

March 3, 2014

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

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CERTIFICATE OF NEED PROGRAM
DEPARTMENT OF HEALTH

Dear Ms. Sigman:

On May 8, 2012, the Department of Health issued Certificate of Need #1463A to Harrison Medical Center (Harrison) to add 50 beds to our Silverdale campus. As you are aware, the project is now substantially complete¹ and Harrison has previously notified the Department that the final project costs will be in excess of 112% of the \$24,963,634. In accordance with WAC 246-310-570, please accept this correspondence as our letter of intent to amend CN#1463A due to a cost overrun.

In conformance with WAC, the following information is provided:

1. A Description of the Extent of Services Proposed:

CN #1463A approved the addition of 50 bed acute care beds to Harrison Medical Center's Silverdale campus. No change in service is proposed. The only change from the approved application is for the capital expenditure.

2. Estimated Cost of the Proposed Project:

The approved capital expenditure was \$24,963,634. The actual capital expenditure is \$31,424,335.

3. Description of the Service Area:

The primary service area for this project was and continues to be Kitsap County.

Thank you for your interest in this matter. Please contact me directly with any questions.

Sincerely,



Scott W. Bosch
President & Chief Executive Officer
Harrison Medical Center



Richard Petrich
Vice President, Planning and Business Development
Franciscan Health System

¹ On February 20, 2014, Harrison submitted a certificate of need application to transfer CN#1463A; the demonstration of 'substantial completion' is included in this application.