

February 13, 2012

CERTIFIED MAIL #7008 1300 0000 7202 9898

Greg Pyle, Project Coordinator Hilltop Healthcare, Inc. Post Office Box 2708 Issaquah, Washington 98027

Dear Mr. Pyle:

We have completed review of your January 6, 2012, request submitted on behalf of Hilltop Healthcare, Inc. proposing to extend the validity of Replacement Authorization (RA) #070. RA #070 approves the replacement of Valley Care Center located in Okanogan to a new site located in Omak. Enclosed is Replacement Authorization (RA) #070E which extends the validity of RA #070 from May 27, 2012, to November 27, 2012.

The extended RA 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.

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

Greg Pyle, Project Coordinator Hilltop Healthcare, Inc. RA #070E February 13, 2012 Page 2 of 2

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 questions, please contact me at (360) 236-2955.

Sincerely,

Janis Sigman, Manager

Certificate of Need Program

Janie & Sigmen

Office of Certification and Technical Support

Enclosure

cc: Department of Social and Health Services

Department of Health, Construction Review Services

CRS project #60022070



In accordance with RCW 70.38 and implementing rules and regulations, 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.

Replacement Authorization #070E is issued to:

Existing Licensee:

Hilltop Healthcare, Inc.

Current Facility Name:

Valley Care Center

Current Facility Address:

520 South Second Avenue

Okanogan, Washington 98840

Current County Location:

Okanogan

Current Number of Licensed Beds:

56 licensed and zero banked

Replacement Facility Information

Replacement Facility Licensee:

Hilltop Healthcare, Inc.

Replacement Facility Name:

Valley Care Center

Replacement Facility Address:

901 Shumway Road

Omak, Washington 98841

Replacement Facility County Location:

Okanogan

Replacement Facility Number of Beds:

56

Capital Expenditure of Project:

\$5,500,000

Description of Approved Project

Hilltop Healthcare, Inc. is the existing licensee of Valley Care Center located in Okanogan, within Okanogan County. Currently Valley Care Center is licensed for 56 skilled nursing beds and has zero beds banked under the alternate use section of Revised Code of Washington 70.38.111(8) and Washington Administrative Code 246-310-395.

This Replacement Authorization approves the replacement of Valley Care Center at a new site in Omak, within Okanogan County. The new facility will continue to be known as Valley Care Center. At project completion, the maximum number of beds at the new facility will be 56.

Hilltop Health Care of Okanogan, LLC is the building owner of Valley Care Center. The licensee of Hilltop Health Care of Okanogan, LLC. Hilltop Health Care of Okanogan, LLC. Hilltop Health Care of Okanogan, LLC provided written approval of the replacement of Valley Care Center.

This Extended Replacement Authorization is effective from May 27, 2012, through November 27, 2012, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Issued:

February 13, 2012

Janis Sigman

Manager, Certificate of Need Program

Office of Certification and Technical Support

This Replacement Authorization is not transferable.