



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

January 8, 2013

CERTIFIED MAIL # 7011 1570 0002 7809 5490

Jean Stevens, Regional Vice President
Fresenius Medical Care
2121 SW Broadway, Suite 111
Portland, Oregon 97201

RE: CNI2-36A

Dear Ms. Stevens:

Enclosed is Certificate of Need #1494 issued to Renal Care Group Northwest, Inc. approving the establishment of Fresenius Thurston County Dialysis Center in Thurston County. At project completion, Fresenius Thurston County Dialysis Center will have six approved stations as noted on the certificate.

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.

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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
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,



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 #1494 is issued to:

Legal Name of Applicant: Renal Care Group Northwest, Inc.
Address of Applicant: 2121 SW Broadway, Suite 111, Portland, Oregon 97201
Type of Service: End Stage Renal Disease Facility
Facility Name: Fresenius Thurston County Dialysis Center
Facility Address: 8770 Tallon Lane NE Lacey, Washington 98516

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED DECEMBER 20, 2012, (CN App #12-36A)

Project Description:

This certificate approves the establishment of a six station dialysis facility in Lacey, Washington within Thurston County. At project completion, the dialysis facility will be approved to certify and operate six dialysis stations. Services provided include hemodialysis and peritoneal home training, in-center hemodialysis, a permanent bed station and an isolation station. A breakdown of all six stations is below:

Fresenius Thurston County Dialysis Facility

| | |
|--------------------------|----------|
| Private Isolation Room | 1 |
| Permanent Bed Station | 1 |
| Other In-Center Stations | 4 |
| Total | 6 |

After the 6-stations are relocated from the 25-station Fresenius Medical Care Lacey, the facility would have 19-stations remaining. A breakdown of the remaining 19-stations is shown below.

Fresenius Medical Care Lacey Dialysis Facility

| | |
|--------------------------|-----------|
| Private Isolation Room | 1 |
| Permanent Bed Station | 1 |
| Other In-Center Stations | 17 |
| Total | 19 |

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Certificate of Need #1494

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Service Area

Thurston County

Conditions

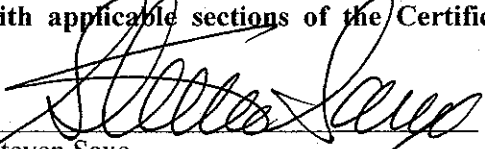
1. Renal Care Group Northwest, Inc agrees with the project description as stated above. Renal Care Group Northwest, Inc. further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Renal Care Group Northwest, Inc. must decertify 6-stations from the 25-stations Fresenius Lacey Dialysis Facility no later than 30 days following the opening of the new 6-stations dialysis facility. At project completion, 19-dialysis stations would remain in operation at Fresenius Lacey Dialysis Facility.
3. Prior to providing services, Renal Care Group Northwest, Inc. will provide a copy of the executed lease agreement for the department's review and approval. The executed lease agreement must be consistent with the draft provided in the application.
4. Prior to providing services, Renal Care Group Northwest, Inc. will provide an executed copy of the patient transfer agreement for the department's review and approval. The executed patient transfer agreement must be consistent with the draft provided in the application.
5. Prior to providing services, Renal Care Group Northwest, Inc. will provide a copy of the executed medical director agreement for the department's review and approval. The executed medical director agreement must be consistent with the draft provided in the application.

Approved Capital Expenditure

The approved capital expenditure associated with this project is \$1,844,480. This amount represents the total capital expenditure of \$2,587,359, minus the property owner's costs of \$742,879.

This Certificate authorizes commencement of the project from January 8, 2013 to January 8, 2015 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: January 8, 2013


Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.