



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

Certificate of Need Program
111 Israel Road Southeast – MS 4-7852
Olympia, Washington 98504

May 6, 2015

Anna McClellan
Bellingham Urology Group
340 Birchwood Avenue
Bellingham, Washington 98225

Dear Ms. McClellan:

RE: DOR 15-37

The Department of Health has completed its review of your exemption request regarding the establishment of an ambulatory surgery center in Bellingham, within Whatcom 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 exemption application received March 16, 2015
- Supplemental information received April 15, 2015 and April 20, 2015
- 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)
- Bellingham Urology Specialists Certificate of Need facility file
- Certificate of Need historical files

FACTS CONSIDERED

- On November 17, 2005, Bellingham Urology Specialists, PLLC established the professional limited liability corporation with the Washington State Secretary of State's office. That corporation was governed by the following four individuals: Lonni Dodd, manager; S. Casey O'Keefe, member; John M. Pettit, member; and Soren Carlsen, member.
- Bellingham Urology Specialists, PLLC has been registered with the Washington State Department of Revenue since January 1, 2006.
- On October 10, 2006, the Certificate of Need Program issued a time-share ambulatory surgery center exemption approval for Bellingham Urology Specialists, PLLC and Cascade Urology Consultants. The site for the surgery center was 340 Birchwood Avenue in

Bellingham [98226]. At some point, this time-share arrangement was no longer necessary because Cascade Urology Consultants disbanded and Bellingham Urology Specialists, PLLC became the only corporation that owned and used the surgery center.

- Until April 30, 2015, Bellingham Urology Specialists, PLLC was the sole owner and had sole use of the surgery center located at 340 Birchwood Avenue in Bellingham.
- Effective April 30, 2015, the PLLC of Bellingham Urology Specialists dissolved in accordance with Revised Code of Washington 25.15.270.
- With the dissolution of Bellingham Urology Specialists, PLLC, the new corporation known as Bellingham Urology Group, PLLC became the owner of the clinical practice and ASC on May 1, 2015.
- On November 25, 2014, Bellingham Urology Group, PLLC registered with the Secretary of State office as a new corporation with one member: John M. Pettit. The corporation has been registered with the Department of Revenue since February 1, 2015.
- This application proposes to establish an exempt ASC under the new solo practice corporation of Bellingham Urology Group, PLLC.
- The practice and the surgery center will remain at the current location of 340 Birchwood Avenue in Bellingham [98226].
- The procedures proposed include those typically associated with urology. A listing of common procedures is included in the exemption application.
- The ASC will not be operated as a separate legal entity from the Bellingham Urology Group, PLLC which is a solo 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.

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.

- Changes in the legal structure of the practice or ASC.
- 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 outside of the Bellingham Urology Group, PLLC solo practice.
- 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 OPTION

This decision may be appealed using the appeal option listed below.

Appeal Option 1:

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 below.

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

If you have any questions or would like to arrange for a meeting to discuss this decision, please call me at (360) 236-2955

Sincerely,



Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

cc: Department of Health, Investigations and Inspections Office #60550850