

January 27, 2014

Janis Sigman, Manager  
Certificate of Need Program  
Department of Health  
P.O. Box 47852  
Olympia, WA 98504-7852

**R E C E I V E D**  
JAN 28 2014  
CERTIFICATE OF NEED PROGRAM  
DEPARTMENT OF HEALTH

Dear Ms. Sigman:

In accordance with WAC 246-310-080, Franciscan Health System (FHS) and Regional Hospital for Respiratory and Complex Care (Regional) hereby submit a letter of intent (LOI) related to Regional's affiliation with FHS.

In conformance with WAC, the following information is provided:

**1. A Description of the Extent of Services Proposed:**

Under the terms of the affiliation, Regional will remain a separate non-profit corporation; with its own board of directors between FHS and Regional. FHS, as the sole corporate member of Regional, retains certain negotiated reserved powers, subject to applicable law, and will make available to Regional services generally available to other facilities within FHS. The affiliation will not result in the deletion or material modification of any service at Regional.

The Department of Health (Department) has requested that Regional and FHS submit a certificate of need application for this affiliation. Previously, FHS and Regional submitted a request for a determination of non-reviewability under WAC 24.310.050 and certificate of need regulations in effect prior to January 23, 2014. As the Department has acknowledged, and agreed, FHS and Regional have reserved their objection to application of certificate of need requirements to their affiliation notwithstanding the submittal of this LOI and/or their subsequent application for a certificate of need.

**2. Estimated Cost of the Proposed Project:**

There is no capital expenditure associated with the affiliation.

**3. Description of the Service Area:**

Regional is, currently, and will continue to be, physically located in the Southwest King Hospital Planning Area. Regional's actual primary service area is King and Pierce Counties.

Thank you for your interest in this matter. Please contact either of us with any questions.

Sincerely,



Anne McBride  
Chief Executive Officer  
Regional Hospital  
12844 Military Road South  
Tukwila, WA 98168



Richard Petrich  
Vice President, Planning and Business Development  
Franciscan Health System  
1149 Market Street, M/S 10-12, P.O. Box 2197  
Tacoma, Washington 98402