



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

May 4, 2012

Jacqueline Tillinger, CEO
Puget Sound Gastroenterology, PS
16504 - 9th Avenue Southeast, #106
Mill Creek, Washington 98012

Dear Ms. Tillinger:

Thank you for your April 6, 2012, application for an exemption from Certificate of Need for the establishment of an ambulatory surgery center (ASC) related to Puget Sound Gastroenterology, PS. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding this project.

FACTS

- Puget Sound Gastroenterology, PS is a group practice owned by the 19 physicians listed below.

| | | | |
|--------------------|---------------|----------------|-----------------|
| Russ Arjal | Sue Eng | Arnold Levin | Jason Schneier |
| Crystal Bernstein | Alina Gavrila | Steven Lewis | T. Robin Sloane |
| Anthony Bohorfoush | Jinfeng Guo | Timothy Little | Richard Tobin |
| Cara Debley | John Hinds | Ronald Mason | Steven Wegley |
| Gary Dines | Peter Justus | Alexandra Read | |

- A copy of the Medical Staff By-Laws was provided as part of this exemption application.
- The practice currently has a total of 5 practice sites located in Washington State. The practice sites are listed below. Puget Sound Gastroenterology, PS does not have any out-of-state practice site.

| Address | City | Zip Code | County |
|---|----------------|--------------|-------------|
| 11800 Northeast 128 th Street, #100 | Kirkland | 98034 | King |
| 21600 Highway 99, #260 | Edmonds | 98026 | Snohomish |
| 11027 Meridian Avenue North, #100 | Seattle | 98133 | King |
| 501 North 34 th Street, #101 | Seattle | 98133 | King |
| 16504 -- 9 th Avenue Southeast, #206 | Mill Creek | 98012 | Snohomish |

- Puget Sound Gastroenterology, PS intends to establish an exempt ASC located at the Seattle site listed in bold above.
- The ASC would be known as Seattle Endoscopy Center.¹

¹ ASF.FS.60102743



- The ASC would not be operated under a separate legal entity from the Puget Sound Gastroenterology, PS. group practice.
- At this time, seven physicians would have access to the proposed ASC. Information related to the seven physicians is listed below. Future owners or employees may have access to the ASC.

| Name | Credential Status | Practice Status | % of Time Employed by Practice |
|--------------------|-------------------|-----------------|--------------------------------|
| Crystal Bernstein | Active | Owner | 100% |
| Anthony Bohorfoush | Active | Owner | 100% |
| John Hinds | Active | Owner | 100% |
| Steven Lewis | Active | Owner | 100% |
| Alexandra Read | Active | Owner | 100% |
| Richard Tobin | Active | Owner | 100% |
| Steven Wegley | Active | Owner | 100% |

- Procedures to be performed at the ASC include those surgeries typically associated with colonoscopy, gastroenterology and endoscopy.²
- No management agreement for the ASC is proposed.

ANALYSIS

- Revised Code of Washington (RCW) 70.38.105(4) identifies the types of projects subject to prior Certificate of Need review and approval. Subsection (a) identifies that the construction, development, or other establishment of a new health care facility is subject to CON review.
- RCW 70.38.025(6) defines "health care facility" as *hospices, hospice care centers, hospitals, psychiatric hospitals, nursing homes, kidney disease treatment centers, ambulatory surgical facilities, and home health agencies, and includes such facilities when owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations, but does not include any health facility or institution conducted by and for those who rely exclusively upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination, or any health facility or institution operated for the exclusive care of members of a convent as defined in RCW 84.36.800 or rectory, monastery, or other institution operated for the care of members of the clergy. In addition, the term does not include any nonprofit hospital: (a) Which is operated exclusively to provide health care services for children; (b) which does not charge fees for such services; and (c) if not contrary to federal law as necessary to the receipt of federal funds by the state.*
- Washington Administrative Code (WAC 246-310-010) defines "ambulatory surgical facility" as *any free-standing entity, including an ambulatory surgery center, that operates primarily for the purpose of performing surgical procedures to treat patients not requiring hospitalization. This term does not include a facility in the offices of private physicians or dentists, whether for individual or group practice, if the privilege of using such facility is not extended to physicians or dentists outside the individual or group practice.*

² Gastroenterology consultative services are provided at all practice sites.

CONCLUSION

Based on the above factual information provided by you, the Certificate of Need Program concludes that the establishment of the ASC associated with the group practice known as Puget Sound Gastroenterology, PS does not meet the definition of an ASC under the Certificate of Need provisions of Washington Administrative Code (WAC) 246-310-010. Therefore, the proposed ASC is not subject to Certificate of Need review.

Please note: This exemption is not transferable and is based on the facts submitted in the exemption application. Prior Certificate of Need review and approval may be required under the provisions of WAC 246-310-020 if changes occur in your project. Examples of such changes include the following. This list is not intended to be all inclusive.

- 1) should Puget Sound Gastroenterology, PS decide to extend the privilege of using the ASC to physicians not part of the practice; OR
- 2) should Puget Sound Gastroenterology, PS decide to expand the scope of services at the ASC to include services subject to Certificate of Need review under the provisions of WAC 246-310-020; OR
- 3) should Puget Sound Gastroenterology, PS decide to organize the ASC as a separate legal entity from the group practice; OR
- 4) should Puget Sound Gastroenterology, PS decide to operate the ASC under a management agreement; OR
- 5) should any entity other than Puget Sound Gastroenterology, PS hold the Medicare certification; OR
- 6) should the ASC cease operations or relinquish its Medicare certification and then choose to resume services as an ASC; OR
- 7) should the group practice or ASC be purchased or leased.

This exemption approval does not constitute approval under any other local, federal, or state statute, or implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Section of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:

You or any interested or affected person may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

Jacqueline Tillinger, CEO
Puget Sound Gastroenterology, PS
DOR #12-25-Seattle Endoscopy Center
May 4, 2012
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Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Other Than By Mail
Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

Appeal Option 2:

You or any affected person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Other Than By Mail
Adjudicative Clerk Office
310 Israel Road SE, Building 6
Tumwater, WA 98501

Please call me at (360) 236-2957 if you have any further questions regarding the establishment of the exempt ASC.

Sincerely,



Karen Nidermayer, Analyst
Certificate of Need Program
Office of Certification and Technical Support

cc: Department of Health, Office of Customer Service
Department of Health, Construction Review Services