



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

December 28, 2012

Meta Dooley, Senior Vice President
Strategic Planning and Business Development
Franciscan Health System
Post Office Box 2197
Tacoma, Washington 98401-2917

Dear Ms. Dooley:

We have completed our review of the materials submitted on November 21 and December 20, 2012, about the affiliation of Franciscan Health System and Highline Medical Center's main campus. Based on that review, the department concludes the affiliation as described is not subject to prior Certificate of Need review and approval.

This determination is not transferable and is based on the facts submitted. Prior Certificate of Need review and approval may be required if changes occur in the facts we relied on to make this determination.

Highline Medical Center is currently licensed for 239 acute care beds at two campuses. The number of beds at each campus is shown below.

HIGHLINE MEDICAL CENTER MAIN CAMPUS	HIGHLINE MEDICAL CENTER SPECIALITY CAMPUS
16251 Sylvester Road Southwest in Burien	12844 Military Road South in Tukwila
Medical/Surgical = 149	Level 2 rehabilitation = 12
Level 2 nursery = 5	Available but not in use = 11
	Geropsych, inpatient detox = 62
Total beds - 154	Total beds - 85

Prior to April 2, 2012, Highline Medical Center also operated a 30-bed skilled nursing facility on the main campus in Burien. On April 2, 2012, Highline Medical Center banked the 30 skilled nursing beds under the full facility closure provisions of Revised Code of Washington 70.38.115(13). These 30 banked beds are not included in the 154 licensed beds located at the main campus.

Additionally, Regional Hospital for Respiratory and Complex Care is a 40-bed long term acute care hospital [LTACH] located on Highline Medical Center's specialty campus. The 40 LTACH beds are not included in the 85 beds located on the specialty campus.

The proposed affiliation described is between Franciscan Health System and Highline Medical Center's main campus only.¹

If Franciscan Health System intended to expand the number of acute care beds at Highline Medical Center's main campus, prior Certificate of Need review is required. Certificate of Need review and approval may also be required if any changes occur. The following are examples that would cause Certificate of Need review:²

- 1) an expansion in the scope of services provided at Highline Medical Center to include services subject to Certificate of Need review under the provisions of WAC 246-310-020; OR
- 2) any cease of operations and then intent to resume services as a hospital; OR
- 3) should either Franciscan Health System or Highline Medical Center be sold or leased to another entity.

This determination of non-reviewability does not constitute approval under any other local, federal, or state statute, or implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Section 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.

APPEAL OPTION

You or any interested or affected person may appeal this determination by requesting an adjudicative proceeding within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of RCW 34.05 and WAC 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

Other Than By Mail

Adjudicative Clerk Office
310 Israel Road SE, Building 6
Tumwater, WA 98501

¹ The department acknowledges that on November 29, 2012, Acadia Healthcare located in Tennessee submitted a Certificate of Need application for the purchase of Highline Medical Center's specialty campus and its 85 acute care beds. [CN Application #13-10]

² The list is not intended to be an exhaustive list.

Meta Dooley, Franciscan Health System
DOR #13-18
December 28, 2012
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Please call me at (360) 236-2955 if you have any further questions as you proceed with the proposed affiliation.

Sincerely,



for
Janis R. Sigman, Manager
Certificate of Need Program
Office of Certification and Technical Support

cc: Richard McCartan, AAG
Department of Health, Investigations and Inspections Office