



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

June 10, 2013

CERTIFIED MAIL #7011 1570 0002 7802 6388

Meredith Vaughan, System Director
Planning and Strategy
PeaceHealth
1115 Southeast 164th Avenue, 2nd Floor
Vancouver, Washington 98683

Dear Ms. Vaughan:

Enclosed is Certificate of Need #1504 issued to PeaceHealth approving the lease and operation of Skagit County Public Hospital District #304-United General Hospital located in Sedro Woolley, within Skagit County.

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 two appeal options are listed below.

Appeal Option 1:

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:

Janis Sigman, Manager
Certificate of Need Program
Department of Health
Mail Stop 47852
Olympia, WA 98504-7852

Other Than By Mail

Janis Sigman, Manager
Certificate of Need Program
Department of Health
111 Israel Road SE
Tumwater, WA 98501



Meredith Vaughan, System Director
PeaceHealth
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Appeal Option 2:

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 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 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: Department of Health, Investigations and Inspections 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 #1504 is issued to:

Legal Name of Applicant: PeaceHealth
Address of Applicant: St. Joseph Medical Center
2901 Squalicum Parkway
Bellingham, Washington 98225-1898
Type of Service: Lease and Operation of Hospital
Facility Name: Skagit County Public Hospital District #304
dba United General Hospital
Facility Address: 2000 Hospital Drive
Sedro Woolley, Washington 98284

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON
THE DEPARTMENT'S RECORD AND EVALUATION OF MAY 20, 2013 (App #13-08).**

Project Description:

PeaceHealth is approved to enter into an agreement to lease and operate Skagit County Public Hospital District #304-United General Hospital. The lease agreement is for 30 years, with two 10-year options to renew. United General Hospital is a 25-bed critical access hospital located in Sedro Woolley, within Skagit County.

Service Area

Skagit County and surrounding communities


Conditions Listed on Page Two

Approved Capital Expenditure

The approved capital expenditure is \$1,103,401, and is solely related to the additional equipment to be purchased for continued hospital operations.

This Certificate authorizes commencement of the project from June 10, 2013, to June 10, 2015, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: June 10, 2013


Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable.

Certificate of Need #1504

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Conditions:

1. PeaceHealth agrees with the project description as stated above. PeaceHealth 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. PeaceHealth United General Hospital must provide charity care in compliance with the charity care policies reviewed and approved by the Department of Health. PeaceHealth United General Hospital will use reasonable efforts to provide charity care in the amounts identified in the application, which are 3.28% of total revenue and 6.54% of adjusted revenue. PeaceHealth United General Hospital's charity care percentages should not be below the regional average amount of charity care provided by hospitals in the Puget Sound Region. Currently, this amount is 2.18% of gross revenue and 4.71% of adjusted revenue. PeaceHealth United General Hospital will maintain records documenting the amount of charity care it provides and demonstrating its compliance with its charity care policies.
3. PeaceHealth must submit to the department for review and approval an executed Admission Procedure/Patient Care Procedure consistent with the draft provided in the application.
4. PeaceHealth must submit to the department for review and approval an executed Patients' Rights and Responsibilities/Patient Care Policy consistent with the draft provided in the application.
5. PeaceHealth must submit to the department for review and approval an executed Bridge Assistance/Patient Financial Services Policy [Charity Care Policy] consistent with the draft provided in the application.
6. PeaceHealth must submit to the department for review and approval a copy of the executed Operating [lease] Agreement between Skagit County Public Hospital #304 and PeaceHealth St. Joseph Medical Center consistent with the draft agreement provided in the application. The agreement must be provided within 30 of execution.