



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
PO Box 47852 • Olympia, Washington 98504-7852

April 15, 2016

CERTIFIED MAIL # 7015 0640 0000 6441 5911

John Gallagher, Chief Executive Officer
Sunnyside Community Hospital
1016 Tacoma Avenue
Post Office Box 719
Sunnyside, Washington 98944

RE: Certificate of Need Application #15-23

Dear Mr. Gallagher:

Enclosed is Certificate of Need #1569 issued to Sunnyside Community Care for the establishment of a ten-bed rehabilitation unit. Issuance of this certificate is based on the Settlement Agreement signed and dated April 7, 2016.

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. 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:

John Gallagher, Chief Executive Officer
Sunnyside Community Hospital
CN Application #15-23
April 15, 2015
Page 2 of 2

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

Physical Address:
Department of Health
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,



Bart Eggen, Acting Director
Community Health Systems

Enclosure



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 #1569 is issued to:

Legal Name of Applicant: Sunnyside Community Hospital Association
Address of Applicant: 1016 Tacoma Avenue, Sunnyside Washington 98944
Type of Service: Rehabilitation
Facility Name: Sunnyside Community Hospital
Property Address: 1016 Tacoma Avenue, Sunnyside Washington 98944

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORDS AND EVALUATIONS DATED JULY 24, 2015, AND DECEMBER 14, 2015 (CN App #15-23). THIS CERTIFICATE OF NEED IS ALSO BASED ON THE SETTLEMENT AGREEMENT.

PROJECT DESCRIPTION:

This Certificate of Need approves Sunnyside Community Hospital Association to establish a ten-bed PPS exempt rehabilitation unit at Sunnyside Community Hospital in Yakima County. The most common conditions treated include stroke and other cerebrovascular accidents/conditions, respiratory diseases, neurologic disorders, such as multiple sclerosis and musculoskeletal/orthopedic conditions including major joint replacements and amputations. This Certificate of Need does not approve the provision of level I rehabilitation services as described in Washington Administrative Code 246-310-020(1)(i)(F).

At project completion, Sunnyside Community Hospital would be licensed for 45 acute care beds, shown in the breakdown below.

Bed Type	Current	Psychiatric Project	Rehabilitation Project
Medical/Surgical	25	25	25
PPS Exempt Psychiatric	0	10	10
PPS Exempt Rehabilitation	0	0	10
Licensed Beds Not In Use	13	0	0
Total Licensed Beds	38	35	45¹

Service Area

Yakima County and surrounding communities

Conditions:

See page #2

Approved Capital Expenditure

The approved capital expenditure associated with the establishment of the ten-bed rehabilitation unit at Sunnyside Community Hospital is \$2,634,000, and includes construction, equipment, and associated fees and taxes.

This Certificate authorizes commencement of the project from April 15, 2016 to April 15, 2018, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: April 15, 2016

Bart Eggen, Acting Director
Community Health Systems

This Certificate is not transferable.

¹ See footnote information on the conditions page two.

Certificate of Need #1569

Page Two

Conditions

Pursuant to the Settlement Agreement signed and dated on April 7, 2016, the following conditions apply.

1. Sunnyside Community Hospital Association agrees with the project description stated above. Sunnyside Community Hospital Association further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. The approved ten-bed rehabilitation unit must be completed and put into service at the location proposed in the application (1016 Tacoma Avenue in Sunnyside) prior to any transfer of beds to a new location.
3. Prior to providing services, Sunnyside Community Hospital Association will provide the approved version of the adopted medical director job description and identification of the medical director for the department's review and approval. The adopted document must be consistent with the draft document provided in the application.
4. Prior to providing services, Sunnyside Community Hospital Association will provide the approved versions of the adopted policies listed below for the department's review and approval. Copies of the adopted policies must exclude the following language identified in the draft policies.
"Printed copies are for reference only. See the hospital intranet for approved version."
 - Patient's Rights Policy
 - Informed Consent Policy
 - Nondiscrimination Policy
 - Charity Care Policy 1
5. Prior to providing services, Sunnyside Community Hospital Association will provide the approved rehabilitation admission policy for the department's review and approval. The adopted policy must be consistent with the draft policy provided in the application.
6. Sunnyside Community Hospital will provide charity care in compliance with the charity care policy referenced above, or any subsequent policies reviewed and approved by the Department of Health. Sunnyside Community Hospital will use reasonable efforts to provide charity care at the amount identified in the application or comparable to the average amount of charity care provided by the hospitals in the Central Region. Currently, this amount is 2.34% for gross revenue and 5.39% for adjusted revenue. Sunnyside Community Hospital will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.

¹ Under the provisions of RCW 70.38.105(4)(e)(iii), if Sunnyside Community Hospital relinquishes its Critical Access Hospital (CAH) designation, it may revert back to 38 licensed medical surgical beds, in addition to the ten dedicated psychiatric beds and the ten dedicated rehabilitation beds, for a facility total of 58 licensed acute care beds, without having to obtain a new Certificate of Need.