September 13, 2011

CERTIFIED MAIL # 7009 2250 0001 8668 5944

Tracey Kasnic, Vice President
Patient Care Services
Central Washington Hospital
1201 South Miller Street
Post Office Box 1887
Wenatchee, Washington 98807

RE: CN11-28

Dear Ms. Kasnic:

Enclosed is Certificate of Need #1454 issued to Central Washington Hospital approving the establishment of a 22-bed transitional care unit within space at the hospital.

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 affected 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>Other Than By Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjudicative Service Unit</td>
<td>Adjudicative Clerk Office</td>
</tr>
<tr>
<td>Mail Stop 47879</td>
<td>310 Israel Road SE, Building 6</td>
</tr>
<tr>
<td>Olympia, WA 98504-7879</td>
<td>Tumwater, WA 98501</td>
</tr>
</tbody>
</table>
Tracey Kasnic,
Central Washington Hospital
September 13, 2011
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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 question, 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

Enclosure

cc: Linda Foss, Department of Health, Investigations and Inspections Office
Department of Social and Health Services
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 #1454 is issued to:

Legal Name of Applicant: Central Washington Hospital
Address of Applicant: 1201 South Miller Street, Wenatchee, Washington 98807-1887
Type of Service: Transitional Care
Facility Name: Central Washington Hospital
Facility Address: 1201 South Miller Street, Wenatchee, Washington 98807-1887

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED SEPTEMBER 2, 2011 (CN App #11-31)

Project Description:
This project approves the establishment of a 22-bed transitional care unit within space at Central Washington Hospital using beds banked under the full facility closure provisions of RCW 70.38.115(13). Once the 22-bed transitional care unit is operational there will be no remaining beds banked under full facility closure at Central Washington Hospital. At project completion, Central Washington Hospital would be operating with the following number of beds.

<table>
<thead>
<tr>
<th>Bed Type</th>
<th># of Licensed Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Medical/Surgical (includes 6-bed level II ICN)</td>
<td>176</td>
</tr>
<tr>
<td>Transitional Care Unit</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total Number of Licensed Beds</strong></td>
<td><strong>198</strong></td>
</tr>
</tbody>
</table>

Service Area
Chelan County and surrounding areas

Conditions
1. Approved project as described above.
2. Prior to providing services in the transitional care unit, Central Washington Hospital must provide its final Admission Policy for the unit. The final policy must be consistent with the draft policy provided in the application.

Approved Capital Expenditure
The approved capital expenditure associated with the establishment of the 22-bed transitional care unit within space at Central Washington Hospital is $550,860.

This Certificate authorizes commencement of the project from September 13, 2011 to September 13, 2013, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: September 13, 2011
Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.