



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

January 28, 2016

CERTIFIED MAIL # 7015 0640 0000 6441 5805

Gregg A. Davidson, FACHE
Public Hospital District #1-Skagit Regional Health
Post Office Box 1376
Mount Vernon, Washington 98273

RE: Certificate of Need Application #16-12

Dear Mr. Davidson:

Enclosed is Certificate of Need #1562 issued to Skagit County Public Hospital District #1 proposing a long-term lease arrangement with Snohomish County Public Hospital District #3. The certificate is not approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. The appeal options are listed below.

Appeal Option 1:

Any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

Gregg A. Davidson, FACHE
Public Hospital District #1-Skagit Regional Health
January 28, 2016
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Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:
Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

Appeal Option 2:

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 Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

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

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Steven M. Saxe, FACHE
Director, Office of Community Health Systems

Enclosure



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate 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 Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

Certificate of Need #1562 is issued to:

Legal Name of Applicant: Skagit County Public Hospital District #1
Address of Applicant: 1415 East Kincaid Street, Mount Vernon, Washington 98273
Type of Service: Long-Term Lease of an Existing Hospital
Leased Facility Name: Cascade Valley Hospital
Facility Address: 330 South Stillaguamish, Arlington, Washington 98223

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD AND EVALUATION DATED JANUARY 12, 2016 (CN App #16-12)

Project Description:

This Certificate of Need approves Skagit County PHD #1 to lease and enter into service commitments with Snohomish County PHD #3 for Cascade Valley Hospital and its related clinics. Skagit County PHD #1 will operate both Skagit Valley Hospital and Cascade Valley Hospital. The two hospitals will remain separately licensed. Currently Cascade Valley Hospital is licensed for 48 acute care beds. The beds are broken down in the table below.

Type of Service	# of Beds
General Medical/Surgical	48
Total	48

Service Area:

Snohomish County and surrounding communities as described in the application

Conditions:

Conditions are identified on page two.

Approved Capital Expenditure:

There is no capital expenditure associated with this project.

This Certificate authorizes commencement of the project from January 28, 2016 to January 28, 2018, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: January 28, 2016


Steven Saxe, Director
Community Health Systems

This Certificate is not transferable.

Certificate of Need #1562

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Conditions

1. Skagit County Public Hospital District #1 agrees with the project description stated above. Skagit County Public Hospital District #1 further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Within 30 days of finalizing the Affiliation Agreement, Skagit County Public Hospital District #1 will provide a copy of the executed Affiliation Agreement. The executed agreement must include all exhibits associated with the affiliation, including the final Lease Agreement between the two districts.
3. Prior to providing services, Skagit County Public Hospital District #1 will provide the approved versions of the adopted policies listed below for the department's review and approval. Copies of the adopted policies must include a reference to Cascade Valley Hospital.
 - Admission Policy
 - Non-Discrimination Policy
 - Charity Care Policy
 - End of Life Policy
 - Reproductive Health Policy
4. Cascade Valley Hospital will provide charity care in compliance with the charity care policy referenced above, or any subsequent policies reviewed and approved by the Department of Health. Skagit County Public Hospital District #1 will use reasonable efforts to ensure charity care is provided at the amount identified in the application or comparable to the average amount of charity care provided by the hospitals in the Puget Sound Region. Currently, this amount is 2.88% for gross revenue and 6.42% for adjusted revenue. Cascade Valley Hospital will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.