



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*PO Box 47852 • Olympia, Washington 98504-7852*

August 8, 2017

CERTIFIED MAIL # 7014 2120 0002 7589 9384

Robert Watilo, CSO  
Kadlec Regional Medical Center  
888 Swift Boulevard  
Richland, WA 99352

RE: Certificate of Need Application #17-19

Dear Mr. Watilo:

Enclosed is Certificate of Need #1608 issued to Kadlec Regional Medical Center approving the establishment of an ambulatory surgery center in Richland, within Benton County.

The certificate is not approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. The appeal options are listed below.

Appeal Option 1:

Any person with standing 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 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

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Appeal Option 2:

Any person with standing 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 following addresses:

<u>Mailing Address:</u>	<u>Physical Address</u>
Department of Health	Department of Health
Adjudicative Service Unit	Adjudicative Service Unit
Mail Stop 47879	111 Israel Road SE
Olympia, WA 98504-7879	Tumwater, WA 98501

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Steve Bowman, PhD, MHA  
Director, Office of Community Health Systems

Enclosure



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

**Certificate of Need #1608 is issued to:**

**Legal Name of Applicant:** Kadlec Regional Medical Center  
**Address of Applicant:** 888 Swift Boulevard Richland, WA 99352  
**Type of Service:** Ambulatory Surgery Center  
**Facility Name:** Kadlec Regional Medical Center dba NEWCO  
**Facility Address:** 1351 Fowler Street Richland, WA 99352

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED AUGUST 2, 2017 (CN App #17-19)**

**Project Description**

This certificate approves the establishment of a three-operating room ambulatory surgery center in Richland, within Benton County. The surgery center will serve patients of all ages, providing the following surgical types: ENT, gastroenterology, gynecology, general surgery, neurology, orthopedics, ophthalmology, plastics, podiatry, urology, and vascular surgery.

**Service Area**

Benton and Franklin County

**Conditions**

Conditions Identified on Page Two

**Approved Capital Expenditure**

The approved capital expenditure is \$5,468,471

This Certificate authorizes commencement of the project from August 8, 2017 to August 8, 2019 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

**Date Certificate Issued:** August 8, 2017

A handwritten signature in blue ink, appearing to read 'Steve Bowman', written over a horizontal line.

Steve Bowman, PhD, MHA  
Director, Office of Community Health Systems

**This Certificate is not transferable**



## **Certificate of Need #1608**

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#### **Conditions**

1. Kadlec Regional Medical Center dba NEWCO agrees with the project description as stated above. Kadlec Regional Medical Center dba NEWCO 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. Kadlec Regional Medical Center dba NEWCO will submit to the department for review and approval the adopted admission, non-discrimination, and charity care policies prior to opening the surgery center. Each of these policies must be consistent with the drafts provided in the application.
3. Kadlec Regional Medical Center dba NEWCO will provide charity care in compliance with its charity care policies reviewed and approved by the Department of Health, or any subsequent policies reviewed and approved by the Department of Health. Kadlec Regional Medical Center dba NEWCO will use reasonable efforts to provide charity care in the amount identified in the application. These amounts are 2.5% of gross revenue and 7.02% of adjusted revenue. Kadlec Regional Medical Center dba NEWCO will maintain records of charity care applications received and the dollar amount of charity care discounts granted. The department requires that these records be available upon request.
4. Kadlec Regional Medical Center dba NEWCO will finance the project using cash reserves as stated in the application
5. Kadlec Regional Medical Center dba NEWCO agrees that the ASC will maintain Medicare and Medicaid certification, regardless of facility ownership.
6. Kadlec Regional Medical Center dba NEWCO will provide the department with a listing of key staff for the ASC prior to offering services. Key staff includes all credentialed or licensed management staff, including the director of nursing and the medical director.
7. Kadlec Regional Medical Center dba NEWCO will submit a copy of the final executed medical director agreement prior to offering services. The agreement must be consistent with the draft provided to the department within the application.
8. Kadlec Regional Medical Center dba NEWCO will license the facility as an ASF under WAC 246-330, and maintain this license type regardless of facility ownership.
9. Percutaneous Coronary Interventions (PCI) as defined in WAC 246-310-705 will not be performed at the Kadlec Regional Medical Center dba NEWCO ASF.