May 30, 2014

Kim Manus, Chief Financial Officer
Newport Hospital and Health Services
714 West Pine Street
Newport, Washington 99156

Dear Ms. Manus:

RE: DOR 14-25

The Department of Health has completed its review of your exemption request related to Newport Hospital and Health Services request to increase swing beds from 5 to 24 at the hospital. Below is the information considered and the facts relied upon by the department’s Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED
- Exemption request received on May 13, 2014
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Department of Health Integrated Licensing and Regulatory System (ILRS) data

FACTS CONSIDERED
- Newport Hospital and Health Services is a Critical Access Hospital located at 714 West Pine Street in Newport, within Spokane County [99156].
- The hospital is currently licensed for 74 acute care beds. The licensed beds are broken down by services below.

<table>
<thead>
<tr>
<th>Number of Beds</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>General Medical Surgical</td>
</tr>
<tr>
<td>50</td>
<td>Nursing home</td>
</tr>
</tbody>
</table>
• Included within the 24 general medical surgical beds are five swing beds as defined in Washington Administrative Code 246-310-010(58).^1
• This project proposes to increase the number of swing beds from 5 to 24.
• The 50-bed nursing home located on Newport Hospital and Health Services’ campus is the only nursing home in the county. The nursing home is licensed under Revised Code of Washington 70.41.

CONCLUSION
Based on the totality of information considered, the department concludes the proposed increase in swing beds would be exempt from Certificate of Need review as allowed under Revised Code of Washington 70.38.105(4)(c). This exemption is not transferable and the conclusions reached concerning this project are based on the facts about this facility and it should not be assumed the department would reach the same conclusion in future exemption requests. This 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.

APPEAL OPTIONS
This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:
You or 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 addresses below.

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:
You or 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 addresses below.

^1 Swing beds means up to the first five hospital beds designated by an eligible rural hospital which are available to provide either acute care or nursing home services.
Mailing Address:
Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Other Than By Mail
Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

We monitor projects until completed. 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 regarding this determination, you can call me at (360) 236-2955.

Sincerely,

[Signature]

Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

cc: Department of Health, Investigations and Inspections Office
Department of Health, Construction Review Services