



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

January 13, 2021

Craig J. Marks, Chief Executive Officer
Prosser Memorial Health

Via email to: cmarks@prosserhealth.org

RE: Determination of Reviewability #21-14

Dear Mr. Marks:

The Department of Health has completed the review of your request that the department determine whether construction of a new facility in Prosser to replace the existing Prosser Memorial Health is subject to the Certificate of Need requirements under Revised Code of Washington (RCW) 70.38 and Washington Administrative Code (WAC) 246-310. For the reasons stated below, the department concludes that the proposed replacement hospital is subject to Certificate of Need review pursuant to WAC 246-310-020(1)(a) as the construction, development, or other establishment of a new health care facility.

Below is the information considered and the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- Prosser Memorial Health's exemption letter received October 27, 2020
- Prosser Memorial Health's supplemental information received December 15, 2020
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- MultiCare Health System v. Department of Health, 118 Wash.App. 597. Court of Appeals of Washington, Division 2
- Washington Department of Revenue information obtained from its website
- Department of Health Integrated Licensing and Regulatory System (ILRS)
- Department of Health listing of Critical Access Hospitals
- Previous Determination of Reviewability decisions issued by the department for facility replacement projects.

FACTS CONSIDERED

- Prosser Public Hospital District owns and operates Prosser Memorial Health located in Prosser, within Benton County.
- Prosser Memorial Health is currently registered with the Washington State Department of Revenue. [source: Washington State Department of Revenue website]
- Prosser Memorial Health is currently licensed for 25 acute care beds and is designated by the Department of Health as a Critical Access Hospital.
- Prosser Memorial Health intends to construct a new facility on a new site in Prosser approximately three miles from the existing hospital.
- It is unclear what address will be assigned to the new site, which occupies the northeast corner of the intersection of Interstate 82 and North Gap Road. The site consists of three contiguous tax parcels 135942000010000, 135942000011000, and 135942000012000; all of which are currently owned by Prosser Memorial Health.
- The parcels referenced above are currently vacant or agricultural land.
- The site for the replacement hospital is located within Benton County, which is the planning area for the existing hospital.
- Prosser Public Hospital District will continue to own and operate Prosser Memorial Health at the new site.
- Current operational staff and medical services will relocate in their entirety to the new hospital.
- Once relocated, Prosser Memorial Health will not provide any hospital services in the current location. Some administrative functions may remain at the current site.
- No new tertiary services will be offered as a result of the replacement hospital project.
- No new services that require their own Certificate of Need will be offered as a result of the replacement hospital project.

CONCLUSION

Based on the totality of information considered, the department concludes that the proposed project, the construction of a replacement hospital for Prosser Memorial Health on the site identified above, involves construction of a new facility that will be required to qualify for a license under chapter 70.41 RCW. Accordingly, the department concludes that the replacement hospital is subject to Certificate of Need review pursuant to WAC 246-310-020(1)(a) as the construction, development, or other establishment of a new health care facility.

APPEAL OPTION

This decision may be appealed. You or 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 addresses listed below.

Craig J. Marks, CEO
Prosser Memorial Health
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January 13, 2021
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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,

A handwritten signature in black ink, appearing to read "Eric Hernandez", with a long horizontal flourish extending to the right.

Eric Hernandez, Manager
Certificate of Need Program
Office of Community Health Systems

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