September 6, 2013

CERTIFIED MAIL # 7011 1570 0002 7810 2723

Richard Petrich, Vice President
Planning and Business Development
Franciscan Health System
1142 Broadway, Suite 300
Tacoma, Washington 98402

RE: CN12-35

Dear Mr. Petrich:

Enclosed is Certificate of Need #1508 issued to Franciscan Health System approving the addition of three dialysis stations at St. Joseph Medical Center Gig Harbor Dialysis Center in Pierce County Planning Area #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. Any affected 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:

<table>
<thead>
<tr>
<th>Mailing Address:</th>
<th>Other Than By Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjudicative Service Unit</td>
<td>Department of Health</td>
</tr>
<tr>
<td>Mail Stop 47879</td>
<td>Adjudicative Service Unit</td>
</tr>
<tr>
<td>Olympia, WA 98504-7879</td>
<td>111 Israel Road SE</td>
</tr>
<tr>
<td></td>
<td>Tumwater, WA 98501</td>
</tr>
</tbody>
</table>
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 question, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,

[Signature]

Steven M. Saxe, FACHE, Director

Enclosure

cc: Linda Foss, Department of Health, Investigations and Inspections Office
    Karen Stricklett, Department of Health, Customer Service Office
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 #1508 is issued to:

- **Legal Name of Applicant:** Franciscan Health System
- **Address of Applicant:** 1142 Broadway, Suite 300
  Tacoma, Washington 98402
- **Type of Service:** End Stage Renal Disease Facility
- **Facility Name:** St. Joseph Medical Center-Gig Harbor Dialysis Center
- **Facility Address:**
  4700 Point Fosdick Drive NW #101
  Gig Harbor Washington 98405

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD AND EVALUATION DATED August 22, 2013, (CN App #12-35)**

**PROJECT DESCRIPTION:**
This Certificate approves the addition of three new kidney dialysis stations. At project completion, Franciscan Health System is approved to certify and operate twelve dialysis stations. Services provided at St. Joseph Medical Center–Gig Harbor Dialysis Center includes in-center hemodialysis, peritoneal dialysis, home hemodialysis training and treatments shifts beginning after 5:00 p.m., a permanent bed station, and an isolation station. The twelve-station breakdown at the facility is listed below:

<table>
<thead>
<tr>
<th>Service Area</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Isolation Room</td>
<td>1</td>
</tr>
<tr>
<td>Permanent Bed Station</td>
<td>1</td>
</tr>
<tr>
<td>Home Training Station</td>
<td>1</td>
</tr>
<tr>
<td>Other In-Center Stations</td>
<td>9</td>
</tr>
</tbody>
</table>

Service Area
Pierce County Planning Area #3

**Conditions:**
See page #2

**Approved Capital Expenditure**
The approved capital expenditure associated with this project is $788,980

This Certificate authorizes commencement of the project from September 6, 2013 to September 6, 2015 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

**Date Certificate Issued:** September 6, 2013

Steven Saxe, Director

This Certificate is not transferable.
Conditions

1. Approval of the project description as stated above. Franciscan Health System 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. Prior to providing services, Franciscan Health System will provide an executed copy of the lease agreement provided within the application for the department’s review and approval. The executed lease agreement must be consistent with the draft agreement provided in the application.