

November 1, 2016

NOV - 2 2016

CERTIFICATE OF NEED PROGRAM  
DEPARTMENT OF HEALTH

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

Re: Letter of Intent for Acquisition of Lourdes Medical Center

Dear Ms. Sigman:

Pursuant to WAC 246-310-080, Capella Healthcare, Inc. and Lourdes Hospital, LLC (collectively, "Capella"), hereby submit a letter of intent to acquire substantially all of the assets of Our Lady of Lourdes Hospital at Pasco, d/b/a Lourdes Health Network ("LHN"), including the Lourdes Medical Center ("Lourdes").

The following information is to comply with the requirements of WAC 246-310-080(1):

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

Lourdes is licensed under RCW 70.41. At this time, and following acquisition, Capella proposes that Lourdes will continue to provide at least the same inpatient and outpatient hospital services as currently provided.

**B. Estimated Cost of the Proposed Acquisition.**

Capella estimates that the allocable portion of the total purchase price related to Lourdes is \$17,564,400.

**C. Description of Service Area.**

Lourdes' primary service area is Benton and Franklin Counties.

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

Very truly yours,



Howard Wall, Secretary  
Capella, Healthcare, Inc.