



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

August 22, 2014

Mary Jane Hynes
Second Generation Partners, LLC
10678 Northeast Manor Lane
Bainbridge Island, Washington 98810

Steve LeForte, Manager
Videll Healthcare Mercer Island, LLC
3815 South Othello Street, #100-323
Seattle, Washington 98118

Re: 15-01 Full Facility Closure Bed Banking-Building Owner
15-02 Full Facility Closure Bed Banking-Licensee

Dear Ms. Hynes and Mr. LeForte:

This letter is in response to the two full facility closure bed banking requests submitted for Mercer Island Care and Rehabilitation Center located in Mercer Island. On July 23, 2014, Second Generation Partners, LLC (building owner) submitted its request to bank 100 beds at Mercer Island Care and Rehabilitation Center. On July 31, 2014, Videll Healthcare Mercer Island, LLC (licensee) submitted its request to bank 100 beds at Mercer Island Care and Rehabilitation Center.

Washington Administrative Code (WAC) 246-310-010(19) defines the “*effective date of facility closure*” as:

- (a) *The date on which the facility's license was relinquished, revoked or expired; or*
- (b) *The date the last resident leaves the facility, whichever comes first.*

According to information provided by the Department of Social and Health Services, Mercer Island Care and Rehabilitation Center’s last resident left July 3, 2014. Therefore, the effective date of Mercer Island Care and Rehabilitation Center’s closure is July 3, 2014.

Revised Code of Washington (RCW) 70.38.115(13)(b) requires bed banking requests to be received in the Certificate of Need Program office no later than 30 days following a facility’s closure. For Mercer Island Care and Rehabilitation Center, that date is August 1, 2014. Both requests were submitted by August 1.

Mary Jane Hynes
Second Generation Partners, LLC-BB 15-01
Steve LeForte
Videll Healthcare Mercer Island, LLC BB 15-02
Page 2 of 2

RCW 70.38.115(1)(b) allows the licensee or any other party who has secured an interest in the beds to bank the beds under full facility closure for eight years from the date of the original bed banking. The eight-year bed banking of the 100 beds at Mercer Island Care and Rehabilitation Center will expire on July 3, 2022, or until a Certificate of Need is issued.

The department has confirmed that Videll Healthcare Mercer Island, LLC was the licensee at the time of the facility's closure. Second Generation Partners, LLC, the building owner, claims to have a secured interest in the beds at the time of closure.

Mercer Island Care and Rehabilitation Center's 100 beds have been banked pursuant to RCW 70.38.115(13)(b) and WAC 246-310-396. The information contained in the applications demonstrates both entities claim bed rights. The Department of Health will not issue a Certificate of Need to un-bank these 100 beds until documentation is presented that verifies uncontested ownership of the beds rights.

Please call me at (360) 236-2955 if you have any questions regarding the bed banking for Mercer Island Care and Rehabilitation Center

Sincerely,



Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

cc: Department of Social and Health Services
Elana Zana, Attorney w/ Ogden Murphy Wallace, PLLC
Thomas Grimm, Attorney w/ Ryan Swanson Cleveland, PLLC