



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

February 20, 2014

Dave Fitzgerald, Chief Executive Officer
Proliance Surgeons, Inc. PS
805 Madison Street, #901
Seattle, Washington 98104

Dear Mr. Fitzgerald:

RE: DOR 14-19

The Department of Health has completed its review of your exemption request regarding the establishment of an ambulatory surgery center in Mount Vernon, within Skagit County. Below is the information considered and the facts relied upon by the Department of Health's Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- Ambulatory Surgery Center (ASC) exemption application received December 4, 2013
- Supplemental information received January 23, 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)
- Northwest Orthopedic Surgeons Certificate of Need facility file

FACTS CONSIDERED

- On August 11, 1993, Proliance Surgeons, Inc., PS established the professional services corporation with the Washington Secretary of State's office.
- Proliance Surgeons, Inc., PS is governed by the following ten individuals: Susan Cero, president/chairman; Jeff Stickney, treasurer; David Fitzgerald, secretary; Carol Cornejo, director; Michael Sailer, director; Charles Peterson II, director; Tom Gumprecht, director; Julian Arroyo, director; Fred Huang, director; and Michael McAdam, director. [source: Secretary of State website]
- Proliance Surgeons, Inc., PS has been registered with the Washington State Department of Revenue since January 1, 1994. [source: Department of Revenue website]



- Proliance Surgeons, Inc., PS has approximately 53 operational practice sites located in Washington State.
- Proliance Surgeons, Inc., PS has approximately 148 owning physicians.
- On January 1, 2014, Proliance Surgeons, Inc., PS purchased the practice known as Northwest Orthopedic Surgeons. The practice is located at 1500 Continental Place in Mount Vernon [98273], within Skagit County.
- This application proposes to establish an exempt ASC in dedicated space at the practice.¹
- The ASC will be under the practice corporation of Proliance Surgeons, Inc., PS and operated under the name of 'Skagit Northwest Orthopedics.'
- At this time, eleven physicians intend to use the ASC. Future owners or employees may have access to the ASC. Specific physician credentialing information is below.

Name	Credential Status	Practice Status
Robert G. Billow	Active	Associate
Cindy Elise Bullock	Active	Associate
Jimmy Yi Cui	Active	Associate
Daniel M. Hanesworth	Active	Partner
Kaarsten Robin Lang	Active	Associate
Timothy Ellis Messmer	Active	Associate
David M. Mourning	Active	Associate
Kenneth M. Oates	Active	Associate
Curtis Wayne Rodin	Active	Partner
Jonathan B. Shafer	Active	Partner
Stacia A. Smith	Active	Associate

- The primary procedures proposed include those typically associated with orthopedic surgery. A listing of common procedures is included in the exemption application.
- The ASC will not be operated as a separate legal entity from the Proliance Surgeons, Inc., PS practice.
- No management agreement is proposed.

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.

¹ The purchase included the practice and an operational exempt ambulatory surgery center associated with the Northwest Orthopedic Surgeons practice. [DOR 00-80]

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 Proliance Surgeons, Inc., PS.
- 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 on the following page.

Dave Fitzgerald, Chief Executive Officer
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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

Please call me at (360) 236-2957 if you have any questions regarding this determination.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karen Nidermayer", with a stylized flourish at the end.

Karen Nidermayer, Analyst
Certificate of Need Program
Community Health Systems

cc: Department of Health, Investigations and Inspections Office
Department of Health, Construction Review Services