September 15, 2015

Robert Kimmes, Chief Executive Officer
Klickitat County PHD #2-Skyline Hospital
Post Office Box 99
White Salmon, Washington 98672

Dear Mr. Kimmes:

RE: DOR 16-01

The Department of Health has completed its review of your exemption request for Skyline Hospital to increase its total number of swing beds from 5 to 25. 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 August 28, 2015
- 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
- Skyline Hospital is a Critical Access Hospital located at 211 Skyline Drive in White Salmon, within Klickitat County [98672].
- The hospital is currently licensed for 32 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>25</td>
<td>General Medical Surgical</td>
</tr>
<tr>
<td>7</td>
<td>Licensed; not set up</td>
</tr>
</tbody>
</table>

- Included within the 25 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 25.

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.
There are no nursing homes licensed under Revised Code of Washington 70.41 [hospital licensing regulation] or Revised Code of Washington 18.51 (nursing home regulation) in the city or town limits of White Salmon or within Klickitat County.

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)(e). 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 OPTION
This decision may be appealed. 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 listed below.

<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. 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,

Janis Sigman, Manager
Certificate of Need Program
Community Health Systems