



SOUTHWEST
WASHINGTON
MEDICAL CENTER

October 8, 2009

Department of Health, Office of Certificate of Need
310 Israel Road
P.O. Box 47852
Olympia, WA 98504-7852

RE: Letter of Intent – Amendment of Certificate of Need CN #1241 for the addition of 82 acute care beds to Southwest Washington Medical Center for a total of 442 licensed beds.

Southwest Washington Medical Center (“SWMC”) respectfully submits this Letter of Intent to request an amendment to the approved certificate of need #1241 to add 82 acute care beds due to an increase in the approved costs beyond the allowable amount.

In accordance with WAC 246-310-080, the following information is provided:

Description of the Extent of Services Proposed

The original CN #1241 approved the addition of 82 licensed hospital beds to meet expected in-county demand for inpatient hospital services in two phases: completion of shelled-in space for 33 beds and the remodel of existing space to add the remaining 49 beds. With the completion of Phase 1 we added 62 new beds in the Firstenburg Tower.

SWMC was originally going to remodel the third floor far west end of the existing hospital for the addition of the 20 remaining beds; that project did not provide the most flexibility or best long term solution, so it was determined to build out the 6th floor shelled space in the Tower with 32 medical-surgical beds. This change in location for the remaining 20 beds increased construction costs.

As notified by the Office of Certificate of Need, a determination has been made that SWMC is approved to use the 82 beds now and that the licensure of the added beds will not be held up with the review of this amendment. Based on this judgment, SWMC will submit our annual hospital licensing in November 2009 for 442 beds.

Estimated Capital Cost of the Project

The initial approved cost for the added 82 licensed beds was \$13,668,782. With the change in location of the buildout of all beds, the amended amount is currently projected at \$16,600,000.

Description of the Service Area

There will be no change in the approved service area. The primary service area is Clark County. Secondary service area includes Skamania County and several other counties.

Sincerely,

Renate M. Atkins CW
Renate M. Atkins,
Chief Operating Officer

R E C E I V E D
OCT 12 2009
CERTIFICATE OF NEED PROGRAM
DEPARTMENT OF HEALTH



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 #1241 is issued to:

Legal Name of Applicant: Southwest Washington Medical Center
 Address of Applicant: 400 Mother Joseph Place
 Vancouver, Washington 98664
 Type of Service: Acute Care Bed Addition
 Facility Name: Southwest Washington Medical Center
 Approved Facility Site: 400 Mother Joseph Place
 (address or legal description) Vancouver, Washington 98664

PROJECT APPROVAL IS BASED ON THE DEPARTMENT'S RECORD AND ANALYSIS OF MARCH 15, 2002, AND ITS FINDINGS ARE INCORPORATED.

Project Description or Services to be Provided

This certificate approves the addition of 82 acute care beds to Southwest Washington Medical Center for a total of 442 acute care beds.

Service Area
 Clark County

Conditions

- 1 Southwest Washington Medical Center will provide charity care in compliance with the charity care policies provided in its Certificate of Need application and the requirements of the applicable law. Southwest Washington Medical Center will use reasonable efforts to provide charity care in an amount comparable to the average amount of charity care provided by all hospitals in Southwest Region during the three most recent years. Currently, these amounts are 1.05% of gross revenue and 2.21% of adjusted revenue. Southwest Washington Medical Center will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies and applicable law.
2. Phase two of the project, described in the application and restated below, must be completed by December 31, 2011.
 - completion of the shelled-in space for the 33 beds; and
 - the remodel of existing space and add the remaining 49 beds.

Approved Capital Expenditure

The approved capital expenditure associated with this project is \$13,668,782.

| Item | Cost |
|----------------------------------------|----------------------|
| Construction Costs | \$ 9,535,250 |
| Specialty Consultants | 119,191 |
| GC Pre-Construction Services | 4,768 |
| Project Management | 190,705 |
| Consultant Reimbursable | 71,514 |
| Site Investigation and Tests | 9,535 |
| Fees and Permits | 238,381 |
| Equipment-Moveable and Fixed | 1,477,964 |
| Operational Disruptions & Moving Costs | 190,706 |
| Architect and Engineering Fees | 1,048,878 |
| Washington State Sales Tax | \$ 781,890 |
| Total | \$ 13,668,782 |

This Certificate authorizes commencement of the project from April 5, 2002, to April 5, 2004, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Issued: April 5, 2002

Jinida Murray, Deputy Director for
 Gary Bennett, Director
 Facilities and Services Licensing
Gary Bennett

This Certificate is not transferable.