



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 #1398 is issued to:

Legal Name of Applicant: Kennewick Public Hospital District dba Mid-Columbia Regional Healthcare
Address of Applicant: 900 South Auburn Street, Kennewick, Washington 99336
Type of Service: Acute Care Hospital
Facility Name: Kennewick General Hospital – Auburn Campus
Facility Address: 900 South Auburn Street, Kennewick, Washington 99336

Issuance of this Certificate of Need is based on the Department's records and evaluation of February 4, 2009 (CN App #09-07)

Project Description:

This certificate approves the lease of the current real hospital property held by KPHD to Mid-Columbia Regional Healthcare (Mid-Columbia); who will then sub-lease the facility back to KGH as the licensed operator.

Service Area

Benton County

Terms

1. Within 30 days of finalizing the Ground Lease Agreement, the applicants will submit to the Certificate of Need Program the executed Ground Lease. The final Ground Lease will be consistent with the draft agreement provided in Exhibit 3 of the application.
2. Within 30 days of finalizing the Facility Lease Agreement, the applicants will submit to the Certificate of Need Program the executed Facility Lease. The final Facility Lease will be consistent with the draft agreement provided in Exhibit 4 of the application.
3. Within 30 days of finalizing the Regulatory Agreement(if required) with HUD, the applicants will submit to the Certificate of Need Program the executed document.
4. Within 30 days of finalizing the Approval Covenants(if required) for HUD Section 242 Mortgage Insurance document, the applicants will submit to the Certificate of Need Program the executed document.
5. Within 30 days of finalizing the Rider to Regulatory Agreement(if required) for HUD Section 242 Mortgage Insurance, the applicants will submit to the Certificate of Need Program the executed document.

Condition

KGH will provide charity care in compliance with the charity care policies provided in this Certificate of Need application, or any subsequent policies reviewed and approved by the Department of Health. KGH will use reasonable efforts to provide charity care in an amount comparable to or exceeding the average amount of charity care provided by hospitals in the Central Washington Region. Currently, this amount is 1.79% of gross revenue and 4.21% of adjusted revenue. KGH will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.

Approved Capital Expenditure Breakdown

There are zero capital expenditures associated with this project

This Certificate authorizes commencement of the project from April 1, 2009, to April 1, 2011, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: April 1, 2009

A handwritten signature in black ink, appearing to read "Steven Saxe".

Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable