



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

August 31, 2017

CERTIFIED MAIL # 7016 3010 0001 0575 1485

John Gallagher, CEO  
Sunnyside Healthcare  
1016 Tacoma Avenue  
Post Office Box 719  
Sunnyside, Washington 98944

RE: Certificate of Need Application #17-26

Dear Mr. Gallagher:

Enclosed is Certificate of Need #1613 issued to Regional Health approving the purchase of Yakima Regional Medical and Cardiac Center from Community Health Systems/CHS.

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:

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,



Steve Bowman, PhD, MHA  
Director, Office of 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 #1613 is issued to:**

**Legal Name of Applicant:** Regional Health  
**Address of Applicant:** 1016 Tacoma Avenue, Sunnyside Washington 98944  
**Type of Service:** Acute Care Hospital  
**Facility Name:** Yakima Regional Medical and Cardiac Center  
**Facility Address:** 110 South Ninth Avenue, Yakima, Washington 98902

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED AUGUST 22, 2017 (CN App #17-26)**

**Project Description**

This certificate approves the purchase of Yakima Regional Medical and Cardiac Center by Regional Health. There is no change in the number of approved beds. A breakdown of beds by type is shown below:

Bed Type	Number of Licensed Beds
General Medical/Surgical	197
PPS Exempt Rehabilitation	17
<b>Total Licensed Beds</b>	<b>214</b>

**Service Area**

Yakima County and surrounding communities

**Conditions**

Conditions Identified on Page Two

**Approved Capital Expenditure**

The estimated capital expenditure for the purchase of Yakima Regional Medical and Cardiac Center is \$41,923,200.

This Certificate authorizes commencement of the project from August 31, 2017 to August 31, 2019 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

**Date Certificate Issued:** August 31, 2017

Steve Bowman, PhD, MHA  
Director, Office of Community Health Systems

**This Certificate is not transferable**

# Certificate of Need #1613

## Page Two

### Conditions

1. Approval of the project description as stated above. Regional Health 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. Prior to issuance of a Certificate of Need for this project, Regional Health shall submit the documentation referenced in section 2.1 of the Asset Purchase Agreement that identifies a revised closure date for the transaction. [condition met 08/30/17]
3. Regional Health shall finance the project as described in the application.
4. Within 30 days of the acquisition, Regional Health will submit to the department for review and approval the executed copy of the System Benefit Agreement. The executed copy must be consistent with the draft agreement provided in the application
5. Within 30 days of the acquisition, Regional Health will submit to the department for review and approval the adopted copies of its admissions policy, non-discrimination policy, end-of-life policy, and reproductive health policy. Each of these policies must be consistent with the drafts provided in the application.
6. Within 30 days of the acquisition, Regional Health will submit to the Certificate of Need Program a copy of the charity care policy that has been reviewed and approved by the Charity Care Program within the Department of Health.
7. Yakima Regional Medical and Cardiac Center will provide charity care in compliance with its charity care policies reviewed and approved by the Department of Health, or any subsequent policies reviewed and approved by the Department of Health. Yakima Regional Medical and Cardiac Center will use reasonable efforts to provide charity care in an amount identified in the application or comparable to the average amount of charity care provided by hospitals in the Central Region – whichever is greater. The amount identified in the application was 0.86% of gross revenue and 2.43% of adjusted revenue. Currently, the regional average is 1.50% gross revenue and 3.67% of adjusted revenue. Yakima Regional Medical and Cardiac Center will maintain records of charity care applications received and the dollar amount of charity care discounts granted. The department requires these records to be available upon request.
8. Yakima Regional Medical and Cardiac Center will submit annual budgets (required under WAC 246-454-030) that include budgeted charity care of at least the amount identified in the application or comparable to the average amount of charity care provided by hospitals in the Central Region – whichever is greater.
9. Regional Health will continue providing the essential services identified in the application for a minimum of ten years. These services are restated below.
  - Critical Care
  - Pediatric Care
  - 24-hour Emergency Care
  - Diagnostic Services (including cardiac cath)
  - Electrocardiography
  - Diagnostic Services including radioisotope, electrocardiography, pulmonary function, and nuclear medicine
  - Therapeutic services, including occupational, physical, recreational, and rehabilitation therapy
  - Gastro-intestinal Laboratory
  - Pulmonary Function Services
  - Respiratory Therapy
  - Therapeutic Radioisotope
  - Wound Care
  - IV Therapy
  - Inpatient and Outpatient Surgical Services
  - Contracted Services, including speech-language pathology, acute dialysis, echocardiology, electroencephalography
  - Outpatient Services, including diabetes, hypertension, metabolic
  - Other Services, including telemetry rehabilitation, pharmacy, outpatient rehabilitation services, clinical services, chaplaincy services, diabetic training, dietetic counseling, drug reaction information, medical research, social work, home health aide, and home nursing care