



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

May 12, 2015

CERTIFIED MAIL # 7009 0960 0000 5564 6638
David Schultz, President and CEO
Harrison Medical Center
2520 Cherry Avenue
Bremerton, WA98310

CERTIFIED MAIL # 7009 0960 0000 5564 6621
Richard Petrich, VP
Planning and Business Development
Franciscan Health System
Post Office Box 2197
Tacoma, Washington 98401

RE: CN15-08

Dear Mr. Schultz and Mr. Petrich:

Enclosed is Certificate of Need #1463A-TA issued to Franciscan Health System dba CHI Franciscan Health and Harrison Medical Center approving the amendment of Certificate of Need #1463A-T issued to Franciscan Health System and Harrison Medical Center on July 14, 2014. This amended Certificate of Need approves a change in the capital expenditure.

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.



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Harrison Medical Center

Richard Petrich, VP Planning
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This decision may be appealed. The appeal options are listed below.

Appeal Option 1:

Any person with standing 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:

Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:

Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

Appeal Option 2:

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:

Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

Physical Address:

Adjudicative Service Unit
111 Israel Road SE
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,



Steven M. Saxe, FACHE
Director, Office of Community Health Systems

Enclosure

cc: Department of Health, Office of Investigations and Inspections
Department of Health, Construction Review 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 #1463A-TA is issued to:

Name and Address of Co-Applicant: Franciscan Health System
1717 South J. Street, Tacoma, Washington 98401

Name and Address of Co-Applicant: Harrison Medical Center-Bremerton Campus
2520 Cherry Avenue, Bremerton, Washington 98310

Type of Service: Acute Care Hospital

Facility Name and Address: Harrison Medical Center-Silverdale Campus
1800 Myhre Road, Silverdale, Washington 98383

ISSUANCE OF THIS AMENDED CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORDS AND AMENDED EVALUATIONS DATED MAY 1, 2012, [App #12-10]; AND FEBRUARY 26, 2015 [App #15-08]

Project Description:

Franciscan Health System dba CHI Franciscan Health and Harrison Medical Center are approved to amend CN#1463A-T due to increased capital costs associated with the 50 bed addition at the Silverdale campus. At project completion, the total number of licensed acute care beds at Harrison Medical Center will be 347. The breakdown of the licensed acute care beds is shown below.

Service Area
Kitsap County

Conditions¹

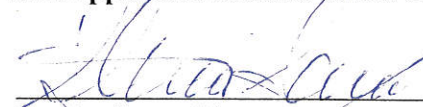
1. Approval of the project description as stated above.
2. Franciscan Health System dba CHI Franciscan Health and Harrison Medical Center will provide charity care in compliance with the charity care policies reviewed and approved by the Department of Health. Franciscan Health System dba CHI Franciscan Health and Harrison Medical Center and Harrison Medical Center 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 1.95% of gross revenue, and 4.73% of adjusted revenue. Franciscan Health System dba CHI Franciscan Health and Harrison Medical Center 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 is \$31,424,335.

This Transfer Certificate authorizes commencement of the project from February 24, 2012 to February 24, 2014, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Amended Certificate Issued: Tuesday, May 12, 2015


Steven Saxe, Director
Community Health Systems

This Certificate is not transferable.

¹ Conditions associated with CN#1463, CN#1463A and CN#1463A-T remains in effect.