

AUG 25 2015

CERTIFICATE OF NEED PROGRAM  
DEPARTMENT OF HEALTH

August 24, 2015

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

Dear Ms. Sigman:

Pursuant to WAC 246-310-080, Public Hospital District No. 1, Skagit County, dba Skagit Regional Health (Skagit) hereby submits a letter of related to its proposed lease of Snohomish County Public Hospital District No. 3's Cascade Valley Hospital and Clinics (Cascade), located in the greater Arlington, WA area. The following information is provided to comply with the requirements of WAC 246-310-080(1):

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

Skagit proposes to enter into a long-term lease of Cascade, such that Skagit will be responsible for the daily operations, finances and management of the hospital and its related clinics. Skagit will also be the licensee. At this time, Skagit intends to continue to provide essentially the same services currently being provided by Cascade, including but not limited to the provision of a wide range of inpatient and outpatient services.

**B. Estimated Capital:**

There is no capital expenditure. Skagit will pay an annual fee to Snohomish County Public Hospital 3 for use of all facilities, equipment and mutually agreed-upon intangible assets. The Cascade facilities and equipment will be leased on a completely net basis; with Skagit responsible for all expenses associated with the operations and management.

**C. Description of Service Area:**

Consistent with the Department's acute care hospital planning area definition, the Service Area is North Snohomish. The legal boundaries of Snohomish County Public Hospital 3 are largely contained within this Service Area.

Please contact me if you have any questions relating to this matter.

Sincerely,



Gregg Agustin Davidson, FACHE  
Chief Executive Officer

