



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

October 4, 2019

CERTIFIED MAIL # 7016 3010 0001 0575 0273

Jan Zemplenyi, MD
Bel-Red Ambulatory Surgical Facility
1260-116th Avenue Northeast, #110
Bellevue, Washington 98004

RE: Certificate of Need Application #19-61

Dear Dr. Zemplenyi:

We have completed review of the Certificate of Need application submitted by Bel-Red Center for Aesthetic Surgery. The application proposes to expand the types of surgical procedures provided at the surgery center in Bellevue, within east King 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 Bel-Red Center for Aesthetic Surgery agrees to the following in its entirety.

Project Description

This certificate approves the expansion of surgical services at Bel-Red Ambulatory Surgical Facility. The surgical facility currently provides cosmetic, plastic, and otolaryngology (ENT) surgical services. Additional services include bariatric, podiatry, orthopedic, urologic, gynecological, gastroenterology, oral and maxillofacial, ophthalmologic, pain management, and general surgical services as described in the application and can be appropriately performed in an outpatient setting. Bel-Red Ambulatory Surgical Facility will remain at its current site with two operating rooms.

Conditions

1. Bel-Red Center for Aesthetic Surgery, PS agrees with the project description as stated above. Bel-Red Center for Aesthetic Surgery, PS further agrees that any change to the project as described in the project description above is a new project that requires a new Certificate of Need.
2. Bel-Red Ambulatory Surgery Facility will maintain Medicare and Medicaid certification, regardless of facility ownership.
3. Bel-Red Ambulatory Surgery Facility will provide charity care in compliance with its charity care policies reviewed and approved by the Department of Health. Bel-Red Ambulatory Surgery

Facility will use reasonable efforts to provide charity care in the amount identified in the application, or the planning—whichever is higher. Currently, the planning area is 1.02% of gross revenue and 2.25% of adjusted revenue. Bel-Red Center for Aesthetic Surgery, PS will maintain records of charity care amount provided by Bel-Red Ambulatory Surgery Facility documenting the amount of charity care its provides and demonstrating compliance with its charity care policies.

4. Bel-Red Center for Aesthetic Surgery, PS will maintain records of charity care applications received and the dollar amount of charity care discounts granted at Bel-Red Ambulatory Surgery Facility. The records must be available upon request.

Approved Costs:

There is no capital expenditure associated with this expansion of services at Bel-Red Ambulatory Surgical Facility.

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:

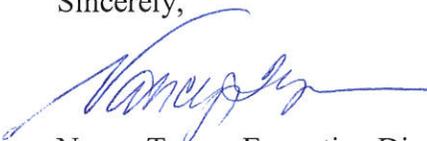
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

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 OCTOBER 4, 2019, FOR THE CERTIFICATE OF NEED APPLICATION FROM BEL-RED CENTER FOR AESTHETIC SURGERY, PS PROPOSING TO EXPAND THE SCOPE OF SERVICES AT BEL-RED AMBULATORY SURGICAL FACILITY LOCATED IN BELLEVUE, WITHIN KING COUNTY

APPLICANT DESCRIPTION

Bel-Red Center for Aesthetic Surgery, PS

Bel-Red Center for Aesthetic Surgery, PS is a Washington State professional service corporation.¹ The corporation is governed by two persons: Jan Zemplenyi, MD and Eva Zemplenyi, MD, husband and wife. [source: Application, p2 and Secretary of State website]

Operated under the corporation is a clinical practice and a Certificate of Need (CN) approved ambulatory surgery center, known as Bel-Red Ambulatory Surgical Facility.² For this project, Bel-Red Center for Aesthetic Surgery, PS is the applicant and will be referenced in this document as ‘Bel-Red Center.’ The focus of this review is the surgery center that will be referenced as ‘Bel-Red ASF.’

PROJECT DESCRIPTION

Bel-Red Center for Aesthetic Surgery, PS

On September 11, 2012, Bel-Red ASF was issued CN #1485 approving the establishment of the two operating room (OR) surgery center known known as Bel-Red ASF located at 1260– 116th Avenue Northeast, #110 in Bellevue [98004] within east King County. Services currently provided at the surgery center include cosmetic, plastic, and otolaryngologic (ENT) surgical services.

Bel-Red Center submitted this project proposing to expand the services at Bel-Red ASF to include general, bariatric, podiatry, orthopedic, urologic, gynecological, gastroenterology, oral and maxillofacial, ophthalmologic, and pain management. The number of operating rooms will remain at two. [source: Application, pp4-5]

Even though the types of services would expand, Bel-Red Center states that there is no capital expenditure associated with this project and provided the following explanation. [source: Application, p5 and May 21, 2019, screening response, p2]

“There is no capital expenditure associated with this expansion of services at BRASF. Many of the current instruments BRASF currently use are applicable to the expanded scope of surgical procedures, such as the needle drivers, forceps, and retractors. In 2017 a Putterman Forcep for oculoplastic was purchased for \$80.00 and a Kerrison Rongeur Forcep for oral-maxillofacial surgery was purchased for \$150.00.”

Given that Bel-Red ASF is currently CN approved and this application does not propose to change the number of ORs, implementation of this project, which is expanding the types of services provided at the surgery center, could occur within a short time of approval. Bel-Red Center identifies the project completion date as the “*date of the approval of expansion of services.*” [source: Application, p7] While the department understands that the completion date for this project could be very soon after CN approval, for this evaluation, the department will consider year 2020 as year one and 2022 as year two.

¹ UBI #602 086 613.

² ASF.FS.60102983.

APPLICABILITY OF CERTIFICATE OF NEED LAW

This application proposes to increase the number of operating rooms at a Certificate of Need approved surgery center. This action is subject to review as the construction, development, or other establishment of new health care facility under Revised Code of Washington (RCW) 70.38.105(4)(a) and Washington Administrative Code 246-310-020(1)(a)(iii).

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 that 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:

- (b) “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 experience related to a proposed undertaking, with whom the department consults during the review of an application.”*

To obtain Certificate of Need approval, the 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). Additionally, WAC 246-310-270 (ambulatory surgery) contains service or facility specific criteria for ASC projects and must be used to make the required determinations for applicable criteria in WAC 246-310-210.

TYPE OF REVIEW

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

APPLICATION CHRONOLOGY

Action	Date
Letter of Intent Submitted	December 12, 2018
Application Submitted	February 19, 2019
Department's pre-review activities: <ul style="list-style-type: none">• DOH 1st Screening Letter• Applicant's Responses Received	March 20, 2019 May 21, 2019
Beginning of Review	June 19, 2019
Public Hearing Conducted	N/A
Public Comments accepted through the end of public comment	July 24, 2019
Rebuttal Comments Submitted ⁴	August 7, 2019
Department's Anticipated Decision Date	September 23, 2019
Department's Anticipated Decision Date with 30 day extension	October 23, 2019
Department's Actual Decision Date	October 4, 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.*

For this project, no entity requested interested or affected person status.

³ Bel-Red Center was granted a 19-day extension to the screening response deadline of May 6, 2019. The extension resulted in a new due date of May 24, 2019.

⁴ There were no public comments submitted for this application; as a result, Bel-Red Center did not provide rebuttal comments.

SOURCE INFORMATION REVIEWED

- Bel-Red Ambulatory Surgical Facility Certificate of Need application February 19, 2019
- Bel-Red Ambulatory Surgical Facility 1st screening responses received May 21, 2019
- Compliance history for credentialed or licensed staff from the Medical Quality Assurance Commission and Nursing Quality Assurance Commission
- Compliance history for facilities and services from the Washington State Department of Health – Office of Health Systems Oversight
- DOH Provider Credential Search website: <http://www.doh.wa.gov/pcs>
- CMS QCOR Compliance website: https://qcor.cms.gov/index_new.jsp
- Year 2018 Annual Ambulatory Surgery Provider Survey for Surgical Procedures Performed During Calendar Year 2017 for hospitals, ambulatory surgery centers, or ambulatory surgical facilities located in east King County⁵
- Year 2017 Claritas population data and year 2022 estimates
- Department of Health internal database – Integrated Licensing and Regulatory Systems (ILRS)
- Bel-Red Center for Aesthetic Surgery website: <https://belredcosmeticsurgery.com>
- Washington State Secretary of State website: <https://sos.wa.gov>
- Washington State Department of Revenue website: <http://www.dor.wa.gov>
- Center for Medicare and Medicaid Services website: <https://www.cms.gov>
- Certificate of Need historical files

CONCLUSION

Bel-Red Center for Aesthetic Surgery, PS

For the reasons stated in this evaluation, the application submitted by Bel-Red Center for Aesthetic Surgery, PS proposing to expand the scope of services at Bel-Red Ambulatory Surgical Facility located within east King County is consistent with applicable criteria of the Certificate of Need Program, provided that the applicant agrees to the following in its entirety.

Project Description

This certificate approves the expansion of surgical services at Bel-Red Ambulatory Surgical Facility. The surgical facility currently provides cosmetic, plastic, and otolaryngology (ENT) surgical services. Additional services include bariatric, podiatry, orthopedic, urologic, gynecological, gastroenterology, oral and maxillofacial, ophthalmologic, pain management, and general surgical services as described in the application and can be appropriately performed in an outpatient setting. Bel-Red Ambulatory Surgical Facility will remain at its current site with two operating rooms.

Conditions

1. Bel-Red Center for Aesthetic Surgery, PS agrees with the project description as stated above. Bel-Red Center for Aesthetic Surgery, PS further agrees that any change to the project as described in the project description above is a new project that requires a new Certificate of Need.
2. Bel-Red Ambulatory Surgery Facility will maintain Medicare and Medicaid certification, regardless of facility ownership.

⁵ For Certificate of Need purposes, “Ambulatory Surgery Centers” (ASCs) and “Ambulatory Surgical Facilities” (ASFs) are often used interchangeably – ASCs are Medicare-certified surgery centers, whereas ASFs are licensed facilities in the state of Washington. With limited exceptions, all CN-approved ASFs are also ASCs.

3. Bel-Red Ambulatory Surgery Facility will provide charity care in compliance with its charity care policies reviewed and approved by the Department of Health. Bel-Red Ambulatory Surgery Facility will use reasonable efforts to provide charity care in the amount identified in the application, or the planning—whichever is higher. Currently, the planning area is 1.02% of gross revenue and 2.25% of adjusted revenue. Bel-Red Center for Aesthetic Surgery, PS will maintain records of charity care amount provided by Bel-Red Ambulatory Surgery Facility documenting the amount of charity care its provides and demonstrating compliance with its charity care policies.
4. Bel-Red Center for Aesthetic Surgery, PS will maintain records of charity care applications received and the dollar amount of charity care discounts granted at Bel-Red Ambulatory Surgery Facility. The records must be available upon request.

Approved Costs

There is no capital expenditure associated with this expansion of services at Bel-Red Ambulatory Surgical Facility.

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 concludes that Bel-Red Center for Aesthetic Surgery, PS has met the need criteria in WAC 246-310-210.

- (1) *The population served or to be served has need for the project and other services and facilities of the type proposed are not or will not be sufficiently available or accessible to meet that need.*

WAC 246-310-270(9)-Ambulatory Surgery Numeric Methodology

The Department of Health’s Certificate of Need Program uses the numeric methodology outlined in WAC 246-310-270 for determining the need for additional ASFs in Washington State. The numeric methodology provides a basis of comparison of existing operating room (OR) capacity for both outpatient and inpatient ORs in a planning area using the current utilization of existing providers. The methodology separates Washington State into 54 secondary health services planning areas. Bel-Red ASF is located in Bellevue, within the east King secondary health service planning area.

The methodology estimates OR need in a planning area using multiple steps as defined in WAC 246-310-270(9). This methodology relies on a variety of assumptions and initially determines existing capacity of dedicated outpatient and mixed-use operating room in the planning area, subtracts this capacity from the forecast number of surgeries expected in the planning area in the target year, and examines the difference to determine:

- (a) Whether a surplus or shortage of ORs is predicted to exist in the target year; and
- (b) If a shortage of ORs is predicted, the shortage of dedicated outpatient and mixed-use rooms are calculated.

Data used to make these projections specifically exclude special purpose and endoscopy rooms and procedures. Dedicated interventional pain management surgical services are also among the excluded rooms and procedures.

Bel-Red Center for Aesthetic Surgery Application of the Numeric Methodology

For this project, Bel-Red Center did not compute its own numeric need methodology. Rather, Bel-Red Center submitted a numeric need methodology that was computed by the department in December 2016 for a previous review. The numeric methodology calculated a need for 13.66 ORs in year 2019. [source: Application, Exhibit T]

Public Comment

None

Rebuttal Comment

None

Department’s Numeric Methodology and Evaluation

The numeric portion of the methodology requires a calculation of the annual capacity of the existing providers inpatient and outpatient OR’s in a planning area. Bel-Red Center is located in East King County. To determine the ZIP codes associated with East King County, the department relied on the map and breakdown of ZIP codes identified in the 1980 State Health Plan for East King County. While the State Health Plan was sunset in 1989, for some projects, it continues to be a reliable tool. The department continues to use the ZIP codes listed by planning area as a starting point for determining ASF planning area ZIP codes.

For ASF planning areas, the state health plan identifies 21 East King County ZIP codes.⁶ When the 21 ZIP codes are charted on a King County ZIP code map, inclusion of another 10 ZIP codes appears reasonable based on the geographic location of the zip codes.

Table 1 below shows the zip codes and associated cities for the 31 ZIP codes associated with East King County. [source: State Health Plan and Washington State geographic map of King County]

**Department’s Table 1
East King County Planning Area Zip Codes**

ZIP Codes From State Health Plan		ZIP Codes Added Based on Geography	
ZIP Code	City by ZIP Code	ZIP Code	City by ZIP Code
98004	Bellevue	98077	Woodinville
98005	Bellevue	98053	Redmond
98006	Bellevue	98074	Sammamish
98007	Bellevue	98075	Sammamish/Issaquah
98008	Bellevue	98029	Issaquah/Sammamish
98009	Bellevue	98034	Kirkland
98011	Bothell	98224	Baring
98014	Carnation	98288	Skykomish
98019	Duvall	98029	Issaquah
98024	Fall City	98034	Kirkland
98027	Issaquah		
98028	Kenmore/Bothell		

⁶ Included in the State Health Plan ZIP codes for East King County is zip 98026, for a total of 22 zip codes. ZIP code 98026 is designated for the city of Edmonds within Snohomish County and it will not be included in the East King County ZIP codes.

ZIP Codes From State Health Plan		ZIP Codes Added Based on Geography	
ZIP Code	City by ZIP Code	ZIP Code	City by ZIP Code
98033	Kirkland/Redmond		
98039	Medina		
98040	Mercer Island		
98045	North Bend		
98050	Preston		
98052	Redmond		
98065	Snoqualmie		
98068	Snoqualmie		
98072	Woodinville		

According to the department’s historical records, there are 49 planning area providers including the applicants – with OR capacity. Of the 49 providers, four are hospitals and 45⁷ are ASFs. Table 2 shows a listing of the four hospitals. [source: ILRS database]

**Department’s Table 2
East King County Planning Area Hospitals**

Hospitals	City/Zip
Evergreen Health	Kirkland/98034
Overlake Hospital Medical Center	Bellevue/98004
Snoqualmie Valley Hospital	Snoqualmie/98065
Swedish Medical Center – Issaquah	Issaquah/98029

For the four hospitals, all known OR capacity and inpatient/mixed-use procedures are included in the methodology calculations for the planning area.

There is no mandatory reporting requirement for utilization of ASFs or hospital ORs, the department sends an annual utilization survey to all hospitals and known ASFs in the state. When this application was submitted in February 2019, the most recent utilization survey was mailed in June 2018 and it collected data for year 2017. Not all providers submitted responses. The data provided in the utilization survey is used, if available. Of the four hospitals located in the planning area, Swedish Medical Center—Issaquah is the only hospital that provided a survey response; the other three hospitals did not complete and submit the 2018 Annual Ambulatory Surgery Provider Survey.

Table 3 below contains a listing of the 45 ASFs in the east King County planning area. [source: ILRS database]

**Department’s Table 3
East King County Planning Area Ambulatory Surgery Centers**

Ambulatory Surgery Centers	City/ZIP
Aesthetic Facial Plastic Surgery	Bellevue/98004
Aesthetic Physicians dba SonoBello	Bellevue/98004

⁷ Evergreen Surgical ASC relinquished its CN on 2/3/17, John H. Brunzman, MD, ASC is closed; Plastic Surgery Northwest closed on 6/24/15; Sammamish Center for Facial Plastic Surgery closed on 7/25/17; and Washington Urology Associates closed on 11/9/15.

Ambulatory Surgery Centers	City/ZIP
Aesthetic Eye Associate, PS	Kirkland/98033
Allure Laser Center	Kirkland/98033
Anderson Sobel Cosmetic Surgery	Bellevue/98004
Athenix Body Sculpting Institute	Bellevue/98005
Aysel Sanderson, MD	Kirkland/98033
Bellevue Plastic Surgery Center	Bellevue/98004
Bellevue Spine Specialists	Bellevue/98005
Bellevue Surgery Center	Bellevue/98009
Bel-Red ASC	Bellevue/98004
Center for Plastic Surgery	Bellevue/98004
Cosmetic Surgery and Dermatology of Issaquah	Issaquah/98027
Eastside Endoscopy Center-Bellevue site*	Bellevue/98004
Eastside Endoscopy Center-Issaquah site*	Issaquah/98027
Eastside Surgery Center	Issaquah/98027
Egrari Plastic Surgery Center	Bellevue/98004
Evergreen Endoscopy Center*	Kirkland/98034
Evergreen Surgical Clinic ASC	Kirkland/98034 ⁸
Gaboriau Center	Sammamish/98074
Group Health Cooperative Bellevue Endoscopy	Bellevue/98004
Naficy Plastic Surgery and Rejuvenation Center	Bellevue/98004
Northwest Center for Aesthetic Plastic Surgery	Bellevue/98004
Northwest Laser and Surgery Center	Bellevue/98005
Northwest Nasal Sinus Center	Kirkland/98033
Overlake Reproductive Health, Inc.	Bellevue/98004
Overlake Surgery Center	Bellevue/98004
Pacific Cataract and Laser Institute-Bellevue	Bellevue/98004
Proliance Eastside Surgery Center	Kirkland/98034
Proliance Highlands Surgery Center	Issaquah/98029
Pro Sports Club	Bellevue/98007
Redmond Ambulatory Surgery Center, LLC	Redmond 98034
Remington Plastic Surgery Center	Kirkland/98034
Retina Surgery Center	Bellevue/98004
Seattle Children's-Bellevue	Bellevue/98004
SoGab Surgery Center	Kirkland/98033
Stern Center for Aesthetic Surgery	Bellevue/98004
Valley Day Surgery ASC	Bellevue/98055
Valley Covington ASC	Covington/98042
Valley MAC ASC	Bellevue/98055
Virginia Mason-Bellevue Endoscopy*	Bellevue/98004
Virginia Mason-Issaquah Endoscopy*	Issaquah/98027
Washington Institute Orthopedic Center	Kirkland/98034
Yarrow Bay Plastic Surgery Center	Kirkland/98033

⁸ Evergreen Surgical ASC relinquished its CN on 2/3/2017

Of the 45 ASFs shown above, four are endoscopy facilities (designated with an asterisk). The numeric methodology deliberately excludes the OR capacity and procedures from the calculations.⁹ As a result, neither the ORs nor the procedures of the four facilities will be counted in the numeric methodology.¹⁰

For the remaining 41 ASFs, 26 are located within a solo or group practice (considered a Certificate of Need-exempt ASF) and the use of these ASFs is restricted to physicians that are employees or members of the clinical practices that operate the facilities. Therefore, these 26 facilities do not meet the ASF definition in WAC 246-310-010. For Certificate of Need-exempt ASFs, the number of cases, but not ORs, is included in the methodology for the planning area.

The remaining 15 ASFs are Certificate of Need-approved facilities.¹¹ For these ASFs, both the ORs and the number of cases are counted in the numeric methodology.

In summary, data will be used for 26 Certificate of Need-exempt ASFs and 15 Certificate of Need-approved ASFs. If a facility does not complete and return a utilization survey, then the other data source that can be used is the department's internal database known as the Integrated Licensing and Regulatory System (ILRS). Consistent with WAC 246-330-100(2), licensed ambulatory surgical facilities must submit to the department an annual update form. The data provided in the annual update includes the number of ORs and the approximate number of procedures performed at the facility during the year. This data is updated in ILRS as it is received. The department uses the listed number of surgical procedures and multiplies that number by 50 minutes to calculate the total number of surgical minutes at the facility.¹²

The data points used in the department's numeric methodology are identified in Table 4. The methodology and supporting data used by the department is provided in the attached Appendix A with this evaluation.

⁹ WAC 246-310-270(9)(iv).

¹⁰ The five facilities are Eastside Endoscopy-Bellevue; Eastside Endoscopy-Issaquah; Evergreen Endoscopy Center; Virginia Mason-Bellevue; and Virginia Mason-Issaquah.

¹¹ Bel-Red Ambulatory Surgical Facility [CN#1485]; Eastside Surgery Center [CN#1462]; Evergreen Surgical Center [under Evergreen Health HAC license]; Evergreen Health Ambulatory Surgical Care [CN#1549]; Northwest Nasal Sinus Center [CN#1250]; Overlake Surgery Center [CN#1192]; Proliance Eastside Surgery Center [CN#1342]; Proliance Highlands Surgery Center [CN#1567]; Redmond Ambulatory Surgery Center, LLC [CN#1573]; Retina Surgery Center [CN#1603]; and Seattle Children's ASC [CN# 1395]. On October 9, 2018, the department approved the application submitted by Virginia Mason Medical Center to establish 5 ORs; On January 4, 2019, the department issued CN#1763 to Pro Sports Club; On February 26, 2019, the department issued CN#1767, CN #1768, and CN#1769 to Valley Medical Center.

¹² If unknown, WAC 246-310-270(9)(a)(ii) identifies a default of 50 minutes per surgery.

**Department's Table 4
Department's Methodology Assumptions and Data**

Assumption	Data Used
Planning Area	East King County
Population Estimates and Forecasts	Age Group: 0-85+ Claritas Population Data released year 2017: Year 2022 – 826,149
Use Rate	Divide calculated surgical cases by 2022 population results in the service area use rate of 118.176/1,000 population
Year 2018 Total Number of Surgical Cases	26,764 – Inpatient or Mixed-Use; 64,324 – Outpatient 91,088 – Total Cases
Percent of surgery: ambulatory vs. inpatient	Based on DOH survey and ILRS data: 70.62% ambulatory (outpatient); 29.38% inpatient
Average minutes per case	Based on DOH survey and ILRS Data: Outpatient cases: 56.56minutes Inpatient cases: 104.33 minutes
OR Annual capacity in minutes	106.14 outpatient surgery minutes; 60.00 inpatient or mixed-use surgery minutes (per methodology in rule)
Existing providers/ORs	Based on listing of East King County Providers: 57 dedicated outpatient ORs 39 mixed use ORs
Department's Methodology Results	Surplus mix-used OR's 4.44

As noted in the table above, the numeric methodology calculates a surplus of ORs in the east King planning area. Typically, this section of the evaluation includes a discussion of the differences between the applicant's and the department's numeric methodology. Give that Bel-Red Center did not update its methodology to include current 2017 data, the department considers its methodology to be more reliable for this project.

Based on the assumptions described in Table 4, the department's numeric methodology by itself, projects a surplus of 4.44 outpatient ORs in east King County for projection year 2022. However, WAC 246-310-270(4) allows approval of additional ORs in a planning area absent numeric need. Below is a review of the information provided by the applicant under this sub-criterion.

WAC 246-310-270(4)

Outpatient operating rooms should ordinarily not be approved in planning areas where the total number of operating rooms available for both inpatient and outpatient surgery exceeds the area need.

Bel-Red Center

To support approval of this project Bel-Red Center provided the following information. [source: Application, p8 and p10]

“The BRASF application for expanded services will not add outpatient ambulatory surgery operating rooms in the East King County Secondary Health Planning Area thus not changing population to OR ratio. Expanding services in an established ASC will enable BRASF to offer a wider range of necessary surgical services in a cost-efficient manner without the additional expense of building new operating rooms or purchasing new equipment which would otherwise be necessary to accommodate additional surgical procedures.

The 2017 patient origin data for Bel-Red Ambulatory Surgical Facility, detailed in Table 13 below, demonstrates that 76% of patients resided in the East King secondary service area. Another 20% came from other nearby and adjacent planning areas of King and Snohomish Counties.”

Applicant’s Table 13 Recreated

Service Area	Percentage of Patients
East King	76%
Southeast King	10%
Central King	6%
Southwest Snohomish	4%
Other	4%
Total	100%

Focusing on the projected population for east King County, Bel-Red Center provided the following statements. [source: Application, pp9-10]

“The population data for East King in Table 12 below, demonstrates that the total 2015 population of approximately 660,229 continues to grow, and is expected increase by 6.8% by 2020. The largest growth will occur in the age 45-84 cohorts. These combined age cohorts are expected to add another 39,530 residents (nearly 32%) over the next three years. The data from the OFM King County Population Projection through 2030, (Exhibit J), similarly shows an increase in the 45 to 85 population of 31% in the same time period. This population increase is in the population segment of higher health care utilization, for both functional and cosmetic surgery.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Bel-Red Center provided data and population statistics intended to demonstrate that approval of this project is necessary absent numeric need. First, Bel-Red Center points out that the surgery center currently operates with two ORs and this project does not request an increase in ORs at Bel-Red ASF. The department concurs that the number of ORs would not increase at the surgery center. As a result, the sub-criterion in WAC 246-310-270(4) is met because no ORs are added in the planning area.

Focusing on the population statistics, Bel-Red Center provided population data for King County as a whole obtained from the Office of Financial Management. This data demonstrates a projected

increase in population for King County. For east King County, population data obtained from the data source known as ‘Claritas.’ This data source breaks down county populations by ZIP code. This data is imperative to sub-county numeric methodologies, such as the ASF methodology used in this review. The Claritas data provided for east King County substantiates Bel-Red Center’s assertion of a projected increase in population for the planning area.

This project proposes to expand services available at the surgery center. Currently, Bel-Red ASF is approved to provide cosmetic, plastic, and ENT surgical services. Additional services to be provided include general surgery, bariatric surgery, podiatry, orthopedic, urologic, gynecological, gastroenterology, oral and maxillofacial, ophthalmologic, and pain management surgical services. [source: Application, p4]

During the review of this project, the department did not receive any comments from other providers in the planning area indicating that approval of project would negatively affect existing providers.

Base on the information provided in the application, the department concludes that without adding ORs to the planning area, Bel-Red Center demonstrated that this project is allowable absent numeric need. **This sub-criterion is met.**

WAC 246-310-270(6)

WAC 246-310-270(6) requires a minimum of two ORs in an ASF.

Bel-Red Center

Bel-Red ASF currently operates two ORs. This project does not propose to increase the number of ORs. [source: Application p5]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

WAC 246-310-270(6) requires a minimum of two ORs in an ASF. Bel-Red ASF is currently operating with two OR’s. **This standard 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 policy, willingness to serve Medicare patients, 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 any 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. It is also well recognized that women live longer than men do and therefore more likely to be on Medicare longer.

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 under insured. 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. Specific to ASFs, WAC 246-310-270(7) requires that ASFs shall implement policies to provide access to individuals unable to pay consistent with charity care levels reported by the hospitals affected by the proposed project.

Bel-Red Center

Bel-Red Center provided copies of the following policies.

- Non-Discrimination Policy [source: Application, Exhibit L]
- Charity Care Policy [source: Application, Exhibit M]

Public Comment

None

Rebuttal Comment

None

Department Evaluation

Bel-Red Center provided two policies currently in use at the surgery center. The Non-Discrimination Policy provides guidance for both patients and staff to ensure compliance with the Federal Civil Rights Act of 1964¹³ and Section 504 of the Rehabilitation Act of 1973.¹⁴ This policy includes the required non-discrimination language restated below.

“The facility employs and provides without distinction services to all persons regardless of race, creed, color, ethnic origin, nationality, sex, handicap, age, or affiliation with fraternal or religious organizations. The facility also provides wheel access for the handicapped. This policy applies to all patients, employment opportunities, professional staff applicants, visitors and Governing Board memberships.”

¹³ The Civil Rights Act of 1964 is the nation's premier civil rights legislation and outlaws discrimination on the basis of race, color, religion, sex, or national origin, required equal access to public places and employment, and enforced desegregation of schools and the right to vote.

¹⁴ Section 504 of the 1973 Rehabilitation Act was the first disability civil rights law to be enacted in the United States. It prohibits discrimination against people with disabilities in programs that receive federal financial assistance, and set the stage for enactment of the Americans with Disabilities Act. Section 504 works together with the ADA and IDEA to protect children and adults with disabilities from exclusion, and unequal treatment in schools, jobs, and the community.

Bel-Red Center states that this policy will continue to be used if this project is approved.

The Charity Care Policy is also currently used at the surgery center. It provides the eligibility requirements and the process one must use to access charity care. The policy also includes the most recent federal poverty level guidelines, and a blank Financial Assistance Application form. This policy will also continue to be used if this project is approved.

Medicare and Medicaid Programs

Bel-Red Center is currently Medicare certified and holds an active Washington State ASF license. The Medicare provider number and Washington State license number are below:

Medicare Provider Number:	50-C000125
Medicaid Provider Number:	1851486195
Washington State License Number:	ASF.FS.60102983

Bel-Red Center also included a table showing the current and projected sources of revenues at the surgery center. The percentages are shown in the table below. [source: Application, p6]

**Department’s Table 5
Current and Projected Payer Mix**

Payer Source	Current Percentage	Projected Percentage
Medicare	2.0%	5.0%
Medicaid	0.0%	1.0%
Commercial	20.0%	25.0%
Private Pay / Other	78.0%	69.0%
Total	100.0%	100.0%

Noted in the table, the Medicaid payer mix is very low. It increases from zero for current payer mix to 1.0% in the projected payer mix. The Medicare payer mix is also lower than typically seen in CN applications for ASFs. In response to the department’s inquiry about the low Medicaid and Medicare percentages for payer mix, Bel-Red Center provided the following clarification. [source: May 21, 2019, screening response, pdf3]

Medicaid

“The types of procedures performed, cosmetic procedures, are not covered by Medicaid and therefore do not appear in the payer mix in the same proportion as the Medicaid King County population.”

Medicare

“The types of procedures performed, cosmetic procedures, are not covered by Medicare and therefore do not appear in the payer mix in the same proportion as the Medicare King County population. The procedures which are performed on the Medicare population at BRASF include functional eye lid procedures for limited visual field. These, in certain instances, are covered by Medicare.”

Based on the explanation above, the department concludes that approval of this project has the potential to increase the availability and accessibility of services to the Medicare and Medicaid populations of east King County.

WAC 246-310-270(7)

WAC 246-310-270(7) requires that ASFs shall implement policies to provide access to individuals unable to pay consistent with charity care levels reported by the hospitals affected by the proposed ASF. For charity care reporting purposes, Washington State is divided into five regions: King County, Puget Sound, Southwest, Central, and Eastern. Bel-Red ASF is located in Bellevue within the King County Region. Currently, there are 23 hospitals operating in the region. Of those, four are located within the east King County secondary health services planning area. The four hospitals are: EvergreenHealth in Kirkland, Overlake Medical Center in Bellevue, Providence Swedish Issaquah Campus in Issaquah, and Snoqualmie Valley Hospital in Snoqualmie.

To demonstrate compliance with this sub-criterion, Bel-Red ASF states:

“In Exhibit P the Net Income for the last three years is the net revenue. Since we do not receive any income from charity patients the amount of charity care was not included in the Net Income because there is no income from charity care and thus does not contribute to income. The Charity Care provided to patients with no insurance.

Applicant’s Information Recreated

Year	Amount	Type of Surgery
Year 2015	\$1,661	Ear scar
	\$7,100	Breast reduction
Total Charity Care 2015	\$8,761	Percentage =2.0%
Year 2016	\$3,425	Post-cancer reconstruction
	\$1,300	Parotid tumor
Total Charity Care 2016	\$4,725	Percentage =0.8%
Year 2017	\$1,563	Nasopharyngeal tumor
	\$6,850	Post-cancer reconstruction
Total Charity Care 2017	\$8,413	Percentage = 1.4%

[source: May 21, 2019, screening response, pdf5]

Within the application, Bel-Red Center projected that the surgery center will provide charity care at 1.14% of total revenue and 1.21% of adjusted revenue. For this project, the department reviewed the most recent three years of charity care data for the 22 hospitals operating within the King County Region and focused on the four potentially affected acute care hospitals located in east King County. The three years reviewed are 2016, 2017, and 2018.

Table 6 below is a comparison of the historical average charity care for the King County Region as a whole, the combined historical average of charity care provided by the four hospitals within the east King County planning area, and the projected charity care to be provided at Bel-Red ASF. [source: Community Health Systems Charity Care 2016-2018 and Application, Exhibit B]

Department's Table 6
Department's Three Year Average—Charity Care

	% of Total Revenue	% of Adjusted Revenue
3-year King County Region	1.02%	2.25%
3-year East King County Hospitals	0.77%	1.54%
Bel-Red Ambulatory Surgery Center	1.14%	1.21%

As shown above, the three-year regional average proposed by Bel-Red Center for the surgery center is higher than the regional average for total revenue and lower for adjusted. Focusing on the combined average of the four hospitals operating in the east King County, Bel-Red Center's surgery center proposes higher than the total revenue and lower than the adjusted revenue. If this project is approved, the department would attach a condition requiring Bel-Red ASF to provide charity care consistent with the charity care percentages projected in its application or the regional average, whichever is greater.

A second charity care condition would be attached to the approval requiring the applicant to maintain records of charity care applications received and the dollar amount of charity care discounts granted. The department would require that charity care records be kept on site at Bel-Red Center. With the applicant's agreement to the conditions, the department concludes **this sub-criterion is met.**

- (3) *The applicant has substantiated any of the following 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 no 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 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.*

Department Evaluation

This 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 criterion is not applicable to this application.

B. FINANCIAL FEASIBILITY (WAC 246-310-220)

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department concludes that Bel-Red Ambulatory Surgical Facility 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.

Bel-Red Ambulatory Surgical Facility

For this project, Bel-Red Center proposes to increase the types of surgeries beyond the current surgeries of cosmetic, plastic and ENT. The proposed utilization of the surgery center is shown in the applicant’s table below. [source: Application Exhibit D]

Procedures Currently Performed	Number of Procedures					
	CPT	2018	2019	2020	2021	2022
Abdominoplasty	15847	56	59	61	62	62
Rlepharoplasty	15820,2	39	41	43	43	44
Brachioplasty	15836	9	10	11	12	12
Fat grafting	20926	28	30	31	33	35
Labioplasty	56620	3	4	4	4	4
Liposuction, SmartLipo Triplex	15877	66	70	72	75	78
Mammaplasty, augmentation	19325	64	69	71	73	76
Mastopexy	19316	11	12	14	15	15
Mentoplasty	21120	5	5	6	6	7
Functional nasal surgery	30465, 30520	20	25	26	27	28
Reduction mammoplasty	19318	32	33	34	35	36
Rhinoplasty	30410	33	35	37	39	40
Rhytidectomy	15829	18	22	24	25	27
Sinusectomy	31255	13	14	14	15	15
Unspecified procedures	--	5	5	6	6	6
		402	434	454	470	485
Projected Utilization of New Services						
Aspire bariatric	No CPT	0	4	6	8	10
Capsulotomy, metatarsphalangeal	28270	0	2	4	5	6
Correction, hallux valgus	28290	0	2	4	5	6
Injections	20552	0	4	5	6	8
Intra gastric balloons	No CPT	0	2	4	6	6
Laparoscopy, surgical, gastric restrictive procedure	43770	0	1	2	3	4
Laparoscopy, longitudinal gastrectomy (ie.sleeve)	43775	0	1	2	3	4
Tendon sheath incision	26055	0	2	5	6	6
Urethropexy, vesicle neck suspension	51840,5	0	3	5	7	8
Unlisted procedure	43999	0	1	1	2	2
		22	38	51	60	
Total		402	456	492	521	545

Bel-Red Center also provided a description of the types of procedures it includes in ‘general surgery.’
“General surgical procedures include umbilical hernias, open inguinal hernia, varicose vein stripping treatment.” [source: May 21, 2019, screening response, p3]

To support the projected number of procedures shown in the table, Bel-Red Center provided the following statements. [source: May 21, 2019, screening response, p4]

“The basis for growth estimates is a combination of the increased services offered along with the approximate 30% growth in the 45-85 age cohort. It was estimated that growth would increase most in the first years of expansion and settle to about 5% if no additional providers were added and if the facility reached capacity.”

With the expanded services, Bel-Red Center does not intend to change current referral patterns in the planning area, and provided the following table showing the historical percentage of patients by planning area for Bel-Red ASF. [source: May 21, 2019, screening response, p4]

Applicant’s Table Recreated

Planning Area	Zip Codes	Percentage of Patients
East King	98004, 98005, 98052, 98034, 98027, 98056	76.0%
Southeast King	98002, 98042, 98032, 98038, 98032, 98023	10.0%
Central King	98145, 98134, 98132, 98131, 98102	6.0%
Southwest Snohomish	98201, 98294, 98272, 98292	4.0%
Other	98204 98558, 98391, 98844, 98023	4.0%
Total		100.0%

The assumptions Bel-Red Center used to project revenue, expenses, and net income for the surgery center with two ORs for the projection years are below. [source: May 21, 2019, screening response, p3 and Application Exhibit B]

Revenue

- Current gross and net revenue were used; adjusted for increases in volume.
- Charity care assumed to be 1.3% of gross revenue at current levels (2018).
- Bad debt assumed to be 1% of gross revenue
- Bel-Red Center used the existing payer mix at the surgery center for a baseline, and then conferred with surgeons that have expressed intent to use the facility. Bel-Red Center did assume less commercial insurance (reduction from 78% to 69%) to account for the increase in self pay.

Expenses

- Inflation was not included in any operating expense forecasts.
- Salaries and wages are based on actual labor costs for Bel-Red ASF.
- Employee benefits, payroll taxes were based on Bel-Red ASF’s current rates.
- There is no separate cost for medical director expenses because the owner of both the practice and the surgery center, Jan Zemplyni, MD is the medical director.

- Equipment Lease and Maintenance: Equipment lease and maintenance costs were based on actual percent of revenue experience historically for Bel-Red Center.
- Bel-Red Center provided a copy of the executed Office Lease Agreement in use for the surgery center. The agreement is between Bel-Red Center, LLC and Bel-Red Center of Aesthetic Surgery, PS. The owner of both entities is Jan Zemplyni, MD, which means the landlord and the tenant are the same entity. The costs below are substantiated in the executed lease agreement.

	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Lease Expense	\$49,580	\$51,067	\$52,599	\$54,177

- Depreciation & Amortization Expense: Depreciation is based on the following items depreciating: medical instruments, medical equipment (anesthesia machines, monitors, surgical lighting, pumps, cautery, etc.), plant improvements, furnishings, security improvements, HVAC, and signage
- Insurance: Equipment lease and maintenance costs were based on actual percent of revenue experienced historically for Bel-Red ASF.
- Information Technology (IT): Computer Processing costs were based on actual percent of revenue experience historically for Bel-Red ASF.
- Office expenses (includes supplies, publications, dues, subscriptions): Office expenses were based on actual percent of revenue experience historically for Bel-Red ASF.
- The surgery center and the clinical practice operate separately; there are no allocated costs because billing, oversight, and management are provided by the Jan Zemplyni, MD President and Eva Zemplyni, MD Vice President. There is no salary for the functions, therefore no allocated costs.
- Purchased services include: pharmacy, alarm services, laboratory services, HVAC servicing, fire and sprinkler services.
- Office Supplies and Expense: Files, labels, paper goods, furnishings (stools, chairs, white boards, filing cabinets, storage shelving),

Based on the assumptions above, Table 6 below shows the projected revenue, expenses, and net income for Bel-Red ASF.

**Department's Table 7
Bel-Red Ambulatory Surgical Facility Projected Revenue and Expenses**

	Partial Year 2019	Full Year 1 2020	Full Year 2 2021	Full Year 3 2022
Net Revenue	\$736,299	\$794,427	\$841,253	\$880,006
Total Expenses	\$521,205	\$593,091	\$629,854	\$698,780
Net Profit/(Loss)	\$215,094	\$201,336	\$211,399	\$181,226

The “Net Revenue” line item is gross patient revenue, minus deductions from revenue for contractual allowances, bad debt, and charity care. The “Total Expenses” line item includes operating expenses, including salaries and wages, benefits, insurance, rentals and leases, and depreciation.

Public Comments

None

Rebuttal Comments

None

Department Evaluation

To evaluate this sub-criterion, the department first reviewed the assumptions used by Bel-Red Center to determine the projected number of procedures and utilization at Bel-Red ASF. The majority of the volumes is driven from current utilization of the surgery center. For the new procedures, Bel-Red Center provided assumptions based on actual utilization to determine the number of procedures. The department concludes that Bel-Red Center’s utilizations assumptions and projections are reasonable and practical.

Bel-Red Center based its revenue and expense assumptions on actual historical figures and current contracts, leases, and experience of the surgery center. This approach is both prudent and reasonable.

The historical financial statements provided in the application demonstrate the Bel-Red ASF’s revenues have historically covered expenses. The pro forma financial statements show revenues continue to exceed expenses beginning in partial year 2019 through full year three-2022.

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

Bel-Red Ambulatory Surgical Facility

The applicant provided the following statements related to this sub-criterion. [source: Application, p13]

“No proposed capital expenditures, Bel-Red Ambulatory Surgical Facility is already fully built out and no equipment acquisition is anticipated since the necessary equipment has been gradually acquired over the last five or so years. There is no additional costs are required and operational costs will be covered in the same manner as the last decade when BRASF has operated in a fiscally responsible manner.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

There is no capital expenditure associated with this project. This sub-criterion is not applicable to this application.

(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 is no capital expenditure associated with this project. This sub-criterion is not applicable to this application.

C. STRUCTURE AND PROCESS (QUALITY) OF CARE (WAC 246-310-230)

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department concludes that Bel-Red Ambulatory Surgical Facility met the applicable structure and process (quality) 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 [full time equivalents] 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.

Bel-Red Ambulatory Surgical Facility

Bel-Red Center provided the current and projected FTEs (full time equivalents) for Bel-Red ASF as shown in Table 7 below. [source: Application, p14]

**Department’s Table 8
Bel-Red ASF Current and Proposed Staffing**

FTE	Partial Year 2019	Year 1 - 2020 Increase	Year 2 - 2021 Increase	Year 3 - 2022 Increase	Total FTEs
Medical Director	1.00	0.50	0.00	0.00	1.50
Registered Nurses	2.50	0.50	0.50	0.00	3.50
Scrub/Technicians	1.00	0.50	0.00	0.50	2.00
Registration/Receptionist	0.75	0.00	0.25	0.00	1.00
Technician/Sterilization	0.50	0.00	0.25	0.00	0.75
Total All FTEs	5.75	1.50	1.00	0.50	8.75

Bel-Red Center provided the following information regarding recruitment and retention of staff for the surgery center. [source: Application, p14 and May 21, 2019, screening responses p]

“The existing surgical center currently has sufficient staff to serve our surgical volume. A surgical volume increase can be accommodated by increasing hours of current part-time nursing staff. Additionally, we have a list of available RN nurses who have worked with cosmetic patients to accommodate future need. More healthcare workers will be hired either on a full-time or part-time basis as the volume of patients using BRASF increases.”

The expanded services involved procedures of shorter duration, requiring less time. Podiatric, pain management procedures, balloon procedures, endoscopic procedures are shorter than most plastic surgery procedures and thus do not require as large a staffing increase as would an equal increase in the number of lengthier plastic surgery procedures.

The process of recruitment and retention of necessary staff will be based on the success of our historical factors. Our staff is recruited from recommendations of friends and acquaintances of current employees, as well as advertising in such media as Indeed. Staff is retained by providing competitive salary and benefits.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

As shown above, Bel-Red ASF already has the majority of its necessary staff in place. Since this project proposes to expand the types of services provided at the center, but not the ORs, a small amount of additional staff is necessary. Bel-Red Center provided its strategies it has successfully used to recruit and retain additional staff as its volumes have increased.

Information provided in the application demonstrates that Bel-Red Center and Bel-Red ASF are both well-established providers of healthcare services in east King County. Based on the information provided in the application, the department concludes that Bel-Red Center has the ability to recruit and retain the necessary staff for the surgery center. **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(2) as identified in WAC 246- 310-200(2)(a)(i). There are also no known recognized standards as identified in WAC 246- 310-200(2)(a)(ii) and (b) that directs what relationships, ancillary and support services should be for a project of this type and size. Therefore, using its experience and expertise the department assessed the materials contained in the application.

Bel-Red Ambulatory Surgical Facility

The applicant provided the following statements regarding this sub-criterion. [source: May 21, 2019, screening responses p5]

“No change in ancillary services is projected at this time. BRASF will continue using janitorial, medical waste services, pathology laboratory services, HVAC services, equipment maintenance and inspection, and fire alarm services.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Bel-Red Center has been located in east King County for many years and Bel-Red ASF has been operating in the planning area for approximately five years as a CN approved facility. All necessary ancillary and support services already exist and will be available with the expanded services. Bel-Red Center does not expect the existing ancillary and support agreements to change as a result of this project.

Based on the information reviewed in the application, the department concludes that there is reasonable assurance that Bel-Red Center will continue to maintain the necessary relationships with ancillary and support services for Bel-Red ASF if this project is approved. **This sub-criterion is met.**

- (3) *There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and, if the applicant is or plans to be certified under the Medicaid or Medicare program, with the applicable conditions of participation related to those programs.*

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.

Bel-Red Ambulatory Surgical Facility

Bel-Red Center provided the following statements for this sub-criterion. [source: Application, p15]

“BRASF operates as a Medicare-certified, state-licensed ASC. Our procedures in place are in compliance with the above. No such history exists.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

As a part of this review, the department must conclude that the proposed services provided by an applicant would be provided in a manner that ensures safe and adequate care to the public.¹⁵ To accomplish this task, the department reviewed the quality of care and compliance history for Bel-Red ASF and the medical professionals currently associated with either the practice or the surgery center. If additional staff have been identified, the quality of care and compliance history of new staff is also reviewed.

CMS Survey Data

The only licensed facility operated by Bel-Red Center for Aesthetic Surgery, PS is the surgery center known as Bel-Red ASF, therefore this is the only facility that the department can use to gauge

¹⁵ WAC 246-310-230(5)

compliance with this sub-criterion. Bel-Red ASF currently participates in both Medicare and Medicaid programs.

For years 2015 through 2019, Bel-Red ASF was surveyed twice. Surveys were completed in August 2016 and October 2017. The October 2017 survey resulted in seven condition-level deficiencies that required plans of correction and two follow up surveys.¹⁶ On May 2018, Bel-Red ASF was determined to be in compliance with both state and federal requirements. [source: ILRS and Aspen data from OHSO]

The department also reviewed the compliance history of the physicians and other staff associated with the Bel-Red Center or Bel-Red ASF. The table below shows the known staff identified in the application. [source: DOH Provider Credential Search]

**Department’s Table 8
Bel-Red ASF Current Staff**

Name	Credential Number	License Status	Comments
Jan Zempenyi	MD00024917	Active	Owner & physician
Kristine Daher	RN60450166	Active	Director of Nursing
Stacy Pelroy	ST60405260	Active	Surgical Technician
Terri Frisbie	RN00112834	Active	Registered Nurse
Alexandra King	RN60756911	Active	Registered Nurse
Samantha Acheson	RN60859042	Active	Registered Nurse
U-sa Somboonoo	RN60432573	Active	Registered Nurse
Allyn Wilcock	AP30006926	Active	Advanced RN Practitioner Anesthetist License
Rikesh Parikh	MD60540348	Active	Physician and Surgeon
Bryan McIntosh	MD60123704	Active	Physician and Surgeon
Angie Song	MD60136134	Active	Physician and Surgeon
AJ Amadi	MD00039588	Active	Physician and Surgeon
Maaan Salloum	MD00016874	Active	Physician and Surgeon
Amir Shakouripartovi	MD60611578	Active	Physician and Surgeon
Amit Bhrany	MD00048531	Active	Physician and Surgeon
Nicholas Flugstad	MD60544566	Active	Physician and Surgeon
Robert Dragotti	OP60528179	Active	Physician and Surgeon
Myur Srikanth	MD00033726	Active	Physician and Surgeon
Serge Balam	PO00000798	Active	Podiatric Physician and Surgeon
William Bullis	MD60033065	Active	Physician and Surgeon

As shown above, all current staff associated with Bel-Red Center or Bel-Red ASF have active credentials. The department did not find any restrictions on the above listed licenses within the last three years. Based on the information above, the department concludes that Bel-Red Center demonstrated reasonable assurance that the surgery center would continue to operate in compliance with state and federal requirements if this project is approved. **This sub-criterion is met.**

¹⁶ Follow up surveys conducted in January 2018 and May 2018.

- (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 direct 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.

Bel-Red Ambulatory Surgical Facility

In response to this sub-criterion, Bel-Red Center provided the following statements and documents. [source: Application, p15 and Exhibit S]

“Continuity of service will be maintained with more specialized services being made available in one location with the availability specialized surgical equipment and sub-specialty staff at one site. BRASF has had a transfer agreement with Overlake Hospital for the past twelve years and continues with that agreement.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Information in the application demonstrates that Bel-Red ASF is a long-time provider of outpatient surgical services, and it has the infrastructure in place to expand the types of surgeries in the planning area. No letters of opposition were submitted for this project.

Bel-Red Center provided information within the application to demonstrate it intends to continue existing relationships, and that these relationships are adequate to support the increase in services to be provided. This includes the executed transfer agreement with Overlake Hospital located in Bellevue, within east King County.

Based on the information provided in the application, the department concludes there is reasonable assurance that approval of this this project would 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.

This sub-criterion is addressed in sub-section (3) above and **is met for this application.**

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 concludes that Bel-Red Center for Aesthetic Surgery, PS 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, in step two, the department 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 in Step three. The superiority criteria are objective measures used to compare competing projects and Page 187 of 209 make the determination between two or more approvable projects which is the best alternative. If WAC 246-310 does not contain any service or facility type superiority criteria as directed by WAC 246-310-200(2) (a)(i), then the department would use WAC 246-310-240(2)(a)(ii) and (b) for criteria to make the assessment of the competing proposals. If there are no known recognized standards as identified in WAC 246-310-200(2)(a)(ii) and (b), then using its experience and expertise, the department would assess the competing projects and determine which project should be approved.

Step One

Bel-Red Center's application met the applicable review criteria under WAC 246-310-210 through 230. The application will be evaluated further under Steps Two and Three.

Step Two

Bel-Red Center explored the following two options. [source: Application, p16]

- Not applying for a CN expansion
- Sending expanded surgical procedures to other surgical facilities

Below is the discussion of the two options provided by Bel-Red Center.

“Alternative 1: Not applying for CoN expansion:

The considered advantages of not pursuing the CoN expansion project are:

a. Savings of time and cost of the CoN application process.

The considered disadvantages of not pursuing CoN expansion are:

a. Inability to use available existing facility and equipment at no additional cost.

b. Not providing needed surgical services in the East King County Area.

Alternative 2: Sending expanded surgical procedures to other surgical facilities:

The considered advantages of sending expanded procedures to outside facilities.

a. There are no advantages to not performing the additional procedures at BRASF

The considered disadvantages of sending expanded procedures to outside facilities.

- a. *Not using efficiencies of scale with already available equipment and staff to meet existing surgical needs.*
- b. *Not using existing operating room capacity*
- c. *Inconvenience to patients and surgeons who would not be able to perform necessary procedures at the same time in one location.”*

In summary, Bel-Red Center provided the advantages and reasons it applied for the expansion of services at Bel-Red ASF. [source: Application p16]

- *“The facility already owns specialized state-of-the-art equipment thus not requiring increased capital expenditure.*
- *BRASF has the capacity with current operating rooms and staff to accommodate increased use.*
- *Efficiency-of-scale applicable to use the specialized equipment by surgeons who do not have access to such equipment.*
- *Ability of existing qualified staff to expand and diversify the services which they are able and qualified to perform in one facility.*
- *Private and convenient setting for patients.”*

Public Comments

None

Rebuttal Comments

None

Department Evaluation

Bel-Red Center provided sound rationale for foregoing the “no project” option. Focusing on the planning area, information provided in the application demonstrates that Bel-Red Center’s project is the best alternative based on efficiency and costs. Providing expanded services at an existing, well-established surgery center also improves access to services for residents of the planning area.

The department did not identify any other alternatives that that would be considered superior based on cost, efficiency, or effectiveness that is available or practicable for Bel-Red Center. **This sub-criterion is met.**

Step Three:

This step is applicable only when there are two or more approvable projects. This step does not apply.

- (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 does not apply.

- (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.*

Bel-Red Ambulatory Surgical Facility

Bel-Red Center provided the following information related to this sub-criterion. [source: Application, pp16-17]

“This project proposes to expand the services in its CoN-approved to include general surgery, bariatric surgery, podiatry, orthopedic, urologic, gynecological, gastroenterology, oral and maxillofacial, ophthalmologic and pain management surgical services, in addition to the current cosmetic plastic, and otolaryngologic (ENT) surgical services.”

“General surgical procedures include umbilical hernias, open inguinal hernia, varicose vein stripping treatment. The subspecialties listed above each perform cosmetic plastic procedures. e.g. The ob-gyn and general surgeons perform abdominoplasties and breast augmentations, ophthalmology performs blepharoplasties and brow lifts, oral-maxillofacial surgeon performs face lifts, rhinoplasties. Each of the specialists has obtained additional fellowship training making him/her proficient and credentialed in the areas of the above surgical procedures.”

“Specialized lasers and other equipment for existing and proposed surgical procedures are already available and fully paid for. These are available to all qualified, credentialed and privileged surgeons in good standing who use the facility thus offering more choices for patients and contributing to overall cost containment. This, in turn, will increase patient access to procedures requiring such equipment, without duplication of acquisition of such equipment by multiple surgeons and offices. BRASF staff is already trained on the use of this instrumentation and is familiar with patient needs and care following its use. This project does not require new construction or renovation.”

Public Comments

None

Rebuttal Comments

None

Department’s Evaluation

Bel-Red Center’s project requests to expand surgical services at an existing, CN approved surgery center. The project does not require new construction or renovation. Based on information provided within the application, and evaluated under WAC 246-310-210 and 230, the department is satisfied that this project is appropriate and needed. Further, this project has the potential to improve the delivery of health services in the east King County planning area. **This sub-criterion is met.**

APPENDIX A



**APPENDIX A
ASC Need Methodology
East King County**

Service Area Population: 2022	826,149	Claritas	Age: 0-85+						
Surgeries @ 118.176/1,000:	97,631								
a.i.	94,250	minutes/year/mixed-use OR							
a.ii.	68,850	minutes/year/dedicated outpatient OR							
a.iii.	57	dedicated outpatient OR's x 68,850 minutes =		3,924,450	minutes dedicated OR capacity	65,405	Outpatient surgeries		
a.iv.	39	mixed-use OR's x 94,250 minutes =		3,675,750	minutes mixed-use OR capacity	34,631	Mixed-use surgeries		
b.i.		projected inpatient surgeries =	28,686	=	3,044,785	minutes inpatient surgeries			
		projected outpatient surgeries =	68,944	=	4,136,801	minutes outpatient surgeries			
b.ii.		Forecast # of outpatient surgeries - capacity of dedicated outpatient OR's							
		68,944	-	65,405	=	3,539	outpatient surgeries		
b.iii.		average time of inpatient surgeries		=	106.14	minutes			
		average time of outpatient surgeries		=	60.00	minutes			
b.iv.		inpatient surgeries*average time		=	3,044,785	minutes			
		remaining outpatient surgeries(b.ii.)*ave time		=	212,351	minutes			
					3,257,135	minutes			
c.i.		if b.iv. < a.iv. , divide (a.iv.-b.iv.) by 94,250 to determine surplus of mixed-use OR's USE THIS VALUE							
		3,675,750							
		- 3,257,135							
		<u>418,615</u>	/	94,250	=	4.44			
c.ii.		if b.iv. > a.iv., divide (inpatient part of b.iv - a.iv.) by 94,250 to determine shortage of inpatient OR's Not Applicable - ignore the following values and use results of c.i.							
		0							
		-	-						
		-	/	0	=	0.00			
		divide outpatient part of b.iv. By 68,850 to determine shortage of dedicated outpatient OR's							
		0	/	0	=	0.00			



**APPENDIX A
ASC Need Methodology
East King County**

Certificate of Need Applications:
CN 19-61

Facility	Credential Number	ZIP Code	Special Procedure Rooms	Dedicated Inpatient ORs	Dedicated Outpatient ORs	Mixed Use ORs	Inpatient min/case	2017 Inpatient Cases in Mixed Use ORs	2017 Inpatient Mins. In Mixed Use ORs	Outpatient Min/Case	Outpatient Cases	Outpatient Mins.	Data Source
EvergreenHealth Medical Center	HAC.FS.00000164	98034	5	0	7	8	111.9	7,341	821,606	62	6,185	385,295	Did not respond to 2018 survey; Data obtained from Year 2017 survey collecting 2016 data.
Overlake Hospital Medical Center	HAC.FS.00000131	98004	2	0	0	19	118.8	11,901	1,413,841	0	0	0	Data obtained from 2018 survey collecting 2017 data.
Snoqualmie Valley Hospital Clinics	HAC.FS.00000195	98065						ENDOSCOPY & PAIN MANAGEMENT ORS & MINUTES-NOT COUNTED				Data obtained from 2018 survey collecting 2017 data.	
Swedish Medical Center-Issaquah Campus	HAC.FS.60256001	98029	7	0	0	12	80.5	7,522	605,289				Data obtained from 2018 survey collecting 2017 data.
Aesthetic Eye Associates, PS	ASF.FS.60574719	98033	0	0	2	0	0.0	0	0	0.9	873	804	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Aesthetic Facial Plastic Surgery, PLLC	ASF.FS.60429354	98004	0	0	3	0	0.0	0	0	252.8	215	54,360	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Aesthetic Physicians dba Sono Bello	ASF.FS.60291172	98004	0	0	3	0	0.0	0	0	101.8	958	97,552	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Anderson Sobel Cosmetic Surgery	ASF.FS.60278641	98004	0	0	1	0	0.0	0	0	120.0	129	15,475	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Athenix Body Sculpting Institute	ASF.FS.60329939	98005	0	0	2	0	0.0	0	0	150.0	682	102,300	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Aysel K. Sanderson, MD, PS	ASF.FS.60101705	98033	0	0	1	0	0.0	0	0	50.0	132	6,600	Per ILRS; outpatient minutes calculated using 50 x # of cases. Data for 2018 license.
Newvue Plastic Surgery Center (Bellevue Plastic Surgery)	ASF.FS.60320007	98004	0	0	1	0	0.0	0	0	50.0	1,664	83,200	Per ILRS; outpatient minutes calculated using 50 x # of cases. Data for 2018 license.
Bellevue Interventional Spine Specialist	ASF.FS.60100993	98005						DEDICATED PAIN MANAGEMENT ORS & MINUTES NOT COUNTED-CN APPROVED				Based on ILRS database	
Bellevue Surgery Center (Wash Center for Pain Management)	ASF.FS.60287715	98004	0	0	2	0	0.0	0	0	50.0	147	7,350	Per ILRS; outpatient minutes calculated using 50 x # of cases. Data for 2018 license.
Bel-Red Ambulatory Surgical Facility	ASF.FS.60102983	98004	0	0	2	0	0.0	0	0	180.0	359	64,620	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Center for Plastic Surgery [David Stephens, MD]	ASF.FS.60134975	98004	0	0	1	0	0.0	0	0	216.1	177	38,241	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Cosmetic Surgery & Dermatology of Issaquah	ASF.FS.60100200	98027	0	0	2	0	0.0	0	0	60.0	561	33,660	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Eastside Endoscopy Center-Bellevue	ASF.FS.60100024	98004						ENDOSCOPY ORS & MINUTES NOT COUNTED-CN APPROVED					
Eastside Endoscopy Center-Issaquah	ASF.FS.60100200	98027						ENDOSCOPY ORS & MINUTES NOT COUNTED-CN APPROVED					
Eastside Medical Group LLC [Eastside Surgery Center]	ASF.FS.60477711	98027	0	0	2	0	0.0	0	0	50.0	5,027	251,350	Year 2017 data obtained from year 2018 survey. Data unlikely; outpatient minutes calculated
Egrari Plastic Surgery Center	ASF.FS.60307710	98004	0	0	1	0	0.0	0	0	122.3	338	41,344	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Evergreen Endoscopy Center	ASF.FS.60103003	98034						ENDOSCOPY ORS & MINUTES NOT COUNTED					
Evergreen Surgical Center (under HAC license)	HAC.FS.00000164	98034	2		7					64.1	5,670	363,356	Year 2015 data obtained from year 2016 survey. Minutes/surgery calculated.
Kaiser Foundation (formerly Group Health)	ASF.FS.60100954	98004	1	0	7	0	0.0	0	0	50.0	7,000	350,000	Per ILRS; outpatient minutes calculated using 50 x # of cases. Data for 2018 license.
Medical Center at PRO Sports Club	ASF.FS.60932741	98007			3								Recently Approved 3 ORs on January 2, 2019
Naficy Plastic Surgery and Rejuvenation Center	ASF.FS.60101790	98004	0	0	2	0	0.0	0	0	79.6	565	45,000	Did not respond to 2018 survey; Data obtained from Year 2017 survey collecting 2016 data.
Northwest Center for Aesthetic Plastic Surgery	ASF.FS.60101127	98004	0	0	1	0	0.0	0	0	100.0	250	25,000	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Northwest Laser and Surgery Center	ASF.FS.60277121	98005	0	0	1	0	0.0	0	0	16.9	756	12,795	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Northwest Nasal Sinus Center	ASF.FS.60118035	98033	0	0	2	0	0.0	0	0	44.9	1,681	75,462	Did not respond to 2018 survey; Data obtained from Year 2017 survey collecting 2016 data.
Overlake Reproductive Health	ASF.FS.60350164	98004	0	0	1	0	0.0	0	0	42.3	260	11,000	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Overlake Surgery Center	ASF.FS.60101029	98004	1	0	7	0	0.0	0	0	64.2	4,521	290,437	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Pacific Cataract and Laser Institute-Bellevue	ASF.FS.60101107	98004	0	0	2	0	0.0	0	0	50.0	5,315	265,750	Year 2017 data obtained from year 2018 survey. Minutes/surgery calculated.
Proliance Eastside Surgery Center	ASF.FS.60101042	98034	0	0	4	0	0.0	0	0	64.2	5,003	321,061	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Proliance Highlands Surgery Center	ASF.FS.60101051	98029	0	0	4	0	0.0	0	0	71.3	5,246	374,249	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Proliance Surgeons-The Retina Surgery Center	ASF.FS.60278648	98004	0	0	2	0	0.0	0	0	43.4	1,524	66,069	Did not respond to 2018 survey; Data obtained from Year 2017 survey collecting 2016 data.
Redmond Ambulatory Surgery Center, LLC	ASF.FS.60826603	98053	0	0	3		0.0	0	0	50.0	3,000	150,000	Per ILRS; outpatient minutes calculated using 50 x # of cases. Data for 2018 license
Remington Plastic Surgery Center	ASF.FS.60103007	98034	0	0	1	0	0.0	0	0	134.5	198	26,640	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Seattle Children's Bellevue	(under SCH license)	98004	0	0	3	0	0.0	0	0	50.0	4,870	243,500	Data obtained from Certificate of Need application, p7



**APPENDIX A
ASC Need Methodology
East King County**

Certificate of Need Applications:
CN 19-61

Facility	Credential Number	ZIP Code	Special Procedure Rooms	Dedicated Inpatient ORs	Dedicated Outpatient ORs	Mixed Use ORs	Inpatient min/case	2017 Inpatient Cases in Mixed Use ORs	2017 Inpatient Mins. In Mixed Use ORs	Outpatient Min/Case	Outpatient Cases	Outpatient Mins.	Data Source
SoGab Surgery Center (David Pratt, MD)	ASF.FS.60107297	98033	0	0	1	0	0.0	0	0	50.0	120	6,000	Year 2017 data obtained from year 2018 survey. Outpatient minutes calculated.
Stern Center for Aesthetic Surgery (The)	ASF.FS.60099126	98004	0	0	1	0	0.0	0	0	50.0	73	3,650	Per ILRS; outpatient minutes calculated using 50 x # of cases. Data for 2018 license
Valley Day Surgery Center		98055			3								Recent Certificate of Need approved for 3 ORs in February 2019.
Valley Covington ASC		98042			4								Recent Certificate of Need approved for 3 ORs in February 2019.
Valley MAC ASC		98055			3								Recent Certificate of Need approved for 3 ORs in February 2019.
Virginia Mason-Bellevue ASC	ASF.FS.60101657	98004	2	0	3	0							Recent Certificate of Need approved for 3 ORs in October 2018.
Virginia Mason-Issaquah ASC	ASF.FS.60101658	98027					ENDOSCOPY ORS & MINUTES NOT COUNTED						
Washington Institute Orthopedic Center	ASF.FS.60101120	98034	0	0	1	0	0.0	0	0	58.7	716	42,000	Year 2017 data obtained from year 2018 survey. Minutes/Case calculated.
Yarrow Bay Plastic Surgery Center	ASF.FS.60312375	98033	0	0	1	0	0.0	0	0	50.0	109	5,450	Year 2017 data obtained from year 2018 survey. Data unlikely; outpatient minutes calculated
Totals			0	0	97	39	311.2	26,764	2,840,736	2,600	64,324	3,859,570	
							Avg min/case inpatient		106.14	Avg min/case outpatient		60.00	
ORs counted in numeric methodology					57	39							
ILRS: Integrated Licensing & Regulatory System													
Population data source: Claritas year 2017													
Total Surgeries			91,088										
Area population 2017 [0-85+]			770,784										
Use Rate			118.176										
Planning Area projected 0-85 population Year: 2022			826,149										
% Outpatient of total surgeries			70.62%										
% Inpatient of total surgeries			29.38%										