



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH  
*Olympia, Washington 98504*

September 22, 2023

Gabriel Mayer, Executive VP of Asset Management  
Arcadia Healthcare – Parkside  
*Sent via email only:* gmayer@gcapmgt.com

**RE: Bed Banking Application #24-03 Alternate Use Bed Banking – Decision Letter**

Gabriel Mayer:

The Washington State Department of Health (the department) received a Nursing Home Alternative Bed Banking Notice for the unbanking of 24 banked beds at Arcadia Healthcare Parkside. The application requests to unbank 24 beds under the alternate use provisions of Revised Code of Washington (RCW) 70.38.111(9) and Washington Administrative Code (WAC) 246-310-043. Arcadia Healthcare Parkside is currently licensed for 64 beds. If approved, the additional 24 unbanked beds would increase the facility's capacity to 88 licensed beds. The applicant for this request is PREST OP LLC, and the facility in question is Arcadia Healthcare Parkside. The following information was considered and facts relied on by the department in reaching its conclusion regarding this request.

**SOURCE INFORMATION CONSIDERED**

- Prest OP LLC's bed banking application received on July 26, 2023.
- Prest OP LLC's responses to the department's screenings received on August 24, August 25, and September 18, 2023.
- The Washington State Department of Social and Health Services (DSHS) website <https://fortress.wa.gov/dshs/adsaapps/lookup/NHAdvLookup.aspx> accessed September 11, 2023.
- The Washington State Department of Health's CN facility file for Arcadia Healthcare Parkside.

**BACKGROUND AND FACTS**

- Arcadia Healthcare Parkside is licensed<sup>1</sup> for 64 nursing home beds and has 24 banked beds.<sup>2</sup>
- Arcadia Healthcare Parkside is located at 308 W Emma St. in Union Gap [98903] within Yakima County.
- Arcadia Healthcare Parkside's license holder is PREST OP LLC.
- The building owner of Arcadia Healthcare Parkside is Prest Properties LLC and has secured interest in the nursing home beds intended to be unbanked.
- PREST OP LLC provided with its application, a written statement indicating the building owner's approval of the unbanking of beds.<sup>3</sup>

---

<sup>1</sup> The Department of Social and Health Services license #1640

<sup>2</sup> Department of Health's February 18, 2022, 22-02 letter approving alternate use bed banking, in compliance with RCW 70.38.111(9)(b)(i), 70.38.111(9)(c), and WAC 246-310-043(1)(d).

<sup>3</sup> As required by RCW 70.38.111(9)(e)

- PREST OP LLC proposed reversion of the 24 banked beds back to nursing home beds.<sup>4</sup> Following is a table which summarizes the impacted count of beds and rooms.

<b>Department's Table ##</b>						
<b>Room Number</b>	<b># Beds in room prior to banking</b>	<b>Current room use</b>	<b>Current # Beds in Room</b>	<b># Beds to convert</b>	<b>Room use after unbanking</b>	<b># Beds after bed unbanking</b>
105	2	Private room	1	1	Double occupancy room	2
106	2	Private room	1	1	Double occupancy room	2
107	2	Private room	1	1	Double occupancy room	2
108	2	Private room	1	1	Double occupancy room	2
200	2	Private room	1	1	Double occupancy room	2
202	2	Private room	1	1	Double occupancy room	2
218	3	Double occupancy room	2	1	Triple occupancy room	3
230	3	Double occupancy room	2	1	Triple occupancy room	3
232	3	Double occupancy room	2	1	Triple occupancy room	3
301	3	Private dining area	0	3	Triple occupancy room	3
303	2	Family meeting space	0	2	Double occupancy room	2

<sup>4</sup> In compliance with RCW 70.38.111(9)(a).

305	4	Double occupancy room	2	2	Quadruple occupancy room	4
306	4	Double occupancy room	2	2	Quadruple occupancy room	4
307	4	Double occupancy room	2	2	Quadruple occupancy room	4
308	4	Double occupancy room	2	2	Quadruple occupancy room	4
402	4	Double occupancy room	2	2	Quadruple occupancy room	4
<b>Total</b>	<b>46</b>	<b>n/a</b>	<b>22</b>	<b>24</b>	<b>n/a</b>	<b>46</b>

- PREST OP LLC's bed banking request identified the effective date of the unbanking of beds as October 1, 2023; and the request was received by the department on July 26, 2023.<sup>5</sup>
- PREST OP LLC's bed banking request also included:
  - Confirmation there has been no break in service at Arcadia Healthcare Parkside since the beds were banked on February 18, 2022;<sup>6</sup>
  - Confirmation there has been no purchase or lease of Arcadia Healthcare Parkside since the beds were banked on February 18, 2022;<sup>7</sup>
  - Confirmation no construction was necessary to convert beds back to nursing home bed use;<sup>8</sup>
  - Confirmation there has been no modification of the room numbers or alternative uses for the beds that had been banked;<sup>9</sup>
  - A listing of the number of beds, by room number;<sup>10</sup> and
  - A projected timeline for implementation.<sup>11</sup>

**RELEVANT CRITERIA**

The department reviews bed banking applications for compliance with the following statutes and regulations.

- RCW 70.38.111 Certificates of need—Exemptions.
- WAC 246-310-043 Exemption from requirements for a certificate of need for nursing home bed conversions to alternative use.

**CONCLUSION**

<sup>5</sup> In compliance with RCW 70.38.111(9)(b)(ii) and WAC 246-310-395(5)

<sup>6</sup> In compliance with RCW 70.38.111(9)(a) and WAC 246-310-043(1)(c)

<sup>7</sup> Ibid

<sup>8</sup> In compliance with RCW 70.38.111(9)(a) and WAC 246-310-395(6)

<sup>9</sup> In compliance with WAC 246-310-395(4)

<sup>10</sup> In compliance with WAC 246-310-395(1)(a)

<sup>11</sup> In compliance with WAC 246-310-395(1)(b)

Based on the information provided, the department determined that the request to unbank 24 beds at Arcadia Healthcare Parkside meets the eligibility requirements of RCW 70.38.111(9) and WAC 246-310-043(1).

**ADDITIONAL REQUIRED ACTION**

- To effectuate this bed banking, you must **complete the licensing** of the 24 beds with DSHS.
- Under the nursing home licensing WAC 388-97-3400 and WAC 388-97-2160(2)(b), a change in the use of a room **requires review and approval by Construction Review Services** of the Department of Health. Contact Construction Review Services at (360) 236-2944 or CRS@doh.wa.gov.

Approval of this bed banking 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 Services of the Department of Health, facility licensing/certification through the Department of Social and Health Services, and other federal or local jurisdiction permits.

**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 RCW 34.05 and WAC 246-310-610. A request for an adjudicative proceeding must be received within 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 contact the Certificate of Need Program at (360) 236-2955 or via email at FSLCON@doh.wa.gov.

Sincerely,



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

cc: Michael Gardner - DSHS/ALTSA/MS