



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

March 30, 2017

CERTIFIED MAIL # 7016 0910 0000 3454 9238

Amanda Crain, Chief Operating Officer
Puget Sound Kidney Centers
1019 Pacific Avenue
Everett, Washington 98201

RE: Certificate of Need Application #16-33

Dear Ms. Crain:

We have completed review of the Certificate of Need application submitted by Puget Sound Kidney Centers proposing to establish a 44-station dialysis center within Pierce County planning area #5. Enclosed is a written evaluation of the application.

For the reasons stated in the enclosed evaluation, the application is consistent with the applicable Certificate of Need review criteria, provided Puget Sound Kidney Centers agrees to the following in its entirety.

Project Description:

This certificate approves the establishment of a 29-station dialysis facility in Lakewood, within Pierce County planning area #5. Services to be provided at PSKC-Lakewood would include in-center hemodialysis, home hemodialysis and home peritoneal dialysis training and support for dialysis patients, one permanent bed station, an isolation station, and a shift beginning after 5:00 p.m. A breakdown of all stations at project completion is shown below:

Private Isolation Station	1
Permanent Bed Station	1
Other In-Center Station	27
Total In-Center Stations	29

Conditions:

1. Approval of the project description as stated above. Puget Sound Kidney Centers further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.

2. Prior to commencement of the project, Puget Sound Kidney Centers shall submit to the department an updated Community Service Statement that is consistent with the draft provided in the application, but that includes Pierce County.
3. Puget Sound Kidney Centers shall finance this project using existing capital reserves, as described in the application.
4. Puget Sound Kidney Centers shall provide a copy of the executed Medical Director contract, consistent with the draft in the application.
5. Puget Sound Kidney Centers shall provide a copy of the executed patient transfer agreement, consistent with the draft in the application.

Approved Costs:

The department concluded that costs associated with Puget Sound Kidney Centers' application for a 22-station facility were reasonable. The department also concluded that the costs associated with Puget Sound Kidney Centers' application for a 44-station facility were reasonable. In order to ensure that the approved capital expenditure for the 29-station facility is appropriate, the department calculated the cost per station at 22 stations and applied this cost to the 29-station facility.¹ The approved capital expenditure for this 29-station facility is \$8,957,745.

Please notify the Department of Health within 20 days of the date of this letter whether you accept the above project description, conditions, and capital costs for your project. If you accept these in their entirety, your application will be approved and a Certificate of Need sent to you.

If you reject any of the above provisions, your application will be denied. The department will send you a letter denying your application and provide you information about your appeal rights.

Send your written response to the Certificate of Need Program, at one of the following addresses.

Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:
Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

¹ At 22 stations, the estimated capital expenditure was \$6,795,531. The cost per station for this project was \$308,888. \$308,888 * 29 stations = \$8,957,745.

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If you have any questions, or would like to arrange for a meeting to discuss our decision, please contact Janis Sigman with the Certificate of Need Program at (360) 236-2955.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Bowman", written over a horizontal line.

Steve Bowman, Director
Office of Community Health Systems

Enclosure