



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

April 27, 2012

CERTIFIED MAIL # 7011 1570 0002 7802-6005

Theresa Boyle, Senior Vice President
MultiCare Health System
315 Martin Luther King Way
Tacoma, Washington 98405

Dear Ms. Boyle:

Enclosed is Certificate of Need #1468 issued to MultiCare Health System proposing to establish a 40 bed level IIIB NICU at Tacoma General Hospital, Tacoma, Washington.

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. 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

Theresa Boyle, Senior VP
MultiCare Health System
Certificate of Need App #11-07
April 27, 2012
Page 2

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,

A handwritten signature in black ink, appearing to read "Steven M. Saxe". The signature is written in a cursive, flowing style with some overlapping letters.

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 #1468 is issued to:

Legal Name of Applicant: MultiCare Health System
Address of Applicant: 315 Martin Luther King Jr. Way, Tacoma, Washington 98415-0299
Type of Service: Neonatal Intensive Care Unit level III
Facility Name: MultiCare Tacoma General
Facility Address: 315 Martin Luther King Jr. Way, Tacoma, Washington 98415-0299

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION OF March 28, 2012 (CN App #11-07 – Neonatal Intensive Care Unit level IIIB bed addition)

This project focuses on Tacoma General Hospital (TGH) located 315 Martin Luther King Way in the city of Tacoma, within Pierce County. TGH obtained prior Certificate of Need approval to establish an 8-bed NICU level IIIB. Subsequent to the approval, TGH expanded its NICU level IIIB by 22 beds, resulting in 30 NICU level IIIB beds in operation at TGH. This project proposes to rectify the 22 bed discrepancy and add an additional 10 NICU level IIIB beds, for a total of 40 NICU level IIIB beds in operation at TGH. The current NICU is located in the Rainier Pavilion and would not be relocated as part of this project. This bed expansion includes space for the 10 additional level IIIB beds to be located in space adjacent to current NICU in the Rainier Pavilion. The neonatal project is part of a larger expansion of the Rainer Pavilion which includes space for other programs and services that do not require prior Certificate-of Need approval.

Since MultiCare Health System operates both Tacoma General Hospital and Allenmore Hospital under the same license, the table below contains a breakdown of the 567 licensed beds at both hospitals at completion of this project.

Project Description:

Type of Service	MHS-TG	Allenmore
General Medical Surgical	367	130
Intermediate care nursery Level II	30	0
Neonatal intensive care unit Level III	40	0
Total	437	130

Service Area

Clallam, Grays Harbor, Jefferson, Kitsap, Lewis, Mason, Pacific, Pierce, and Thurston counties

Conditions

Conditions Identified on page 2

Approved Capital Expenditure

The approved capital expenditure associated with this project is \$7,809,189.

This Certificate authorizes commencement of the project from April 27, 2012, to April 27, 2014, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: April 27, 2012

Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.

CN #1468 Conditions

1. Approved project as described on page one.
2. Tacoma General Hospital is approved for a total of 40 licensed NICU level IIIB beds. A separate Certificate of Need is required for NICU level IIIC.
3. Tacoma General Hospital will provide charity care in compliance with the charity care policies provided in this Certificate of Need application, or any subsequent policies reviewed and approved by the Department of Health. Tacoma General Hospital 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 2.02 % of gross revenue and 4.41% of adjusted revenue. Tacoma General Hospital will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.