



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

August 21, 2012

Dennis Barts, Chief Executive Officer  
Valley Hospital and Medical Center  
12606 East Mission Avenue  
Spokane Valley, Washington 99216

Dear Mr. Barts:

Thank you for your letter dated June 25, 2012, requesting a determination of non-reviewability regarding Valley Hospital and Medical Center proposal to establish a new hospital outpatient department. Below are the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your project.

**FACTS**

- Valley Hospital and Medical Center (VHMC) is a licensed acute care hospital located at 12606 East Mission Avenue in Spokane Valley, within Spokane County.
- On December 26, 1989, the department issued Certificate of Need (CN) #1004 to Valley Outpatient Surgery Partnership, which was a 50/50 joint venture with the hospital and a physician group.<sup>1</sup>
- CN #1004 approved the establishment of a three-operating room (OR) ambulatory surgery center (ASC) at 1414 North Houk Road, #204 in Spokane Valley.
- The ASC was located on the hospital campus and connected to the hospital by a skywalk. The address for the ASC was Houk Road because it faced Houk Road; the address for the hospital is East Mission because of the location of the hospital entrance.
- In August 2008, the ASC established under CN #1004 ceased operations.
- In this DOR, VHMC requests to begin using the space previously approved under CN #1004 as a hospital outpatient surgical department. The space would be licensed under VHMC's hospital license. Your June 25, 2012, letter does not request to resume operations of the ASC approved under CN #1004.
- At this time, VHMC operates six ORs that are used for both inpatient and outpatient services. The new hospital outpatient surgical department includes two dedicated outpatient ORs, resulting in a total of eight ORs operated under the VHMC license.

---

<sup>1</sup> In 1996, the physician group's 50% ownership interest was purchased by HealthSouth Corporation.



- Procedures to be performed in the outpatient space includes those surgeries typically associated with outpatient procedures, such as cataract, knee and hip arthroscopy, carpal tunnel, and some podiatry procedures. A more complete listing of procedures was provided with your letter.
- No separate management agreement for the hospital outpatient surgical department is proposed.

### **CONCLUSION**

Based on the above factual information provided by you, the Certificate of Need Program concludes that the establishment of the hospital outpatient surgical department as described in your June 25, 2012, letter 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 project is not subject to Certificate of Need review.

**Please note:** This determination is not transferable and is based on the facts submitted in your letter. 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 the scope of services be expanded to include services subject to Certificate of Need review under the provisions of WAC 246-310-020; OR
- 2) should you decide to operate the hospital outpatient surgical department under a management agreement; OR
- 3) should the hospital outpatient surgical department be purchased or leased; OR
- 4) should the hospital outpatient surgical department be moved to a different site than identified in your letter.

Also note this determination does not approve a “restart” of the ASC approved under CN #1004.

Additionally, if at some point in the future, VHMC decides to remove the hospital outpatient surgical department from its hospital license and operate it as an ASC, prior Certificate of Need review and approval may be required depending on the rules in place at the time. At this time under current rules, removal of the hospital outpatient surgical department and continued operation as an ASC would require prior Certificate of Need review.

### **APPEAL OPTIONS**

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:

Dennis Barts, Chief Executive Officer  
Valley Hospital and Medical Center  
DOR #12-43  
August 21, 2012  
Page 3 of 3

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:

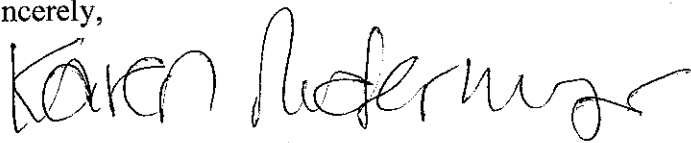
You or any affected person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610.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

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

Other Than By Mail  
Department of Health  
Adjudicative Service Unit  
111 Israel Road SE  
Tumwater, WA 98501

Please call me at (360) 236-2957 if you have any questions regarding this determination.

Sincerely,



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

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