

July 15, 2013

Gary Bostrom, CEO and CFO Adams County Public Hospital District #2 East Adams Rural Hospital 903 South Adams Ritzville, Washington 99169

DOR #13-38

Dear Mr. Bostrom:

The department has completed the review of your exemption request regarding the replacement of East Adams Rural Hospital located in Ritzville, within Adams County. Below is the information considered and the facts relied upon by the Certificate of Need Program in reaching its conclusion regarding your project.

INFORMATION CONSIDERED

- East Adams Rural Hospital's exemption letter received May 13, 2013
- East Adams Rural Hospital's supplemental information received May 16 and July 11, 2013
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Washington Secretary of State and Department of Revenue information obtained from the respective websites
- 2013 Critical Access Hospital listing provided by the Department of Health's Rural Health office
- Department of Health Integrated Licensing and Regulatory System (ILRS)

FACTS CONSIDERED

- Adams County Public Hospital District #2 owns and operates East Adams Rural Hospital located at 903 South Adams Street in Ritzville, within Adams County.
- East Adams Rural Hospital is licensed for 20 acute care beds.
- East Adams Rural Hospital holds a current Critical Access Hospital designation from the Department of Health.
- The hospital district intends to relocate East Adams Rural Hospital in its entirety to a new site in Ritzville. The postmaster has not assigned an address to the new site, however, the site is 10 acres at Hanemann Short Plat#2, N.1/2 Sect. 25 T. 19N R 35E in Adams County.

Gary Bostrom, CEO and CFO East Adams Rural Hospital DOR #13-38 July 15, 2013 Page 2 of 3

- The hospital district will continue to own and operate the hospital at the new site.
- Current operational staff and medical services will relocate to the replacement hospital in their entirety.
- No hospital services will continue to operate at the current location.
- The site for the replacement hospital is located within Adams County, which is the planning area for the existing hospital.
- The replacement hospital will not result in additional acute care beds.
- No new tertiary services will be offered as a result of the replacement hospital project.
- No new services that require their own Certificate of Need will be offered as a result of the replacement hospital project.
- Previous Determination of Reviewability decisions issued by the department for Critical Access Hospital replacement projects.

CONCLUSION

Based on the totality of information considered, the department concludes the replacement of East Adams Rural Hospital to the site identified above is exempt from Certificate of Need review. This exemption is not transferable and the conclusions reached concerning this replacement hospital exemption are based on the facts and it should not be assumed the department would reach the same conclusion in future exemption requests for other future hospital replacements.

APPEAL OPTIONS

This decision may be appealed. The two appeal options are listed below.

Appeal Option 1:

You or any interested or affected person may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses.

Mailing Address:Other Than By MailDepartment of HealthDepartment of HealthCertificate of Need ProgramCertificate of Need ProgramMail Stop 47852111 Israel Road SEOlympia, WA 98504-7852Tumwater, WA 98501

Appeal Option 2:

You or 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

Gary Bostrom, CEO and CFO East Adams Rural Hospital DOR #13-38 July 15, 2013 Page 3 of 3

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:
Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Other Than By Mail
Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

If you have any questions regarding the exemption approval, you may call me at 360-206-2955.

Sincerely,

Janis R. Sigman, Manager Certificate of Need Program

Office of Certification and Technical Support

Enclosure

cc: Department of Health, Investigations and Inspections Office

Department of Health, Construction Review Services