



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

August 2, 2019

CERTIFIED MAIL # 7018 2290 0001 8591 8612

Rob Watilo, Chief Strategy Officer  
Kadlec Regional Medical Center  
888 Swift Road  
Richland, WA 99352

RE: Certificate of Need Application #19-15

Dear Mr. Watilo:

Enclosed is Certificate of Need #1797 issued to Kadlec Regional Medical Center in Richland, within the Benton-Franklin planning area.

The certificate is not an 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

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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 the Certificate of Need Program at (360) 236-2955.

Sincerely,



Nancy Tyson, Executive Director  
Health Facilities and Certificate of Need  
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 #1797 is issued to:**

**Applicant's Legal Name:** Kadlec Regional Medical Center  
**Applicant's Address:** 888 Swift Road, Richland, WA 99352  
**Facility Type** Acute Care Hospital  
**Project Type** Acute Care Hospital  
**Facility Name:** Kadlec Regional Medical Center  
**Facility Address:** 888 Swift Road, Richland, WA 99352

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED AUGUST 1, 2019 (CN APP # 19-15)**

**Project Description**

This certificate approves the addition of 67 general medical/surgical acute care beds to Kadlec Regional Medical Center located in Richland. The approval will result in the following bed counts for the hospital.

Services Provided	Total Beds-Current	Total Beds-Following Completion
Acute Care	231	298
Inpatient Rehab	12	12
NICU Level II & III	27	27
<b>Total</b>	<b>270</b>	<b>337</b>

**Service Area**

Benton-Franklin Planning Area

**Conditions**

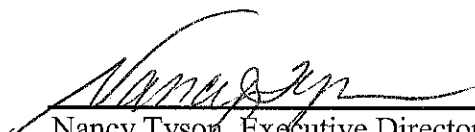
The conditions are identified on page 2 of this certificate

**Approved Capital Expenditure**

\$1,416,100

This Certificate authorizes commencement of the project from June 27, 2019 to June 27, 2021 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: June 27, 2019

  
Nancy Tyson, Executive Director  
Health Facilities and Certificate of Need  
Washington State Department of Health

**This Certificate is not transferable**

**Certificate of Need #1797**

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**Conditions**

1. Kadlec Regional Medical Center agrees with the project description as stated above. Kadlec Regional Medical Center 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. Kadlec Regional Medical Center will use reasonable efforts to provide charity care consistent with the regional average or the amount identified in the application – whichever is higher. The regional charity care average from 2016-2018 was 0.96% of gross revenue and 2.51% of adjusted revenue. Kadlec Regional Medical Center will maintain records of charity care applications received and the dollar amount of charity care discounts granted. The department requires that these records be available upon request.
3. Prior to execution of this certificate, Kadlec Regional Medical Center will submit the final, adopted charity care policy approved by the department of health.
4. Kadlec Regional Medical Center will finance the project using cash reserves as stated in the application
5. Kadlec Regional Medical Center agrees that the hospital will maintain Medicare and Medicaid certification, regardless of facility ownership.