

**APPLICATION FOR CERTIFICATE OF NEED**  
**Health Care Facility Projects**  
*(excluding nursing home, hospital, or CCRC related projects)*

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990 and the instructions on page 2 of this form.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and WAC 246-310, rules and regulations adopted by the Washington State Department of Health. I hereby certify that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer	Date
	Telephone Number
Legal Name of Applicant	Type of Application: <input type="checkbox"/> Home Health Agency <input type="checkbox"/> Ambulatory Surgical Facility <input type="checkbox"/> Kidney Disease Treatment Center <input type="checkbox"/> Hospice
Address of Applicant	Type of Project (check all that apply) <input type="checkbox"/> New Health Care Facility <input type="checkbox"/> Capital expenditure over expenditure minimum <input type="checkbox"/> Pre-development Expenditure <input type="checkbox"/> Increase in the number of dialysis stations in a kidney disease center
Intended date of incurring contractual obligation to construct, acquire, lease or finance capital asset:	Intended date of undertaking project:
Estimated capital expenditure: \$ _____	Intended date for beginning to offer services or operate completed project:
ATTACH NARRATIVE PORTION OF THE APPLICATION	Project Summary:

**INSTRUCTIONS FOR SUBMISSION:** DO NOT bind your application. Bindings, notebooks, and other covers are not necessary. Please number the pages and two-hole punch the application material at the top of the pages.

1. Mail two copies of the completed application, with narrative portion to:

**Department of Health  
Certificate of Need Program  
310 Israel Road  
P O Box 47852  
Olympia, Washington 98504-7852**

The application must be accompanied by a check, payable to: **Department of Health** for the application review fee as identified on the enclosed fee schedule.

2. COMPLETE THE FOLLOWING PRIOR TO SUBMISSION FOR REVIEW:

TOTAL AMOUNT OF FEE ACCOMPANYING THIS APPLICATION:

REVIEW FEE: \$ \_\_\_\_\_ (see page 3)

APPLICANT NAME: \_\_\_\_\_

DATE OF SUBMISSION: \_\_\_\_\_ CHECK NUMBER: \_\_\_\_\_

# CERTIFICATE OF NEED FEE SCHEDULE

Effective 7/1/08

## Application Fees

An application for a certificate of need under chapter 246-310-990 WAC must include payment of a fee consisting of the following:

- A review fee based on the facility/project type.
- If more than one facility/project type applies to an application, the review fee for each type of facility/project must be included.

Facility/Project Type	Review Fee
Ambulatory Surgical Centers/Facilities	\$17,392
Amendments to Issued Certificates of Need	\$10,961
Emergency Review	\$7,055
Exemption Requests (Non-Refundable Fee)	
• Continuing Care Retirement Communities (CCRCs)/Health Maintenance Organization (HMOs)	\$7,055
• Bed Banking/Conversions	\$ 1,147
• Determinations of Non-Reviewability	\$ 1,639
• Hospice care center	\$ 1,476
• Nursing Home Replacement/Renovation Authorizations	\$ 1,476
• Nursing Home Capital Threshold under RCW 70.38.105(4)(e) (excluding replacement/renovation authorizations)	\$1,476
• Rural Hospital/Rural Health Care Facility	\$1,476
Extensions (Non-Refundable Fee)	
• Bed Banking	\$656
• Certificate of Need/Replacement-Renovation Authorization Validity Period	\$656
Home Health Agency	\$21,001
Hospice Agency	\$18,704
Hospice Care Centers	\$10,961
Hospital (excluding Transitional Care Units-TCUs, Ambulatory Surgical Center/Facilities, Home Health, Hospice, and Kidney Disease Treatment Centers)	\$34,457
Kidney Disease Treatment Centers	\$21,331
Nursing Homes (including CCRCs and TCUs)	\$39,380

## Fees for Amending Pending Applications

The fee for amending a pending certificate of need application-is determined as follows:-

- If an amendment to a pending certificate of need application results in the addition of one or more facility/project types the review for each additional facility/project type must accompany the amendment application;
- If an amendment to a pending certificate of need application results in the removal of one or more facility/project types the department shall refund to the applicant the difference between the review fee previously paid and the review fee applicable to the new facility/project type;
- If an amendment to a pending certificate of need application results in any other change as identified in WAC 246-310-100, a fee of \$1,756 must accompany the amendment application.

## Refunds

- If a certificate of need application is returned by the department under WAC 246-310-090 (2)(b) or (e), the department shall refund 75% of the review fees paid.
- If an applicant submits a written request to withdraw a certificate of need application before the beginning of review, the department shall refund 75% of the review fees paid by the applicant.
- If an applicant submits a written request to withdraw certificate of need application after the beginning of review, but before the beginning of the ex parte period the department shall refund 50% of all review fees paid.
- If an applicant submits a written request to withdraw an application after the beginning of the ex parte period the department shall not refund any of the review fees paid.
- Review fees for exemptions and extensions are nonrefundable.

WASHINGTON STATE CERTIFICATE OF NEED PROGRAM  
RCW 70.78 AND WAC 246-310

**APPLICATION INFORMATION INSTRUCTIONS**

These application information requirements are to be used in preparing a Certificate of Need application. The information will be used to evaluate the conformance of the project with all applicable review criteria contained in RCW 78.38.115 and WAC 246-310-210, 220, 230, 240, 370, and 380.

- The application is to be submitted together with a completed, signed Certificate of Need application face sheet and the appropriate review and processing fee. Please send two copies of the entire application to:

**Department of Health  
Certificate of Need Program  
310 Israel Road  
P O Box 47852  
Olympia, Washington 98504-7852**

- Submit a copy of the **Letter of Intent** for this project in the application.
- Please make the narrative information complete and concise. Data sources are to be cited. Extensive supporting data, that tends to interrupt the narrative, should be placed in the appendix.
- Please number **ALL** pages.
- All cost projections are to be in non-inflated dollars. Use the current year dollar value for all program data and projections. **DO NOT** inflate these dollar amounts.
- Capital expenditures should not include contingencies. Certificate of Need statutes and regulation allow a 12 percent or \$50,000.00 (*whichever is greater*) margin before an amendment to an approved Certificate is required.

**Health Care Facility Projects**  
**(excluding nursing home, hospital, or CCRC related projects)**

**I. APPLICANT DESCRIPTION:**

- a. Legal name(s) of applicant(s)  
*Note: The term "applicant" for this purpose is defined as any person or individual with a ten percent or greater financial interest in a partnership or corporation or other comparable legal entity that engage in any undertaking which is subject to review under provisions of RCW 70.38.*
- b. Name and address of the proposed/existing facility.
- c. Type of ownership (public/private/corporation, etc.).
- d. Name and address of owning entity at completion of project (unless same as applicant).
- e. Name, title, address, and telephone number of the person to whom questions regarding this application should be directed.
- f. Corporate structure and related parties. Attach chart showing organizational relationship to related parties.
- g. Name and address of operating entity at completion of project (unless same as applicant).
- h. General description and address of each facility owned and/or operated by applicant.
- i. Facility licensure/accreditation status.
- j. Is applicant reimbursed for services under Titles V, XVIII, and XIX of Social Security Act?
- k. Geographic identification of primary service area.
- l. List physician specialties represented on active medical staff and indicate number of active staff per specialty.
- m. List all other generally similar providers currently operating in the primary service area.
- n. For existing facilities, provide applicant's overall utilization for the last five years, as appropriate.
  1. Home Health Agency - home visits per year;
  2. Ambulatory Surgical Facility - surgeries per year;
  3. Kidney Disease Treatment Center - dialyses and/or transplants per year;
  4. Hospice - patients per year.
- o. Describe the history of applicant entity with respect to criminal convictions related to ownership/operation of health care facility, license revocations, and other sanctions described in WAC 246-310-230 5)(a). If there have been no such convictions or sanctions, please state.

## **II. PROJECT DESCRIPTION**

Include the following elements in the project description. Be aware that an amendment to a Certificate of Need is required for certain project modifications as described in WAC 246-310-100 (1).

- a. Describe the project for which Certificate of Need approval is sought.
- b. Total estimated capital expenditures.
- c. Total estimated operating expense for the first and second years of operation (*please show separately*).
- d. New services/changes in services represented by this project.
- e. General description of types of patients to be served by the project.
- f. Projected utilization of service(s) for the first and second year of operation following project completion (*please show separately*). This should be expressed in appropriate workload unit measures.
- g. A copy of the letter of intent, per WAC 246-310-080.
- h. Sources of patient revenue (Medicare, etc.) with anticipated percentage of revenue from each source. Estimate the percentage of change for each of the courses of revenue by payer that will result from this project.
- i. Source(s) of financing.
- j. Equipment proposed:
  1. Description of equipment proposed.
  2. Description of equipment to be replaced, including cost of the equipment, and salvage value (if any) or disposal, or use of the equipment to be replaced.
- k. Drawings:
  1. Single line drawings, *at least approximately to scale*, of current locations which identify current department and services.
  2. Single line drawings, *at least approximately to scale*, of proposed locations which identify proposed services and departments.
  3. Total net and gross square feet of project.
  4. Describe any changes in dialysis station capacity proposed as part of this project.
- l. Anticipated dates of both commencement and completion of project.
- m. Describe the relationship of this project to the applicant's long-range plan and long-range financial plan (if any).

- n. Describe any of the following which would currently restrict usage of the proposed site and/or alternate site for the proposed project: (a) mortgages; (b) liens; (c) assessments; (d) mineral or mining rights; (e) restrictive clauses in the instrument of conveyance; (f) easements and right-of-ways; (g) building restrictions; (h) water and sewer access; (i) probability of flooding; (j) special use restrictions; (k) existence of access roads; (l) access to power and/or electricity sources; (m) shoreline management/environmental impact; (n) others (please explain).
- o. Provide documentation that the proposed site may be used for the proposed project. Include a letter from any appropriate municipal authority indicating that: 1) the site for the proposed project is properly zoned for the anticipated use, and 2) scope of the project or a written explanation of why the proposed project is exempt.
- p. Provide documentation that the applicant has sufficient interest in the site or facility proposed. "Sufficient interest" shall mean any of the following:
  - a. clear legal title to the proposed site;
  - b. a lease for at least five years, with options to renew for not less than a total of twenty years, in the case of a hospital, psychiatric hospital, tuberculosis hospital, or rehabilitation facility;
  - c. a lease for at least one year with, options to renew for not less than a total of five years, in the case of freestanding kidney dialysis units, ambulatory surgical facility, hospice, or home health agency;
  - d. a legally enforceable agreement to give such title or such lease in the event that a Certificate of Need is issued for the proposed project.

### **III. PROJECT RATIONALE**

Provide documentation to establish conformance of this project with applicable review criteria.

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

1. Identify and analyze the unmet health services needs and/or other problems toward which this project is directed.
  - a. Unmet health services needs of the defined populations should be differentiated from physical plant and operating (*service delivery*) deficiencies that are related to present arrangements.
  - b. The negative impact and consequences of unmet needs and deficiencies should be identified.
2. Define the population that is expected to be served by the project. The specific manner of definition is of necessity based on the specific project proposed, and may require definitions for different elements of the project.

***In all cases, provide Office of Fiscal Management population forecasts for the next ten years, broken down into age and gender categorizes.***

**In the case of an existing facility**, include a patient origin analysis for at least the most recent three-month period, if such data is maintained, or provide patient origin data from the last statewide patient origin study. Patient origin is to be indicated by zip code. Zip codes are to be grouped by city and county, and include a zip code map illustrating the service area.

The population expected to be served can be defined according to specific needs and circumstances of patients (e.g., alcoholism treatment, renal dialysis), or by the number of persons who prefer to receive the services of a particular recognized school or theory of medical care.

3. Provide utilization forecasts for each service included in the project. Include the following:
  - a. Utilization forecasts for at least five years following project completion.
  - b. The complete quantitative methodology used to construct each utilization forecast.
  - c. Identify and justify all assumptions related to changes in use rate, market share, intensity of service, and others.
  - d. Evidence of the number of persons now using the service(s) who will continue to use the service(s). Utilization experience for existing services involved in the project should be reported for up to the last ten years, as available. Such utilization should be reported in recognized units of measure appropriate to the service.
  - e. Evidence of the number of persons who will begin to use the services(s).
4.
  - a. Provide information on the availability and accessibility of similar existing services to the defined population expected to be served. This section should concentrate on other facilities and services which "compete" with the applicant.
    - i. Identify all existing providers of services similar to those proposed and include sufficient utilization experience of those providers that demonstrates that such existing services are not available in sufficient supply to meet all or some portion of the forecaster utilization.
    - ii. If existing services are available to the defined population, demonstrate that such services are not accessible to that population. Time and distance factors, among others, are to be analyzed in this section.
    - iii. If existing services are available and accessible to the defined population, justify why the proposed project does not constitute an unnecessary duplication of services.
  - b. In the context of the criteria contained in WAC 246-310-210 (1) (a) and (b), document the manner in which:
    - i. Access of low-income persons, racial and ethnic minorities, women, mentally handicapped persons, and other under-served groups to the services proposed is commensurate with needs for the health services.

- ii In the case of the relocation of a facility or service, or the reduction or elimination of a service, the present needs of the defined population for that facility or service, including the needs of under-served groups, will continue to be met by the proposed relocation by alternative arrangements.

**Applicants should include the following:**

- Copy of admissions policy;
  - Copy of community service policy;
  - Reference appropriate access problems and discuss how this project addresses such problems;
  - As appropriate, reference health facility related access problems of under-served groups noted in social services plan documents;
  - Other information as appropriate
5. As applicable, substantiate the following special needs and circumstances that the proposed project is to serve.
    - a. The special needs and circumstances of entities such as medical and other health professions' schools, multi-disciplinary clinics, and specialty centers that provide a substantial portion of their services, resources, or both, to individuals not residing in the health services areas in which the entities are located or in adjacent health services areas.
    - b. The special needs and circumstances of biomedical and behavioral research projects which are 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 with which the proposed facility/service would be affiliated.

**B. Financial Feasibility (WAC 246-310-220)**

1. Proposed capital expenditures should be broken out in detail and should account for at least the following:
  - Land acquisition;
  - Site survey, tests, inspections;
  - Construction contract;
  - Financial feasibility studies, architectural fees/engineering fees/consulting fees;
  - Fixed equipment (not in construction contract);
  - Movable equipment;
  - Freight and delivery charges;
  - Sales tax;
  - Cost of tuning up and trial runs;

- Reconditioning costs (in case of used asset);
  - Cost of title investigations, legal fees, brokerage commissions;
  - Other activities essential to the acquisition, improvement, expansion, or replacement of plant and equipment due to the project; and
  - Financing costs, including interim interest expense, reserve account, interest expense, and other financing costs.
2. The method and sources for calculating construction costs and other estimated capital expenditures should be fully explained.
  3. Documentation of project impact on (a) capital costs, and (b) operating costs and charges for health services.
  4. Source(s) of financing (*loan, grant, gifts, etc.*). Provide all financing costs, including reserve account, interest expense, and other financing costs. If acquisition of the asset is to be by lease, copies of any lease agreements, and/or maintenance repair contracts should be provided. The proposed lease should be capitalized with interest expense and principal separated. For debt amortization, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.
  5. Provide a cost comparison analysis of the following alternative financing methods: purchase, lease, board-designated reserves, and interfund loan or bank loan. Provide the rationale for choosing the financing method selected.
  6. Provide a pro forma balance sheet and the accounting statement, statement of changes in financial position of unrestricted funds and changes in components of working capital.
  7. Provide a capital expenditure budget through the project completion and for three years following completion of the project.
  8. The expected sources of revenues for the applicant's total operations (e.g., Medicaid, Blue Cross, Labor and Industries, etc.) with anticipated percentage of revenue from each source.
  9. Expense and revenue statements for the last three full years.
  10. Cash flow statement for the last three full years.
  11. Balance sheets detailing the assets, liabilities, and net worth of facility for the last three full *fiscal* years.
  12. Indicate the reduction or addition of FTEs with the salaries, wages, employee benefits for each FTE affected.

**C. Structure and Process (Quality) of Care (WAC 246-310-230)**

Please document the following associated with structure and process of care.

1. The availability of sufficient numbers of qualified health manpower and management personnel. If the staff availability is a problem, describe the manner in which the problem will be addressed.
2. The relationship of ancillary and support services to proposed services, and the capability of ancillary and support services to meet the service demands of the proposed project.
3. The specific means by which the proposed project will promote continuity in the provision of health care to the defined population and avoid unwarranted fragmentation of services. This section should include the identification of existing and proposed formal working relationships with hospitals, nursing homes, and other health service resources serving your primary service area. This description should include recent, current, and pending cooperative planning activities, shared services agreements, and transfer agreements. Copies of relevant agreements and other documents should be included.
4. Fully describe any history of the applicant entity with respect to the actions noted in Certificate of Need rules and regulations WAC 246-310-230 (5) (a). If there is such history, provide clear, cogent, and convincing evidence that the proposed project will be operated in a manner that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.
5. Services to be provided will be provided (a) in a manner that ensures safe and adequate care, and (b) in accord with applicable federal and state laws, rules, and regulations.

#### **D. Cost Containment (WAC 246-310-240)**

Please document the following associated with cost containment.

1. Exploration of alternatives to the project you have chosen to pursue, including postponing action, shared service arrangements, merger, contract services, and different methods of service provision, including different spacial configurations you have evaluated and rejected. Each alternative should be analyzed by application of the following:
  - Decision making criteria (*cost limits, availability, quality of care, legal restriction, etc.*):
  - Advantages and disadvantages, and whether the sum of either the advantages or the disadvantages outweigh each other by application of the decision-making criteria;
  - Capital costs;
  - Staffing impact.
2. The specific ways in which the project will promote staff or system efficiency or productivity.
3. In the case of construction, renovation, or expansion, capital cost reductions achieved by architectural planning and engineering methods and methods of building design and construction. Include an inventory of net and gross square feet for each service and estimated

capital cost for each proposed service. Reference appropriate recognized space planning guidelines you have employed in your space allocation activities.

4. In the case of construction, renovation or expansion, an analysis of the capital and operating costs of alternative methods of energy consumption, including the rationale for choosing any method other than the least costly. For energy-related projects, document any efforts to obtain a grant under the National Energy Conservation Act.