



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

July 9, 2012

Martina Alisaug, Vice President  
Ascend Health Corporation  
32 East 57<sup>th</sup> Street, 17<sup>th</sup> Floor  
New York, New York 10022

Ron Escarda, CEO  
Fairfax Hospital  
10200 N.E. 132<sup>nd</sup> Street  
Kirkland, Washington 98034

Dear Ms. Alisaug and Mr. Escarda:

The department is declaring a Pivotal Unresolved Issue (PUI) on the review of your applications. The department has a copy of the press release announcing the purchase of Ascend Health Corporation by Universal Health Services, Inc.<sup>1</sup> Based on the news release this acquisition could have an impact on the department's decision on the Ascend application.

Under the provisions of Washington Administrative Code (WAC) 246-310-090(1)(a)(iii) and 246-310-160(2)(b), this documentation may be obtained by declaring a Pivotal Unresolved Issue. A copy of the enclosed notice will be published in the Herald on July 9, 2012. This identifies the time for the public to submit comment on the new material and the new decision date. As stated in the notice, a public hearing will not be conducted.

Below is the information that must be submitted by Ascend.

1. Please provide a copy of the definitive agreement Ascend Health Corporation entered into with Universal Health Services.
2. Under the provisions of WAC 246-310-500(7)(a)(i) a certificate of need is not transferable. The press release states the closing of this transaction is expected by the fourth quarter of 2012. This date could be sooner if regulatory approvals are received before then. This project requires Construction Review Services (CRS) approval as well as CoN approval. To date no plans have been submitted to CRS. It would appear that completion of Ascend's proposed project could not be accomplished before UHS's purchase of Ascend. Provide a detailed explanation why the department should not consider this upcoming sale a change in applicant.

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<sup>1</sup> North Pointe Behavioral Health LLC, is a wholly owned subsidiary of Ascend Health corporation. BHC Fairfax Hospital, Inc. is an indirect subsidiary of Universal Health Services.



Martina Alisaug  
Ron Eacarda  
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July 9, 2012  
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You should mail the documents to me at one of the following addresses. **Faxed responses will not be accepted.**

|                             |                             |
|-----------------------------|-----------------------------|
| <u>Mailing Address:</u>     | <u>Other Than by Mail:</u>  |
| Department of Health        | Department of Health        |
| Certificate of Need Program | Certificate of Need Program |
| Mail Stop 47852             | 111 Israel Road SE          |
| Olympia, WA 98504-7852      | Tumwater, WA 98501          |

The unresolved issue process will extend the review timeline for this project. The revised timelines are below.

|          |   |
|----------|---|
| 07/09/12 | Program declares pivotal unresolved issue                             |
| 08/20/12 | Applicant provides necessary documentation                            |
| 08/20/12 | Last day for the public to request documentation                      |
| 09/04/12 | Last day for the public to submit comments on new documentation       |
| 09/19/12 | Rebuttal comments submitted on pivotal unresolved issue documentation |
| 10/22/12 | Program's evaluation due  |

If you have any questions regarding the unresolved issue process, please call me directly at (360) 236-2958.

Sincerely,



Bob Russell, Analyst  
Certificate of Need Program  
Office of Certification and Technical Support

Enclosure



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

## Notice of Opportunity for Additional Public Comment Certificate of Need Applications

### Description of Proposals:

Ascend Health Care is proposing to establish a 75 bed psychiatric hospital in city of Lynnwood in Snohomish County. North Pointe Behavioral Health, LLC is a wholly owned subsidiary of Ascend.

BHC Fairfax is proposing to establish a 30 bed psychaitric hospital in the city of Everett in Snohomish County.

The Certificate of Need Program has declared a pivotal unresolved issue (PUI) on the North Pointe Behavioral Health, LLC and BHC Fairfax Hospital North psychiatric hospital applications. This allows the program to reopen the record to obtain additional information about the pending sale of Ascend to Universal Health Systems before making its decision on both these applications. Ascend will submit this information by 5:00 p.m. Monday, August 20, 2012.

### Public Comment Period:

The public has an opportunity to comment on this additional information. Your request to comment must be received by 5 p.m. Monday August 20, 2012 and include your name and mailing address. The deadline to receive the additional public comments on this new information is 5:00 p.m. Tuesday September 4, 2012.

#### Mailing Address:

Department of Health  
Certificate of Need Program  
Mail Stop 47852  
Olympia, WA 98504-7852

#### Other Than By Mail:

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

**Anticipated Decision Date:** October 22, 2012

If you have any questions or would like additional information, please call Bob Russell with the Certificate of Need Program at (360) 236-2958. For additional information or details, log into the Certificate of Need website: [www.doh.wa.gov/hsqa/FSL/certneed/](http://www.doh.wa.gov/hsqa/FSL/certneed/)

