



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

August 2, 2010

CERTIFIED MAIL # 7007 3020 0000 3056 2377

Meta Dooley, Senior Vice President  
Strategic Planning and Business Development  
Franciscan Health System  
St. Joseph Medical Center  
1717 South J Street  
Tacoma, Washington 98401-2197

Dear Ms. Dooley:

Enclosed is Certificate of Need Certificate of Need #1425 issued to Franciscan Health System approving two separate projects.

- 1) Establish a 23-bed dedicated inpatient psychiatric unit at St. Joseph Medical Center by adding 23 new acute care beds to the hospital's total licensed beds; and
- 2) Reallocate 16 dedicated psychiatric beds to medical surgical use at St. Joseph Medical Center.

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 during which time you must start the project. 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 two appeal options are listed below.

Appeal Option 1:

You or any interested or affected person 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

Other Than By Mail  
Department of Health  
Certificate of Need Program  
310 Israel Road SE  
Tumwater, WA 98501

Appeal Option 2:

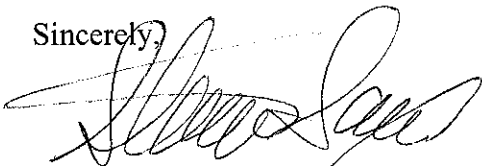
You or any affected person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:  
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

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 question, 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 #1425 is issued to:**

**Legal Name of Applicant:** Franciscan Health System  
**Address of Applicant:** St. Joseph Medical Center  
1717 South J Street, Tacoma, Washington 98401-2197  
**Type of Service:** General Medical Surgical Acute Care Bed Addition  
Dedicated Psychiatric Beds  
**Facility Name:** St. Joseph Medical Center  
**Facility Address:** 1717 South J Street, Tacoma, Washington 98401-2197

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION OF JULY 2, 2010 (CN App #09-30A)**

**Description/Services To Be Provided:**

This certificate approves two separate projects.

- 1) Establish a 23-bed dedicated inpatient psychiatric unit at St. Joseph Medical Center by adding 23 new acute care beds to the hospital's total licensed beds; and
- 2) Reallocate 16 dedicated psychiatric beds to medical surgical use at St. Joseph Medical Center.

At project completion, Franciscan Health System's campus configuration at St. Joseph Medical Center and St. Francis Hospital is shown below:

St. Joseph Medical Center	# of Beds
General Medical/Surgical	276
Level 2 intermediate care nursery	18
Dedicated Psychiatric	23
Dedicated Rehab PPS Exempt	26
<b>Total</b>	<b>343</b>

St. Francis Hospital	# of Beds
General Medical/Surgical	118
Level 2 intermediate care nursery	6
Dedicated Psychiatric	0
Dedicated Rehab PPS Exempt	0
<b>Total (before January 2012)</b>	<b>124</b>

**Condition:**

St. Joseph Medical Center will use reasonable efforts to provide charity care in an amount comparable to or exceeding the average amount of charity care provided by hospitals in the Puget Sound Region. Currently, this amount is 1.93% of gross revenue and 4.20% of adjusted revenue. St. Joseph Medical Center will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.

**Service Area**

St. Joseph Medical Center is located in central Pierce County; St. Francis Hospital is located in southeast King County.

**Approved Capital Expenditure**

The approved capital expenditure associated with this project is \$2,500,000 solely related to the psychiatric project.

This Certificate authorizes commencement of the project from August 2, 2010, to August 2, 2012, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: August 2, 2010

Steven Saxe  
Director, Health Professions and Facilities

**This Certificate is not transferable.**