



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

September 12, 2014

CERTIFIED MAIL # 7011 1570 0002 7808 8232

Ron Escarda, CEO
Fairfax Behavioral Health
10200 NE 132nd Street
Kirkland, Washington 98034

RE: CN14-15A

Dear Mr. Escarda:

Enclosed is Certificate of Need #1533 issued to establish a 34-bed psychiatric hospital in Snohomish County, within Washington State.

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:

Mailing Address:

Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Physical Address:

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,



Steven M. Saxe, FACHE
Director, Community Health Systems

Enclosure

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



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 #1533 is issued to:

Legal Name of Applicant: Universal Health Services, Inc.
Address of Applicant: 367 South Golph Road, King of Prussia, Pennsylvania 19406-0958
Type of Service: Psychiatric Hospital
Facility Name: Fairfax Behavioral Health Monroe
Facility Address: 14701 179th Avenue SE Monroe, Washington 98272

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD AND EVALUATION DATED SEPTEMBER 2, 2014, (CN App #14-15A)

Project Description:

This certificate approves the establishment of a new 34-bed psychiatric hospital to be located in leased space on the first and second floors of Valley General Hospital located at 14701 179th Avenue SE in Monroe, within Snohomish County. The new hospital will be separately licensed. Patients to be served are those eighteen years of age and older. Services to be provided include a full range of psychiatric services, including inpatient services, geriatric inpatient services, voluntary and involuntary treatment (ITA), day hospital/partial hospitalization, substance abuse treatment, and intensive outpatient services. The number of approved beds is summarized below.

	Number of Beds
Adult psychiatric beds	34
Total Licensed Beds	34

Service Area
Snohomish County

Conditions:
See page #2

Approved Capital Expenditure
The approved capital expenditure associated with this project is \$2,421,713

This Certificate authorizes commencement of the project from September 12, 2014 to September 12, 2016, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: September 12, 2014


Steven Saxe, Director

This Certificate is not transferable.

Certificate of Need #1533
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Conditions:

1. Approval of the project description as stated above. Universal Health Services, Inc. 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. Prior to providing services at the hospital, Universal Health Services, Inc. will submit a copy of the adopted Admission Policy for the facility. The approved policy must be consistent with the draft admission policy submitted in the application.
3. Prior to providing services at the hospital, Universal Health Services, Inc. will submit a copy of the adopted Charity Care Policy approved by the Department of Health's Hospital and Patient Data System's office. The approved policy must be consistent with the draft charity care policy submitted in the application.
4. The hospital will provide charity care in compliance with its final charity care policies reviewed and approved by the Department of Health, or any subsequent policies reviewed and approved by the Department of Health. The hospital will use reasonable efforts to provide charity care in an amount comparable to or exceeding the average amount of charity care provided by hospitals in the Puget Sound Region. Currently, this amount is 2.66% of gross revenue and 5.80% of adjusted revenue. The hospital will maintain records documenting the amount of charity care provided and demonstrating its compliance with its charity care policies.
5. Annual budgets, as required by WAC 246-454-030, submitted by the hospital must include budgeted charity care amounts of at least the regional average amount of charity care provided by hospitals in the Puget Sound Region.
6. Prior to commencement of the project, Universal Health Services, Inc. will submit to the department's Certificate of Need program for review and approval the executed lease Agreement between BHC Fairfax Hospital, Inc. and Valley General Hospital. The executed lease must be consistent with the draft lease agreement submitted in the application.
7. Prior to licensure, Universal Health Services, Inc. will provide a copy of Valley General Hospital's request to the Department of Health's Customer Service Center requesting to amend its license to remove the 1st and 2nd floor space where the 34 bed psychiatric hospital is to be located.
8. Prior to providing services at the hospital, Universal Health Services, Inc will submit to the department's Certificate of Need program for review and approval a listing of key staff for the hospital. Key staff includes all credentialed or licensed management staff, including the director of nursing and medical director.
9. So long as the state desires to contract with the facility for providing care to Involuntary Treatment Act patients, Universal Health Services, Inc. will contract with the state to provide that care. An ITA referral may only be rejected if there are no beds available at Fairfax Monroe at the time of referral or if such referral is clinically inappropriate.