December 31, 2013

CERTIFIED MAIL #7011 1570 0002 7802 6333

Jennifer Graves, RN MSN Chief Executive
Swedish Medical Center-Ballard
5300 Tallman Avenue Northwest
Seattle, Washington  98107

Dear Ms. Graves:

Enclosed is Certificate of Need #1519 issued to Swedish Health Services approving the establishment of an 8-bed level II intermediate care nursery and obstetric services at the Ballard campus, in King County.

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. The appeal options are listed below.

Appeal Option 1:
Any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

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
Appeal Option 2:
Any 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:

Mailing Address: Other Than By Mail
Adjudicative Service Unit Adjudicative Service Unit
Mail Stop 47879 111 Israel Road SE
Olympia, WA 98504-7879 Tumwater, WA 98501

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 questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,

[Signature]

Steven M. Saxe, FACHE
Director, Community Health Systems

Enclosure

cc: Department of Health, Investigations and Inspections 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 #1519 is issued to:

Legal Name of Applicant: Swedish Health Services
Address of Applicant: 747 Broadway, Seattle, Washington 98122
Type of Service: Intermediate Care Nursery and level II obstetric services
Facility Name: Swedish-Ballard
Facility Address: 5300 Tallman Avenue Northwest, Seattle, Washington 98107

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD AND EVALUATION OF DECEMBER 13, 2013, (App #13-43)

Project Description:
This certificate approves the establishment of an 8-bed intermediate care nursery and level II obstetric services at the Ballard Campus. Once the intermediate care nursery is operational, the breakdown of beds by use is shown below.

<table>
<thead>
<tr>
<th>Bed Type</th>
<th># of Licensed Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Medical/ Surgical</td>
<td>125</td>
</tr>
<tr>
<td>Level II ICN</td>
<td>8</td>
</tr>
<tr>
<td>Total Number of Licensed Beds</td>
<td>133</td>
</tr>
</tbody>
</table>

Service Area
King County and surrounding areas

Condition
1. Approval of the project description as stated above. Swedish Health Services 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.

Approved Capital Expenditure
The approved capital expenditure associated with this project is $3,603,658.

This Certificate authorizes commencement of the project from December 31, 2013 to December 31, 2015, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: December 31, 2013
Steven Saxe, Director
Community Health Systems

This Certificate is not transferable.