



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*Olympia, Washington 98504*

August 22, 2014

Scott Faringer, Administrator  
Tri-City Orthopaedic Clinic, PSC  
5703 West Rio Grand Avenue  
Kennewick, Washington 99336

RE: DOR #15-02

Dear Mr. Faringer:

The Department of Health has completed the review of your exemption request regarding the proposed ambulatory surgery center in Richland, within Benton County. Below is the information considered and the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your project.

**INFORMATION CONSIDERED**

- Ambulatory Surgery Center (ASC) exemption application received July 2, 2014
- Supplemental information received on August 18, 2014
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Washington Secretary of State and Department of Revenue information obtained from the respective websites
- Department of Health external provider look-up
- Department of Health Integrated Licensing and Regulatory System (ILRS)
- Certificate of Need historical files

**FACTS CONSIDERED**

- Tri-City Orthopaedic Clinic, PSC is a group practice governed by the following six members.

Name	Title
Mark R. Merrell, MD	President/Chairman
Jonathan R. Perry, MD	Vice President
Owen Milo Higgs, MD	Secretary
James Robert Hazel, MD	Treasurer
Janmeet Singh Sahota, OP	Director
Travis Ashcroft Peterson, OP	Director

- Tri-City Orthopaedic Clinic, PSC has been a Washington State corporation since October 10, 1997.
- Tri-City Orthopaedic Clinic, PSC has two practice sites; both are located in Benton County. The two practice sites are identified below.

Address	City	Zip
985 Goethals Drive	Richland	99301
5703 West Rio Grande Avenue	Kennewick	99336

- On June 15, 2000, Tri-City Orthopaedic Clinic, PSC received an exemption from Certificate of Need review for the establishment of an ASC at the Richland practice site. This application requests a second exemption for the same facility at the Richland site.<sup>1</sup>
- The application identifies eight physicians that would have access to the proposed ASC. The physicians are listed below.

Name	Credential Status	Practice Status
James Robert Hazel, MD	Active	Partner
Owen Milo Higgs, MD	Active	Partner
Mark R. Merrell, MD	Active	Partner
Jonathan R. Perry, MD	Active	Partner
Travis Ashcroft Peterson, OP	Active	Employee
Janmeet Singh Sahota, OP	Active	Employee
Faustin R. Stevens, MD	Active	Employee
Allen Brian Shoham, MD	Active	Employee

- The proposed ASC would be operated under the Tri-City Orthopaedic Clinic, PSC corporation.
- The corporation known as Tri-City Orthopaedic Center, LLC is an inactive corporation.
- Procedures to be performed at the ASC are those typically associated with orthopedic, spine surgery, and pain management.
- The proposed ASC would not be operated under a management agreement.

## **CONCLUSION**

Based on the totality of information considered, the department concludes the proposed ASC would be exempt from Certificate of Need review. This exemption is not transferable and the conclusions reached concerning this proposed ASC are based on the facts about this facility and it should not be assumed the department would reach the same conclusion in future exemption requests for other future ASCs.

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<sup>1</sup> Certificate of Need exemptions are issued based on the facts in place at the time of the exemption request. If the facts change, a new exemption is required. Specific to the Richland site, the facts have changed, so a new exemption request was appropriately submitted.

If changes are made in the operation or ownership of this proposed ASC, the ASC may no longer be eligible for this exemption. In that case, prior Certificate of Need review and approval or new exemption would be required. Examples of such changes include the following. This list is not intended to be all inclusive.

- The scope of services is expanded to include services subject to Certificate of Need review under the provisions of WAC 246-310-020.
- The provision of any procedure as identified under WAC 246-310-705(4).
- The ASC is operated under a management agreement.
- The ASC is organized as a separate legal entity from the practice.
- The ASC is moved to a different site than identified in the exemption application.
- Use of the ASC is extended to any physician who is not a member/owner or employed by Tri-City Orthopaedic Clinic, PSC.
- The ASC ceases operations or relinquishes its Medicare certification and then chooses to resume services as an ASC.
- The ASC or the practice is purchased or leased.
- ASC patients are routinely transferred from the ASC for observation care at one of the area's hospitals.

### **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 addresses below.

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 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 addresses listed on the following page.



Scott Faringer, Tri-City Orthopaedic Clinic, PSC  
DOR #15-01  
August 22, 2014  
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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

If you have any questions, you can e-mail me at [karen.nidermayer@doh.wa.gov](mailto:karen.nidermayer@doh.wa.gov) or call me directly at (360) 236-2957.

Sincerely,



Karen Nidermayer, Analyst  
Certificate of Need Program  
Community Health Systems

cc: Department of Health, Investigations and Inspections Office  
Department of Health, Construction Review Services [ASF#600100090]