care, and assisted living facility care if the bed redistribution is to be effective for a period in excess of six months, or a change in bed capacity of a rural health care facility licensed under RCW [70.175.100](#) that increases the total number of nursing home beds or redistributes beds from acute care or assisted living facility care to nursing home care if the bed redistribution is to be effective for a period in excess of six months. A health care facility certified as a critical access hospital under 42 U.S.C. 1395i-4 may increase its total number of licensed beds to the total number of beds permitted under 42 U.S.C. 1395i-4 for acute care and may redistribute beds permitted under 42 U.S.C. 1395i-4 among acute care and nursing home care without being subject to certificate of need review. If there is a nursing home licensed under chapter 18.51 RCW within twenty-seven miles of the critical access hospital, the critical access hospital is subject to certificate of need review except...[emphasis added]

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. It states:

“Criteria contained in this section and in WAC 246-310-210, 246-310-220, 246-310-230, and 246-310-240 shall be used by the department in making the required determinations.

(a) In the use of criteria for making the required determinations, the department shall consider:

- (i) The consistency of the proposed project with service or facility standards contained in this chapter;*
- (ii) In the event the standards contained in this chapter do not address in sufficient detail for a required determination the services or facilities for health services proposed, the department may consider standards not in conflict with those standards in accordance with subsection (2)(b) of this section; and*
- (iii) The relationship of the proposed project to the long-range plan (if any) of the person proposing the project.”*

In the event WAC 246-310 does not contain service or facility standards in sufficient detail to make the required determinations, WAC 246-310-200(2)(b) identifies the types of standards the department may consider in making its required determinations. Specifically WAC 246-310-200(2)(b) states:

“The department may consider any of the following in its use of criteria for making the required determinations:

- (i) Nationally recognized standards from professional organizations;*
- (ii) Standards developed by professional organizations in Washington State;*
- (iii) Federal Medicare and Medicaid certification requirements;*
- (iv) State licensing requirements;*
- (v) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to a proposed undertaking; and*
- (vi) The written findings and recommendations of individuals, groups, or organizations with recognized expertise related to a proposed undertaking, with whom the department consults during the review of an application.”*

To obtain Certificate of Need approval, an applicant must demonstrate compliance with the 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, PeaceHealth must also demonstrate compliance with WAC 246-310-380 (nursing home bed need standards) and WAC 246-310-410 (swing bed review standards).

TYPE OF REVIEW

This project was reviewed under the regular review timeline outlined in Washington Administrative Code 246-310-160. A chronologic summary of this project is below.

APPLICATION CHRONOLOGY

Action	PeaceHealth
Letter of Intent Submitted	January 16, 2018
Application Submitted	April 11, 2018
Department's pre-review activities <ul style="list-style-type: none"> • DOH 1st Screening Letter • Applicant's Responses Received • DOH 2nd Screening Letter • Applicant's Responses Received 	<p>May 15, 2018</p> <p>July 13, 2018⁵</p> <p>N/A</p> <p>N/A</p>
Beginning of Review	July 20, 2018
End of Public Comment; No Public Hearing Conducted	August 24, 2018
Rebuttal Comments Due ⁶	September 10, 2018
Department's Anticipated Decision Date	October 25, 2018
Department's Anticipated Decision Date with a 240-day Extension	June 24, 2019
Department's Actual Decision Date	June 17, 2019

AFFECTED PERSONS

Washington Administrative Code 246-310-010(2) defines "affected person" as:

"...an "interested person" who:

- (a) *Is located or resides in the applicant's health service area;*
- (b) *Testified at a public hearing or submitted written evidence; and*
- (c) *Requested in writing to be informed of the department's decision."*

As noted above, WAC 246-310-010(2) requires an affected person to first meet the definition of an 'interested person.' WAC 246-310-010(34) defines "interested person" as:

- (a) *The applicant;*
- (b) *Health care facilities and health maintenance organizations providing services similar to the services under review and located in the health service area;*
- (c) *Third-party payers reimbursing health care facilities in the health service area;*
- (d) *Any agency establishing rates for health care facilities and health maintenance organizations in the health service area where the proposed project is to be located;*
- (e) *Health care facilities and health maintenance organizations which, in the twelve months prior to receipt of the application, have submitted a letter of intent to provide similar services in the same planning area;*
- (f) *Any person residing within the geographic area to be served by the applicant; and*
- (g) *Any person regularly using health care facilities within the geographic area to be served by the applicant.*

During the review of this project, no entities submitted a request for interested or affected person status.

⁵ The initial due date to respond to the department's May 17, 2018, screening letter was July 2, 2018; PeaceHealth requested, and was granted, a two week extension to provide responses.

⁶ Only letters of support for the project were received; as a result, PeaceHealth did not submit rebuttal comments.

SOURCE INFORMATION REVIEWED

- PeaceHealth’s Certificate of Need application received April 11, 2018
- PeaceHealth’s screening response received August 24, 2018
- Public comments accepted through July 13, 2018
- Hospital/Finance and Charity Care (HFCC) Financial Review dated June 13, 2019
- Licensing and/or survey data provided by the Department of Health’s Office of Health Systems Oversight
- Licensing data provided by the Medical Quality Assurance Commission, Nursing Quality Assurance Commission, and Health Systems Quality Assurance Office of Customer Service
- PeaceHealth’s website at www.peacehealth.org
- DNV GL Healthcare website at www.dnvglhealthcare.com
- Joint Commission website at www.qualitycheck.org
- Center for Medicare and Medicaid Services websites: <https://www.cms.gov> and <https://qcor.cms.gov>
- Certificate of Need historical files

CONCLUSION

PeaceHealth

For the reasons stated in this evaluation, the application submitted by PeaceHealth proposing to add ten swing beds to the critical access hospital known as United General Medical Center located in east Skagit County is consistent with applicable criteria of the Certificate of Need Program, provided PeaceHealth agrees to the following in its entirety.

Project Description:

This certificate approves the conversion of ten acute care beds at the critical access hospital known as United General Medical Center to swing beds. At project completion, United General Medical Center will be operating 15 swing beds. A breakdown of the number of beds following completion of this project is below.

Bed Type	Total # of Beds
Medical Surgical with 15 swing beds	25
Level II Rehabilitation	10
Total	35

Conditions:

1. Approval of the project description as stated above. PeaceHealth further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. PeaceHealth will provide charity care in compliance with its charity care policy. PeaceHealth will use reasonable efforts to provide charity care consistent with the regional average or the amount identified in the application – whichever is higher. The regional charity care average from 2015-2017 was 1.00% of gross revenue and 2.97% of adjusted revenue. PeaceHealth will maintain records of charity care applications received and the dollar amount of charity care discounts granted United Genera Medical Center. The records must be available upon request.

Approved Costs:

There is no capital expenditure associated with this project.

CRITERIA DETERMINATIONS

A. Need (WAC 246-310-210)

Based on the source information reviewed and the applicant's agreement to the conditions identified in the conclusion section of this evaluation, the department determines that PeaceHealth met the applicable need criteria in WAC 246-310-210 and WAC 246-310-380.

- (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.

PeaceHealth

PeaceHealth provided the following information related to the need for an additional ten swing beds at UGMC. [source: Application, p16-18]

“This project requests 10 additional swing beds. A swing bed is a bed that by Medicare definition can be used for either acute care or post-acute care that is equivalent to Skilled nursing (SNF) level care. CMS Interpretive Guidelines for 42 CFR Part 485.645 – Special Requirement for CAH Providers of Long-Term Care Services (“Swing-Beds”) state that:

‘Swing-bed patients receive a SNF level of care, and the CAH is reimbursed for providing a SNF level of care, however swing-bed patients are not SNF patients. Swing bed patients in CAHs are considered to be patients of the CAH.’

In addition, WAC 246-310-010 specifically excludes swing beds from bed supply for purposes of the nursing home bed need methodology:

- (8) *“Bed supply” means within a geographic area the total number of:*
- (a) *Nursing home beds which are licensed or certificate of need approved but not yet licensed or beds banked under RCW 70.38.111 (8)(a) or where the need is deemed met under RCW 70.38.115 (13)(b), excluding:*
 - (i) *Those nursing home beds certified as intermediate care facility for the mentally retarded (ICF-MR) the operators of which have not signed an agreement on or before July 1, 1990, with the department of social and health services department of social and health services to give appropriate notice prior to termination of the ICF-MR service;* (ii) *New or existing nursing home beds within a CCRC which are approved under WAC 246-310-380(5); or*
 - (iii) *Nursing home beds within a CCRC which is excluded from the definition of a health care facility per RCW 70.38.025(6); and*
 - (iv) *Beds banked under RCW 70.38.115 (13)(b) where the need is not deemed met.*
 - (b) *Licensed hospital beds used for long-term care or certificate of need approved hospital beds to be used for long-term care not yet in use, excluding swing-beds.*

PHUGMC’s existing swing bed program serves complex patients that the existing local nursing homes and community-based long-term care providers are typically not equipped to serve; evidenced by a waiting list that has ranged from 5 to 15 patients per week over the past 6-9 months. Many of the patients admitted to the swing bed program are direct discharges from regional hospitals in the North Sound, including PeaceHealth St. Joseph – Bellingham, Skagit Valley Hospital – Mt. Vernon, and Providence Everett Regional Medical Center – Everett. We have received significant support from regional providers to expand our swing bed program to both relieve their acute care census pressure and ensure appropriate placement.

This unique patient population is evidenced through comparing PHUGMC's swing bed program to the other swing bed programs throughout Washington. As depicted in Table 6, 49% of PHUGMC's patients are under the age of 65, accounting for 66% of patient days - compared to an average of 16% of patients accounting for 17% of days in other swing bed programs across the state. Patients admitted to, or on the waiting list for PHUGMC are not only younger but also typically have multiple co-morbidities, complex needs and often have unstable living environments as well.

The negative impact and consequences of not expanding is borne by patients and families and impacts quality of life, patient outcomes and costs. Without appropriate placement these patients are generally remaining in acute care beds for extended periods leading to increased costs, and delayed initiation of rehabilitation."

PeaceHealth also included a table in its application showing the top DRG⁷ codes for patients admitted to swing beds, grouped by age, for year 2017 at UGMC. While the data in the table is considered in this review, the table is not recreated for this evaluation. [source: Application, Table 6]

Public Comments

During the review of this project, the department received three letters of support. All three letters focus on the need for additional swing beds at UGMC. Excerpts from each of the three letters is below.

Melissa Nelson, Executive Director at Life Care Center of Skagit Valley

"On behalf of Life Care Center of Skagit Valley (LifeCare), I am pleased to submit this letter of support for the 10 additional swing beds at PeaceHealth United General Medical Center (PHUGMC).

LifeCare works very closely with PHUGMC's acute and swing bed programs; our goal is to be available and accessible to provide post-acute care as needed. While we do a very good job of supporting many of their discharged patients, we are aware that there is a growing patient population whose care needs exceed our staffing, resources and expertise. Specific examples of include:

- *Select medically complete patients that require high flow oxygen, complex wound care needs, nasogastric and unusual total parenteral nutrition (TPN) mixes and pain control.*
- *Patients with a history of IV drug use, mental health diagnosis, and/or those that have legal/social issues that render it challenging for them to meet skilled nursing criteria within the vulnerable adult population. Further, their staffing needs often exceed what we are staffed to provide in our setting.*

The additional swing beds being requested by PHUGMC are needed to meet the needs of this very challenging population."

Michelle Henderson, RN, MSN, Care Management at PeaceHealth United General Medical Center

"I am pleased to submit this letter of support for the 10 additional swing beds at PeaceHealth United General Medical Center (PHUGMC). I work in Care Management and Utilization Review here at United. In my role, I am responsible for the development and implementation of comprehensive

⁷ A DRG, or diagnostic related group, is how Medicare and some health insurance companies categorize hospitalization costs and determine how much to pay for a patient's hospital stay.

discharge plans supported by the interdisciplinary team. I perform concurrent reviews to determine correct admission criteria based on industry standards.

United's swing bed program is growing; averaging a daily census of four to five patients. We are increasingly challenged to accept the patients that need to be admitted. We accept patients who no longer require acute care but are unable or not appropriate for other post discharge options, (skilled nursing care, assisted living, etc.). Many of our patients are not appropriate for SNF facilities because they are medically fragile. Skilled nursing facilities do not typically accept patients that have a behavioral, IV drug use, or have a sex offender history. Forty-two (42%) of our swing bed patients come from outside of the county. We are seeing referrals for patients from Everett, Gig Harbor, Bellingham, and Harborview Medical Center in Seattle. We maintain a waiting list for swing bed patients.

Typical swing bed patients cared for at United include:

- *Medical patients with complex wound care needs*
- *Patients that require frequent physical therapy*
- *Patients with an IV drug use history and mental health concerns*
- *Patients that are homeless and/or have legal/social issues.*
- *Patients with addiction issues*

In tracking every referral to our swing bed program, there is always an abundance of patients with both medical and psychosocial challenges that make them inappropriate for local skilled nursing facilities to care for them. We have been very successfully in rehabilitating this patient population and don't see the need or trends decreasing anytime soon.”

Karla Hall, RN, CCM, Director, Care Management with PeaceHealth St. Joseph Medical Center

“I am pleased to submit this letter of support to add 10 additional swing beds at PeaceHealth United General Medical Center (PHUGMC). As the manager of the Care Management Department at Peace Health St. Joseph Medical Center (PHSJMC), I know first hand about the need for safe, accessible, quality discharge options for patients with the types of complex needs that PHUGMC is requesting more beds to serve.

PHSJMC discharges over 2,300 patients annually to a skilled nursing level of care. Increasingly, we have a sub-set of patients who are not candidates for placement in other skilled nursing facilities due to staffing, security or contractual limitations. This may include patients who require for 1:1 staffing for safety, patients who were actively using drugs prior to admission to the hospital, and/or patients who are uninsured or who are uninsurable due to immigration or legal status. For example, PHSJMC recently had a patient who underwent a bariatric procedure reversal and who needed complex medication management and one on one staffing, neither of which could have been provided at a skilled nursing facility. This patient was admitted to a swing bed.

The Skagit/Whatcom region needs more beds to be able to take care of these complex patients. We are highly supportive of our sister hospital's commitment to growing beds to support this population. Currently, in instances such as those described above, patients are staying in acute care beds when they could be appropriately cared for in a lower level of care. This results in additional inpatient days and can impact the ability of the referring hospital to admit patients who need acute care; particularly during periods of high acute care census.”

Rebuttal Comments

Since all three letters were in support of the additional swing beds at UGMC, PeaceHealth did not provide rebuttal comments.

Department Evaluation

This project requests an additional ten swing beds added to UGMC. WAC 246-310-010(57) provides the following definition of swing beds:

"Swing beds" means up to the first five hospital beds designated by an eligible rural hospital which are available to provide either acute care or nursing home services."

For hospital projects, the following rules are applied to determine need for additional swing beds:

- WAC 246-310-380 - Nursing home bed need standards.
- WAC 246-310-410 - Swing bed review standards.

WAC 246-310-380 - Nursing home bed need standards

"(1) The department shall use the following rules in conjunction with the certificate of need review criteria contained in WAC [246-310-210\(1\)](#) for applications proposing the following:

- (a) Construction, development, or other establishment of a new nursing home;*
- (b) Increase in the licensed bed capacity of a nursing home or a hospital long-term care unit;*
- (c) Change in license category of beds from the following to nursing home or hospital long-term care unit beds:*
 - (i) Acute care; or*
 - (ii) Assisted living facility care;*

(2) The department shall comply with the following time schedule for developing bed need projections:

- (a) By the last working day in January of each year, the department shall recalculate the estimated bed projection for each planning area.*
- (b) By the last working day in January of each year, the department shall provide the aging and adult services administration of the department of social and health services with the estimated bed need for each planning area, pending the department's decisions on applications submitted during the previous year's nursing home concurrent review cycles.*
- (c) By the last working day in January of each year, the department shall rank order planning areas from lowest to highest by the projected current supply ratio.*
- (d) By the first working day of June of each year, the department shall calculate the net estimated bed need for each planning area.*

(3) The estimated bed projections for the projection period, listed by planning area will be updated annually and distributed to interested parties. When a planning area's estimated bed projection is less than the planning area's bed supply as defined by WAC [246-310-350\(4\)](#), no beds can be added until the statewide established ratio is reached, except as allowed in this section.

(4) The department shall limit to three hundred the total number of nursing home beds approved for all CCRCs which propose or are operating within a transition period.

- (a) These three hundred beds available for CCRCs during transition periods shall be in addition to the net nursing home beds needed in all of the planning areas.*
- (b) All nursing home beds approved for CCRCs which propose or are operating within a transition period shall be counted as beds within this three hundred bed limitation unless and until the CCRC fully complies with all provisions of the CCRCs performance standards.*

- (5) *The department shall not issue certificates of need approving more than the net estimated bed need indicated for a given planning area, unless:*
- (a) *The department finds such additional beds are needed to be located reasonably close to the people they serve; and*
 - (b) *The department explains such approval in writing.”*

The sections of WAC 246-310-380 that apply to this project are (1), (2), (3), and (5). Section (1) applies because PeaceHealth is proposing to convert acute care beds to swing beds, which includes long term care use.

Sections (2) and (3) require the department to calculate the nursing home numeric need methodology as outlined in WAC 246-310-360 and apply any adjustments necessary. PeaceHealth asserts that because the methodology excludes swing beds in its count of available beds, the methodology does not apply to this project. While it is true that the swing beds as defined by WAC 246-310-010(57) are not counted in the numeric methodology, the definition refers to five swing beds. If this project is approved, UGMC would be operating 15 swing beds. Therefore, ten of the 15 swing beds would be counted in the numeric methodology for any nursing home application submitted for the east Skagit County planning area.

UGMC has a nursing home within 27 miles of the hospital and certificate of need review is required for this project. [RCW 70.38.105(4)(e)] Since review is required for this project, the department is required to apply WAC 246-310-380 in its review. WAC 246-310-380 references the numeric methodology outlined in WAC 246-310-360; therefore the review of this project must begin with the numeric methodology.

WAC 246-310-360 – Nursing home bed need method

This rule contains the step-by-step methodology for projecting numeric need for nursing home beds statewide and for each planning area⁸ based on 40 beds per 1,000 population (40/1,000) of residents 70 years of age and older. The statewide methodology is also calculated using the statewide population of residents 70 years of age and older.

Once each planning area’s projected number of nursing home beds is calculated, the current number of licensed nursing home beds is subtracted from the projected need, resulting in the number of beds either over (surplus) or under (need) the target ratio of 40/1,000 for the planning area.

UGMC is located in the nursing home planning area of Skagit County. Table 3 below shows the projected need for nursing home beds in Skagit County. [source: Year 2018 Numeric Need Methodology] The methodology is Appendix A attached to this evaluation.

⁸ There are 39 counties in Washington State. The planning areas for the nursing home numeric methodology is each county, except that Chelan and Douglas counties are one planning area and Clark and Skamania counties are one planning area, resulting in 37 separate planning areas.

**Department’s Table 3
2018 Numeric Need Methodology for Skagit County**

Year	Year 2019	Year 2020	Year 2021
Projected Population Age 70 and Older	17,787	8,517	19,445
Projected Number of Beds at 40/1000 (Target Ratio)	711	741	778
Current Number of Licensed NH Beds	458	458	458
Number of Beds Needed to Reach the Target Ratio of 40/1,000 70 and Older	253	283	320

As shown in the table above, for Skagit County alone, the methodology calculates a need for 253 additional nursing home beds in 2019, which increases to 320 in year 2021.

Focusing on the numeric statewide numeric methodology calculations, 9,826 beds are needed in year 2019 statewide, which increases to 12,634 by the end of year 2021. Once the statewide bed need methodology is calculated, WAC 246-310-360(4)(ii) provides the following guidance:

“If the number of statewide available beds is large enough, the department shall assign to each planning area under the established ratio the number of beds necessary to bring it up to the established ratio in the projection year.”

The table below shows the numeric need for Skagit County based on the adjusted calculations.

**Department’s Table 4
Adjusted 2018 Numeric Need Methodology for Skagit County**

Year	Year 2019	Year 2020	Year 2021
Projected Number of Beds Needed to Reach the Target Ratio [from table above]	253	283	320
Adjusted Numeric Need – Skagit County	249	280	318

When comparing the results in Table 3 with Table 4 for Skagit County, both show a numeric need for nursing home beds in Skagit County. Therefore, section (5) of WAC 246-310-380 does not apply.

WAC 246-310-410 - swing bed review standards

- “(1) The department shall use the following rules, in addition to those under WAC 246-310-380 to interpret the certificate of need review criteria contained in WAC 246-310-210, 246-310-220, 246-310-230, and 246-310-240 for applications by hospitals proposing an increase in the number of designated swing beds.*
- (2) Swing beds are defined as up to the first five hospital beds, so designated by an eligible rural hospital, which are available to provide either acute care or long-term care nursing services as required.*
 - (3) Hospitals proposing swing bed projects shall:*
 - (a) Be located in geographic areas of the state defined by the United States Bureau of the Census as a nonstandardized metropolitan statistical area; and*
 - (b) Have total licensed bed capacity not exceeding one hundred.*
 - (4) Hospitals shall demonstrate ability to meet minimum Medicare standards of care for rural hospital swing beds.”*

Given that UGMC is currently operating as a 35-bed CAH with five swing beds, it met the standards above when it established its swing bed program. Information within this application demonstrates that UGMC would continue to meet the standards with the additional ten swing beds. The addition of ten swing beds at UGMC, for a facility total of 15, does not negatively impact the hospital's ability to continue to meet the standards referenced in this rule.

In summary, the department concurs that numeric need for additional swing beds at UGMC is demonstrated. The letters of support provide valuable insight on the need for additional swing beds for patients in Skagit County and surrounding communities. **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 agency'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 agency'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. With the passage of the Affordable Care Act in 2010, the amount of charity care decreased over time. However, with recent federal legislative changes affecting the ACA, it is uncertain whether this trend will continue.

PeaceHealth

PeaceHealth provided copies of the following policies used at all PeaceHealth hospitals, including UGMC. [source: July 13, 2018, screening response, Attachment 4]

- Admission Policy
- Admission to Hospital-CAH
- Hospital Scope of Service
- Non-Discrimination Policy
- Charity Care Policy
- Patient/Family/Community Complaint and Grievance Policy and Procedure
- Patient Complaint and Grievance Policy and Procedure

The End of Life Policy is posted to the Department of Health website and includes the following information:

- Advance Directive
- Do Not Attempt Resuscitation/Allow Natural Death
- Physician Orders for Life Sustaining Treatment,
- Withholding/Withdrawal of Life Sustaining Treatment,
- Definition of Death
- Euthanasia
- Medically Non-Beneficial Treatment
- Physician Assisted Suicide-Governance
- Physician Assisted Suicide-Inpatient Hospital

PeaceHealth currently provides both acute care and nursing services in its existing five swing beds. No changes to the above policies are necessary for the additional ten swing beds.

Medicare and Medicaid Programs

UGMC is currently Medicare and Medicaid certified. PeaceHealth provided its current and projected source of revenues by payer for UGMC under the following three settings.

- UGMC current payer mix as a 25 bed critical access hospital, with five swing beds;
- UGMC proposed payer mix for the 25-bed critical access hospital, with 15 swing beds; and
- UGMC proposed payer mix for the 25-bed critical access hospital, with 15 swing beds, and 10 beds located in a rehabilitation unit.

[source: July 13, 2018, screening response, p3 and historical CN files]

Table 5 below shows 2018 current year for UGMC with five swing beds and projected year 2020 for the UGMC with 15 swing beds and 10 rehabilitation beds.

**Departments Table 5
United General Medical Center Payer Mix**

Source	2018 Current Hospital Only	Project Hospital with 10 Rehab and 15 Swing
Medicare	49.0%	50.8%
Medicaid	19.4%	18.6%
Commercial/Other	28.3%	27.4%
Self-Pay	3.3%	3.0%
Total	100.0%	100.0%

Additionally, PeaceHealth providing the following information related to patient access to the proposed services. [source: Application, pp23-24]

“PHUGMC’s swing bed program is the only swing bed program in Skagit and Whatcom Counties. While there are nursing homes, other community based long-term care services as well as home health and hospice within 35 miles of PHUGMC, they are generally not staffed or equipped to manage the care and treatment plans for the patients most typically served by PHUGMC or those on the waiting list for our current swing beds. This means that when PHUGMC is unable to accept a patient into its swing bed program, that patient typically remains in an acute care bed for extended periods of time. Patients can be on the wait list for 2-4 weeks depending upon their medical progress and swing bed availability. This is costly to payers, but more importantly can affect patient outcomes.

The other long-term or post-acute providers in the region, while very good, are simply unable to accommodate the majority of these patients, and our regional referral facilities are strongly supportive of the addition of swing beds at PHUGMC.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

PeaceHealth has been providing healthcare services to the residents of Washington and Oregon for many years. Specific to UGMC, healthcare services have been available to low-income, racial and ethnic minorities, handicapped and other underserved groups. [source: PeaceHealth website]

All policies outline the criteria that PeaceHealth uses to admit patients for treatment. The Admission and Non-Discrimination policies include language to ensure all patients would be admitted for treatment without regard to “*race, color, creed, national origin, religion, gender, age, sexual orientation, marital status, or disability.*”

Specific to UGMC, Medicare revenues are projected to be 50.8% of total revenues for the hospital with the additional swing beds in operation. The financial data provided in the application shows Medicare revenues. [source: July 13, 2018, screening response, Attachment 5]

For UGMC, Medicaid revenues are projected to be 18.6% of total revenues for the hospital with the additional swing beds in operation. The financial data provided in the application also shows Medicaid revenues. [source: July 13, 2018, screening response, Attachment 5]

The Admission Policies and Charity Care Policy are consistent with policies reviewed and approved by the Department of Health. Further, PeaceHealth demonstrated that it would continue to be available to serve the Medicare and Medicaid populations with the additional swing beds.

The Charity Care Policy has been reviewed and approved by the Department of Health's Hospital and Patient Data Systems office. The Financial Assistance Policy outlines the process to obtain charity care and is used in conjunction with the charity care policy. The pro forma financial documents provided in the application include a charity care 'line item' as a deduction of revenue

Charity Care Percentage Requirement

For charity care reporting purposes, Hospital/Finance and Charity Care Program divides Washington State into five regions: King County, Puget Sound (less King County), Southwest, Central, and Eastern. UGMC is located in Skagit County, within the Puget Sound Region. In years 2015 and 2016, there were 21 hospitals operating in the region. In 2017, there are 23 hospitals operating in the region.⁹ Of the 23 hospitals, one did not report charity care data for all three years reviewed.¹⁰

⁹ In year 2017, two psychiatric hospitals opened and both are located in Snohomish County: Smokey Point Behavioral Hospital in Marysville and UHS/BHC Fairfax Hospital in Monroe.

¹⁰ UHS/BHC Fairfax Hospital North did not report data in year 2016.

Table 6 below compares the three-year historical average of charity care provided by the hospitals currently operating in the Puget Sound Region and UGMC’s historical charity care percentages for years 2015-2017.¹¹ The table also compares the historical and projected percentages of charity care at UGMC. [source: July 13, 2018, screening response, Attachment 5 and HFCC 2015-2017 charity care summaries]

**Department’s Table 6
Charity Care Percentage Comparisons**

	Percentage of Total Revenue	Percentage of Adjusted Revenue
Puget Sound Region Historical Average	1.00%	2.97%
United General Medical Center Historical Average	1.22%	4.37%
United General Medical Center Projected Average	1.75%	7.23%

The three-year historical average summarized in the table above shows UGMC has historically been providing charity care above the regional average. UGMC has been providing charity care for many years and intends to continue to provide charity care if this project is approved. For projected charity care, UGMC proposes to continue to provide charity care above the average for both total and adjusted revenue. Because this project proposes to reallocate ten acute care beds to swing beds, if this project is approved, the department would attach a condition requiring UGMC to provide charity care at specific percentages identified in the application.

Based on the information provided in the application and with PeaceHealth’s agreement to the conditions as described above, 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.

Department Evaluation

This sub-criterion is not applicable to this application.

- (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.

¹¹ As of the writing of this evaluation, charity care data for year 2018 is not available.

Department Evaluation

This sub-criterion is not applicable to this application.

- (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

This sub-criterion is not applicable to this application.

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

Based on the source information reviewed and the applicant's agreement to the conditions identified in the conclusion section of this evaluation, the department determines that PeaceHealth met 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.
WAC 246-310 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 directs 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.

PeaceHealth

The assumptions used by PeaceHealth to determine the projected number of admissions, patient days, and occupancy of its swing bed program with 15 beds are summarized below. [source: July 13, 2018, screening response, pp7-8 and Attachment 5]

- *PeaceHealth's fiscal year is July 1 through June 30.*
- *Swing bed patient days were based on the utilization projections in revised Table 3.*
- *Specific assumptions are as follows:*
- *Additional 10 beds are operational in October 2018.*
- *In recognition of our experience with our waiting list, the first year ADC increase is 4 patients per day (which is less than the current wait list); the goal being to reduce patient waiting. In the 2nd year, ADC was assumed to increase another 1.7 based on market conditions, further reduction of the wait list and information from key referral sources. No further growth was assumed in Year 3.*
- *PHUGMC's current swing bed average length of stay (ALOS) is 16.2 and for the patients projected to be served in the 10 additional beds, ALOS is assumed to be 22. The weighted average ALOS is estimated to be 19.*

Applicant's Table 3 Recreated

Year	Projected Admissions	ALOS	Projected Patient Days	ADC	Occupancy 15 Swing Beds
FY 06/30/18	95	16.1	1,532	4.2	83.9%
FY 06/30/19	175	19.0	3,321	9.1	60.7%
FY 06/30/20	207	19.0	3,924	10.8	71.7%
FY 06/30/21	207	19.0	3,924	10.8	71.7%
FY 06/30/22	207	19.0	3,924	10.8	71.7%

The assumptions used by PeaceHealth to determine the projected revenue, expenses, and net income for the swing bed program with 15 beds are summarized below. [source: July 13, 2018, screening response, pp7-8 and Attachment 5]

- *Per CN guidelines, all revenue and expenses were assumed in constant dollars.*
- *Gross swing bed patient revenue was based on fiscal year annualized data through May.*
- *2018. Swing bed payer mix was also assumed to remain unchanged and based on current experience.*
- *Bad debt is assumed to be 12.4% of total patient services revenue.*
- *Charity care is assumed to be 2.0% of total patient services revenue.*
- *Salary expense corresponds to the FTEs needed to provide the expanded service. FTEs increase in accordance with the increase in patient days as depicted in Table 3.*
- *Productivity is based on fiscal year data annualized through May 2018.*
- *Employee benefits are kept at the same percentage of salary as year to date 2018 or 24.9% throughout the projection period.*
- *Supplies expense increases proportionate to the increase in patient days (\$30.96 per patient day). There is no inflation associated with this expense or any expenses in the statement.*
- *Purchased services – other: overhead allocation (system fee) is included in this line item; it is assumed to be 5.8% of incremental gross swing bed revenue.*
- *Other Direct Expenses: The remaining operating expenses were assumed to be \$340.97 per patient day.*
- *Deductions from revenue for the 15 swing bed project are detailed in Attachment 5.*
- *For the hospital wide pro forma, the baseline pro forma (without the project) was based on 11 months annualized data (actual financial experience through May 2018). All utilization, revenue and expenses are held flat throughout the projection period. No increases in acute or swing bed census (for the five swing beds) was assumed. The hospital “with the project” is the baseline plus the 10 swing bed addition. The only changes are due to the impact of the 10 bed addition. Deductions from revenue for the hospital pro forma are provided in Attachment 5.*
- *Other Adjustments and Allowances primarily includes contractual adjustments for Workers Comp and Other misc. payors such as Indemnity plans. It also includes uninsured discounts for patients without insurance and administrative adjustments.*
- *Uncompensated Care line item. This portion of the line item is the place wherein gross charges are written off. This reflect PeaceHealth’s provision of emergent, medically necessary and some preventative services at a reduced cost or without charge when it has been determined that payment for those services cannot be obtained through insurance, outside agencies, or private means.*
- *Allocated costs are included in the purchased services line item.*

- *Outpatient Revenue includes but is not limited to:*
 - *Emergency Services*
 - *CT Services*
 - *Pharmacy Services*
 - *Laboratory*
 - *Radiation Therapy Services*
 - *Medical Oncology Services*
- *Professional Fees: Non-employed physician services, i.e., ED Physicians, On-Call Physician Services, Radiation Oncologists, General Surgeons etc.*
- *Purchased Services-Other: Consulting fees, legal fees, security services, laboratory testing, janitorial services, contracted medical services, and allocated costs (system fee from PeaceHealth), etc.*
- *Other Direct Expenses: Travel expenses, books, freight, dues, sales tax, donations.*

Based on the assumptions above, PeaceHealth’s projected revenue, expenses, and net income for the swing bed cost center at UGMC. The projections are shown in Table 7. [source: July 13, 2018, Attachment 5]

Department’s Table 7
United General Medical Center Revenue and Expense Statement
Swing Bed Cost Center for Fiscal Years 2018 through 2021

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
	5 Swing Beds	15 Swing Beds	15 Swing Beds	15 Swing Beds
Net Revenue	\$2,306,395	\$4,999,855	\$5,907,713	\$5,907,713
Total Expenses	\$1,716,390	\$3,578,734	\$4,287,211	\$4,287,211
Net Profit / (Loss)	\$590,005	\$1,421,121	\$1,620,502	\$1,620,502

The ‘Net Revenue’ line item is gross inpatient revenue, minus deductions for contractual allowances, bad debt, and charity care. The ‘Total Expenses’ line item includes all expenses related to the swing bed services, including salaries/wages, benefits.

For operational purposes, the swing bed program is a cost center of UGMC. To further demonstrate that the project is financially viable, PeaceHealth provided the projected revenue and expense statements for UGMC showing the impact of this project on the financial viability of the hospital. The projections shown below in Table 8 includes the recently approved 10-bed rehabilitation unit at UGMC. [source: CN Historical Files]

Department’s Table 8
United General Medical Center
Revenue and Expense Statement for Fiscal Years 2019 through 2022

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Net Revenue	\$55,197,337	\$57,892,080	\$58,799,766	\$58,799,766
Total Expenses	\$49,165,973	\$51,169,834	\$51,902,805	\$51,902,805
Net Profit / (Loss)	\$6,031,364	\$6,722,246	\$6,896,961	\$6,896,961

The ‘Net Revenue’ line item is gross hospital inpatient, outpatient, and other operating revenue, minus any deductions from revenue for contractual allowances, bad debt, and charity care.

The ‘Total Expenses’ line item includes salaries and wages and all costs associated with operations of the hospital with 15 swing beds and includes the newly approved ten-bed rehabilitation cost center. The ‘Total Expense’ line item also includes allocated costs for PeaceHealth, leases, depreciation of building and equipment, repair and maintenance costs.

Public Comments

None

Rebuttal Comments

None

Department Evaluation

To evaluate this sub-criterion, the department first reviewed the assumptions used by PeaceHealth to determine the projected number of admissions, patient days, and occupancy of the swing bed program UGMC. PeaceHealth focused its assumptions on its experience with its current services at the hospital and its swing bed waiting list. The projected average daily census and occupancy of the ten-bed unit is reasonable based on the assumptions used.

PeaceHealth based its revenue and expenses for both UGMC as a whole and the swing beds program on the assumptions referenced above. PeaceHealth used UGMC’s current operations shown in the department’s Table 8 above as a base-line for the revenue and expenses. Historical information shows that PeaceHealth operates UGMC at a profit. With an additional ten swing beds, UGMC will continue operating at a profit.

To assist the department in its evaluation of this sub-criterion, Hospital/Finance and Charity Care (HFCC) also provided a financial analysis. To determine whether UGMC would meet its immediate and long range capital costs, HFCC reviewed 2018 historical balance sheets for UGMC. The information is shown in Table 9 below. [source: HFCC analysis, p2]

**Department’s Table 9
United General Medical Center Balance Sheet for Year 2018**

Assets		Liabilities	
Current Assets	\$ 10,408,842	Current Liabilities	\$ 1,294,798
Board Designated Assets	\$ -----	Other Liabilities	\$ -----
Property/Plant/Equipment	\$ 4,103,081	Long Term Debt	\$ -----
Other Assets	\$ 9,827,917	Equity	\$ 23,045,042
Total Assets	\$ 24,339,840	Total Liabilities and Equity	\$ 24,339,840

After reviewing the balance sheet above, HFCC noted that there is no capital expenditure for this project; therefore, the project would have no financial effect for UGMC. [source: HFCC analysis, p2]

For hospital projects, HFCC typically provides a financial ratio analysis. The analysis 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. Projected balance sheet data is used in the analysis. HFCC notes that PeaceHealth does not maintain or prepare separate balance sheets for cost centers within its hospitals. HFCC provided the following information related to the ratio analysis below. [source: HFCC analysis, p2]

“The applicant did not provide a swing bed-level Balance Sheet so ratios which use those numbers are not included. State 2017¹² ratios are included as a comparison and are calculated from all community hospitals in Washington State whose fiscal year ended in 2017. The data is collected by the Washington State Dept. of Health Charity Care and Hospital Financial Data program of Community Health Systems.”

Table 10 on the following page shows projection years 2018 through 2021. [source: HFCC analysis, p3]

**Department Table 10
Current and Projected HFCC Debt Ratios for United General Medical Center**

Category	Trend *	State 2017	PeaceHealth 2018	UGMC 2019	UGMC 2020	UGMC 2021
Long Term Debt to Equity	B	0.442	0.353	N/A	N/A	N/A
Current Assets/Current Liabilities	A	3.320	2.989	7.434	11.008	14.876
Assets Funded by Liabilities	B	0.372	0.332	0.086	0.067	0.053
Operating Expense/Operating Revenue	B	0.980	0.966	0.813	0.818	0.812
Debt Service Coverage	A	4.745	2.628	4,799.887	5,027.982	5,233.607
Definitions:	Formula					
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 expenses / operating revenue					
Debt Service Coverage	Net Profit+Depr and Interest Exp/Current Mat. LTD and Interest Exp					

* A is better is above the ratio; and B is better if below the ratio.

When comparing UGMC’s projected the total operating expense to total operating revenue ratio for the projected years with the most current statewide ratio, HFCC states that UGMC would maintain its financial health with the additional swing beds.

HFCC also provided the following clarification regarding the debt service coverage ratios for UGMC shown above.

“The very large numbers for PHUGMC’s debt service coverage ratio are an artifact of the way PeaceHealth handles its debt. PeaceHealth has assigned no long-term debt and only a very small amount of interest expense to PHUMC. Rather, PeaceHealth retains the debt and associated interest expense at the corporate level.”

Based on the information above, the department concludes that 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.

WAC 246-310 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 directs 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

¹² Statewide FY 2018 data is not sufficiently complete to use for comparison purposes

department compared the proposed project’s costs with those previously considered by the department.

Department Evaluation

There are no costs associated with this project. This sub-criterion is not applicable to this project.

(3) The project can be appropriately financed.

WAC 246-310 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 directs 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.

Department Evaluation

There are no costs associated with this project. This sub-criterion is not applicable to this project.

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

Based on the source information reviewed and the applicant’s agreement to the conditions identified in the conclusion section of this evaluation, the department determines that PeaceHealth met the applicable structure and process of care criteria in WAC 246-310-230.

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

WAC 246-310 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 directs what specific staffing patterns or numbers of FTEs that should be employed for projects of this type or size. Therefore, using its experience and expertise the department concludes that the planning would allow for the required coverage.

PeaceHealth

As a CAH, UGMC currently operates a swing bed program with five beds. PeaceHealth provided a table showing the projected number of staff necessary to provide the services at the utilization rate identified in the application. Table 11 below provides a breakdown of the current and projected FTEs [full time equivalents] for the swing bed program. [source: Application, p31]

**Department Table 11
United General Medical Center – Swing Bed Only
Current and Proposed FTEs for Fiscal Years 2018-2020**

FTE by Type	Current FY 2018	FY 2019 Increase	FY 2020 Increase	FY 2021 Increase	Total FTEs
Program Manager	0.4	0.4	0.0	0.0	0.8
Registered Nurses	4.2	4.6	0.0	0.0	8.8
CNA-Unit Coordinators	0.0	2.3	0.0	0.0	2.3
Social Worker	0.0	0.6	0.0	0.0	0.6
Utilization Review	0.0	0.8	0.0	0.0	0.8
Physical Therapy	0.0	1.0	0.0	0.0	1.0
Total FTEs	4.6	9.7	0.0	0.0	14.3

PeaceHealth clarified the duties of the Utilization Review FTE referenced in the table. [source: July 13, 2018, screening response, p5]

“The primary responsibility of the Utilization Review FTE is to determine the medical necessity of the patients in the swing beds and appropriateness of admission and readiness for discharge.”

Since the additional swing beds will be part of the currently operating hospital, PeaceHealth also provided a breakdown of FTEs for UGMC with the recently approved 10-bed level II rehabilitation unit and the 15 swing beds. Table 12 below provides a summary of the information. [source: CN historical files]

**Department Table 12
United General Medical
Proposed FTEs for Fiscal Years 2020-2022**

FTE by Type	Actual/Current	FY 2020	FY 2021 Increase	FY 2022 Increase	Total FTEs
Nursing Staff					
Management	1.20	1.00	0.00	0.00	2.20
RN	18.60	4.80	0.00	2.50	25.90
LPN	0.00	3.20	0.00	0.00	3.20
Patient Care Asst	9.60	3.20	0.00	0.00	12.80
Tech/Professional	0.10	0.00	0.00	0.00	0.10
SVC/Support	0.00	0.00	0.00	0.00	0.00
Subtotal	29.50	12.20	0.00	2.50	44.20
Ancillary/Support					
Management	6.50	0.00	0.00	0.00	6.50
RN	27.30	0.00	0.00	0.00	27.30
LPN	1.00	0.00	0.00	0.00	1.00
Patient Care Asst	1.90	0.00	0.00	0.00	1.90
Tech/Professional	54.20	0.00	0.00	0.00	54.20
SVC/Support	63.60	0.00	0.00	0.00	63.60
Subtotal	154.50	0.00	0.00	0.00	154.50
Total FTEs	184.00	12.20	0.00	2.50	198.70

PeaceHealth states it does not expect difficulty recruiting the staff needed for the additional ten swing beds unit at UGMC based on the following strategies for recruitment and retention. [source: Application, p32]

“As noted in Table 16, the addition of 10 swing beds will result in an incremental need for about 10 FTEs. Systemwide, PeaceHealth currently employs more than 15,870 employees, including 660 employed physicians and providers across three states. PeaceHealth’s vision is to provide safe, evidence-based, compassionate care, every time, every touch. Historically our strength and mission has served us well in both recruiting and retention through:

- *Competitive wages and benefits.*
- *Ongoing continuing education.*
- *Employee referral program for employees for referring friends and family.*
- *Nationwide recruitment through website posting and local community online postings.*
- *Attending local job fairs to be able to reach out to potential candidates in the local area.*

While recruitment of skilled staff is increasingly challenging, PHUGMC has traditionally not experienced many problems because our location in the Skagit Valley and our proximity to population centers including Mt. Vernon and Bellingham is attractive to many. The largest number of incremental FTEs are in nursing. System-wide, PeaceHealth offers a 12-month Nurse Residency Program that supports newly graduated nurses in all clinical areas and focuses on:

- *Quality outcomes: Understand safety and quality initiatives to improve patient experience and positively impact nurse-sensitive indicators.*
- *Leadership: Learn and practice strategies to communicate and work within an inter-professional team.*
- *Professional Role: Develop an evidence-based practice project, explore ethical decision making and create a professional development plan.*

This Program has been a good recruitment tool.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

As shown in the ‘swing bed’ table only, PeaceHealth expects to more than double the amount of FTEs with the additional ten swing beds. The table shows the majority of the increase is in the patient care categories of RN and CNA. The hospital wide table also shows an increase in staff, but comparatively, not a significant increase. Again, the majority of the increase is in the patient care staff. Given that UGMC already operates a swing bed program, key staff is already in place.

Specific to the medical director for the unit, PeaceHealth identified three employed physicians associated with UGMC. Since they are employed physicians, they do not operate under a separate medical director agreement for the services provided at UGMC. [source: July 13, 2018, Attachment 3]

UGMC also provided extensive information related to recruitment and retention of FTEs for the hospital and specific to the swing bed program. The information demonstrates that PeaceHealth has the ability and the expertise to recruit and retain any needed staff.

Based on the above information, PeaceHealth demonstrated it has the ability and expertise to recruit and retain a sufficient supply of qualified staff for this project. **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.*

WAC 246-310 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.

PeaceHealth

PeaceHealth provided the following information regarding ancillary and support services for the additional ten swing beds. [source: Application, p33]

“All of the ancillary departments are adequately sized and no modifications are required to support the swing bed expansion.”

Discharge planning will commence upon admission. Each patient has a discharge care plan that begins prior to or at admission. As discharge gets closer, the plan is either modified or implemented, depending upon the needs of the patient. PHUGMC already has strong and positive working relationships with other entities that provide discharge options for patients. This will ensure that patients are in the most appropriate level of care, and that any post discharge plans are fully coordinated prior to discharge.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Neither PeaceHealth nor UGMC are new providers in the planning area and UGMC already operates with five swing beds. As a result, all ancillary and support services are in place for the swing bed program. PeaceHealth states that the addition of ten swing beds, for a facility total of 15 swing beds at UGMC, would not change any of the agreements currently in place.

PeaceHealth also provided documentation regarding its current discharge planning and processes. The additional swing beds at UGMC would not change any planning or processes for discharging patients.

Based on the information reviewed in the application, the department concludes that there is reasonable assurance that PeaceHealth will continue to maintain the necessary relationships with ancillary and support services with the additional swing beds at UGMC. The department concludes that approval of this project would not negatively affect existing healthcare relationships. **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.*

WAC 246-310 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.

PeaceHealth

As previously stated, the applicant—PeaceHealth—operates, either under ownership or a lease, 10 hospitals in the three states. In response to this sub-criterion, PeaceHealth provided the following statements. [source: Application, p2 and p34]

“PHUGMC does not have any history with respect to the actions noted in the referenced regulations. PHUGMC operates all of its programs in conformance with applicable federal laws, rules and regulations.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

As 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.¹³ To accomplish this task, the department reviewed the quality of care compliance history for all ten healthcare facilities owned, operated, or managed by PeaceHealth in the states of Alaska, Oregon, and Washington.

Washington State Hospitals

Using the department's internal database, the department reviewed survey data for each of the five hospitals listed below that are owned, operated, or managed by PeaceHealth. It is noted that none of the five hospitals hold a current accreditation from Joint Commission.

Hospital	City / State Location	Owned/Operated/Leased
United General Medical Center	Sedro Woolley/Washington	Leased/Operated
St. John Medical Center	Longview/Washington	Owned/Operated
St. Joseph Medical Center	Bellingham/Washington	Owned/Operated
Peace Island Medical Center	Friday Harbor/Washington	Owned/Operated
Southwest Medical Center	Vancouver/Washington	Owned/Operated

The department used its internal data base to review the compliance history of each hospital identified above. Data reviewed revealed that none of the Washington State hospitals owned, operated, or managed by PeaceHealth had significant non-compliance issues.

The department also reviewed the survey deficiency history for years 2016 through 2018 for all PeaceHealth hospitals located in Washington State. Of the five Washington State hospitals, one had deficiencies in one of the three years. All deficiencies were corrected with no outstanding compliance issues.¹⁴

Out of State Hospitals

Of the ten hospitals, PeaceHealth owns or leases and operates a total of five hospitals in the states of Alaska (1) and Oregon (4). The facilities are listed below.

¹³ WAC 246-310-230(5).

¹⁴ The hospital is St. John Medical Center located in Longview within Cowlitz County.

Hospital	City / State Location	Owned/Operated/Leased
Ketchikan Medical Center	Ketchikan/Alaska	Leased/Operated
Cottage Grove Community Hospital	Cottage Grove/Oregon	Owned/Operated
Peace Harbor Hospital	Florence/Oregon	Owned/Operated
Sacred Heart Medical Center at Riverbend	Springfield/Oregon	Owned/Operated
Sacred Heart Medical Center University District	Eugene/Oregon	Owned/Operated

Using data obtained from the State of Alaska, Division of Healthcare Services website, Ketchikan Medical Center is a 25 bed critical access hospital with a valid state license. The hospital does not hold a Joint Commission accreditation. There are no apparent non-compliance issues with Ketchikan Medical Center.

Focusing on the four hospitals in Oregon, since none of the four hold Joint Commission accreditation, the department used quality of care surveys for PeaceHealth hospitals. There are no apparent non-compliance issues with the four hospitals in Oregon.

For this project, PeaceHealth provided a listing of all staff employed at UGMC, which includes current staff associated with the swing bed program. The table below provides the number of FTEs, by category, associated with UGMC. [source: July 13, 2018, screening response, Attachment 3]

FTE Category	Total Number
Registered Nurses	41
Nursing Assistants Certified	16
Dieticians	1
Physical Therapists	3
Physical Therapist Assistant	1
Speech Language Pathologist	1
Occupational Therapists	2
Social Worker	2
Licensed Practical Nurse	1
Physicians	3
Total FTEs	71

The department conducted a credential review for the 71 staff listed for UGMC. Of the 71 staff reviewed, two had enforcement actions—one in year 1999 and one in year 2014—neither had current or active enforcement actions. In summary, all the 71 staff listed for UGMC had active credentials with no recent enforcement actions.

Based on the above information, the department concludes that PeaceHealth demonstrated reasonable assurance that UGMC would continue to operate in compliance with state and federal requirements 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.

WAC 246-310 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 directs 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.

PeaceHealth

PeaceHealth asserts that the additional swing beds will promote continuity at the hospital and provided the following information related to this sub-criterion. [source: Application, p33]

“The additional swing beds will greatly assist PHUGMC, the larger PeaceHealth system and other regional providers in promoting continuity of care and in avoiding rehospitalization and unnecessary emergency room visits. As discussed in the need section, PHUGMC has been unable to meet the increasing demand for swing beds. These additional beds will allow PHUGMC to better meet demand.

As discussed in response to previous questions, discharge planning efforts are, and will continue to be, initiated upon admission. Hospital staff review discharge options throughout the patient's stay to ensure that continuity of care is achieved, while also ensuring that the patient receives the most appropriate care.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

The addition of ten swing beds to UGMC will allow access to the necessary nursing home services for residents of Skagit County and surrounding communities. Based on the information provided in the application, the department concludes there is reasonable assurance that this project will continue to promote continuity in the provision of health care services in the community. **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.*

PeaceHealth

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 and agreement to the conditions identified in the conclusion section of this evaluation, the department determines that PeaceHealth met 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, the department takes a multi-step approach. Step one determines if the application has met the other criteria of WAC 246-310-210 thru 230. If

it has failed to meet one or more of these criteria then the project is determined not to be the best alternative, and 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.

If there are multiple applications, the department's assessment is to apply any service or facility superiority criteria contained throughout WAC 246-310 related to the specific project type. This review does not include multiple applications.

PeaceHealth

Step One

For this project, PeaceHealth met the applicable review criteria under WAC 246-310-210, 220, and 230. Therefore, the department moves to step two below.

Step Two

Before submitting this application, PeaceHealth considered the three options discussed below. [source: Application, p35]

Status quo or do nothing

“Doing nothing was summarily rejected because it does not address any of the access, patient acuity, or other issues detailed throughout this application.”

Establish a transitional or skilled nursing unit at our sister hospital, PeaceHealth St. Joseph Medical Center in Bellingham

“We did evaluate adding beds at PeaceHealth St. Joseph to provide a skilled nursing unit. However, it was determined that would require submitting a CN for a new skilled nursing beds and there is no need for nursing home beds in Whatcom County. Further, St. Joseph's runs at average midnight occupancy of 76% and increasingly is at or near 90% occupancy during the day. Without new construction, acute care beds would need to be taken off line and converted to skilled nursing. For these reasons, this option was eliminated.”

Contract with an area long-term care provider and support them in accepting these patients

“PHUGMC also considered supporting an area long-term care provider in operating a unit; but we found that they would require duplication of much of the infrastructure already in place at PHUGMC. These providers would also need clinical coordinators and other key clinical staff (such as care coordinators) that are already in place at PHUGMC. The cost of duplicating the infrastructure was determined to be unreasonable.”

After considering and rejecting the options above, PeaceHealth provided the following conclusions.

“For each of the reasons outlined in detail in this application, the addition of new swing beds was found to be the only option that addresses, simultaneously and comprehensively, the needs of service area's population for accessible, high quality skilled nursing care for a complex patient population.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

PeaceHealth provided background information on the three options considered before submitting this application. Based on the discussions above, PeaceHealth reasonably rejected all of the options before submitting this application. **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.

Department Evaluation

There are no costs associated with this project. This sub-criterion is not applicable to this project.

- (3) 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.

PeaceHealth

PeaceHealth provided the following statements for this sub-criterion. [source: Application, p36]

“As noted throughout this application, the additional 10 swing beds at PHUGMC will result in increased staff efficiencies. Specifically, by the 2nd year of operation, the operating expenses per patient day will decrease by about 3%. In addition, from a system perspective, this proposal is expected to assist North Sound regional providers in “freeing up” additional bed capacity by providing a discharge option for patients who no longer require acute care services but are unable to discharge to a community-based setting. It is also expected to reduce re-hospitalization and emergency room use.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

This project has the potential to improve delivery of skilled nursing services to the residents of both Skagit and Whatcom counties and surrounding communities with the addition of ten swing beds at UGMC. The department is satisfied the project is appropriate and needed. **This sub-criterion is met.**

APPENDIX A



Three Year Summary
Nursing Home Bed Projections
40 beds per 1,000 population 70 and Older

Note: These results are only one part
in evaluating NH bed need
[WAC 246-310-360]

COUNTY NAME	YEAR	CURRENT OR PROJ 70+ POP.	PROJ. 40 BEDS/1,000 POP.	CURRENT LICENSED # OF BEDS	CURRENT BED/POP. RATIO	# OF BEDS OVER/(UNDER) TARGET RATIO	# OF BEDS NEEDED TO REACH TARGET RATIO	ADJUSTED ESTIMATED BED NEED PER WAC 246-310-360
WASHINGTON STATE	2019	764,929	30,597	20,771	27	(9,826)		
	2020	796,160	31,846	20,771	26	(11,075)		
	2021	835,122	33,405	20,771	25	(12,634)		
ADAMS	2019	1,477	59	89	60	30	0	0
	2020	1,493	60	89	60	29	0	0
	2021	1,543	62	89	58	27	0	0
ASOTIN	2019	3,950	158	90	23	(68)	68	(67)
	2020	4,077	163	90	22	(73)	73	(72)
	2021	4,213	169	90	21	(79)	79	(78)
BENTON	2019	19,266	771	400	21	(371)	371	(365)
	2020	20,070	803	400	20	(403)	403	(398)
	2021	21,065	843	400	19	(443)	443	(440)
CHELAN/DOUGLAS	2019	15,177	607	242	16	(365)	365	(359)
	2020	15,718	629	242	15	(387)	387	(383)
	2021	16,470	659	242	15	(417)	417	(414)
CLALLAM	2019	14,230	569	338	24	(231)	231	(227)
	2020	14,541	582	338	23	(244)	244	(241)
	2021	15,005	600	338	23	(262)	262	(261)
CLARK/SKAMANIA	2019	49,707	1,988	757	15	(1,231)	1,231	(1,211)
	2020	52,161	2,086	757	15	(1,329)	1,329	(1,315)
	2021	54,921	2,197	757	14	(1,440)	1,440	(1,431)
COLUMBIA	2019	873	35	34	39	(1)	1	(1)
	2020	903	36	34	38	(2)	2	(2)
	2021	925	37	34	37	(3)	3	(3)
COWLITZ	2019	14,350	574	393	27	(181)	181	(178)
	2020	14,899	596	393	26	(203)	203	(201)
	2021	15,502	620	393	25	(227)	227	(226)
FERRY	2019	1,370	55	0	0	(55)	55	(54)
	2020	1,433	57	0	0	(57)	57	(57)
	2021	1,498	60	0	0	(60)	60	(60)
FRANKLIN	2019	5,560	222	108	19	(114)	114	(113)
	2020	5,821	233	108	19	(125)	125	(123)
	2021	6,200	248	108	17	(140)	140	(139)
GARFIELD	2019	384	15	36	94	21	0	0
	2020	390	16	36	92	20	0	0
	2021	405	16	36	89	20	0	0
GRANT	2019	9,674	387	239	25	(148)	148	(146)
	2020	10,026	401	239	24	(162)	162	(160)
	2021	10,469	419	239	23	(180)	180	(179)
GRAYS HARBOR	2019	10,265	411	308	30	(103)	103	(101)
	2020	10,607	424	308	29	(116)	116	(115)
	2021	11,007	440	308	28	(132)	132	(131)
ISLAND	2019	13,028	521	112	9	(409)	409	(402)
	2020	13,457	538	112	8	(426)	426	(422)
	2021	13,932	557	112	8	(445)	445	(443)
JEFFERSON	2019	7,370	295	94	13	(201)	201	(197)
	2020	7,672	307	94	12	(213)	213	(211)
	2021	7,998	320	94	12	(226)	226	(225)
KING	2019	192,471	7,699	5,990	31	(1,709)	1,709	(1,681)
	2020	200,099	8,004	5,990	30	(2,014)	2,014	(1,992)
	2021	209,463	8,379	5,990	29	(2,389)	2,389	(2,374)
KITSAP	2019	33,844	1,354	941	28	(413)	413	(406)
	2020	35,617	1,425	941	26	(484)	484	(478)
	2021	37,599	1,504	941	25	(563)	563	(559)
KITITAS	2019	4,732	189	141	30	(48)	48	(47)
	2020	4,923	197	141	29	(56)	56	(55)
	2021	5,141	206	141	27	(65)	65	(64)
KLUCKITAT	2019	3,641	146	0	0	(146)	146	(143)
	2020	3,815	153	0	0	(153)	153	(151)
	2021	3,999	160	0	0	(160)	160	(159)
LEWIS	2019	10,979	439	324	30	(115)	115	(113)
	2020	11,251	450	324	29	(126)	126	(125)
	2021	11,591	464	324	28	(140)	140	(139)
LINCOLN	2019	1,892	76	35	18	(41)	41	(40)
	2020	1,942	78	35	18	(43)	43	(42)
	2021	1,999	80	35	18	(45)	45	(45)



Three Year Summary
Nursing Home Bed Projections
40 beds per 1,000 population 70 and Older

Note: These results are only one part
in evaluating NH bed need
[WAC 246-310-360]

COUNTY NAME	YEAR	CURRENT OR PROJ 70+ POP.	PROJ. 40 BEDS/1,000 POP.	CURRENT LICENSED # OF BEDS	CURRENT BED/POP. RATIO	# OF BEDS OVER/(UNDER) TARGET RATIO	# OF BEDS NEEDED TO REACH TARGET RATIO	ADJUSTED ESTIMATED BED NEED PER WAC 246-310-360
MASON	2019	10,133	405	211	21	(194)	194	(191)
	2020	10,495	420	211	20	(209)	209	(207)
	2021	10,990	440	211	19	(229)	229	(227)
OKANOGAN	2019	6,864	275	152	22	(123)	123	(121)
	2020	7,165	287	152	21	(135)	135	(133)
	2021	7,450	298	152	20	(146)	146	(145)
PACIFIC	2019	4,463	179	60	13	(119)	119	(117)
	2020	4,571	183	60	13	(123)	123	(122)
	2021	4,721	189	60	13	(129)	129	(128)
PEND OREILLE	2019	2,530	101	50	20	(51)	51	(50)
	2020	2,657	106	50	19	(56)	56	(56)
	2021	2,779	111	50	18	(61)	61	(61)
PIERCE	2019	79,105	3,164	2,350	30	(814)	814	(801)
	2020	82,302	3,292	2,350	29	(942)	942	(932)
	2021	86,675	3,467	2,350	27	(1,117)	1,117	(1,110)
SAN JUAN	2019	3,710	148	85	23	(63)	63	(62)
	2020	3,899	156	85	22	(71)	71	(70)
	2021	4,050	162	85	21	(77)	77	(77)
SKAGIT	2019	17,787	711	458	26	(253)	253	(249)
	2020	18,517	741	458	25	(283)	283	(280)
	2021	19,445	778	458	24	(320)	320	(318)
SNOHOMISH	2019	69,993	2,800	1,788	26	(1,012)	1,012	(995)
	2020	73,328	2,933	1,788	24	(1,145)	1,145	(1,133)
	2021	77,987	3,119	1,788	23	(1,331)	1,331	(1,323)
SPOKANE	2019	55,233	2,209	1,653	30	(556)	556	(547)
	2020	57,365	2,295	1,653	29	(642)	642	(635)
	2021	60,301	2,412	1,653	27	(759)	759	(754)
STEVENS	2019	7,312	292	172	24	(120)	120	(118)
	2020	7,617	305	172	23	(133)	133	(131)
	2021	7,931	317	172	22	(145)	145	(144)
THURSTON	2019	31,227	1,249	794	25	(455)	455	(448)
	2020	32,691	1,308	794	24	(514)	514	(508)
	2021	34,423	1,377	794	23	(583)	583	(579)
WAHKIAKUM	2019	1,044	42	0	0	(42)	42	(41)
	2020	1,087	43	0	0	(43)	43	(43)
	2021	1,116	45	0	0	(45)	45	(44)
WALLA WALLA	2019	7,188	288	322	45	34	0	0
	2020	7,351	294	322	44	28	0	0
	2021	7,576	303	322	43	19	0	0
WHATCOM	2019	25,783	1,031	793	31	(238)	238	(234)
	2020	27,009	1,080	793	29	(287)	287	(284)
	2021	28,436	1,137	793	28	(344)	344	(342)
WHITMAN	2019	3,648	146	168	46	22	0	0
	2020	3,757	150	168	45	18	0	0
	2021	3,898	156	168	43	12	0	0
YAKIMA	2019	24,669	987	1,044	42	57	0	0
	2020	25,434	1,017	1,044	41	27	0	0
	2021	26,397	1,056	1,044	40	(12)	12	0

Per WAC 246-310-360(4)(a) When the current statewide bed supply is greater than or equal to the estimated bed need, then calculation of statewide need for new beds ends.