

August 25, 2011

CERTIFIED MAIL # 7009 2250 0001 8669 3222

Theresa Boyle, Senior Vice President MultiCare Health Systems 315 Martin Luther King Way Tacoma, Washington 98405

RE: CN #11-09

Dear Ms. Boyle:

Enclosed is Certificate of Need #1450 issued to MultiCare Health Systems to add 14 Level IIB intermediate care nursery (ICN) beds to Tacoma General's existing 16 bed ICN level IIB unit.

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:

000 July 13

Mailing Address: Adjudicative Service Unit Mail Stop 47879 Olympia, WA 98504-7879 Other Than By Mail
Adjudicative Clerk Office
310 Israel Road SE, Building 6
Tumwater, WA 98501

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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,

Steven M. Saxe, FACHE

Director, Health Professions and Facilities

Enclosure

cc: Linda Foss, Department of Health, Investigations and Inspections Office

Karen Stricklett, Department of Health, Customer Service Office



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 #1450 is issued to:

Legal Name of Applicant:

MultiCare Health System

Address of Applicant:

315 Martin Luther King Jr. Way, Tacoma, Washington 98415-0299

Type of Service:

Intermediate Care Neonatal level II

Facility Name:

MultiCare Tacoma General

Facility Address:

315 Martin Luther King Jr. Way, Tacoma, Washington 98415-0299

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION OF MARCH 15, 2011 (CN App #11-09 – Intermediate Care Neonatal level II bed addition)

Project Description:

The current 26 bed intermediate care unit is located in the Phillips pavilion and will not be relocated as part of this project. The four new intermediate care nursery level II bassinettes will be located in new space adjacent to the existing neonatal intensive care unit level III unit on the 3rd floor of the Rainer pavilion. The table below contains the breakdown of beds at project completion.

Type of Service	MHS-TG	Allenmore
General Medical Surgical	367	130
Intermediate care nursery Level II	30	0
Neonatal intensive care unit Level III	8	0
Total	405	130

Service Area

Clallam, Grays Harbor, Jefferson, Kitsap, Lewis, Mason, Pacific, Pierce, and Thurston counties

Conditions

- 1. Approved project as described above.
- 2. MHS-TG will provide charity care in compliance with the charity care policies provided in this Certificate of Need application, or any subsequent polices reviewed and approved by the Department of Health. MHS-TG will use reasonable efforts to provide charity care in an amount comparable to or exceeding the average amount of charity care provided by hospitals in the Puget Sound Region. Currently, this amount is 2.02 % of gross revenue and 4.41% of adjusted revenue. MHS-TG will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.

Approved Capital Expenditure

The approved capital expenditure associated with this project is \$2,247,000.

This Certificate authorizes commencement of the project from August 25, 2011, to August 25, 2013, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: August 25, 2011

Steven Saxe

Director, Health Professions and Facilities

This Certificate is not transferable.