



STATE OF WASHINGTON  
**DEPARTMENT OF HEALTH**  
*Olympia, Washington 98504*

August 6, 2013

Theresa Rambosek, Corporate Counsel  
Franciscan Health System  
Post Office Box 2197  
Tacoma, Washington 98401

RE: Determination of Reviewability #13-24  
Franciscan Health System and Harrison Medical Center Affiliation

Dear Ms. Rambosek:

The department has completed the review of your exemption request regarding the proposed affiliation between Franciscan Health System and Harrison Medical Center. 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**

- Franciscan Health System's Request for Determination of Reviewability received on January 9, 2013
- Certificate of Need Program internal notes dated February 2, 2013
- Certificate of Need Program internal notes from a May 17, 2013, meeting with representatives of Franciscan Health System
- Franciscan Health System's Revised Request for Determination of Reviewability, including all appendices, received on May 21, 2013
- Franciscan Health System's Supplemental Information, including the draft Affiliation Agreement, received on June 19, 2013
- Previous Certificate of Need affiliation determinations
- Revised Code of Washington (RCW) 70.38
- Washington Administrative Code (WAC) 246-310
- Department of Health-Integrated Licensing and Regulatory System database [ILRS]
- Comments provided by Diana Thompson received on June 24, 2013
- Comments provided by Garret Ihler received on June 29, 2013
- Comments provided by American Civil Liberties Union of Washington [ACLU] received on July 18, 2013
- Comments provided by Anne Moody received on July 18, 2013
- Comments provided by Claire Dederer received July 18, 2013

- Comments provided by Michael Todd Penland received on July 20, 2013
- Comments provided by Brian Robick, PhD received on July 29, 2013
- Comments provided by United Food and Commercial Workers [UFCW] Local 21 received July 31, 2013
- Certificate of Need program records
- Data obtained from the Harrison Medical Center website at [www.harrisonmedical.org](http://www.harrisonmedical.org)

### **Conclusion**

Based on the totality of information considered by the department and consistent with previous similar determinations issued by the department, the proposed affiliation between Franciscan Health System and Harrison Medical Center is not subject to prior Certificate of Need review.

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.

Harrison Medical Center is currently licensed for 297 acute care beds at two campuses—one in Bremerton and one in Silverdale. The number of beds at each campus is shown below.

<b>297 Currently Licensed Beds</b>			
<b>Bremerton Campus</b>	<b># of Beds</b>	<b>Silverdale Campus</b>	<b># of Beds</b>
General Medical/Surgical	218	General Medical/Surgical	44
Level II Intermediate Care Nursery	24	Level II Intermediate Care Nursery	0
Psychiatric (11 are PPS Exempt)	11	Psychiatric (0 are PPS exempt)	0
<b>Total</b>	<b>253</b>	<b>Total</b>	<b>44</b>

On February 24, 2012 the department issued CN#1463A to Harrison to add 50 medical/surgical acute care beds at its Silverdale campus. According to submitted project progress reports, the construction portion of the project has commenced and is nearly complete, but the project is not expected to be licensed and open for patients until mid to late September 2013. An issued Certificate of Need must be completed by the original applicant<sup>1</sup> as identified in the application. If the affiliation between Harrison Medical Center and Franciscan Health System is finalized prior to the completion of the project approved by CN #1463A, there would be a new applicant (Franciscan Health System), and an application to transfer the certificate of need would be required under WAC 246-310-500(7).

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<sup>1</sup>(6) "Applicant," means:

- (a) Any person proposing to engage in any undertaking subject to review under chapter 70.38 RCW; or
- (b) Any person or individual with a ten percent or greater financial interest in a partnership or corporation or other comparable legal entity engaging in any undertaking subject to review under chapter 70.38 RCW.

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Various changes in the operation of hospitals may require Certificate of Need review. This determination of non-reviewability pertains only to the act of affiliation, and does not pertain to any other change that may occur at the facilities.

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 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. 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

Please call me at (360) 236-2955 if you have any questions regarding this determination.

Sincerely,



Janis R. Sigman, Manager  
Certificate of Need Program  
Health Professions and Facilities

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