April 21, 2015

CERTIFIED MAIL # 7009 0960 0000 5565 0512

Theresa Boyle, Senior Vice President
Strategy and Business Development
MultiCare Health System
315 Martin Luther King Jr. Way
Tacoma, Washington 98415

RE: DOR #15-41

Dear Ms. Boyle:

Enclosed is Certificate of Need #1543 approving MultiCare Health System’s exemption request to convert 30 licensed beds to psychiatric beds at Tacoma General Medical Center located in Pierce County. The psychiatric beds will be used for the development and operation of a child/adolescent mental health services program, including inpatient care.

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 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>Physical Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health</td>
<td>Department of Health</td>
</tr>
<tr>
<td>Adjudicative Service Unit</td>
<td>Adjudicative Service Unit</td>
</tr>
<tr>
<td>Mail Stop 47879</td>
<td>111 Israel Road SE</td>
</tr>
<tr>
<td>Olympia, WA 98504-7879</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 questions or would like to arrange for a meeting to discuss this decision, please call me at (360) 236-2955

Sincerely,

Janis Sigman, Manager
Certificate of Need Program
Community Health Systems

Enclosure

cc: Department of Health, Office of Investigations and Inspections
    Department of Health, Office of Customer Service
    Department of Health, Construction Review Services
    Department of Social and Health Services, Behavior Health and Recovery
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 #1543 is issued to:

Legal Name of Applicant: MultiCare Health System
Address of Applicant: 315 Martin Luther King Jr. Way, Tacoma, Washington 98415
Type of Service: Acute Care Hospital
Facility Name: Tacoma General Hospital
Facility Address: 315 Martin Luther King Jr. Way, Tacoma, Washington 98415

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE EXEMPTION APPLICATION RECEIVED AT THE CERTIFICATE OF NEED PROGRAM ON APRIL 17, 2015 (DOR #15-41)

Project Description:

This certificate approves converting 30 licensed beds to psychiatric beds at Tacoma General Hospital as allowed by RCW 70.38.111(10). The psychiatric beds will be used for the development and operation of a child/adolescent mental health services program, including inpatient care at Tacoma General Hospital.

Tacoma General Hospital and Allenmore Hospital have a combined license of 567 acute care beds. The Certificate of Need beds authorized at each location are shown in the comparison breakdown below.

<table>
<thead>
<tr>
<th>Tacoma General Hospital Site</th>
<th>Bed Type</th>
<th>Beds Before Conversion</th>
<th>Beds After Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Medical Surgical</td>
<td>367</td>
<td>337</td>
<td></td>
</tr>
<tr>
<td>Level II Intermediate Care Nursery</td>
<td>30</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Level III Neonatal Intensive Care Nursery</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>PPS Exempt Psychiatric</td>
<td>0</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Total Licensed Beds</td>
<td>437</td>
<td>437</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allenmore Hospital Site</th>
<th>Bed Type</th>
<th>Beds Before Conversion</th>
<th>Beds After Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Medical Surgical</td>
<td>130</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>Total Licensed Beds</td>
<td>130</td>
<td>130</td>
<td></td>
</tr>
</tbody>
</table>

These 30 psychiatric beds may be converted back to previous use only after approval by the Certificate of Need program of MultiCare Health System’s exemption request to return the exempt psychiatric beds back to their previous licensed status at Tacoma General Hospital.

Service Area
Pierce County and surrounding areas

Conditions
MultiCare Health System will seek certification from Department of Social and Health Services to become a provider of Involuntary Treatment Act services at Tacoma General Hospital.

This Certificate authorizes commencement of the project from April 21, 2015 to April 21, 2017, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: April 21, 2015

Janis Sigman
Manager, Certificate of Need Program
Community Health Systems

This Certificate of Need is not transferable.