



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*Olympia, Washington 98504*

February 5, 2021

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RE: Certificate of Need Application #21-13 Blue Mountain Eye, PLLC

Dear Dr. Giebel:

We have completed review of the Certificate of Need application submitted by Blue Mountain Eye, PLLC proposing to establish a three-operating room (OR) ambulatory surgical facility in Walla Walla 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 Blue Mountain Eye, PLLC agrees to the following in its entirety.

**Project Description:**

This certificate approves the establishment of an ambulatory surgical facility in Walla Walla County. The surgical facility will have three operating rooms and provide ophthalmic procedures. The surgical facility will serve patients who require surgical services, are not expected to require hospitalization, and can be served appropriately in an outpatient setting.

**Conditions:**

1. Blue Mountain Eye, PLLC agrees with the project description as stated above. Blue Mountain Eye, PLLC 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. Blue Mountain Eye, PLLC will obtain and maintain Medicare and Medicaid certification for the new surgery center.
3. Blue Mountain Eye, PLLC shall finance this project as described in the application.

4. Prior to providing surgical services, Blue Mountain Eye, PLLC shall submit to the Certificate of Need Program the following policies in final form. The final policies shall be consistent with the draft policies provided in the application.
  - Admission and Non-Discrimination Policy
  - Charity Care Policy
  - Patient Rights and Responsibilities Policy
  - Expected Patient Outcomes Policy
5. Blue Mountain Eye, PLLC will provide charity care in compliance with its charity care policy reviewed for this project. Blue Mountain Eye, PLLC will use reasonable efforts to provide charity care in the amount consistent with the three-year average of charity care for gross revenue provided by Providence St. Mary Medical Center located in Walla Walla County. The gross revenue three-year average for years 2017 – 2019 is 1.62%.
6. Blue Mountain Eye, PLLC will maintain records of charity care applications received and the dollar amount of charity care discounts granted at the new surgery center. The records must be available upon request.
7. Prior to providing surgical services, Blue Mountain Eye, PLLC shall provide the names and professional license numbers for the staff of the surgery center.
8. Prior to providing surgical services Blue Mountain Eye, PLLC shall provide an executed Patient Transfer Agreement with a local hospital.

**Approved Costs:**

The approved capital expenditure for this project is \$1,915,268 and includes construction costs and fixed and moveable equipment (including associated taxes) necessary for the establishment of a new ambulatory surgical facility, fees for consulting and inspections, and costs for securing financing for the 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 this e-mail address:

[fslcon@doh.wa.gov](mailto:fslcon@doh.wa.gov).

Arthur Giebel, MD, Lifestyle Eye, PLLC  
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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,

A handwritten signature in black ink, appearing to read "Eric Hernandez", with a long horizontal flourish extending to the right.

Eric Hernandez, Program Manager  
Certificate of Need  
Office of Community Health Systems

Enclosure

**EVALUATION DATED FEBRUARY 5, 2021 FOR THE CERTIFICATE OF NEED APPLICATION SUBMITTED BY BLUE MOUNTAIN EYE, PLLC DBA LIFESTYLE EYE CENTER PROPOSING TO ESTABLISH AN AMBUATORY SURGICAL FACILITY IN WALLA WALLA COUNTY**

**APPLICANT DESCRIPTION**

**Blue Mountain Eye, PLLC dba Lifestyle Eye Center**

Blue Mountain Eye PLLC is a Washington State corporation established in October 2010. It is governed by two entities, Arthur Giebel, MD and Lisa Giebel.<sup>1</sup> Blue Mountain Eye PLLC operates under the practice name of Lifestyle Eye Center. The practice is located at 1610 Penny Lane in the city and county of Walla Walla [99362]. For this project, Blue Mountain Eye, PLLC is the applicant and will be referenced in this evaluation as ‘Blue Mountain Eye, PLLC.’

**PROJECT DESCRIPTION**

**Blue Mountain Eye, PLLC**

Blue Mountain Eye, PLLC proposes to establish an ambulatory surgical facility that would operate under the dba of Lifestyle Eye Center practice. The proposed surgery center would be known as Lifestyle Surgery Center and be located at 1595 Heritage Road in the city and county of Walla Walla [99362]. The surgery center would have three operating rooms and provide ophthalmic procedures to patients that can safely and effectively obtain surgeries in an outpatient setting. [source: Application, p5]

The estimated capital expenditure for this project is \$1,915,268. The costs include building construction, fixed and moveable equipment (including associated taxes), fees for consulting and inspections, and costs for securing financing for the project. [source: Application Exhibit B6]

If this project is approved, the applicant anticipates the surgery center will be operational in approximately December 2021. Under this timeline, the first full year of operation for Lifestyle Surgery Center is 2022 and year three is 2024. [source: October 29, 2020, screening response, p1]

**APPLICABILITY OF CERTIFICATE OF NEED LAW**

This application is subject to Certificate of Need review as the construction, establishment, or other development of a health care facility under RCW 70.38.105(4)(a) and WAC 246-310-020(1)(a).

**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.

If 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.

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). Additionally, WAC 246-310-270 (ambulatory surgery) contains service or facility specific criteria for ambulatory surgical facility (ASF) projects and must be used to make the required determinations for applicable criteria in WAC 246-310-210.

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<sup>1</sup> UBI 603 057 855

## **TYPE OF REVIEW**

This application was reviewed under a regular review timeline. The table below shows a summary of the timeline used for the project.

## **APPLICATION CHRONOLOGY**

<b>Action</b>	<b>Blue Mountain Eye, PLLC</b>
Letter of Intent Received	September 15, 2020
Application Received	September 28, 2020
Department's pre-review activities: <ul style="list-style-type: none"><li>• DOH 1st Screening Letter</li><li>• Applicant's Responses Received</li></ul>	October 20, 2020 October 29, 2020
Beginning of Review	November 5, 2020
Public Hearing Conducted	None requested or conducted
Public Comments Deadline <sup>2</sup>	December 10, 2020
Rebuttal Comments Deadline <sup>3</sup>	December 24, 2020
Department's Anticipated Decision	February 8, 2021
Department's Actual Decision	February 5, 2021

## **AFFECTED PERSONS**

"Affected persons" are defined under WAC 246-310-010(2). In order to qualify as an affected person someone must first qualify as an "interested person" defined under WAC 246-310-010(34). For this project no entities requested interested or affected person status.

## **SOURCE INFORMATION REVIEWED**

- Blue Mountain Eye, PLLC's Certificate of Need application received on September 28, 2020
- Blue Mountain Eye, PLLC's screening response received October 29, 2020
- 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>
- Historical charity care data for years 2017, 2018, and 2019 obtained from the Department of Hospital/Finance and Charity Care.
- Years 2018 and 2019 Annual Ambulatory Surgery Provider Surveys for surgical procedures performed during calendar years 2017 and 2018 for hospitals, ambulatory surgery centers, or ambulatory surgical facilities located in Walla Walla County.<sup>4</sup>
- Office of Financial Management population data as of August 2017
- Department of Health internal database – Integrated Licensing & Regulatory Systems (ILRS)
- Washington State Secretary of State website: <https://sos.wa.gov>

<sup>2</sup> There were no public comments submitted for this project.

<sup>3</sup> Because there were no public comments submitted, the applicant did not provide rebuttal comments.

<sup>4</sup> 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, and the applicants in this review have self-identified as both.

## **CONCLUSION**

### **Blue Mountain Eye, PLLC dba Lifestyle Eye Center**

For the reasons stated in this evaluation, the application submitted by Blue Mountain Eye, PLLC proposing to establish an ambulatory surgical facility with three operating rooms in Walla Walla County is consistent with applicable criteria of the Certificate of Need Program, provided Blue Mountain Eye, PLLC agrees to the following in its entirety.

### **Project Description**

This certificate approves the establishment of an ambulatory surgical facility in Walla Walla County. The surgical facility will have three operating rooms and provide ophthalmic procedures. The surgical facility will serve patients who require surgical services, are not expected to require hospitalization, and can be served appropriately in an outpatient setting.

### **Conditions**

1. Blue Mountain Eye, PLLC agrees with the project description as stated above. Blue Mountain Eye, PLLC 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. Blue Mountain Eye, PLLC will obtain and maintain Medicare and Medicaid certification for the new surgery center.
3. Blue Mountain Eye, PLLC shall finance this project as described in the application.
4. Prior to providing surgical services, Blue Mountain Eye, PLLC shall submit to the Certificate of Need Program the following policies in final form. The final policies shall be consistent with the draft policies provided in the application.
  - Admission and Non-Discrimination Policy
  - Charity Care Policy
  - Patient Rights and Responsibilities Policy
  - Expected Patient Outcomes Policy
5. Blue Mountain Eye, PLLC will provide charity care in compliance with its charity care policy reviewed for this project. Blue Mountain Eye, PLLC will use reasonable efforts to provide charity care in the amount consistent with the three-year average of charity care for gross revenue provided by Providence St. Mary Medical Center located in Walla Walla County. The gross revenue three-year average for years 2017 – 2019 is 1.62%.
6. Blue Mountain Eye, PLLC will maintain records of charity care applications received and the dollar amount of charity care discounts granted at the new surgery center. The records must be available upon request.
7. Prior to providing surgical services, Blue Mountain Eye, PLLC shall provide the names and professional license numbers for the staff of the surgery center.
8. Prior to providing surgical services Blue Mountain Eye, PLLC shall provide an executed Patient Transfer Agreement with a local hospital.

### **Approved Costs**

The approved capital expenditure for this project is \$1,915,268 and includes construction costs and fixed and moveable equipment (including associated taxes) necessary for the establishment of a new ambulatory surgical facility, fees for consulting and inspections, and costs for securing financing for the project.

## **CRITERIA DETERMINATIONS**

### **A. NEED (WAC 246-310-210)**

Based on the source information reviewed and agreement to the conditions identified in the conclusion section of this evaluation, the department concludes that Blue Mountain Eye, PLLC met the applicable need criteria in WAC 246-310-210 and the applicable ambulatory surgery facility criteria in WAC 246-310-270.

(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.*

To evaluate this sub-criterion, the department uses facility-specific criteria found in WAC 246-310-270.

### **WAC 246-310-270(6)**

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

### **Blue Mountain Eye, PLLC**

The applicant stated that the new surgical facility will have three ORs and provided the line drawings for the facility. [source: Application p5 and Exhibit PD.12]

### **Public Comments**

None

### **Rebuttal Comments**

None

### **Department Evaluation**

The applicant provided documentation and statements to demonstrate the surgical facility will have a total of three ORs. **This sub-criterion is met.**

### **WAC 246-310-270(9) – Ambulatory Surgery Numeric Need 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. Blue Mountain Eye proposes a new facility located in Walla Walla County, which is its own secondary health services 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 the existing surgical capacity of dedicated outpatient and mixed-use operating rooms in the planning area, subtracts this capacity from the forecasted 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 anticipated to exist in the target year; and
- (b) If a shortage of ORs is predicted, the shortage of dedicated outpatient and mixed-use rooms is calculated.

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

**Blue Mountain Eye, PLLC**

Blue Mountain Eye provided a table showing the factors it used for its Walla Walla County numeric methodology. [source: Application, Exhibit A4] The table is below.

*Applicant’s Methodology Data*

Methodology Assumptions and Data	
Assumption	Data Used
Planning Area	Walla Walla County
Population Estimates and Forecasts	Age Group: 0-85%+ Office of Financial Management Population Data Release year 2019 Year 2019 - 62,000
Use Rate	Divide the calculated surgical cases by 2019 population results in the service area use rate of 169.86/1,000 population
Year 2019 Total Number of Surgical Cases	– Outpatient – Inpatient or Mixed-Use 8,146 – Total Cases
Percent of surgery: outpatient vs. inpatient	Based on DOH survey and ILRS: 13.92% outpatient; 86.08% inpatient
Average minutes per case	Based on DOH survey and ILRS: Outpatient cases: 49.82 minutes Inpatient cases: 160.41 minutes
OR Annual capacity in minutes	68,850 outpatient surgery minutes; 94,250 inpatient or mixed-use surgery minutes (per methodology in rule)
Existing providers/ORs Department’s Methodology Results	Based on listing of Walla Walla County Providers: 0 dedicated outpatient ORs 1 mixed use OR with 5 ORs
Department Methodology Results	Shortage of outpatient ORs

Public Comments

None

Rebuttal Comments

None

**Department Numeric Need Methodology and Evaluation**

The numeric portion of the methodology requires a calculation of the annual capacity of the existing providers’ inpatient and outpatient ORs in a planning area – for this project, Walla Walla County.

According to the department’s historical records, there are three facilities with OR capacity in the county. Of the three, one is a hospital and two are ASFs and all three are located in Walla Walla. The following table shows a listing of the three facilities and the OR capacity of each.

**Department’s Table 1  
Walla Walla County Operating Room Capacity**

Hospitals	# of ORs	Type of OR	Department Notes
St. Mary Medical Center	6	Mixed Use	Hospital
Walla Walla Clinic ASC	1	Dedicated Outpatient	CN approved surgery center. Operational December 2019
NEW Providence ASF	2	Dedicated Outpatient	CN approved surgery center. Not yet operational

There is no mandatory reporting requirement for utilization of ASF or hospital ORs, so the department sends an annual utilization survey to all hospitals and known ASFs in the state. When this application was submitted in September 2020, the most recent utilization survey was soliciting data for year 2018.



Not all providers submitted responses. The data provided in the utilization survey is used, if available. Otherwise the department uses the previous year’s utilization survey information. If the provider did not respond with 2017’s data, the department relies on its internal database with information each provider updates for licensure.

For both St. Mary Medical Center and Walla Walla Clinic, the department used the 2018 data collected in the 2019 utilization survey. Given that the NEW Providence ASF is not yet operational, the department used data from the May 29, 2019, evaluation and relied on projection year three (2022).

Based on the services provided at a facility, the numeric methodology deliberately excludes the OR capacity and procedures of certain facilities from the calculations. Facilities that only provide endoscopy services will be excluded.<sup>5</sup> Additionally facilities with services that are limited to a special population may be excluded if the services do not overlap with those proposed by the applicants.<sup>6</sup> For these three healthcare facilities, none of the ASFs are dedicated to endoscopy or special populations. St. Mary Medical Center identified two additional ORs dedicated to endoscopy; those two ORs are not counted in this methodology.

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

**Department’s Table 2**  
**The Department’s Walla Walla County Methodology Assumptions and Data**

Assumption	Data Used	
Planning area	Walla Walla County	
Population estimates and forecasts	Age Group: All ages OFM Population Data – Release 2017 Year 2018 – 61,489 / Year 2023 – 63,036	
Use rate	179.023 /1,000 population	
Year 2018 total number of surgical cases in the planning area	<b>Inpatient or mixed use</b>	<b>Outpatient</b>
	6,080 cases	4,928 cases
	Total cases 11,008	
Percent of surgeries: outpatient vs. inpatient (based on survey)	55.23%	44.77%
Average minutes per case (based on survey)	83.38 minutes	49.31 minutes
OR annual capacity in minutes (per methodology in rule)	94,250 surgery minutes	68,850 surgery minutes
Existing providers/ORs (using DOH survey and ILRS database)	6 mixed-use ORs	4 dedicated outpatient ORs
<b>Department’s Methodology Results</b>	<b>Surplus of 0.77 ORs in the planning area</b>	

As noted in the table, the department’s numeric methodology calculates a surplus of ORs in the Walla Walla planning area.

<sup>5</sup> WAC 246-310-270(9)(iv).

<sup>6</sup> WAC 246-310-210(2).

When comparing the results of the applicant's and department's methodology, they are different. The applicant projected a shortage of outpatient ORs but did not identify how much of a shortage. In contrast, the department projected a surplus of ORs in Walla Walla County. In summary, numeric need for an ASF providing general surgical services is not demonstrated for Walla Walla County.

WAC 246-310-270(4)

WAC 246-310-270(4) gives the department some flexibility when the numeric methodology does not demonstrate numeric need for operating rooms. It states: "*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.*"

Blue Mountain Eye provided the following information related to this rule. [source: October 29, 2020, screening response, pp4-5]

*"The only local surgery center, Walla Walla Clinic, is a closed medical staff facility and does not offer ophthalmology.*

*Dr. Giebel currently operates at St Mary's Providence in Walla Walla. Dr. Giebel's access to OR time is limited at the hospital due to its broad scope of care, triaging of emergency cases and surgical volume. When Dr. Giebel does operate at St Mary's Providence, the number of cases he can schedule is limited due to inherent inefficiencies of an acute care surgical facility and he is always at risk of being "bumped" by emergent cases.*

*Additionally, Dr Giebel operates at Precision Surgery Center in Hermiston, OR. It is inconvenient at best, and a hardship at worst, on his elderly patients to travel to Hermiston for surgery, particularly in inclement weather.*

*There are no other surgery center options available locally, which is why Dr. Giebel is applying for this CON.*

*In general, the migration of outpatient surgical procedures from the hospital to the ASC setting saves patients in out-of-pocket expenses and insurers pay less. Medicare is reported to have saved \$829 billion in 2011 as a result of movement to the ASC setting. The savings is much greater today. By 2014 almost 74% of cataract surgeries were performed in ASCs vs. hospitals, saving patients and CMS billions of dollars.*

*Cataract surgery is one of those rare procedures that goes beyond solving a problem or curing a disease; it literally transforms lives. Sight restoration through cataract surgery markedly improves quality of life and contributes to patient health and safety. The high cost of poor vision is associated with depression, injury, hospital admissions, the necessity for caregivers, and reduced employment. (1) Studies have linked cataract surgery to a significant reduction in the likelihood of hip fractures and auto accidents. (2, 3)*

*About half of Americans will have cataracts by age 75, and almost 4 million cataract surgeries are performed annually in the US. The surgical technique for cataract extraction with intraocular lens implant has become so perfected that the procedure has a 98 percent or higher success rate, according to the American Society for Cataract and Refractive Surgery (ASCRS).*

*The limited scope of care allows ophthalmic ASCs to deliver optimal outcomes in the most user friendly, efficient, safe and high-quality setting available in our health care system today. Particularly in light of the pandemic, access to the ophthalmic ASC for cataract surgery is critical to improve lives while mitigating the risk of exposure to infectious diseases.*

- (1) Brown GC, Brown MM, Menezes A, Busbee BG, Lieske HB, Lieske PA. Cataract surgery cost utility revisited in 2012: a new economic paradigm. *Ophthalmology*. 2013 Dec;120(12):2367-2376.
- (2) Schlenker MB, Thiruchelvam D, Redelmeier DA. Association of Cataract Surgery With Traffic Crashes. *JAMA Ophthalmol*. 2018 Sep 01;136(9):998-1007.
- (3) Tseng VL, Yu F, Lum F, Coleman AL. Risk of Fractures Following Cataract Surgery in Medicare Beneficiaries. *JAMA*. 2012;308(5):493–501. doi:10.1001/jama.2012.9014.”

#### Public Comments

None

#### Rebuttal Comments

None

#### **Department’s Evaluation of WAC 246-310-270(4)**

Blue Mountain Eye provided arguments substantiated with source material and complete analysis which support its approval despite the lack of numeric need for outpatient ORs. Arguments include: the lack of ophthalmic surgical services offered in the county, a shift of surgical care to outpatient settings linked to the greater efficiency and lower cost of care for services at freestanding ASFs.

The department also takes into consideration the lack of opposition for this project. Neither of the two healthcare facilities with OR capacity submitted comments opposing this project.

Based on the department’s methodology assumptions described in the earlier table, the department’s numeric methodology by itself, projects a surplus of almost one dedicated outpatient OR in Walla Walla County. However, given the lack of available ophthalmologic services in the county, the department concludes that need for this project is demonstrated.

#### **WAC 246-310-210**

In addition to demonstrating need for services within a planning area, an applicant must also demonstrate that existing services are not sufficiently available and accessible to meet that need.

#### **Blue Mountain Eye, PLLC**

Blue Mountain Eye provided the following statements related to this sub-criterion. [source: Application, p8, p10, and October 29, 2020, screening response, pp4-5]

*“Dr. Giebel currently operates at St Mary Medical Center and travels out of town to do cataract surgery. Outpatient ophthalmic surgery can be done more efficiently and cost effectively for the patients in an ASF than in a hospital. There is no ASF in Walla Walla that provides ophthalmic surgical services.*

*Currently ophthalmic surgical services are only offered at Providence St Mary Medical Center. The cost of outpatient surgery in the hospital setting is significantly more expensive than if it were performed in an ASF. For instance, the fee for cataract surgery in a hospital is \$2093.07. The fee for the same procedure in an ASF is \$1042.75. This is a barrier to access for some patients because they are responsible for 20% of this CMS allowable rate. Lifestyle Surgery Center will be the only ASF in the Walla Walla planning area that performs ophthalmic surgery and accepts Medicare and Medicaid.”*

The applicant provided additional information related to this sub-criterion under WAC 246-310-270(4). The information is also considered here but is not repeated.

Public Comments

None

Rebuttal Comments

None

**Department Evaluation**

In addition to numeric need, the department must determine whether other services and facilities for the type proposed are not or will not be sufficiently available and accessible to meet that need.

Blue Mountain Eye provided statements related to the availability and accessibility of other providers in the planning area. Based on the limited range of services this project proposes to offer, only Providence's St. Mary Medical Center is currently available. The Blue Mountain Eye physician owner is currently providing its services through the hospital. However, the applicant asserts that its facility would offer the same services at a lower cost to both patients and the healthcare system. The applicant provided supporting documentation for this assertion. Further, the department did not receive any public comment to suggest that other area providers opposed the addition of ophthalmic outpatient surgery capacity in the planning area.

In summary, the department previously concluded that the applicant demonstrated need for its project absent numeric need. The existing supply of ORs for ophthalmic surgical services is not sufficiently available and accessible in Walla Walla County. Thus, the Blue Mountain Eye project does meet the standard under WAC 246-310-270(6). **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 applicant'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 and therefore more likely to be on Medicare longer.

Medicaid certification is a measure of an applicant'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, the amount of charity care is expected to decrease, but not disappear. 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.

**Blue Mountain Eye, PLLC**

Blue Mountain Eye provided the following statements directly related to this sub-criterion.

*“Lifestyle Surgery Center will be accessible to all residents of the service area, including low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly.”* [source: Application, p10]

The applicant provided copies of the following policies to be used at the new surgery center facility. Given that the facility will be operational in December 2021, draft documents were provided. [source: Exhibits 10ad, 10b, 10c, and 10e]

- Admission and Non-Discrimination Policy [Draft]
- Charity Care Policy [Draft]
- Patient Rights and Responsibilities Policy [Draft]
- Expected Patient Outcomes Policy [Draft]

Within the application, Blue Mountain Eye provided the following description of patients projected to be served at the new surgery center. [source: Application, p6 and October 29, 2020, screening response, p1]

*“Lifestyle Surgery Center will provide services to patients 18 years of age and older who require elective ophthalmic surgery, without an overnight stay, and can be safely and effectively cared for in an ambulatory setting.*

*The patient population served in this facility is limited to adults (18 y/o and older) based on the general ophthalmology practice of Dr. Giebel. The vast majority of his procedures are related to cataracts and glaucoma, both of which are chronic progressive diseases associated with aging.”*

In addition to the policies and statements above, Blue Mountain Eye provided its projected sources of revenue by payer and patient for Lifestyle Surgery Center. The information is summarized in the table below. [source: October 29, 2020, screening response, p3]

**Department’s Table 3  
Lifestyle Surgery Center Projected Payer Mix**

<b>Payer</b>	<b>Percent by Revenue</b>	<b>Percent by Patient</b>
Medicare	66.0%	63.0%
Medicaid	1.0%	2.3%
All Other Payers*	33.0%	34.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* All other payers include both commercial and HMO

Given that the surgery center is not currently operational, Blue Mountain Eye provided the following information regarding the basis and assumptions for the projected payer mix above. [source: October 29, 2020, screening response, p3]

*“The patients directed to the surgery center will be Lifestyle Eye Center patients. The payer mix is reflective of that patient population. The Payer mix table has been revised to deduct the charity care per #9.”*

Public Comments

None

Rebuttal Comments

None

**Department Evaluation**

Lifestyle Surgery Center is expected to be operational by the end of year 2021. Blue Mountain Eye provided four policies all in draft format. Each of the four draft policies provides the necessary information specific to the purpose of the policy. If this project is approved, the department would condition the approval requiring the applicant to provide final policies consistent with the respective drafts. The final policies would be required to be submitted and approved by the department prior to providing surgical services at the new ASF.

However, the center will be Medicare and Medicaid-certified and hold an active Washington State license. Blue Mountain Eye provided its projected percentages of revenue by payer for the surgical facility. The Medicaid and Medicaid payer mixes are in range of what is typically seen in CN applications for ophthalmic ASFs.

To ensure the surgical facility would be available to all residents of the service area, if this project is approved, the department would condition the approval requiring the applicant to obtain and maintain both Medicare and Medicaid certification.

Based on this information, the department concludes that approval of this project has the potential to increase the availability and accessibility of outpatient ophthalmic surgical services to the Medicare and Medicaid populations of Walla Walla County.

Based on the information reviewed and with Blue Mountain Eye’s agreement to the conditions identified above, the department concludes **this sub-criterion is met.**

**WAC 246-310-270(7) – Charity Care Requirement**

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 ASFs.

**Blue Mountain Eye, PLLC**

To demonstrate compliance with this sub-criterion, Blue Mountain Eye provided its expected charity care dollars for each of the projection years. The amounts are shown in the table on the following page. [source: October 29, 2020, screening response Addendum B1B]

**Department's Table 4  
Lifestyle Surgery Center Projected Charity Care Dollars and Percentages**

	<b>Year 2022</b>	<b>Year 2023</b>	<b>Year 2024</b>
Dollar Amounts	\$36,874	\$38,718	\$40,654
Percentage of Total Revenue	1.00%	1.00%	1.00%
Percentage of Adjusted Revenue	3.03%	3.03%	3.03%

The applicant provided the following basis for the charity care amounts identified in the statements. [source: Application, p12]

*“According to the published 2016 Washington State Charity Care in Washington Hospitals dated February 2018: As a percent of total hospital patient services revenue, charity care charges dropped from 2.9 percent to 0.9 percent from 2013 to 2016.”*

Public Comments

None

Rebuttal Comments

None

**Department Evaluation – Charity Care Requirement**

For charity care reporting purposes, Washington State is divided into five regions: King County, Puget Sound (less King County), Southwest, Central, and Eastern. Walla Walla County is included in the Eastern Region.

Currently there are 21 hospitals operating within the Eastern Region. Of the 21 hospitals, some did not report charity care data for years 2017, 2018, and 2019.

- 2017 – Two hospitals were late to report: Ferry County Hospital and Othello Community Hospital. One hospital did not report: Adventist Walla Walla General. This facility closed in 2017.
- 2018 – Two hospitals did not report: Ferry County Hospital and Othello Community Hospital
- 2019 – Three hospitals did not report: Ferry County Hospital, Garfield County Memorial Hospital, and Othello Community Hospital

Of the 21 hospitals, only Providence’s St. Mary Medical Center is in Walla Walla County and may be affected by this proposed project. The table below compares the three-year historical average of charity care provided by the hospitals operating in the Eastern Washington Region<sup>7</sup>, St. Mary Medical Center located in Walla Walla, and, the applicants’ projected charity care percentages.

**Department's Table 5  
Charity Care – Three Year Average**

	<b>% of Total Revenue</b>	<b>% of Adjusted Revenue</b>
Eastern Washington Region	1.09%	3.14%
St. Mary Medical Center	1.62%	4.97%
Lifestyle Surgery Center Projected	1.00%	3.03%

[source: Department of Health’s charity care reports for years 2017, 2018, and 2019 and October 29, 2020, screening response, Exhibit B.1B]

<sup>7</sup> With the exception of the hospitals previously identified that did not report.

As shown above, the projected percentage of charity care proposed by the applicant is lower than both the regional average and the average of St. Mary Medical Center.

The 2017 Report of Charity Care in Washington Hospitals offers the following analysis of charity care costs across Washington State Hospitals with the introduction of the Affordable Care Act (ACA):

*“Implementation of the ACA has changed the landscape of charity care in Washington. More patients have health coverage, either through Medicaid expansion or through purchase of private coverage. As a result, Washington saw the first decline in the amount of charity care reported by hospitals since the department began gathering these data in 1989. That decline, however, has ceased and charity care is increasing again, though it remains well below 2013 levels.*

*Effective January 1, 2019, Congress removed the fiscal penalty in the individual mandate, one of the key provisions of the ACA driving increased insurance coverage. Disagreement exists about the full impact of this change but some believe that repeal or significant roll-back of ACA could cause charity care to revert to pre-2014 levels.”* [Source: 2017 Washington State Charity Care in Washington Hospitals]

The Certificate of Need Program recognizes that charity care in Washington State is expected to increase in coming years since ACA penalties are removed for lack of insurance coverage. Current data confirms hospitals are beginning to see an increase in charity care costs.

For these reasons, the department recalculated the charity care dollars to be provided at Lifestyle Surgery Center to be consistent with the total revenue average for the region and St. Mary Medical Center. The results are shown in the table below.

**Department’s Table 6  
Charity Care – Three Year Average Comparison**

	<b>Lifestyle Surgery Center Proposed = 1.00%</b>	<b>Eastern Washington Region Average = 1.09%</b>	<b>St. Mary Medical Center Average = 1.62%</b>
Year 1 - 2022	\$36,874	\$40,193	\$59,736
Year 2 - 2023	\$38,718	\$42,202	\$62,723
Year 3 - 2024	\$40,654	\$44,312	\$65,859

When comparing the applicant’s projected charity care dollars with the regional and planning area projections shown above, the increased amounts would affect the net profits of the surgery center. Taking this into account, the department will also apply the increased charity care dollar amounts to the financial feasibility criteria in WAC 246-310-220(1) of this evaluation.

Blue Mountain Eye acknowledged the requirement under WAC 246-310-270(7) to provide charity care. **With agreement to a charity care condition, this sub-criterion is met.** The financial implications of this will be discussed under WAC 246-310-220(1).

(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.
- (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.
- (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**

WAC 246-310-210(3), (4), and (5) do not apply to this project under review.

### **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 Blue Mountain Eye, LLC meets 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.

To evaluate this sub-criterion, the department reviews the assumptions provided by an applicant, projected revenue and expense (income) statements, and projected balance sheets. The assumptions are the foundation for the projected statements. The income statement is a financial statement that reports a company's financial performance over a specific period—either historical or projected. Projected financial performance is assessed by giving a summary of how the business expects its revenues to cover its expenses for both operating and non-operating activities. It also projects the net profit or loss incurred over a specific accounting period.<sup>8</sup>

The purpose of the balance sheet is to review the financial status of company at a specific point in time. The balance sheet shows what the company owns (assets) and how much it owes (liabilities), as well as

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<sup>8</sup> One purpose behind the income statement is to allow key decision makers to evaluate the company's current situation and make changes as needed. Creditors use these statements to decide on loans it might make to the company. Stock investors use these statements to determine whether the company represents a good investment.

the amount invested in the business (equity). This information is more valuable when the balance sheets for several consecutive periods are grouped together, so that trends in the different line items can be viewed.

As a part of its review, the department must determine that a project is financially feasible – not just as a stand-alone entity, but also as an addition to its own existing operations, if applicable. To complete its review, the department may request an applicant to provide projected financial information for the parent corporation if the proposed agency would be operated under the parent.

**Blue Mountain Eye, PLLC**

This project proposes to establish a new surgery center in Walla Walla. The applicant provided the assumptions used to determine the projected number of cases at the surgery center. [source: October 29, 2020, screening response, p1]

The volume projections are a conservative estimate based on Dr. Giebel's historical surgical volume.

<b>Lifestyle Eye Center Historical Surgical Volume by Year</b>		
<b>2018</b>	<b>2019</b>	<b>Thru 10/30/2020*</b>
1107	1493	776

\*Practice closed for 3 months in 2020 due to COVID. October volume tracking with pre-COVID levels

Given that the surgery center is not currently operational, Blue Mountain Eye provided the following information regarding the basis and assumptions for the projected payer mix provided in the table below. [source: October 29, 2020, screening response, p3]

*“The patients directed to the surgery center will be Lifestyle Eye Center patients. The payer mix is reflective of that patient population. The Payer mix table has been revised to deduct the charity care per #9.”*

**Department’s Table 7  
Lifestyle Surgery Center Projected Payer Mix**

<b>Payer</b>	<b>Percent by Revenue</b>	<b>Percent by Patient</b>
Medicare	66.0%	63.0%
Medicaid	1.0%	2.3%
All Other Payers*	33.0%	34.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\* All other payers include both commercial and HMO

Following are the assumptions Blue Mountain Eye used to project revenue, expenses, and net income for the new surgery center in Walla Walla. [source: Application, Exhibit B.1B and October 29, 2020, screening response, p8]

“Assumptions

- (1) *Build out costs per square foot per client include T allowance See Exhibit 1 for detail.*
- (2) *Surgical volume annual increase 5%.*
- (3) *Insurance expense includes professional liability property and casualty and workers' compensation.*
- (4) *Other - Linen Bio Haz etc. is estimated using industry benchmarks.*

- (5) *Estimated Management Fees at 3.5% of total collections.*
- (6) *ASC practice management software license- estimated for one sole provider at \$500 a month.*
- (7) *Rent estimated annually at 14.00 per square foot based on Loopnet.com comparisons*
- (8) *Repairs and maintenance are estimated per procedure Year 1 assumes equipment is under warranty and repair costs will be minimal.*
- (9) *Utilities estimated at \$4/SF to cover phone internet and utilities per client for year 1 Assumes 3% increase each year after.*

Employee Payroll Employee Payroll

- (1) *Assumes 1 OR open 2 days per week based on reported volume on Exhibit 2 through year 5. Assumes business office functions are absorbed by the practice.*
- (2) *Assumes Clinical Director is in clinic and staffing 1.5 days per week*
- (3) *Wage rates based on internet research*
- (4) *Assumes employee benefits are paid for full time employees only (working 32 hours per week or more).*

*Office expense includes clerical supplies like paper, pens, patient charts, printed forms and materials, bank charges, credit card fees, patient statements, postage, printing, copier lease, etc.*

*“Other” is Cost of Goods Sold in accounting terms. These are the direct supplies provided for each case including but not limited to: drugs, gowns, gloves, drapes, blades, implants, dressings, suture, syringes, needles, etc.”*

Within the application, Blue Mountain Eye provided a copy of the Management Agreement between two separate corporations owned and operated by the applicant. [source: Application, Exhibit B.2A] Below are the specifics of the agreement.

- Effective Date: May 1, 2020
- Between: Lifestyle Eye Center and Lifestyle Surgery Center
- Purpose: Seven separate departments of Lifestyle Eye Center will provide services to Lifestyle Surgery Center. The seven departments are: Facilities, Billing, Patient Business Services, Accounting, Human Resources, Employee Health, and Contracts.

The Management fees for the services are calculated at 3.5% of collections. With increasing volume and revenue each year, the management fee will increase proportionately.

The applicant also entered into an agreement with Progressive Surgical Services that will terminate upon successful passage of the deemed status survey, prior to commencement of operations. Therefore, no costs are reflected in years 2021-2023 for Progressive Surgical Solutions agreement.

For this project, the applicant has entered into two loans. One for construction and one for equipment. Below is a summary of each of the two loans.

Construction Loan Amount: \$1,375,463	Equipment Loan Amount: \$417,288.47
Start Date: January 1, 2021	Start Date: January 1, 2021
Term: 25 years	Term: 5 years
Annual Rate: 5.5%	Annual Rate: 5.5%
Monthly Payment: \$8,446.55	Monthly Payment: \$7,970.69
Annual Payment: \$101,358.60	Annual Payment: \$95,648.28

Based on the assumptions and information above, Blue Mountain Eye provided its projected revenues, expenses, and net income for the surgery center for the first three years of operation. The projections are summarized in the table below. [source: October 29, 2020, screening response, Addendum B1B]

**Department Table 8  
Lifestyle Surgery Center  
Revenue and Expense Statement Summary**

	<b>Year 1-2022</b>	<b>Year 2-2023</b>	<b>Year 3-2024</b>
Total Net Revenue	\$1,474,957	\$1,548,705	\$1,626,140
Total Expenses	\$1,132,917	\$1,187,918	\$1,228,370
<b>Net Profit / (Loss)</b>	<b>\$342,040</b>	<b>\$360,787</b>	<b>\$397,770</b>

The “Total 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 personnel, marketing, supplies, taxes, IT, fees, utilities, insurance, and depreciation. The expenses also include the management fees, construction loan costs, and equipment loan costs. These costs are based on the specific information outlined earlier in this section.

Blue Mountain Eye also provided its projected balance sheets for the first three years of operation that are summarized in the table below. [source: October 29, 2020, screening response, Addendum B1.C]

**Department’s Table 9  
Blue Mountain Eye Projected Balance Sheets for Years 2022 through 2023**

<b>Assets</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Current Assets	\$653,587	\$1,182,861	\$1,743,105
Property & Equipment	\$1,619,718	\$1,383,662	\$1,147,606
Other Assets	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$2,273,305</b>	<b>\$2,566,523</b>	<b>\$2,890,711</b>

<b>Liabilities</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Current Liabilities	\$106,617	\$112,631	\$118,985
Long Term Liabilities	\$1,585,210	\$1,472,578	\$1,353,594
Total Capital	\$581,478	\$981,314	\$1,418,133
<b>Total Liabilities &amp; Capital</b>	<b>\$2,273,305</b>	<b>\$2,566,523</b>	<b>\$2,890,712</b>

Public Comments

None

Rebuttal Comments

None

**Department Evaluation**

To evaluate this sub-criterion, the department first reviewed the assumptions used by Blue Mountain Eye to determine the projected number of procedures and utilization of the proposed ASF. The utilization assumptions are based on the historical number of procedures performed by the owning

physician and includes a modest percentage of increase. Given that the surgery center is not currently operational, this approach is reasonable.

Blue Mountain Eye based its revenue and expense assumptions on historical figures or contracts currently in place at its clinic’s operations. Some categories were held constant and others were estimated as a percent of anticipated revenue, this approach is reasonable.

The pro forma financial statements show revenues would cover expenses beginning in year one through full year three-2024.

As discussed in WAC 246-310-210(2), the department recalculated the proposed surgery center’s projected charity care dollars to be consistent with the Eastern Washington Region and St. Mary Medical Center. Those calculations increased the charity care dollars for all three projection years. The table below is a recalculation of the Revenue and Expense Statement Summary with the projected increase in charity care dollars equal to the total amount provided by St. Mary Medical Center. This approach is used because it would include the larger dollar amount for charity care and would show the most impact to the net profit / (loss) line item.

**Department Table 10  
Lifestyle Surgery Center  
Revenue and Expense Statement Summary Recalculated**

	<b>Year 1-2022</b>	<b>Year 2-2023</b>	<b>Year 3-2024</b>
Total Net Revenue	\$1,474,957	\$1,548,705	\$1,626,140
Total Expenses	\$1,132,917	\$1,187,918	\$1,228,370
<b>Net Profit / (Loss)</b>	<b>\$342,040</b>	<b>\$360,787</b>	<b>\$397,770</b>

With the increase of charity care to \$59,736 in year one, \$62, 723 in year two, and \$65,859 in year three, the table above shows a smaller net profit, however, the surgery center’s revenues would continue to cover expenses.

Based on the information submitted, the department concludes that the immediate and long-range operating costs of the project can be met. If this project is approved, the department would attach a charity care condition consistent with past surgical center projects. **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.

**Blue Mountain Eye, PLLC**

Blue Mountain Eye provided the following information and statements related to this sub-criterion. [source: Application, p13]

*“The proposed project will positively impact costs and charges to patients in the Walla Walla area. Currently ophthalmic surgical services are only offered at St Mary Medical Center. The cost of outpatient surgery in the hospital setting is significantly more expensive than if it were performed in an*

ASF. For instance, the fee for cataract surgery in a hospital is \$2093.07. The fee for the same procedure in an ASF is \$1042.75. This is a barrier to access for some patients because they are responsible for 20% of this CMS allowable rate.

Lifestyle Surgery Center will be the only ASF in the Walla Walla planning area that performs ophthalmic surgery and accepts Medicare.

The Lifestyle Surgery Center fee schedule will be based on CMS allowable reimbursement and will not be impacted in any way by the costs incurred in developing this ASF. Reimbursement rates will be negotiated with other third-party payers in the area. The costs incurred in developing this ASF will have no bearing on patient charges. Lifestyle Surgery Center standard fee schedule will be based on a multiple of CMS allowable reimbursement rates for ASCs. Exhibit B.11 CMS Fee Schedule.”

Public Comments

None

Rebuttal Comments

None

Department Evaluation

The applicant provided significant information to demonstrate that the use of a surgery center for ophthalmic procedures is a cost savings to the patients and the payers. To assist in evaluating this sub-criterion, the department also calculated the net revenue per case for all three projection years.

**Department’s Table 11  
Department Calculation of Revenue per Case**

	<b>Year 1-2022</b>	<b>Year 2-2023</b>	<b>Year 3-2024</b>
Net Revenue*	\$1,474,957	\$1,548,705	\$1,626,140
Number of Procedures	1,469	1,543	1,620
<b>Gross Revenue (charges) per Procedure</b>	<b>\$1,004.06</b>	<b>\$1,003.70</b>	<b>\$1,003.79</b>

\* Net revenue amount calculated from department’s Table 10 on the previous page.

As shown above, the anticipated net revenue per procedure holds constant through the projection period.

Additionally, the applicant has already met with the Department of Health’s Construction Review Services (CRS), which is a necessary step prior to constructing the surgery center. To assist in this evaluation, the department reviewed technical assistance (TA) documentation between the applicant and the Department of Health’s Construction Review Services (CRS) office.<sup>9</sup> This documentation identifies the construction that is necessary for the proposed surgery center with three operating rooms and support space. While Blue Mountain Eye may not have submitted its plans to the local authority having jurisdiction for review, the department’s research shows CRS has reviewed and commented on preliminary plans for this project.

Based on this information, the department concludes that the establishment of a new surgery center in Walla Walla will not likely have an unreasonable impact on the costs and charges for healthcare services in the county. **This sub-criterion is met.**

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<sup>9</sup> CRS #60910157

(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.

**Blue Mountain Eye, PLLC**

The applicant provided a breakdown of the estimated capital expenditure for this project. The breakdown is shown in the table below. [source: October 29, 2020, screening response, p16]

**Department's Table 12  
Estimated Capital Expenditure Breakdown**

<b>Item</b>	<b>Cost</b>	<b>Percentage of Total</b>
Building Construction (includes some fixed equipment)	\$1,381,575	<b>72.1%</b>
Additional Fixed Equipment	\$38,000	<b>2.0%</b>
Moveable Equipment	\$379,288	<b>19.8%</b>
Architect/Engineering/Consulting Fees	\$37,495	<b>2.0%</b>
Supervision and Inspection	\$56,910	<b>3.0%</b>
Costs with Securing Financing	\$22,000	<b>1.1%</b>
<b>Total</b>	<b>\$1,915,268</b>	<b>100.0%</b>

The applicant also clarified that sales tax is included in each of the appropriate line items. [source: October 29, 2020, screening response, p16]

The applicant will debt finance this project using a construction loan and an equipment loan. Given that the owner of the practice and the proposed surgery center is the applicant, Blue Mountain Eye, PLLC, a letter of financial commitment for this project was not required. Rather, submission of this application demonstrates the applicant's financial commitment to the project.

The applicant provided a letter of financial commitment from its lender, Live Oak Bank. The letter acknowledges the applicant's pre-qualification status of credit and provides the total project costs and the interest rate that would be applied to the loan.

As stated above, Blue Mountain Eye intends to finance this project using two separate loans-a construction loan and an equipment loan. Below is a review of the documents submitted for the two loans. [source: October 29, 2020, Exhibits 16A and 16B]

- Construction Loan  
This loan amount is \$2,197,583.79 and is for 30 years. The amortization schedule shows the monthly and annual amounts to be repaid.
- Equipment Loan  
This loan amount is \$345,186 and is for 5 years. The amortization schedule shows the monthly and annual amounts to be repaid.

Information within the application clarifies that the loan amounts cover the construction and equipment for both the clinical practice and the proposed surgery center.

Public Comments

None

Rebuttal Comments

None

**Department Evaluation**

As stated above, Blue Mountain Eye intends to finance this project using two separate loans—a construction loan and an equipment loan. A review of the documents submitted for the two loans shows annual amounts to be repaid and the costs are substantiated in the Pro Forma Revenue and Expense statement.

Although the capital expenditure is sizable, the department reviewed the applicant’s projected Revenue and Expense Statements and Balance Sheets to confirm that revenues would cover expenses for the surgery center and the overall practice and surgery center would be financially viable.

Based on this review, the department concludes that the finances for the estimated capital expenditure are available and the financing is appropriate. **This sub-criterion is met.**

**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 Blue Mountain Eye, LLC meets 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.

**Blue Mountain Eye, PLLC**

Blue Mountain Eye provided the following information related to this sub-criterion. [source: Application, p16 and October 29, 2020, screening response, p10]

*“The number and types of FTEs assumed to staff this ASF is based on:*

- *Annual procedure volume projections (based on historical surgical volume).*
- *Operating 2 ORs 1 day/week to accommodate the projected volume.*

*The staffing assumes 1 OR is open 2 days per week. During those hours of operation, the facility is staffed with one scheduler/receptionist, 1 RN Clinical Director, 3 Preop-PACU RNs, 1 OR RN and 2 surgical techs. We relied on Progressive Surgical Solutions extensive experience operating and managing ASCs nationwide to determine appropriate staffing levels for our surgical volume.*



The projected volume, with annual increases, can be accommodated with the same hours of operation; 1 OR operating 2 days/week. Therefore, the total FTE count does not change in years 2022-2023. The staffing pattern in 2021, can absorb additional cases per day on the days of operations.

Hiring dates will be dependent on the construction schedule, which is dependent on CON approval. An RN clinical director will be hired 90 days prior to certificate of occupancy A part time surgical technician and receptionist will be hired upon receipt of the certificate of occupancy. At least two additional RNs and one surgical tech will be hired on a per diem basis to staff the facility on an as needed basis during the first year. From occupancy it typically takes 3-4 months to complete the survey process. The surgery center will not be operational until after successful deemed status survey.”

The applicant provided its projected number of full-time equivalents (FTEs) for the surgery center. A summary of the information is shown in the Table below. [source: Application, Exhibit C.2]

**Department’s Table 13  
Lifestyle Surgery Center  
Projected FTEs for Years 2022 through 2024**

FTE Type	Year 1 2022	Year 2 2023 Increase	Year 3 2024 Increase	Total
RN Clinical Director	0.50	0.00	0.00	<b>0.50</b>
Scheduler/Reception	0.40	0.00	0.00	<b>0.40</b>
Registered Nurses	1.60	0.00	0.00	<b>1.60</b>
Licensed Practical Nurses	0.80	0.00	0.00	<b>0.80</b>
<b>Total FTEs</b>	<b>3.30</b>	<b>0.00</b>	<b>0.00</b>	<b>3.30</b>

Focusing on recruitment and retention of staff, Blue Mountain Eye provided the following information. [source: Application, p17]

“The proposed ASF intends to employ a sufficient number of qualified health workforce, including selected administrative, clinical, and technical staff, as needed. Lifestyle Surgery Center will offer an attractive work environment, hours, and pay, thereby attracting and retaining residents who are highly qualified. The proposed ASF will utilize variable means to secure new staff, including, but not limited to: agency recruitment, advertisement online and print media, and active recruitment of friends and colleagues from staff and surgeons for individuals both inside and outside of our geographical area. The ASF does not expect any staffing challenges that would disrupt our ability to achieve its goals and objectives.”

Owner, Arthur Giebel, MD will fill the medical director position and be an employee of the surgery center and not be under contract. A copy of the medical director job description was provided in the application. [source: Application, p16 and Exhibit C.5]

Public Comments

None

Rebuttal Comments

None

### **Department Evaluation**

Given that the surgery center is not expected to be operational until end of year 2021, recruitment of staff has not yet occurred. For this project, the applicant expects to staff the surgery center with 3.30 FTEs and does not expect additional staff will be required once the surgery center is operational in year 2022.

Blue Mountain Eye provided a staff recruitment schedule based on a Certificate of Need decision date, construction approval, and plans to use strategies it has successfully used in the past to recruit and retain staff. Given that the medical director of the facility is the physician owner, the medical director is already in place.

Information provided in the application demonstrates the applicant has the ability to staff the surgery center. If this project is approved, the department would attach a condition requiring Blue Mountain Eye, PLLC to provide the name and professional license number of the staff once they are identified. This information must be provided prior to providing surgical services at Lifestyle Surgery Center.

Based on the information above and with agreement to the staffing condition, the department concludes that the Blue Mountain Eye project **meets this sub-criterion.**

- (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.

### **Blue Mountain Eye, PLLC**

Given that Lifestyle Surgery Center is not yet operational, the applicant provided a listing of ancillary and support services that would be provided on site or sub-contracted through local vendors. [source: Application pp17-18]

- Anesthesia Services
- Anesthesia Machine Preventative Maintenance
- Biomedical Engineering
- Clearing House
- Compounding Pharmacy
- Consulting Pharmacist
- Fire Safety Equipment
- HVAC
- Hazardous Waste Disposal
- Housekeeping Laboratory/Pathology
- Linen
- Maintenance
- Medical Gas Lines
- Pest Control
- Shredding
- Software
- Transcription
- Vacuum Pump

Focusing on working relationships and a transfer agreement with a local hospital, the applicant provided the following clarification and documentation. [source: Application p18 and Exhibit C.16]

*“Dr. Arthur Giebel will continue to maintain operating privileges at Providence St. Mary Medical Center. Lifestyle Surgery Center will seek an agreement for lab and pathology services and a patient transfer agreement from Providence St. Mary Medical Center.*

*The local hospital is unwilling to sign a patient transfer agreement until after the facility is approved. Letter of Intent to execute patient transfer agreement after ASC is approved has been provided. Exhibit C.16 Letter of Intent Patient Transfer Agreement”*

Public Comments

None

Rebuttal Comments

None

**Department Evaluation**

The surgery center is not yet operational, therefore, no specific agreements, including a patient transfer agreement with a local hospital, are in place. However, the applicant provided a listing of agreements that would be necessary for this project. For a new surgery center, this approach is reasonable.

A patient transfer agreement is an integral part of operating a freestanding surgery center and is a required agreement for Certificate of Need approval. Because a patient transfer agreement does not have any costs associated with it, the intent to obtain the agreement is satisfactory for this review. However, if this project is approved, the department would attach a condition requiring the applicant to provide a copy of an executed patient transfer agreement with a local hospital prior to providing surgical services.

Based on the information reviewed in the application and the applicant’s agreement to a condition related to providing a patient transfer agreement, the department concludes that there is reasonable assurance that Blue Mountain Eye will seek and maintain the necessary relationships with ancillary and support services for the surgery center 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.

**Blue Mountain Eye, PLLC**

The applicant provided the following statements related to this sub-criterion. [source: Application, p16 and p19]

*“Applicant does not own or operate any other licensed healthcare facilities. There is no adverse event history associated with Arthur Giebel, MD.”*

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.<sup>10</sup> To accomplish this task, the department generally reviews the quality of care and compliance history for the applicant and any medical professionals that would practice at its ASF.

The practice is operational; however, the surgery center is not, therefore no quality of care history is available. The staff of the surgery center have not been hired, so no quality of care history for professional staff is available. The physician owner, Arthur W. Giebel holds an active medical license in Washington State. The compliance history of Dr. Giebel showed an active license with no restrictions.

The department has already identified the need for a condition related to the identification of staff for the surgery center prior to its operation. With agreement to the staff condition, the department concludes that Blue Mountain Eye has demonstrated reasonable assurance that the proposed surgery center would operate in compliance with state and federal requirements. **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 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.

### **Blue Mountain Eye, PLLC**

Blue Mountain Eye provided the following statement in response to a question about how the proposed project will promote continuity in the provision of health care services in the planning area. [source: Application p19]

*"This project will particularly offer options for surgical care to complement clinical services not already associated with a surgical facility already. In addition, this will foster the ability to get subspecialists to provide services in the service area who otherwise might not come. This would allow a more seamless provision of care locally which would be of particular benefit to those who are unable to travel readily. This increased continuity of care locally would markedly decrease fragmentation of services between local and export areas.*

*This project would complement the current health care system in the service area and relieve the current system of the highly specialized services that may be best done in this project, allowing other systems to do more of what they do best. This project would appeal particularly to those clinics and specialties not already affiliated with other major systems and increase the ease of access to timely opportunities for surgical care."*

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<sup>10</sup> WAC 246-310-230(5)

Public Comments

None

Rebuttal Comments

None

**Department Evaluation**

As a new surgical center provider, the applicant does not have an operational history to review for this sub-criterion. As a result, the department considers the conclusions reached in this evaluation regarding need for the surgery center and whether the facility would be available and accessible to residents of Walla Walla County. The department also considers the conclusions reached in the financial review of the project. Blue Mountain Eye provided information within the application materials to demonstrate it meets the review criteria in WAC 246-310-210 and 220.

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

**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 Blue Mountain Eye, LLC meets 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 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

Blue Mountain Eye met the applicable review criteria under WAC 246-310-210 through 230. Its application will be evaluated further under Step Two.

#### Step Two

##### **Blue Mountain Eye, PLLC**

The applicant provided the following statements regarding this sub-criterion. [source: October 29, 2020, screening response, p4]

*“The only local surgery center, Walla Walla Clinic, is a closed medical staff facility and does not offer ophthalmology.*

*Dr. Giebel currently operates at St Mary’s Providence in Walla Walla. Dr. Giebel’s access to OR time is limited at the hospital due to its broad scope of care, triaging of emergency cases and surgical volume. When Dr. Giebel does operate at St Mary’s Providence, the number of cases he can schedule is limited due to inherent inefficiencies of an acute care surgical facility and he is always at risk of being “bumped” by emergent cases.*

*Additionally, Dr Giebel operates at Precision Surgery Center in Hermiston, OR. It is inconvenient at best, and a hardship at worst, on his elderly patients to travel to Hermiston for surgery, particularly in inclement weather.*

*There are no other surgery center options available locally, which is why Dr. Giebel is applying for this CON.”*

#### Public Comments

None

#### Rebuttal Comments

None

#### **Department Evaluation**

The applicant provided sound rationale for foregoing the “no project” option. Once the choice is made to establish a freestanding surgery center, the only option available is to submit a Certificate of Need application for review. The applicant correctly concluded that its only option was to submit a project for review.

The department did not identify any other alternatives that that would be considered superior based on quality, efficiency, and costs that are available or practicable for Blue Mountain Eye. Further, this project met the review criteria under need, financial feasibility, and structure and process of care. Based on the above information, the department conclude that **this sub-criterion is met.**

#### Step Three

This step is applicable only when there are two or more approvable projects. Blue Mountain Eye’s application is the only application under review to add OR capacity in Walla Walla County. Therefore, 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**

This sub-criterion was evaluated in conjunction with WAC 246-310-220 and is considered met.

- (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.

**Blue Mountain Eye, PLLC**

Blue Mountain Eye provided the following response related to this sub-criterion. [source: Application, p22]

*“Operational efficiency has been considered from the ground up. The layout has been carefully planned with considerable deliberation to promote a streamlined patient flow and accommodate new and changing technologies to meet future needs. It is designed to enhance communication with staff and optimize the necessary work while maintaining safety and patient confidentiality.*

*We are proud that the design meets and exceeds the requirements of the progressive energy code of the state. LED lighting is used throughout to minimize energy usage. Solar tubes are employed for safety, backup, to enhance the mood, and have no energy cost. Automation is planned to minimize any waste. The building is designed to allow solar to be easily deployed. In addition, the building is able to handle strict COVID precautions.”*

**Public Comments**

None

**Rebuttal Comments**

None

**Department Evaluation**

This project proposes adding a surgery center with three ORs to the Walla Walla County planning area. Although the cost of the project is significant, the transfer of appropriate services from an inpatient setting to an outpatient one is shown to be cost effective. 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 Walla Walla County planning area. **This sub-criterion is met.**

# **ATTACHMENT A**





**APPENDIX A  
ASC Need Methodology  
Walla Walla County**

Service Area Population: 2021	63,036	OFM	Age 0 - 85+																	
Surgeries @ 179.023/1,000:	11,285																			
a.i.	94,250	minutes/year/mixed-use OR																		
a.ii.	68,850	minutes/year/dedicated outpatient OR																		
a.iii.	4	dedicated outpatient OR's x 68,850 minutes =			275,400	minutes dedicated OR capacity			5,586	Outpatient surgeries										
a.iv.	6	mixed-use OR's x 94,250 minutes =			565,500	minutes mixed-use OR capacity			6,782	Mixed-use surgeries										
b.i.		projected inpatient surgeries =	6,233	=	519,697	minutes inpatient surgeries														
		projected outpatient surgeries =	5,052	=	249,092	minutes outpatient surgeries														
b.ii.		Forecast # of outpatient surgeries - capacity of dedicated outpatient OR's																		
		5,052	-		5,586	=			-534	outpatient surgeries										
b.iii.		average time of inpatient surgeries		=	83.38	minutes														
		average time of outpatient surgeries		=	49.31	minutes														
b.iv.		inpatient surgeries*average time		=	519,697	minutes														
		remaining outpatient surgeries(b.ii.)*ave time		=	-26,308	minutes														
					493,388	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																		
		565,500																		
		-	493,388																	
			72,112	/	94,250	=			0.77											
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 <b>Not Applicable - Ignore the following values and use results of c.i.</b>																		
		519,697																		
		-	565,500																	
			(45,803)	/	94,250	=			-0.49											
		<b>divide outpatient part of b.iv. By 68,850 to determine shortage of dedicated outpatient OR's</b>																		
			-26,308	/	68,850	=			-0.38											

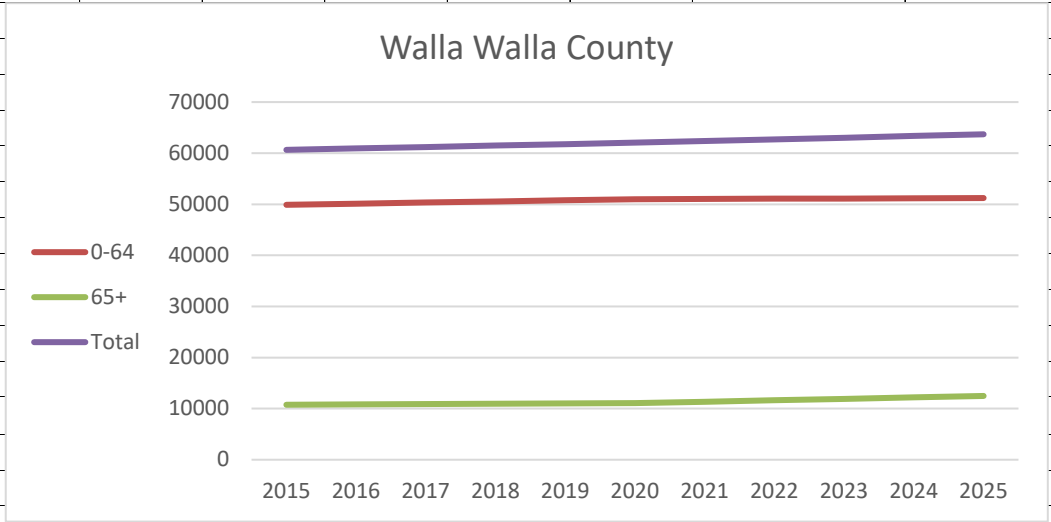


**APPENDIX A  
ASC Need Methodology  
Walla Walla County**

Facility	Special Procedure Rooms	Dedicated Inpatient ORs	Dedicated Outpatient ORs	Mixed Use ORs	Mixed Use min/case	2011 Inpatient Cases in Mixed Use	Inpatient Mins. In Mixed Use ORs	Outpatient Min/Case	Outpatient Cases	Outpatient Mins.	Data Source
Providence St. Mary Medical Center	2	0	0	6	83.4	6,080	506,946	0.0	0	0	Year 2018 data from 2019 survey. Applicant
NEW Providence ASF (CN #1779 issued 06/04/19)	2	0	2	0	0.0	0	0	50.0	3,814	190,700	Data from 05/29/19 department evaluation for projected year three (year 2022)
Walla Walla Clinic ASC (CN #1764 issued 01/09/19)	1	0	2	0	0.0	0	0	46.9	1,114	52,280	Year 2018 data from 2019 survey. Applicant
<b>Totals</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>6</b>	<b>83.4</b>	<b>6,080</b>	<b>506,946</b>	<b>96.9</b>	<b>4,928</b>	<b>242,980</b>	
					Avg min/case inpatient		<b>83.38</b>	Avg min/case outpatient		<b>49.31</b>	
<b>ORs counted in numeric methodology</b>			<b>4</b>	<b>6</b>							
2019 survey collecting 2018 data											
Population data source: OFM released 2017											
Total Surgeries	11,008										
Area population 2018 [0 - 85+]	61,489										Using 2018 population b/c using 2018 survey data
Use Rate	179.023										
Planning Area projected population Year: 2023	63,036										New Providence ASF to be operational December 2020
% Outpatient of total surgeries	44.77%										Walla Walla Clinic ASF complete December 2019
% Inpatient of total surgeries	55.23%										

Updated Walla Walla Population

Age	2010	2015	2020	2025	2030
Walla Walla 0-4	3,513	3,444	3,880	3,821	3,843
Walla Walla 5-9	3,613	3,723	3,721	4,064	3,973
Walla Walla 10-14	3,764	3,775	3,744	3,863	4,182
Walla Walla 15-19	4,887	4,904	4,758	4,856	4,973
Walla Walla 20-24	5,223	5,246	5,602	5,481	5,587
Walla Walla 25-29	3,831	3,991	4,653	4,338	4,235
Walla Walla 30-34	3,483	3,086	3,990	4,470	4,115
Walla Walla 35-39	3,294	3,226	3,593	3,919	4,352
Walla Walla 40-44	3,460	3,283	3,509	3,690	3,993
Walla Walla 45-49	3,809	3,444	3,218	3,332	3,503
Walla Walla 50-54	4,052	3,840	3,117	3,026	3,152
Walla Walla 55-59	3,795	4,015	3,509	3,028	2,954
Walla Walla 60-64	3,279	3,917	3,687	3,327	2,886
Walla Walla 65-69	2,412	3,359	3,380	3,496	3,154
Walla Walla 70-74	1,736	2,391	2,822	3,136	3,224
Walla Walla 75-79	1,586	1,733	1,951	2,506	2,782
Walla Walla 80-84	1,429	1,407	1,210	1,614	2,091
Walla Walla 85+	1,615	1,867	1,705	1,727	2,050
<b>Walla Walla Total</b>	<b>58,781</b>	<b>60,650</b>	<b>62,049</b>	<b>63,694</b>	<b>65,049</b>



HOSPICE												
Age Cohort	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	10-year change
0-64	49,893	50,111	50,328	50,546	50,763	50,981	51,028	51,075	51,121	51,168	51,215	2.65%
65+	10,757	10,819	10,881	10,944	11,006	11,068	11,350	11,632	11,915	12,197	12,479	16.01%
<b>Total</b>	<b>60,650</b>	<b>60,930</b>	<b>61,210</b>	<b>61,489</b>	<b>61,769</b>	<b>62,049</b>	<b>62,378</b>	<b>62,707</b>	<b>63,036</b>	<b>63,365</b>	<b>63,694</b>	<b>5.02%</b>

HOME HEALTH or ASF												
Age Cohort	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	10-year change
0-64	49,893	50,111	50,328	50,546	50,763	50,981	51,028	51,075	51,121	51,168	51,215	2.65%
65-79	7,482	7,616	7,751	7,885	8,019	8,153	8,350	8,547	8,744	8,941	9,138	22.13%
80+	3,275	3,203	3,131	3,059	2,987	2,915	3,000	3,085	3,171	3,256	3,341	2.03%
				<b>61,489</b>					<b>63,036</b>			