May 28, 2015

CERTIFIED MAIL # 7009 0960 0000 5565 0567

Richard Petrich, VP Planning and Business Development
Franciscan Health System
1142 Broadway, #300
Tacoma, Washington 98402

RE: Certificate of Need Application #15-07

Dear Mr. Petrich:

Enclosed is Certificate of Need #1544 approving the addition of nine dialysis stations to the existing 16-station dialysis center known as St. Joseph Dialysis Center located in Tacoma within Pierce County planning area #4.

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:

Mailing Address: Physical Address
Department of Health Adjudicative Service Unit
Adjudicative Clerk Office
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, Health Professions and Facilities

cc: Department of Health, Office of Investigations and Inspections
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 #1544 is issued to:

Legal Name of Applicant:    Franciscan Health System
Address of Applicant:  1717 South J Street, Tacoma, Washington 98405-2197
Type of Service:    End Stage Renal Disease Center
Facility Name:    St. Joseph Dialysis Center
Facility Address:  1717 South J Street, Tacoma, Washington 98405-2197

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD AND EVALUATION DATED MAY 22, 2015 (CN APP #15-07)

Project Description:
This certificate approves the addition of nine dialysis stations to the existing 16-station dialysis center known as St. Joseph Dialysis Center located in Tacoma within Pierce County planning area #4. At project completion, the dialysis center is approved to certify and operate 25 dialysis stations. Services to be provided at St. Joseph Dialysis Center include hemodialysis with treatment shifts beginning after 5:00 pm, permanent bed stations, and an isolation station. Based on the information provided in the application, a breakdown of all 25 stations is below.

Franciscan Health System-St. Joseph Dialysis Center

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<table>
<thead>
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<tbody>
<tr>
<td>Private Isolation Room</td>
<td>2</td>
</tr>
<tr>
<td>Permanent Bed Station</td>
<td>14</td>
</tr>
<tr>
<td>Other In-Center Stations</td>
<td>9</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
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Service Area
Pierce County Planning Area #4

Condition
Franciscan Health System agrees with 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.

Approved Capital Expenditure
The approved capital expenditure associated with this project is $206,572.

This Certificate authorizes commencement of the project from **May 28, 2015** to **May 28, 2017**, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: May 28, 2015

Steven Saxe, Director

This Certificate of Need is not transferable.