



STATE OF WASHINGTON

DEPARTMENT OF HEALTH

PO Box 47890 • Olympia, Washington 98504-7890

Tel: 360-236-4030 • TTY Relay: 800-833-6384

February 26, 2019

CERTIFIED MAIL # 7017 3380 0000 0863 8666

David E. Smith, Esq. General Counsel
Valley Medical Center
400 South 43rd Street
Renton, WA 98058

Dear Mr. Smith:

RE: CN Application #18-18

Enclosed is Certificate of Need #1769 issued to Public Hospital District No. 1 of King County dba Valley Medical Center to establish a three operating room ambulatory surgery center within the City of Renton in southeast King County secondary health services planning area.

The certificate is not an 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:

David E. Smith, Esq. General Counsel
Valley Medical Center
Certificate of Need App #18-18
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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

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:

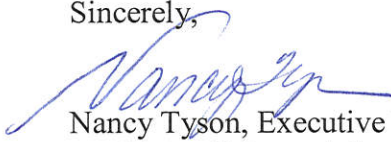
Mailing Address:
Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Physical Address
Department of Health
Adjudicative Service Unit
111 Israel Road SE
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,



Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Community Health Systems

Enclosure

Certificate of Need #1769

Page Two

Conditions

1. Public Hospital District No.1 of King County d/b/a Valley Medical Center agrees with the project description as stated above. Public Hospital District No.1 of King County d/b/a Valley Medical Center 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. Valley MAC ASC will maintain licensure as an ambulatory surgery facility under WAC 246-330, regardless of ownership.
3. Prior to commencement Valley MAC ASC will provide an executed copy of the lease agreement for the department's review and approval. The executed lease agreement must be consistent with the draft provided in the application.
4. Prior to providing services, Public Hospital District No.1 of King County d/b/a Valley Medical Center will provide the adopted job description, the name and credentialed number of the medical director for Valley MAC ASC for department's review and approval. The adopted medical director job description must be consistent with the draft provided in the application.
5. Valley MAC ASC must maintain its Medicare and Medicaid certification throughout the life of the facility regardless of ownership.
6. Valley MAC ASC will provide charity care in compliance with the charity care policy provided in the application, or any subsequent policies. Valley MAC ASC will use reasonable efforts to provide charity care at 0.93% for gross revenue and 2.18% for adjusted revenue as identified in the application or the regional average, whichever is greater. Valley MAC ASC will maintain records of the charity care amount provided by documenting the amount of charity care it provides and demonstrating compliance with its charity care policies.
7. Prior to providing services, Valley MAC ASC will provide an executed copy of the patient transfer agreement for the department's review and approval. The executed patient transfer agreement must be consistent with the draft agreement provided in the application.



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 #1769 is issued to:

Applicant's Legal Name: Public Hospital District No. 1 of King County dba Valley Medical Center
Applicant's Address: 400 South 43rd Street, Renton, WA 98058
Facility Type Ambulatory Surgical Facility
Project Type Ambulatory Surgical Facility
Facility Name: Valley MAC ASC
Facility Address: 4033 Talbot Road South #270, Renton, WA 98055

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED FEBRUARY 6, 2019 (CN APP # 18-18)

Project Description

This certificate approves Public Hospital District No.1 of King County d/b/a Valley Medical Center to establish a three operating room ambulatory surgery center to be known as Valley MAC ASC within the City of Renton in southeast King County secondary health services planning area. Valley MAC ASC will provide surgeries to patients 18 years and older who are not expected to require hospitalization and can be served in an outpatient surgery setting. Surgeries to be provided at Valley MAC ASC are Gynecology, otolaryngology, ophthalmology, dermatology/plastic, vascular surgery; and general surgeries such as hernia repair, breast biopsy, breast reconstruction, mastectomy, laparoscopy, laparoscopic cholecystectomy, excision and destruction of lesions and tumor, colorectal surgery, hemorrhoidectomy, anal fistulas, insertion and removal of catheter placement for renal dialysis and chemotherapy; and gastric neurostimulators. Some surgical services provided at the Valley MAC ASC require anesthesia services.

Service Area

Southeast King County

Conditions

The conditions are identified on page 2 of this certificate

Approved Capital Expenditure

The capital expenditure associated with this project is \$3,989,579.

This Certificate authorizes commencement of the project from February 26, 2019 to February 26, 2021 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: February 26, 2019

A handwritten signature in blue ink, appearing to read "Nancy Tyson", written over a horizontal line.

Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Washington State Department of Health

This Certificate is not transferable