

WAC 246-310-815 Kidney disease treatment centers—Financial feasibility. (1) The kidney disease treatment center must demonstrate positive net income by the third full year of operation.

(a) The calculation of net income is a subtraction of all operating and nonoperating expenses, including appropriate allocated and overhead expenses, amortization and depreciation of capital expenditures from total revenue generated by the kidney disease treatment center.

(b) Existing facilities. Revenue and expense projections for existing kidney disease treatment centers must be based on that center's current payor mix and current expenses.

(c) New facilities.

(i) Revenue projections must be based on the net revenue per treatment of the applicant's three closest kidney disease treatment centers.

(ii) Known expenses must be used in the pro forma income statement. Known expenses may include, but are not limited to, rent, medical director agreement, and other types of contracted services.

(iii) All other expenses not known must be based on the applicant's three closest kidney disease treatment centers.

(iv) If an applicant has no experience operating kidney disease treatment centers, the department will use its experience in determining the reasonableness of the pro forma financial statements provided in the application.

(v) If an applicant has one or two kidney disease treatment centers, revenue projections and unknown expenses must be based on the applicant's operational centers.

(2) An applicant proposing to construct finished treatment floor area square footage that exceeds the maximum treatment floor area square footage defined in WAC 246-310-800(11) will be determined to have an unreasonable impact on costs and charges and the application will be denied. This does not preclude an applicant from constructing shelled space.

[Statutory Authority: RCW 70.38.135, 2023 c 48, and RCW 70.38.280. WSR 24-18-006, § 246-310-815, filed 8/22/24, effective 9/22/24. Statutory Authority: RCW 70.38.135. WSR 17-04-062, § 246-310-815, filed 1/27/17, effective 1/1/18.]