

Providence Health & Services  
Swedish Health Services

Department of Legal Affairs

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February 27, 2015

Kyle Karinen  
Office of Legal Services  
Tertiary Services Review  
Certificate of Need Program  
Washington Department of Health  
PO Box 47873  
Olympia WA 98504-7873

Re: Recommended Revisions to Tertiary Services Definitions as Defined in WAC 246-310-020(1)(d)(i)

Dear Mr. Karinen:

On behalf of Providence Health & Services Washington entities and its affiliates including Swedish Health Services (“Swedish”) and Kadlec Regional Medical Center (collectively known as “Providence”), I would like to recommend a revision to the definition of Tertiary Services (WAC 246-310-020(1)(d)(i)). This is response to the Department of Health certificate of need (“CON”) program’s review of the definition of Tertiary Services as announced in a January 2015 memorandum. This memorandum requested interested parties to review and as appropriate, propose changes to the current list of tertiary services.

Providence does recommend one addition, the inclusion of Level IV Neonatal and Level IV Obstetric Services as a tertiary service. This is explained below.

***Current Tertiary Services Definition***

WAC 246-310-020(1)(d)(i) includes the following as “tertiary services:”

1. Specialty burn services
2. Intermediate care nursery (“ICN”) and/or obstetric services level II
3. Neonatal intensive care nursery (“NICU”) and/or obstetric services level III
4. Transplantation of specific solid organs
5. Open heart surgery and/or elective therapeutic cardiac catheterization, including percutaneous coronary interventions generally, and elective percutaneous coronary angioplasty (“PTCA”) specifically
6. Inpatient physician rehabilitation services level I
7. Specialized inpatient pediatric services

This rule also includes the following criteria for determining which services ought to be considered “tertiary;”

- Whether the service depends on skills/coordination of specialty/subspecialty clinicians
- Whether the service requires immediate access to an acute care hospital
- Whether the service is characterized by relatively few providers
- Whether the service is broader than a procedure
- Whether the service has low use rate
- Whether consensus supports, or published research shows a sufficient volume is required to impact structure, process and outcomes of care
- Whether the service carries significant risk or consequence

### ***Proposed Change--Level IV Neonatal and Obstetrics Service***

In February 2013, the Department updated the Washington State Perinatal and Neonatal Level of Care (“LOC”) Guidelines.<sup>1</sup> This revision created the designation of Level IV Neonatal and Level IV Obstetrical Services. The Guidelines define Level IV to include all Level III capabilities plus additional specialized resources/clinical subspecialties.

As stated above, other levels of neonatal and obstetric services are defined as “tertiary,” including Level II Intermediate Care Nursery and Level II Obstetrics and Level III Neonatal Intensive Care Nursery (“NICU”) and Level III Obstetrics. By definition, Level IV Neonatal and Level IV Obstetrics Service ought to be included in this definition, as well, since it includes more complex, specialized care. Just as Level II and Level III meet the tertiary services criteria, so too, does Level IV.

Based on Comprehensive Hospital Abstract Reporting System (“CHARS”) statistics and the Department’s definition of complex, inpatient neonatal care, four major hospitals stand out in terms of their volume and complexity of neonatal care. These hospitals include: Swedish/First Hill, Providence Sacred Heart, MultiCare Tacoma General Hospital and the University of Washington Medical Center. Combined, these four hospitals provide nearly 60% of the complex neonatal care delivered in Washington.<sup>2</sup>

In 2013, after the addition of a Level IV designation, Children’s Hospital, Providence Sacred Heart, Swedish/First Hill and MultiCare Tacoma General Hospital applied for and were approved under certificate of need rules for Level IV Neonatal and Level IV Obstetrics Service.

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<sup>1</sup> As stated by the Department, the Certificate of Need program uses the Perinatal Guidelines as a reference for hospitals applying for Level I, Level II, Level III or Level IV designation.

<sup>2</sup> We have defined “complex neonatal care” to be DRGs 789 and 790, which the Department historically has used to define Level III neonatal services. During the 2008-2012 timeframe, hospital patient days as a percentage of the statewide total for these two DRGs was 17% at Swedish, 16% at Tacoma General, 13% at Providence Sacred Heart, and 13% at the University of Washington Medical Center, for a total of 59%. The NICUs at these four major hospitals stand out not only in terms of volume, but also in terms of complexity of care. This is reflected in the average length of stay for NICU patients (i.e., DRG 789 and 790 neonates), which is 36.5 at these four hospitals, compared to 14.3 at other Washington hospitals. During the 2008-2012 timeframe, the ALOS statistic for DRG 789 and 790 neonates was 44.5 at Swedish, 40.6 at Providence Sacred Heart, 36.0 at Tacoma General, and 27.5 at the University of Washington Medical Center.

*In summary, based on the above, we respectfully recommend the addition of Level IV Neonatal and Obstetrics Service to the list of tertiary services. It fully meets the criteria for a tertiary service. We do not recommend other changes to Tertiary Services at this time.*

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Thank you in advance for your consideration of our recommendations. If there are any questions regarding the above, I can be reached at 206.215.2479. I can also be reached at [betsy.vo@providence.org](mailto:betsy.vo@providence.org).

Yours truly,

A handwritten signature in blue ink that reads "Betsy M. Vo". The signature is fluid and cursive, with a long horizontal stroke at the end.

Betsy M. Vo  
Department of Legal Affairs  
Providence Health and Services